



ASX & Media Release

AGL confirms Brett Redman as CEO & Managing Director

18 December 2018

AGL Energy Limited (AGL) has today announced that the Board has appointed Brett Redman as Chief Executive Officer & Managing Director on a permanent basis. Mr Redman has been AGL's interim CEO since 24 August 2018 and was previously Chief Financial Officer. The appointment is effective 1 January 2019.

AGL Chairman, Graeme Hunt, said: "Brett's appointment follows a domestic and international search process that included strong internal and external candidates, as a result of which the Board formed a unanimous view that Brett is the right person to lead AGL in the years ahead.

"Having had the opportunity to work with Brett during his four months as interim CEO, the Board has been greatly impressed with the manner in which he has led the business. He has demonstrated an energy and rigour and a commitment to culture and performance that has been welcomed by all."

Mr Redman said: "It's a great honour for me to get the opportunity to represent AGL's people as CEO on a permanent basis. We have strong momentum with our commitments to safety, our customers, our people and our financial performance. The team is focused on driving growth, to the ongoing transformation of our business and to investing in our social licence at a time of immense scrutiny in our sector."

Mr Redman was AGL's CFO from 2012, having joined AGL in 2007 and has more than 25 years' experience in senior roles in blue-chip industrial companies in Australia and North America.

A search process has also commenced for the Chief Financial Officer position. Damien Nicks, who has been interim CFO since August 2018, will continue to serve in this role until a permanent appointment is made.

Attached are details of Mr Redman's remuneration and other key aspects of his service agreement.

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About AGL

AGL is committed to helping shape a sustainable energy future for Australia. We operate the country's largest electricity generation portfolio, we're its largest ASX-listed investor in renewable energy, and we have 3.6 million customer accounts. Proudly Australian, with more than 180 years of experience, we have a responsibility to provide sustainable, secure and affordable energy for our customers. Our aim is to prosper in a carbon-constrained world and build customer advocacy as our industry transforms. That's why we have committed to exiting our coal-fired generation by 2050 and why we will continue to develop innovative solutions for our customers.



Summary of Service Agreement

A summary of the material terms of the Service Agreement between AGL and Brett Redman is set out below.

Position	Chief Executive Officer and Managing Director
Commencement Date	1 January 2019
Term	No fixed term. The agreement will continue until terminated by either party in accordance with the Service Agreement.
Total Fixed Remuneration (TFR)	\$1,650,000 per annum inclusive of superannuation contributions. The TFR is subject to annual review.
Short Term Incentive (STI)	<p>Mr Redman will be eligible to participate in AGL's Short Term Incentive Plan. For FY19, the STI award has been divided into two tranches reflecting the period prior to Mr Redman's appointment as Chief Executive Officer and Managing Director (1 July 2018 – 31 December 2018) and the period that Mr Redman will be acting as Chief Executive Officer and Managing Director (1 January 2019 – 30 June 2019).</p> <p>Tranche 1 (1 July 2018 – 31 December 2018):</p> <ul style="list-style-type: none"> • A maximum opportunity of 122.4% of the TFR applicable to this period (\$1,050,000), pro-rated for the 6 month period. • The award will be given 70% in cash and 30% in AGL shares. <p>Tranche 2 (1 January 2019 – 30 June 2019):</p> <ul style="list-style-type: none"> • A maximum opportunity of 100% of the TFR applicable to this period (\$1,650,000), pro-rated for the 6 month period. • The award will be given 50% in cash and 50% in AGL shares. <p>As part of the ongoing review of AGL's executive remuneration framework referred to in the 2018 Remuneration Report, the maximum opportunity of the CEO under the STI has been reviewed and reduced from 144% of TFR to 100% of TFR. The Board has also determined to remove the individual performance moderator from the CEO's STI calculation. Further details on these changes will be included in the 2019 Remuneration Report.</p>

<p>Long Term Incentive (LTI)</p>	<p>Subject to any required shareholder approvals, Mr Redman will be eligible to participate in AGL's Long Term Incentive Plan. The LTI award to be made during FY20 is an allocation of performance rights with a maximum opportunity of 130% of TFR. Vesting of this award will be subject to relevant performance conditions, as determined by the Board. The FY20 award will be subject to shareholder approval at the 2019 Annual General Meeting.</p> <p>Mr Redman will continue to hold performance rights allocated in respect of FY19, which were allocated prior to his appointment as Chief Executive Officer and Managing Director.</p>
<p>Notice Period</p>	<p>6 months by AGL.</p> <p>6 months by the CEO.</p> <p>Nil in the case of serious misconduct.</p> <p>There is also a provision entitling Mr Redman to terminate the agreement on 3 months' notice if a material change in his status occurs.</p>
<p>Termination Entitlements</p>	<p>On termination of employment following notice, AGL will pay all TFR and any statutory entitlements owing.</p> <p>If Mr Redman terminates the agreement due to a material change in status, he will also be entitled to an additional 9 months' TFR.</p>
<p>Post-employment restraints</p>	<p>A 12 month restraint provision applies.</p>
<p>Other provisions</p>	<p>The agreement also contains general provisions regarding confidential information and intellectual property rights.</p>