

**AGL Energy Limited 2018  
Annual General Meeting webcast transcript  
26 September 2018**

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**AGL 2018 Annual General Meeting**

Good morning, ladies and gentlemen. My name is Graeme Hunt and I am your Chairman. Welcome to AGL's 2018 Annual General Meeting.

I'd like to start the meeting by acknowledging the traditional owners of the land on which we meet today, the Wurundjeri people of the Kulin nation, and pay our respects to their elders past and present.

May I ask you to make sure that your mobile phones are switched off or turned to silent while the meeting is in progress. Filming of the meeting is not permitted. I also ask that you note where your nearest exit is in the unlikely event that it becomes necessary to evacuate the building. In the event of an emergency you'll hear two audible alarms. The first sounds like a beep, beep. On hearing this alarm, you should stand by for instructions to evacuate. The second alarm sounds like a whoop, whoop. On hearing this alarm, you should immediately begin to evacuate the building. The emergency exits are located on either side of the stage. In the event of an emergency please do not use the lifts. All emergency exits must remain unimpeded.

The notice convening this meeting has been sent to all registered shareholders and a necessary quorum is present here today.

Just before I start, I'd just like to apologise. When we booked this venue over 12 months ago, we were unaware of the amount of roadworks that were going to be going on outside the venue, so I know it may well have made it more difficult for some of you to get here today than you had expected. Sorry about that, but it was beyond our control.

I will start by explaining the running order for today's meeting. In a moment I will make a few remarks about the results for the 2018 financial year and about other topical matters. Then Brett Redman, AGL's Interim CEO, will speak. We will then attend to the formal business of the meeting.

Thank you to those shareholders who have submitted written questions in advance of the meeting. Brett and I will seek to answer many of those questions in our prepared comments. You will have the opportunity to speak to or ask questions about each of the items of business. Please note that only persons holding yellow or blue cards are entitled to ask questions or make comments at this meeting. Visitors holding a red or green card are not eligible to vote or speak, but are obviously most welcome to listen. Please also note this AGM is being filmed for webcasting purposes.

I would now like to introduce my fellow directors. I will ask each director to raise their hand as I introduce them. They are Diane Smith-Gander, John Stanhope, Jacqueline Hey, Belinda Hutchinson, Peter Botten, you've already seen Les Hosking's photo, and that was Peter Botten, and that's Diane, so hopefully that's done the job in terms of introductions. Also on the stage today are the Interim CEO, Brett Redman, Company Secretary John Fitzgerald, and Interim Chief Financial Officer Damien Nicks. Seated in the front row of the auditorium are members of your company's executive team. I would encourage you to touch base with members of the board and members of the executive team at the refreshment break.

Finally, AGL's external auditors, Deloitte's, are here this morning, and the Senior Audit Partner Jason Thorne -- Jason could you put your hand up please? -- is available to answer any relevant questions you may wish to ask later in the meeting, and I thank him for attending today.

I would like to start by taking a few moments to share the board's thoughts on the CEO succession. As you will be aware, on the 23rd of August we announced that Andy Vesey, AGL's Managing Director and Chief Executive Officer, would be leaving AGL and resigning from the board. Your board, consistent with good governance practices, has a constant focus on succession planning, and in the months leading up to this change the board increased its focus on the development of internal candidates and of potential external candidates with the capability to guide the business through the next phase of its multiyear development. Andy made a significant contribution during his years leading AGL and in particular has driven our transformation agenda. He leaves the company in a very strong financial position, ready to meet the current industry challenges as well as to take on the future opportunities.

Brett Redman has been appointed to act as Interim CEO. Brett is an experienced and very capable executive who has been with AGL since 2007 and served the CFO since 2012. Brett has more than 25 years' experience in senior roles in blue chip industrial companies in Australia and North America. Brett has a deep understanding of AGL's business and the energy industry. I am confident he will lead AGL effectively while the board completes the succession process.

The board is well progressed with the next stages of the domestic and international search to find the right person to lead AGL in the longer term. The search to date has identified strong internal and external candidates. On present indications we will expect to announce the results of this process by the end of this calendar year.

Otherwise AGL's programs and commitments disclosed at our 2018 full year results are unchanged. The overall strategic direction of the business remains the same. Our priorities continue to be the safe and reliable operations of our assets, serving our customers to the best of our ability, and listening and responding to all stakeholders. That includes listening to our people and continuing to consider government energy policy and the regulatory framework as it evolves.

Turning now to our financial results for 2018. AGL's statutory profit after tax was \$1,587 million. This compares with \$539 million in the 2017 financial year. The increase in statutory profit after tax in the 2018 financial year included a post-tax gain on the fair value of financial instruments of \$562 million primarily due to movements in the forward wholesale electricity price. The accounting values of these instruments are such that their true economic impact only occurs when positions mature, at which time their real-life value is included in the profit statement.

For many years AGL has regarded underlying profit as the more useful measure of company performance. Underlying profit after tax is calculated by excluding significant items and the to-market impact of the large hedging positions and other financial instruments. Underlying profit for the 2018 financial year was \$1,023 million, up 28% on last year. The final dividend of 63 cents per share, which was 80% franked, was paid on the 21st of September 2018. When added to the interim dividend of 54 cents per share, the total dividend for the year was 117 cents per share franked at 80%. This represents an increase in total dividends declared over last year at 26 cents per share, an increase of 29%. The increase is consistent with the increase in profit and AGL's policy to pay out 75% of annual underlying profit after tax and a minimum franking level of 80% as a dividend.

Today we confirm the earnings outlook provided at the 2018 full year results for the 2019 financial year was within the range of \$970 million to \$1,070 million, subject to normal trading conditions. The midpoint of this range represents a

broadly flat outlook for earnings when compared to the 2018 result. The outstanding performance of the business in the past year has been delivered because of the multibillion-dollar investments over recent years in our portfolio of thermal and renewable generation assets.

The outstanding performance of the business in the past year has been delivered because of the multibillion-dollar investments over recent years in our block buy of thermal and renewable generation assets. With significant ongoing investment and operating discipline, these assets have performed well during a period of favourable market conditions. This has resulted in strong returns. While we are pleased that our investment in these assets has delivered strong returns for shareholders, the board acknowledges the widespread concern about energy affordability and reliability.

For a complex range of reasons, prices have risen significantly, and probably unsustainably, in recent years. As the recent ACCC inquiry has found, these factors include high prices for the coal and gas that is needed to generate electricity, the abrupt closure of several non-AGL coal-fired power stations, and higher network costs. This situation has been exacerbated by continued uncertainty in the policy environment. Despite this uncertainty, AGL continues to invest in energy supply that should enhance affordability and contribute to reliability while enabling the long-term transition of our energy fleet to lower emissions technologies.

AGL is currently developing more than \$2 billion worth of electricity generation projects aimed at modernising and improving energy supply. This includes investment in the Coopers Gap and Silvertown wind farms, the Barker Inlet gas-fired power station, the upgrade of the Bayswater coal-fired power station, a gas-fired power station near Newcastle, and the Crib Point LNG import jetty.

AGL has also worked closely with state and federal governments to introduce measures to ease the impact of higher prices, especially for those customers

that are in difficult economic circumstances or on low incomes. We continue to explore new ways of making energy more affordable for all customers and working to protect our customers most in need of assistance. This includes our recently announced \$50 million debt relief package for customers experiencing hardship. It also includes loyalty discounts for customers who have been with us for two years or more but have not engaged with us to seek a plan better than the standing offer tariff. We will continue to work with the regulators, government and the industry to achieve the market reform that is needed to improve the reliability and affordability of Australia's energy supply.

The board appreciates the central role of AGL's assets in delivering reliable, secure and affordable energy. So, as we plan for the future, we continue to invest in these assets so that they continue to operate safely and reliably for the benefit of not only our customers but the broader community. In addition to the \$2 billion worth of new energy generation projects we are developing, we are also committed to investing in our existing plants. Over the next three years, that entails the sustaining capital investment program of over \$400 million a year to ensure our plants continue to be reliable. Reliability is especially important as we head into the summer months. We will continue to invest in new generation so that, as our existing assets reach the end of their operating lives, new assets can take their place. We are firmly of the view that this continued investment by AGL and other industry participants is essential to ease the supply and demand imbalances that have been driving high prices for both gas and electricity.

Policy certainty is the key to continued investment across the sector. While AGL, as well as other industry participants, supported the national energy guarantee as a means to provide this certainty, we are now focused on working with the new Federal Energy Minister, Angus Taylor, and with all stakeholders to address the challenges Australia faces in relation to energy. These include affordability, especially for the most vulnerable in our society; developing policy that can stimulate further investment in this supply; and

ensuring Australians feel confident in the industry as a whole. We know that certainty of energy affordability and supply is key for every Australian.

I'd like to make a few remarks about the issue of corporate governance. The past year has highlighted, if it was ever needed, the fundamental need for the community to have a trust in our institutions. I want to assure you that your board is working diligently to ensure that, in the words of the Australian Prudential Regulation Authority, the company's financial success does not 'dull our senses' when it comes to managing non-financial risk.

We operate in a dynamic and transforming market. While we will always maintain an appropriately active focus on delivering long-term sustainable returns to our shareholders, we will work just as hard to ensure that your company is operating in a way that meets community standards of ethical governance and risk management, where the customer's voice is heard.

As one example, AGL senior leadership engages regularly with the Stakeholder Advisory Council. This council includes external members across the investment, customer, social services, civil society, government and environmental fields. Some of the key matters discussed during the 2018 financial year included how AGL is seeking to address the energy affordability issues our customers are facing and how we approach transition following the staged closure of AGL's coal-fired power stations.

During financial year 2018 we launched a program to hear directly from our customers, and surveyed almost 1.5 million people. We're using the comprehensive results to inform and improve customer experience and to create products and services that are better aligned to our customers' needs and wants. We recognise that effective engagement with an investment in the communities in which we operate is vital to our long-term success. During the 2019 financial year, we plan to host at least four community events at each operating or development site to allow for community views

to be raised and discussed. We know open dialogue matters.

During the 2018 financial year, we also revised our board and committee charters. A key focus of this review was to allow the board committees to take a deeper dive on issues such as safety, customers and culture, while also establishing more comprehensive reporting to the board.

I will now turn to the topic of board renewal. The board is committed to a managed and gradual board succession and renewal process. We have devoted considerable time to identifying the collective skills and experience that the board will require to oversee the strategic direction and governance of the company as we face the challenges and opportunities of the transforming industry.

As I noted in the annual report, both Les Hosking and Belinda Hutchinson, who have been on the board since 2008 and 2010 respectively, have indicated that they do not intend to stand for re-election when their current terms expire, and pending his re-election at today's meeting John Stanhope has indicated that this will be his last term. I would like to take this opportunity to thank them for all the contributions and commitments to the ongoing performance of your company.

It is now my pleasure to invite Brett Redman, your interim CEO, to address you. Following Brett's address, we will move to the formal business of the meeting.

MR REDMAN: Thank you, Chairman, and good morning, everyone.

It was such an honour for me to be named AGL's interim CEO, but I'm really pleased that the AGM was my first public engagement in this role. It's a great opportunity to meet with you, our shareholders. I thought it made sense to first introduce myself to you. I've worked for AGL for 11 years, first as Head



of Finance in Merchant Energy and Upstream Gas; then as Head of Group Strategy, and since 2012 as Chief Financial Officer. The role of CFO involves a great deal of customer and shareholder engagement. In this role over the past six years I have always welcomed the opportunity to connect with the Australian retail investors that make up the overwhelming majority of 119,000 shareholders. More than half of our shareholders -- many of them customers and many of them former or current AGL employees -- own less than 1,000 shares each. We know that, when we deliver strong results and increased dividends as we have in recent years, these are the people who are benefiting.

During my time as CFO, it has been an honour to have led growth initiatives and teams who have delivered for AGL and for our shareholders. This includes the acquisitions of the Macquarie and Loy Yang power station businesses, whose performance under AGL's management has driven our recent strong financial results. Another growth achievement has been creating the Powering Australian Renewables Fund, now one of the biggest private developers of clean energy projects in our country, and I'm delighted that joining us on stage for the first time today as interim Chief Financial Officer is Damian Nicks. Damian has been integral to AGL's success and part of the finance team since joining us in 2015.

Since I became interim CEO last month, I've spent much of my time connecting with customers, with AGL's people at our sites around Australia, and with other stakeholders in the community. Safety, as always, is a core focus of AGL's people, and I am pleased to say that, having visited many of our sites in recent weeks, I am confident our safety culture is stronger than ever.

In these discussions, perhaps the most common question that I've been asked is whether I anticipate a change in strategic direction for AGL. My answer in a word is, no. For several years, we referred to two strategic

imperatives that drive AGL's decision making. They are to prosper in a carbon constrained future and to build customer advocacy. We define these things as imperatives because, frankly, we know we have to respond to them or be left behind. We must meet changes in technology and we must meet and try to exceed customer and community expectations.

So, I would like to tell you what we are doing for our customers. Amid continuing uncertainty, I believe the customer is our north star. When in doubt, go where the customer is going. To do that, we have to know our customers well. We have to ensure they are well informed, and we have to give them a reason to trust and believe in us. But we know that, over the past 20 years, while competition has increased dramatically as successive governments have opened up the energy utility market, the increased choice available for customers has not delivered for everyone as it should have done. Some customers don't know how to get a better deal, while many of those that do find the range of offers and the practices of discounting confusing, and the increases in customers' energy costs arising from the sharp increases in network and generation costs over recent years is a lot to absorb for the most vulnerable in our society.

For these reasons I, too, am a passionate supporter of AGL's measures to increase fairness, simplicity and transparency for energy consumers such as our AGL essential product launched this year, which offers customers a simple low rate electricity bill with no confusing discount pricing. Our recent moves to provide loyalty benefits for standing offer customers and our ongoing initiatives to support customers in financial hardship, including the \$50 million debt relief package we announced with our results last month.

But we recognise that our industry still has some way to go in addressing these issues, and the community expects us to do more to make things easier for customers. We will continue to work constructively and engage deeply with all levels of government, with regulators and consumer groups,

and with customers directly to accelerate progress and eliminate confusion. We will be working to demonstrate that any new measures can be deployed to maximise transparency and ease for customers, and not in a restrictive way that damages confidence in the investment needed to bring down prices and deliver better services that customers want.

Never has the importance of investment and innovation been greater. Customers' expectations of energy providers are undergoing profound change, driven by the rise of the internet and mobile commerce, and companies like AGL cannot stand still. That is why we are investing \$300 million in digital transformation, which will allow us to engage with our customers giving them better service. It is why we continue to seek out opportunities to invest in more new and better services for our customers.

Today we are increasingly putting the connected customer at the centre of everything we do and delivering real actions to make their lives easier.

Similarly, we know the long-term transition for lower carbon technologies is already happening. AGL recognises that the community's focus on ensuring the transition does not have unintended consequences in terms of affordability, and that people want to understand how we will keep the electricity system reliable as transition occurs. That is why the question of how to provide backup capacity in the system for when wind and solar is not available, known in the industry as burning capacity, is in my opinion such a key component of making energy more affordable to all.

Simply put, an electricity market that only pays generators for the energy they sell requires periods of extreme high prices to provide a return on new investment. That is because burning plant costs a lot to build but isn't required to generate electricity much of the time. Yet this price volatility, to the extent that it affects prices for customers, is an understandable cause for concern. We believe the solution is a long-term capacity market that rewards

generators for providing backup capacity, removes the requirement for high prices and provides stability for new investment to deliver low prices. Certainty on how these key policy questions will be resolved remains the most important signal for new investment in the new generation that our country needs to bring prices sustainably lower for all.

We are committed to listening to and working with our customers, government, regulators and the communities in which we operate to ensure a stable transition occurs. We also recognise that coal-fired generation has been the basis of Australia's prosperity for decades, and since the Macquarie and Loy Yang acquisitions, of AGL's strong profit growth in recent years. There is no question in my mind that its continued responsible operation will be fundamental to Australia's energy system at least in the medium term. But as Australia's largest emitter of carbon, we have an obligation to our shareholders and other financial counterparties in a responsible and measured way to manage their exposure to carbon risk.

It was in that context in 2015 we gave long-term notice of our intention in relation to the ongoing responsible operation of our coal-fired plants, including their anticipated closure date. The question of closure dates is an operational one of ensuring ageing coal plants are retired responsibly and safely as we work through transition. It is not a question of ideology on our part—far from it—and neither is the need to address our carbon exposure more generally. It is a question of prudent and pragmatic risk management working alongside all stakeholders to deliver a sustainable and responsible transition in which the power sector continues to enable and to participate in Australia's future prosperity.

Amid the widespread and very real concerns about energy and energy affordability and reliability, we recognise that to retain the right to play our part in delivering an affordable and sustainable and reliable energy future for the Australian economy and industry as a whole, we have to retain our

licence to operate. We recognise that, for that to be able to occur, we need to build people's trust in us to do what's right during the complex transition under way in the energy sector, whether they are shareholders, customers, employees or members of the wider community. We want AGL shareholders and our people to take pride not just in our 180-year heritage but also the things that we are doing today to make our company and our communities stronger. At the same time, we want them to be excited by the opportunities that technology brings in transitioning, and what that will allow us to offer to our customers.

We want you, our shareholders, not just to think of us twice a year when you bank your dividends, but to be our advocates as the leaders and responsible stewards of change. We are committed to continue to invest to deliver the best outcomes for you, for our customers and for the community at large. Thank you.

**SPEAKER: CHAIRMAN, GRAEME HUNT**

Thank you, Brett. It's now time to address formal business of the meeting. The Notice of Meeting sets out four items of business. As announced to the ASX on 24 August 2018, item 4 relating to the grant of performance rights to Andrew Vesey under the AGL's long-term incentive plan has been withdrawn and will not be put to the meeting. You will have the opportunity to speak on or ask questions about each other item of business that is put to the meeting.

In all there are three motions on which shareholders will be asked to vote. In conducting the voting processes, we will seek to recognise both the interests of those who have taken the time and trouble to come here today and the interests of all shareholders in the company. For your information I advise that the number of proxies registered ahead of this meeting accounted for approximately 50% of AGL's issued capital. Further, at the opening of the meeting, we had 97 shareholders in attendance in person or by attorney

representative or proxy, representing 0.05% of the shares of the company.

To get a sense of this meeting, I will put each motion to the meeting and take an indicative show of hands after shareholders here today have heard the presentations and discussions about each motion. We will then display details of the direct and proxy voting on each resolution after the vote from the floor. It is important to note that the show of hands will be indicative only, and that the formal voting outcomes will be determined by way of a poll on each resolution. Conducting the formal voting poll will ensure that the views of all shareholders who wish to vote are represented, including those who have lodged proxies and direct votes in advance of today's meeting.

For those shareholders eligible to vote today, when you registered your attendance this morning, you would have been invited to either download the link vote app so that you can cast your vote on your mobile device or have been issued with a yellow voting card. Therefore, shareholders attending the meeting in person can cast their vote using the link vote app or fill out a paper voting card. Representatives of your share registry, Link Market Services, are available here in the room to assist you if you have any questions.

The votes will be counted immediately following the meeting and the results will be notified to the ASX before the end of today and posted on the company's website. I will now open the polls so that those of you who need to leave early can vote by either completing your voting card and placing it in one of the ballot boxes near the exits or voting via the Link vote app. Deloitte will be the scrutineers for the polls.

I turn now to the first item of business. AGL has recently published its 2018 Annual Report which contains full the information about the company's financial and operating performance during the year. Under the company's constitution, there is no requirement to ask shareholders to vote to adopt the

accounts. However, you may ask questions or make comments on the 2018 Annual Report and the management and performance of AGL. As I mentioned earlier, Jason Thorne from Deloitte is available to answer any questions relevant to the audit.

As noted earlier, a number of shareholders sent questions in advance of the meeting, and we have tried to deal with as many of the common issues raised through that process during our opening comments. Many of the other questions received related to remuneration matters, which we'll deal with during the next item in business, so I'd ask that any questions relating to remuneration are held until we get to that item of business.

So, I now open the meeting for discussion, and microphones are available if any shareholder with a yellow or blue voting card wishes to ask questions. In the interest of giving more shareholders the opportunity to speak, please try to refrain from lengthy statements and confine yourself to one question at a time. If there is time, I will give you one other opportunity when others have finished, as I'd like to make sure that the opportunities are fairly spread across the meeting today. It will help in keeping a record of the proceedings if the speaker will announce his or her name and, if relevant, the name of the organisation he or she represents. If anyone holding a yellow or blue card has a question, please raise your hand, and a microphone will be brought to you.

SPEAKER: F1

Thank you; my name is Jenny [inaudible]. I'm not from any particular organisation. I'm from Dromana. My first question is in relation to corporate governance and trust, which both the CEO and Chairman have spoken about. AGL has just been fined \$3 million by Victoria's energy regulator for failing to offset your emissions targets, and so grave was that failure that the regulators threatened to revoke your licence to operate in Victoria, the consequences of which would be devastating for your shareholders and

customers statewide, I imagine.

Your executive, Richard Wrightson, called the shortfall an oversight. However, the four times the ESC has levied such fines, AGL has twice been the offender—first in 2014 and now this week with a much larger fine. AGL Sales and AGL Queensland Electricity incurred penalties of \$1.3 million and \$1.6 million respectively. The regulator also said AGL fully understood its responsibilities but failed to surrender the correct number of certificates. So, it appears it wasn't a one-off oversight as suggested by AGL. Surely the potential to lose a licence to operate should be a big enough issue for any diligent corporation to have multiple mechanisms in place to ensure that never happens or even comes close to happening?

Given so many recent exposés of widespread turning a blind eye and negligent or perhaps even corrupt corporate behaviour, AGL's failure to comply with your obligations to society and the planet for that matter is disturbing, and AGL customers and shareholders would be right to doubt your credentials as good corporate citizens and your stated commitment to action on climate change. So, what real mechanisms does AGL have in place to always meet your regulatory responsibilities and your undertakings to customers and shareholders on climate action, including dealing with the added greenhouse gas emissions from the Crib Point LNG project? I ask, because those of us who chose AGL as their energy provider for investment, precisely because of your much-vaunted commitment to action on climate change and fossil fuel divestment really need to know.

**SPEAKER: CHAIRMAN, GRAEME HUNT**

Thank you for your statement and your question. There are a number of parts to it, so I will attempt to respond to those sections of it, and I'll also ask Brett Redman, the CEO, to make some comments about the failure in reporting. Just starting with that, it is unacceptable. And Brett will speak in a minute as to what we are doing about making sure that that cannot happen again.



The comment, though, about not having what was required to be reported is not quite right. So, it's not a case of not having the necessary certificates. It was the right number were not surrendered. There was a slight difference, but in any case we got it wrong and it's unacceptable.

In terms of this company's commitment to socialise and operate, what you've heard from the stage today is the position of the company and will continue to be the position of the company. It is critical to maintain our social licence to operate. We understand that we need to do that and we understand that expectations around what is necessary to continue to have the faith of not only our customers, our shareholders and the committee more generally; the bar is getting moved higher all the time, and companies like ours need to make sure that what might have been okay in the past is not okay now and is not okay for the future. So, we need to keep increasing our efforts.

I might ask Brett to make a couple of couple about the reporting and then I'll come back and make some comments on that point.

**SPEAKER: INTERIM CEO, BRETT REDMAN**

Thanks, Chairman. Just to echo, we are deeply disappointed. There were two reporting issues effectively that were reported last week. One was the regular submission of data around different points of data that the ESC collects. We are in the process of resubmitting. The other was the shortfall in the VEET certificates. To add to the chair's comments there, apart from we are disappointed and I will talk to the actions that we're taking, two things to note. One is we self-reported. We identified the issue ourselves and self-reported.

The second just goes to, was there an environmental impact of our failure to fully report and fully submit at the time? The answer is, no, because we had

the certificates. If you like, they were sitting on the virtual shelf. The environmental benefit had been generated. What we didn't do was include them in that submission at the time.

In terms of rectifying, we're doing a couple of things. One is an immediate top-to-tail review of all the different forms of regulatory submissions that we regularly make. We'll be engaging some external resource to do that. I'm taking a personal interest in it and will be driving to see what is the outwork in that review.

The second thing that will do -- and it's I guess taking on board some of the feedback and commentary that we see and observe in things like the banking royal commission or the APRA reporting -- is, again, engaging in an internal very serious discussion with the board around what are we doing in a structural sense, both to convey the importance of these issues but also to make sure we're structuring it in a way and resourcing it in a way that we get it done properly. So, that's something that will take, I imagine, a few months to put into place to do it well, but we're going to be driving that from the top down to make sure that we're not up here again, I hope never again, explaining why we have had a failure in the way that we've reported.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thanks, Brett. If I could move on to the part of the question related to the proposed Crib Point investment. Very simply, the business case that underpins the proposed investment in Crib Point comes back to the fact that we have customers that require gas and, if we could readily source that gas without having to import it, obviously that would be a slightly more favourable option. The situation again as we talked about from a supply-demand situation with both electricity and gas in Australia is that it is tight and supply is not keeping up with future demand. That requires investment in either the development of more gas fields to serve the domestic market or bringing gas from somewhere else because the customer base is not going to go away in

the short term.

So, that's what underpins that project. In terms of how we're going about it, we will comply with the environmental standards that are required by the regulators and by the government. We'll be transparent in that process. We've had I think 25 community meetings as of the last one last night in the region to ensure that we listen and share with the community what our plans are and what the process is between now, the regulatory approvals and approval of an investment case when those approval are forthcoming.

So, this company is very committed to doing the right thing -- doing the right thing for our customers, our shareholders and the communities in which we operate. And we will continue to do so.

SPEAKER: F2

Mr Chairman, may I ask my second question now? It's shorter.

SPEAKER: M2

Yes, good.

SPEAKER: F2

The Australian company APA are constructing the LNG pipeline from Crib Point to Pakenham, which AGL will use to move the imported gas into APA's national pipeline network. However, it's been reported that a global infrastructure player, CKI, a Hong Kong based company, is planning to spend \$13 billion acquiring APA's national gas pipeline infrastructure. CKI has been described as a stalking horse for the Chinese government and a potential national security risk. So, aside from foreign entity of dubious credentials possibly acquiring all of APA's pipeline infrastructure right across Australia and the potential security threats that poses, how would AGL guarantee its shareholders and customers won't be exposed to rent seeking price hikes on AGL's use of the soon-to-be foreign owned pipelines?

Likewise if maintenance cost-cutting by the foreign owner results in exposure to increased risk to public and environment. We all remember the Longford gas explosion with the tragic death of workers and weeks of disruption, which had its 20<sup>th</sup> anniversary yesterday. A royal commission into that accident found the owners, Esso, a wholly owned subsidiary of a foreign entity, Exxon, now Exxon Mobil, was fully responsible for the accident despite Esso strenuously trying to blame the dead workers. So, how is AGL protecting your shareholders and customers from the infrastructure you are using now possibly being in foreign ownership.

SPEAKER: CHAIRMAN, GRAEME HUNT

I can't really comment further on the processes associated with CKI's bid to acquire APA. Whether or not that transaction goes ahead will be determined by a number of things, including whether or not the Australian government grants foreign investment approval.

In terms of your questions around the protection around pricing and the transport of the gas, we will have commercial contracts with that entity. The work we have done already with APA would flow on -- excuse the pun -- through any change of ownership, and we'd have appropriate contractual protections to protect customers and shareholders. So, the question I guess of risk associated with foreign ownership is not one that I can really address. I think to paint every foreign owned company as bad is appropriate and equally there are foreign shareholders in this company. People can buy and sell shares in this company every day the exchange is open, and where they come from is something that is not controlled. Next questions, please. In the middle at the back.

SPEAKER: M3

Thank you. My name's Nicholas Abley(?). I'm from Environment Victoria. I had a proxy to be here today. My question is: AGL has committed to reporting under the taskforce on climate related financial disclosures

framework. Under this, shareholders are entitled to understand the risks of investments associated with company strategy. AGL's proposal to build a gas import terminal at Crib Point could mean an extra 160 petajoules of gas coming into Victoria, pushing up Victoria's gas consumption and our carbon pollution. By AGL's own admission, the imported gas will be 20 per cent more polluting from a climate perspective than the gas currently consumed in Victoria due to the extra energy used in liquifying, transporting and regassifying the LNG. As Mr Redman has already noted, AGL is already responsible for the most carbon pollution of any company in the country. Further investment in new fossil fuel projects seems inconsistent with the board's policy of trying to limit global warming to two degrees. My question is: has the board stress tested the Crib Point project and your other coal assets against global two degrees scenarios as required by the taskforce on climate related financial disclosures? And can we see the results?

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you for your question. There are a number of parts to that. Again, the first part in terms of our reporting, we have indicated that we will continue to align our reporting in that way over time.

As Brett previously said, this company is obviously well aware of its exposure to carbon emissions, and perhaps more than most of the companies on the ASX considering the implications of carbon on the value of this company and its assets and business going forward is front and centre in the consideration of the board of management every day.

It's not something that only needs to be looked at when we report. I think I've already covered the current rationale behind the building/studying of the Crib Point terminal. In terms of the final decision, go-forward investment decisions, the board will take into account a wide range of factors in determining whether this is a good project for AGL and its shareholders. At this point in time, all the necessary information the weigh up the feasibility of

the project is not to hand, because it's still being worked through. When it is we will weigh up all factors including the issues associated with any risk to our reputation and flow-on risk to our shareholders.

I think that's probably all I've got to say on that subject, unless I've missed something in your question.

SPEAKER: M3

And specifically will the board be considering the taskforce on climate related financial disclosures framework as part of that decision, and will the board's consideration of those issues be made available to shareholders?

SPEAKER: CHAIRMAN, GRAEME HUNT

We will certainly give consideration to using that framework. It might be a very helpful framework for us to use to consider risks about the investment. So, that's a suggestion that I'm happy to share with my colleagues in management about how we might factor that into the process. In terms of sharing the outcomes, I'm not sure that we will do that, because I think the outcomes of any investment decision is not something that we would typically share with anyone, particularly because of the competitive nature of that. But I would suggest that we just wait and see how this thing develops over time, and we will share with the market the rationale for our decisions about to invest or not invest when all the necessary information is at hand.

The first one there, at the back, sorry. Stay where you are; that's fine. Then we'll go to the other side and then come back over.

SPEAKER: F3

Hello. My name is Julia Merrington(?). I just have to get myself organised; otherwise I can't see my notes. I live in Balnarring on Mornington Peninsula. I'm here on proxy. I'd like to ask this question to the board. We've alluded to and talked about so far today the Royal Commission that's been going on

into financial services and the resulting criminal charges and dramatic drops in the institutions that have been exposed share prices. As the next federal government is now almost sure to be Labor, and they've already flagged an energy royal commission and a possible Australian gas reserve, in the interests of protecting long-term profitability of AGL and its investors why is the board still pursuing the FSRU at Crib Point and Western Port? So far, several analysts have pointed out that, as the business case is importing gas that's already been exported, it will artificially inflate domestic east coast gas prices for the duration of the project, and that, given the sentiment already expressed by the community, is going to result in a massive consumer and political backlash against AGL and its investors. You have large investors/investment houses already pre-empting this outcome and marking down AGL stock. So, in the interests of managing long-term sovereign risk, why would the AGL board consider placing an LNG ship in an area with a large established residential community, a very high natural fire danger and a sensitive and internationally recognised natural environment complete with the full package, endangered whales, seals and penguins?

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you for your questions and comments. There are again multiple facets to that. If I come back to where you started about governments and the royal commission, the potential for a royal commission into the energy sector in Australia, the potential key drivers of that we've already touched on today, are really twofold. One is about price and one is about consumers being able to understand how to get the best price.

The solution to energy prices is investment in more capacity. This is primarily a supply and demand question. The main reason that prices are high is that supply -- there was closed out supply coming out of the closure of Northern and the Hazelwood power station.

On the gas side, similar issue in the sense that, as I said earlier, we would

only be considering building an import terminal -- we are only considering building an import terminal because we have gas customers and our ability to source gas from existing sources has diminished greatly over time as reserves close to Victoria have diminished and production from those reserves will continue to diminish further over time.

The second point about transparency of our pricing -- we've also spoken to in the sense that what we want to do is be leading the charge and very much involved in trying to make sure that people can understand what their power price is all about. A royal commission may not in fact do anything to address the fundamental issue associated with that problem.

I've already spoken about the business case associated with Crib Point. I understand the environmental concerns about the peninsula. I live here in Melbourne. I was actually on the Peninsula last weekend. What's being proposed and the safety record of the LNG industry is impeccable, and all of that information will be factored into the approvals process and all of that information will be factored into the decision making that your board -- will take into account in any final decision on this matter. Perhaps we just flick to the other side and I'll come back over here in a second.

SPEAKER: F4

Thank you, Mr Chairman. Wendy Farmer from Voices of the Valley in Latrobe Valley. I'm a proxy for Karen Higgs(?) but coal communities. If there was a way to reduce emissions from power stations to protect surrounding communities, would AGL be prepared to install that equipment? For example, fabric filters, flue gas (unclear) and selective catalytic reduction can be installed on all power stations. By installing these available emission control technologies, AGL could reduce NOx and SOx and other emissions by about 90 per cent or more. Why hasn't AGL installed this technology? It shouldn't take a review into power station licences for AGL to address emission reductions and install such equipment but rather as a good citizen.



Most of us in the room would address issues in our own homes if it affects the health of our family. Will AGL put the health of surrounding communities before profits and install the technology? Mr Chairman, you did say that AGL wanted to raise the bar, and our community needs you to raise the bar.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you again for your question. We will always continue to look at opportunities and improve our environmental performance. There is always opportunities for retrofitting new technologies to old equipment. That is often technically possible but difficult or economically difficult or not possible in terms of not only the cost but the implications and the time of production that needs to be shut in in order to make that happen.

We're working with the authorities on these kind of issues, both concerned with direct emissions from power stations but also from general operations, and we'll continue to do so. I can't stand here today and commit in detail to what we will or won't do. All I can say is that we are certainly concerned about that.

I would perhaps ask you to catch up with our chief operating officer who is sitting in the front row. Doug, can you just put your hand up so the lady can see you. And perhaps have a chat at lunchtime. And certainly we're very aware of these issues not only in Latrobe Valley but the environmental performance of all of our generating assets are things that we want to ensure that obviously we comply with the regulatory requirements, which we are doing, but if we can make improvements and still ensure that we're acting in the shareholders' best interests by making sure that those assets still make an appropriate return, that's something we're always prepared to look at.

SPEAKER: F4

As I said, I was representing both the New South Wales community and our

community, and we really appreciate the fact that you need to look after your shareholders, but the health of our communities cannot become a price to pay for our communities, when you said that you have to look at the cost. Cost shouldn't come in factor. In the home, if we were making our kids sick, we would look at whatever cost we could to fix that issue. And we have major issues in coal communities. Thank you.

SPEAKER: CHAIRMAN, GRAEME HUNT

I think the lady about halfway -- back a bit further.  
Thank you.

SPEAKER: F4

I'm making this statement on behalf of shareholders collectively holding a position in the company with over \$600,000. We believe this company has an integral role to play in securing an energy future for Australian families and businesses at a low cost and low carbon. We endorse AGL adopting a business strategy that progressively moves the company towards renewable energy solutions, the major clients and the Australian community, in line with the aims of the Paris Climate Agreements to which Australia is a signatory. In recent weeks, there's been significant upheaval for this company, the political climate and the policy landscape in which we operate.

We understand our decision to retire Liddell and replace it with renewable energy caused tension between AGL and the government. It's disappointing to hear claims made by former CEO Michael Fraser that Mr Vesey's stance on Liddell replacement was a factor in his departure. In our view, the decision to close an increasingly expensive generating unit already well below its typical economic lifetime and replace it with new renewable energy generation facilities was both economically rational and environmentally responsible. It offered precious certainty to public debates regarding Australia's energy future. This certainty was eroded by interventions from figures in government and business seeking to transfer the power station to

another owner. Liddell continues to embarrass the company as a major source of greenhouse gas emissions and an unreliable generator.

By May 2018, it had already broken down four times this year, several of which were during periods of peak demand. AGL's responsibility to reduce costs and pollution for energy extends far beyond Liddell, and the company should be looking to deliver on its slogan "getting out of coal" far sooner than the middle of the century. But given the recent changes external and internal to the company, we simply ask the board this: is the company still committed to replace Liddell in 2022, as previously planned?

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you for your question and comments. We've already covered this to a large degree in any case. In 2015 when we announced our greenhouse gas policy we pointed to the fact that our coal-fired fleet had a natural operating life and that we would retire those facilities at the end of that life. That policy was not reviewed, but the detail of the economics of those closure at the end of the economic life was looked at a year ago and we confirmed that, based on the analysis and the inputs at the time, what we had said was the right way forward. And that's where we are today.

Let's go across to this side and we'll come back here.

The lady and then the gentleman behind her next, and we'll come back over to you. Thank you.

SPEAKER: F5

Thank you. My name is (unclear) and I'm a proxy. It's a real quick one. What are the energy outlooks that AGL uses to base its current business model on?

SPEAKER: CHAIRMAN, GRAEME HUNT

Sorry, I missed the first part. What are the energy –

SPEAKER: F5

Outlooks that AGL uses to base its current business model on.

SPEAKER: M2

There's a series of things that we look at, ranging from obviously nearer term forward curves, economic reports and the like, and then we also have a series of future scenarios that we plan against. So, we take a multifaceted approach, and management analyses for a number of different scenarios and then through that we determine how we construct budgets and business plans.

SPEAKER: F5

Would you be able to specify which outlooks for the longer term?

SPEAKER: CHAIRMAN, GRAEME HUNT

Maybe the best way to deal with this is -- Richard Wrightson, who is in the front row here. Put your hand up, Richard. Richard has carriage of the wholesale markets, and so he would be the best person to speak to perhaps at the break about the various processes that we go through to do that. He's across that level of detail that I'm not, to be frank with you.

SPEAKER: F5

May I ask another quick question. Our board received the board leadership on climate change award at the 2017 Climate Alliance National Conference. What has the board specifically done to educate itself on climate related risks in the last year?

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you. Thank you for your question. The board has an ongoing board education process as well as ensuring that we get the specific insights and understanding of key risks associated in our business. Clearly, as we've

spoken about a lot this morning already, climate change and the like is something that's very much at the top of our risk register. Through our committee structures, both the audit and risk committee and also our sustainability, corporate social responsibility committee these are matters that are on the agendas all the time, where we get external input and where the board ensures that it is up to speed as much as anyone can be think I think about what the risk associated with this kind of business are. Thank you. Just there and then we'll come back.

SPEAKER: M4

Thank you, Mr Chairman. My name is (unclear) from Frankston in Victoria. I want to put a call out to all AGL shareholders and customers to send a message to the federal government and a message regarding Liddell. This belongs to AGL, not you. And to vote against the Liberal or National candidate at the forthcoming federal and state elections. And the board, when they come to you for donations, tell them to go and get stuffed. I and every shareholder were angry that they are attempting to interfere. Let's send them a message. I say to the lady who just commented: shame on you. Because the point is this: Liddell doesn't belong to the federal government, it belongs to AGL.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you. Just one point of clarity. The company has a very clear no political donations policy. Thank you.

SPEAKER: CHAIRMAN, GRAEME HUNT

Perhaps back over here just towards the front and then the back up. I'll try and get to everyone. It's hard to see who put their hands up first.

SPEAKER: M6

Thank you very much. My name is Rod Knowles. I'm a resident of Crib Point on Western Port Bay. I live approximately 1.5 kilometres from where AGL

plans to moor a floating storage regassification unit. My wife and I are seriously concerned for our safety. If a fire or explosion were to happen, our home would be seriously impacted. I respectfully ask if AGL board members are aware -- and I know that you would be -- that over the last 10 years AGL has been fined \$5 million for gas leaks, sulfuric acid leaks up near Bayswater plant, 6,000 litres into a creek. A gas explosion killing two. And also fined for negligent, misleading and deceptive conduct. And the list goes on, which I've got here.

What guarantees can you give us and the Crib Point community that we are going to be safe, and mistakes AGL have made in the past will not be repeated?

SPEAKER: CHAIRMAN, GRAEME HUNT

I understand your concern, and the board shares your concern. The board would not proceed to make this kind of investment in this form of technology without being satisfied that the kind of risk to plant, property and people is not appropriately able to be dealt with.

I hope you've been involved in the consultation process in the region. If there is more information that you would like to have about these kind of risks -- as I said earlier, the track record of the LNG industry is outstanding. I respect what you say about that. I'm not sure I entirely agree with it. It's not what it needs to be. Until this company and all companies can get to a position where they have zero incidents in environmental safety or whatever they're not doing a good enough job. And I'm not apologising for past poor performance at all. I'm not seeking any apology for that. We need to do better. The relationship, though, I think between some of the issues you raised and this kind of facility -- we need to make sure that, if we go forward with this investment it is done in such a way that it meets world's best practice.

So, let's just go to the back gentleman.

SPEAKER: M7

Mr Chairman, my name is Theo (unclear) I will try to be as short as possible. No. 1, with due respect for other speakers, we don't need another report; we need questions and answers as brief as possible and to the subject. I want to make a recommendation to the board, because you said you are reviewing the board, to have term of five or 10 years, whoever is selected, committed to the board to have stability, and if the person, she or he, leaves they should lose all their rights. No. 2, the shares to be excluded from the recommendation at all, because it's insignificant the shares, where they go and how to be rewarded -- I don't think it's a good component of the payments.

Another one is to question how many on the board are fully qualified, not as related to gas/electricity industry, to make sure we have some future? I finish.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you. In terms of the suggestion about fixed terms of boards, that would require a change to the company constitution, to introduce something like that. That's not where we are at the moment. But what happens now is that two directors are put up for re-election every year, which enables the shareholders if they were unhappy with those directors -- obviously they would not be re-elected and would need to be replaced by somebody else.

The last piece about qualifications of the board -- we in this last year have just gone through a board skills review. We reported on that in the annual report. It is a requirement to do that kind of process now. We looked very hard at making sure that we get the right balance and experience across the board, and that doesn't mean that everyone has to have or should have in fact spent a long time in this industry. Because if that was the case, there

would be a high probability of group-think and not enough challenge within the boardroom. So, what we try to do is get a balance where everyone that's on the board brings the right mix of skills to ensure that the governance of this company is appropriate. I have to say I didn't quite understand your second point about shares, whether you were talking about shareholding of directors or shares held by executives in incentive programs.

SPEAKER: M8

The point is all boards, not just AGL are collecting the wages or perks or whatever to the value of the share, which is irrelevant. Because the board, you are a league of your own and you migrate from one company to another. So, the shares would be excluded from any condition of remuneration. They should do their jobs, not have perks and additional incentive to do their job. That's the point.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you. The directors, other than the managing director, have no shares linked to their remuneration. The board members other than the managing director are just paid a fee for what they do, and there is a requirement for directors to actually buy AGL shares out of those fees and accumulate shares over time. Thank you. Thank you for your question.

With executives -- perhaps we can pick it up a little later. We're going to talk about remuneration later. But it is accepted market practice -- some element of executive pay being aligned to the share price is believed to drive the right performance to ensure that executives are working for the shareholder appropriately. Lots of different views about what how much and how that should be structured, but we work in the market and our processes are aligned pretty much with what other companies do.

Okay. This gentleman towards the front on the aisle.



SPEAKER: M9

I'm Christian, French Island. I also spend every weekend with my folks at Crib Point. Does the board understand the outrage and upset of many people in the Crib Point community and other Mornington Peninsula communities, Phillip Island, French Island, and around Western Port, about this proposed gas facility at Crib Point? And the safety, social and environmental impacts that it will most likely have? It's a Ramsar internationally recognised wetland. Our future is not in more ports, it's in rapidly developing clean and green and environmental-type industries.

SPEAKER: CHAIRMAN, GRAEME HUNT

Does the board understand? We're hearing it. We get it. We understood it and, to be frank, we're going through all the necessary processes. But as I've said a number of times now, to ensure that we fully investigate what regulations were required for this investment to go ahead and we appropriately weigh up the total business case for the investment. And that includes obviously direct and indirect risks, including risks to reputation.

SPEAKER: M9

With permission -- you're saying that it's going to bring down prices, increase supply. Macquarie Bank is suggesting that, if you import gas, the East Coast price will go up. Are they wrong?

SPEAKER: CHAIRMAN, GRAEME HUNT

There are a lot of different views about where the gas market is going in the future. The simple point that I'd like everyone to consider here is what I've said a number of times, that the fundamental basis for us moving ahead with this was all on the premise that we have customers that require gas. So, we either -- either the customers don't get gas or it comes from somewhere else. To a question earlier that I didn't address about royal commission and gas reservation -- we don't know exactly what world we're going into. All we

can do is forecast -- we know what our customer base is. We know what we believe the supply and demand balance is. And we look at that and we try to consider the most appropriate way to continue to meet our customers' needs. Having appropriate concern for what it does to returns to our shareholders and looking appropriately at what the issues are associated with communities in which we operate. That's how we will continue to look at this project, and we will be very transparent as we move forward and consult with the community and we will ultimately get to a decision point. And obviously we will communicate at that point in time.

Just on the aisle at the back and then we'll work our way -- people put their hands up on that side so I get a sense. Okay. We'll do one more over here and we'll come back here. Thank you.

SPEAKER: M10

My name's Mark Wakeham, I'm CEO of the (unclear) -- I have a proxy for Steven Myles. Firstly, I think I've heard you say today that you are planning to continue with your plan to retire Liddell in 2022. It hasn't been expressed quite as clearly as that, but I think I've heard that, and congratulations; that's an important decision for the company to be making. My question is around the federal ALP's proposed export gas trigger, which would limit gas exports to overcome any shortages and lower prices. And my question is, has the board considered the impact of such a policy on the need for the Crib Point project, and wouldn't retaining a share of domestic gas reserves be more sensible than building large new potentially damaging and expensive gas import terminals with much higher emissions than our current suppliers of gas?

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you. I think I've covered already -- we will look at a whole lot of scenarios in our analysis about the final decision on this investment. And that will, amongst other things, look at our view of the supply-demand

balance and the cost of that supply and where we think the market will be for the sale of the gas that we might that source through Crib Point or somewhere else. In terms of if we had a domestic gas reserve sufficient to meet our domestic customers, again we wouldn't need to be considering this, but we don't. We have for a significant period of time served our domestic gas customers by procuring gas from others.

Others are in the situation now where, through supply-demand issues, are not in the position to supply us with the gas we need for our customers, and that's led us to where we are today.

SPEAKER: M10

Thanks, Mr Chair. If I could just have a very quick follow-up. We've talked about the Victorian energy efficiency targets scheme. AGL was fined \$3 million this week for non-compliance. That's a relatively simple scheme that requires retailers to surrender certificates and it should be relatively easy to administer, and yet you're asking many people here, the shareholders but also many people from the Western Port community, to trust that you will meet all of your environmental conditions and compliances if you proceed with the project at Crib Point. Given that the non-compliance with the Victorian energy efficiency target scheme happened under this board and under this staff, how can the community be expected to trust that you will be able to manage a much more sophisticated and complicated industrial project in a Ramsar wetland when you haven't been able to administer a relatively simple scheme like your compliance with the Victorian energy efficiency target?

SPEAKER: CHAIRMAN, GRAEME HUNT

I think I've repeated a number of times now that the board will weigh up all of these issues, both economic and risk, and our appropriate ability to fully mitigate risks in the decision making. Perhaps that's enough. I don't think we need to go in to talk about the differences. I understand personally very well,

as do a number of other board members that have worked very closely in the LNG sector, what the risks are and how that has to be appropriately managed. We will not make any decision about an investment of this type. We do not believe that that can be done appropriately. Thank you.

SPEAKER: F6

Good morning. My name is Shannon Hurley, on behalf of the Victorian community organisation called the Victorian National Parks Association, but not only our organisation but quite a few community members in the Western Port community and across the state who are very concerned about Crib Point's gas import facility project. For years, AGL has told a public story of commitment to sustainability, yet we believe this project at Crib Point, in our beautiful Western Port bay, questions this commitment.

I know that we've heard some concerns here this morning already, but I just wanted to expand on a couple of those just so everybody is clear. Western Port is not just the bay; it has huge natural economic and social values, and provides thousands of jobs in the tourism industry in the region. As mentioned, it is an internationally important Ramsar wetland providing for the survival for thousands of birds. Also, this project would increase the shipping coming into the bay, which endangers our beautiful whales and dolphins. Not only that, but we've seen and we've heard that animals could be sucked up into the intake bowels from the ship that would be moored at Crib Point, and also release chlorine into the water. Also, there's a whole lot of endangered species and really incredible species that live around the area.

For us, this project is just too great to risk. We understand some environmental studies have been done, and this will be assessed, but from our point of view there is still a lot more to be done, and this project is still too great to risk. Just a stone's throw from Melbourne we have this incredible wetland and I think that, as you mentioned before and a few of us have been down there for weekends away, it is such an incredible environment that this

huge project just has too many risks for this incredible environment.

I don't really have a question, but my statement is just for the board and everyone here to consider this. Ahead of making an investment decision, which I know hasn't been made yet, to really strongly consider these risks to a high degree. That's all, thank you.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you. I think I've said it multiple times: we will, as will the regulators. So this project will only go ahead with appropriate approvals from those that approve this kind of project at a state and federal level, and your board will look very closely at all of the risks associated with this investment before any go-forward decision is made.

SPEAKER: CHAIRMAN, GRAEME HUNT

If it's related to Crib Point, I think the board has the feeling of the residents of the area, so if it is a new item I'm happy to deal with it, but if we're going back over that—I can't tell what kind of question you're going to ask, so I might be stopping people who want to raise a different subject from having something to say.

SPEAKER: M11

Good Morning. My name's Dale Storr(?) from Crib Point. I have a proxy. The question is about gas prices and gas supply. How can AGL guarantee downward pressure on gas prices for Victorian family households and businesses when AGL will be selling the imported gas from the proposed LNG terminal at Crib Point to AGL customers in New South Wales and South Australia? How much imported gas at Crib Point will actually be available to Victorian families and businesses?

SPEAKER: M2

I can't give you the detail on that right now. Clearly it will be part of the

project economics again, part of the approvals process that we will look at the supply demand, what our customers require from different markets and how we can supply them from other gas that we have available that we've already contracted with other suppliers. As I've said before we do not have sufficient gas contracted to support the customer base that we have moving forward.

The simple thing to think about in supply demand is quite clearly unless there is more supply, then prices will go up. So the choices are: more gas development in Australia somewhere else or gas from somewhere else, or diminishing consumption. So we just need to think about this kind of project not going ahead would leave the market shorter. You can see from the fact that there are proposals for gas import terminals in other parts of the country that rational analysis points to the fact that we are short of gas for domestic consumption at least in the medium term.

SPEAKER: M12

Thank you for that. One of the concerns for people on Mornington Peninsula is the amount of gas that would come through Crib Point will not actually be used in Victoria. The majority would go interstate. That is one of the concerns that people have.

SPEAKER: CHAIRMAN, GRAEME HUNT

Perhaps if you talk to Richard again at the break. But like most things, it doesn't make a lot of sense. There are transport costs associated with gas and most other things, so it doesn't make much sense to actually get it there, send it all the way there and then bring some from there to here, because the costs are unnecessary.

SPEAKER: F8

Liz Krien (?), not from Crib Point. Not only am I an AGL shareholder but I am

the leaseholder at the historic Bogong Village near Falls Creek in the Victorian Alps. Twenty years ago, my husband and I secured a 60-year lease from people of the northeast. My question is: why has head leaseholder AGL in the past year decided arbitrarily to pressure us and other leaseholders to surrender our interest in the village for an insulting one-price-fits-all, and give no explanation whatsoever why this was being done? What are the plans for this village in which we have invested much effort, time and money, and created this successful accommodation business that's required other terms of the lease?

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you for your question, and I've also seen the letter that came in earlier. Just for others, to give a little bit of background, Bogong Village is in the Victorian Alps. It is close to a hydroelectricity facility that we have at Beauty Point. Through the acquisition of those businesses, the leases of the Bogong Village were part of that. What we are proceeding to try to do is to actually return the village to the people of Victoria. There are leases in place. I can assure you that the board is not suggesting at all that a one-size-fits-all approach is appropriate, and we very much want to have ongoing engagement with individual leaseholders to seek to find an appropriate way forward.

SPEAKER: F8

Thank you. There was another way of doing this, because we did make the link open to the general public as well, but we (unclear)

SPEAKER: CHAIRMAN, GRAEME HUNT

We would like to have some more conversation with you and other leaseholders about how we move down the path that we think is appropriate but deal appropriately with individual circumstances.

SPEAKER: M13

Mr Chairman, Elwyn Schumer(?) from Brisbane, and a question on a totally different topic. Two years ago, it was announced that you people were going to develop a wind farm at Coopers Gap between Kingaroy and Dalby. I was just wondering what stage that project has reached so far and when it's likely to be completed.

SPEAKER: CHAIRMAN, GRAEME HUNT

Again I think perhaps Doug could speak to it at the break. I don't have the report in front of me.

SPEAKER: INTERIM CEO, BRETT REDMAN

Mr Chairman, it is well advanced. I am just trying to remember the exact date that we're due to complete. But I am going to say it is in about the next 12 months or so. So, it is well under way. We're very happy with how the project is going, both from a safety and construction point of view, and also in meeting our timetable point of view.

SPEAKER: F9

My name is Jenny Clark. I come from the Wimmera at Warracknabeal. It has taken me six hours to get here today. I have also come about the issue of Bogong Village. I became a shareholder of AGL when AGL became involved in the renewable industry of the hydroelectric scheme. My father helped to build that hydroelectric scheme, and couldn't afford to buy these shares, so I bought them as a representative of our family to support AGL for something that we think is really important for the future.

We were delighted to see when AGL invested in the hydroelectric scheme and built the hydroelectric power station under Bogong Village that could not have been built by the State of Victoria. It's not being built actually led to us leaving Bogong Village where we were a resident family. During the time after that, before the leaseholder organization took place, the State of Victoria owned Bogong Village. It was not possible for anyone other than



SEC employees at the top level to be able to go and stay in any of those houses, all of which were rental houses, and many were left vacant for some time.

The arrangement that has been in Bogong Village for the last 20 years, which the lady spoke about, whereby there are leaseholders who are required to rent those houses out for most of the year—and I believe they are only allowed to live in their houses for four weeks of the year—means that anybody in Victoria can go and stay in a unique environmental village in the middle of the Victorian Alps at any time, basically. This has enabled me to be able to go home from the Wimmera annually and to be able to be refreshed by living where I come from. Our family has been greatly concerned to see what's been happening with AGL trying to buy out the underleases of people who currently own those cabins. We have been concerned that there seems to be no plan forward. I personally am concerned to think that AGL thinks that buying the underleases out will then return it to the people of Victoria because, as I said, the current situation enables anyone, not just in Victoria, but anyone to go on holiday in Bogong Village whereas what happened before under State ownership it was not allowed.

I came here to ask what are the intentions for Bogong Village by AGL? I think it's a fantastic—just a little business for AGL to be able to say: look, we not only care about looking forward to reducing our coal impact but we also have a place that we support where anyone can come and stay and enjoy the Alps, and I would encourage AGL to rethink their current strategy about Bogong Village and not just to restrict those that they are communicating with, as the leaseholders, but also to consider the many people who come regularly to be able to access that site. Thank you.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thanks very much for your comment and for giving the rest of the meeting

some insights into the history of Bogong much better than my attempt to do so. Can I suggest on this issue, I think it would be something that we could talk some more about at the break? I think both from a board sustainability perspective, Jacqui Hey as the Chair of that committee is on the dais. I'm sure Jacqui would like to probably speak to both of you about that. It is certainly not our intention in returning the village to the State of Victoria that only SEC employees could access it. That might have been the case in the past, but that's not really the thinking of the company. I understand your concerns and certainly would be very open to listening to them. Are there any further questions?

SPEAKER: F10

I'm here as a proxy for Ms Imogen Jubb. Just this week AGL was fined \$3 million by Victoria's regulator for failing to offset its emission levels. Wouldn't it make more sense to install the best possible pollution reduction equipment to reduce emissions rather than need to purchase carbon emission offset certificates.

SPEAKER: CHAIRMAN, GRAEME HUNT

Look, I think probably we've covered that already in some of the backgrounds to the failure to report. It is - there is not really a link between renewable certificates and investing emissions. We'll continue to do both.

I think we may now move on. We are up to item 2, the remuneration report. Second item of business concerns the adoption of the remuneration report for the company for the year ended 30 June 2013. The people on the performance committee takes the lead in the board's oversight of AGL's remuneration policies. Diane Smith-Gander has been the chair of that committee since November 2017. Before opening the meeting to questions I would like to invite Diane to speak to you about aspects of AGL's remuneration policy.

SPEAKER: DIANE SMITH-GANDER

Thanks very much, Graeme. Good morning, ladies and gentlemen. I am indeed Diane Smith-Gander and I do apologise for that little mess-up earlier but it gives me the opportunity to acknowledge Les Hosking who was the chair of the people in performance committee from 2012 to 2017. I noted in my letter to you on the rem report which starts on page 42 of the annual report my appreciation of his thoughtful commitment to the role prior to me taking it and I would just like to repeat that here now. The rem report sets out our policy on remuneration that's paid to the board and senior executives and it describes the link between company performance and executive remuneration outcomes for the 2018 year, so it is a backward-looking report. Now the Corporations Act specifies that the resolution on the remuneration report is advisory only. This means that companies are not directly bound by the results of the shareholder vote on the resolution. This board, however, takes great interest in the vote of shareholders on this resolution and is well aware of community concerns as to the levels of executive remuneration. Fixed remuneration for our CEO and senior executives was not increased again this year with one exception; an executive received a 2.5 percent increase reflecting that we are paying competitive levels of fixed remuneration. In terms of incentive outcomes, FY18 was a strong year financially for AGL in a complex and fast evolving market and our remuneration outcomes are reflective of this strong performance. Good progress was made on many key initiatives such as our customer experience transformation programme while progressing construction on Barker Inlet power station and the aforementioned Cooper's Gap and Silvertown wind farms which are in the Powering Australia Renewables Fund and also the establishment of the New South Wales generation plan.

In other areas, however, and these were around some of our customer measures, executives didn't achieve the robust targets that we set and short-term incentive outcomes reflected that not all of our goals for the year were met. A three-year long-term incentives performance rights were granted

back in 2000 and I think they were the subject of an earlier question, were tested against the total shareholder returns against our peer group and also against return on equity targets. The testing was applied to a three-year period from the 1st of July 2016 through to the 30th of June 2018. There was no vesting on the return on equity measure. The total shareholder return measure partially vested at 63 per cent reflecting generation of a creditable total shareholder return over the three-year measurement period. So, when you put both of those measures together, the overall vest in the 2016 plan was 31.5 per cent and you will see that detail on page 55 of your Rem report. The non-executive directors received a 1.9 per cent increase in fees effective from the 1st of January 2018 in line with the commitment that was made in last year's remuneration report to not increase fees more than the Consumer Price Index for the 2018 financial year. The board will continue to monitor the competitiveness of non-executive director fee.

The remuneration report also sets out the number of AGL shares held by directors. Since the report was issued a number of directors, including chairman, have acquired further AGL shares. So, all directors currently comply with AGL's minimum shareholding policy. This year we continue to review our remuneration framework to ensure it is fit for purpose and meets the needs of all of our stakeholders. We will continue to periodically review our remuneration practices and continue to amend them to ensure align with our strategic imperatives, our values and the expectations of all the stakeholder groups. The board is going to continue to maintain focus, excuse me, on striking a balance for shareholders between setting remuneration for executives at levels which are commensurate with the company's performance and community expectations while also being sufficient to attract and retain the talent that is required for AGL'S future success. The board has recommended this resolution to you.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you, Diane. The motion before the meeting was to adopt the 2018

remuneration report. I now ask if any shareholder wishes to speak to the motion. If anyone holding a yellow or blue card has a question please raise your hand and the microphone will be brought to you as per the process of years previously. Any questions on the remuneration report. Thank you.

SPEAKER: M14

My name is Gavin Morton. I am a pro bono monitor for the Australian Shareholders Association and the ASA represents the retail shareholder in general and specifically for this meeting I represent 2.4 million shares. What -- there was moves in this area of short-term incentives, long-term incentives and I doubt whether they will survive in five years' time. The main problem with them -- I will come to the issue of the AGL quickly because I don't want to hold the meeting up but the executive bonus system should have some alignment with shareholder value and this is one of the reasons why there is movement in the number of companies who think of how this can be achieved. The time with the AGL in -- it's too long, it's difficult to understand and probably will not be understood by shareholders but you get a small subset who might have an idea of rem.

What the ASA is looking for is something which is easily understood and is missing in the AGL remuneration. The hurdles -- there's lots of hurdles in there and they are not stating there are some. But what we're looking for the short term is half in cash at the end of a year one and a two-year lock in the form of shares at the end of the year two. On the long-term incentive we are looking for a four year but we accept that most companies now accepted a three-year period.

The one thing we don't like, and it appears in here, is fair value. One of the - - let's call it -- it is not even fault, it ends up devaluing the share. For example, I'll be quick on this. If the share price is \$10, by the time it's been through fair value it ends up as \$5 at some future date, say 20 years ahead. So, no fair value, lack of detail, difficult to understand. So, today I will be

voiding the 2.4 four million shares against the rem report. We're are consistent in this matter because we have voided against your rem report for the last three years. It would be worthwhile for you to look at what some of the other companies are doing. One -- a couple spring to mind. One is BHP who are going through a period of intense change and also another one which you will think odd, is JB Hi-Fi, we have got a different view of it. But the present one has got to be simpler and the hurdles have got to be cleared and until you do that we will recommend that the retail shareholders vote against it and our members vote against it. Thank you.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you for your comments. For the benefit of the rest of the meeting myself and Diane Smith-Gander met with an ASA representative in Sydney a few weeks ago and we discussed these issue then and gave a formal response. We have worked very hard on trying to improve the transparency of the remuneration report particularly following a first strike two years ago and that led to a lot of work on the transparency recording but also which led to an overwhelming support for the remuneration report last year. As Diane just said though, we are going to look at the structure and so we will listen to all of our shareholders in terms of their views about how we can best structure an executive remuneration to drive the desired outcomes for shareholders. So, thank you for your input and we will continue to take it on board but, as I said before, we have to balance the views of all shareholders as well as be competitive in the marketplace.

A few years ago, AGL put together a fairly bespoke arrangement, which we thought was fit for purpose for the company but unfortunately the market didn't understand it very well and as a result of that we were kind of marked down because it stood out from the crowd. So, there is certainly some challenges in this area. Thank you for your question. Are there any further questions? Yes, one over here.

SPEAKER: F12

Hi my name is Minna(?) I've never been able to understand why any company, not just AGL, the CEO gets three, four, five, or even more times money for running the company than the person who runs an entire country, who only gets that half a million. How can you justify that sort of situation, please?

SPEAKER: CHAIRMAN, GRAEME HUNT

Making comments about the leadership of countries is well beyond my pay grade. So, look, we operate in a national and international market. I'm sure as a shareholder you want us to have the best talent running this company and to attract and retain that we have to compete with other with other companies. You might be onto something. Thank you. Any other questions? Okay, so thank you. I will now put the motion that the remuneration report for AGL for the year ended 30 June 2018 as set out in the director's report section of the annual report be adopted. As mentioned earlier, the formal vote on each resolution will be conducted by way of poll but we will conduct an indicative show of hands on each item. For those of you in favour of the motion please raise their yellow cards. Those against. Thank you. Details of the proxies and direct votes that have been cast on this motion are shown on the screen behind me. Thank you. And the poll will be taken and the results of the poll will be published later in the day on our website on the ASX.

I now turn to the third item of business which is the re-election of two directors. In accordance with the company's constitution two directors are retiring at its annual general meeting; myself and John Stanhope(?). We are both seeking re-election. Each of John and myself will speak to you briefly about why we are seeking your approval to continue as a director in your company. I will then open the meeting to questions on each candidate's re-election before inviting shareholders to vote and each resolution. The matter under this item of business concerns my own re-election as a director

and I have invited Diane Smith-Gander to chair the meeting while this matter is considered.

SPEAKER: DIANE SMITH-GANDER

Okay, thank you, Graeme. Graeme's been a director since 2012. He was appointed chairman at the conclusion of last year's AGM. He is also chair of the Nominations Committee. Graeme has extensive experience relevant to AGL's activities. He was previously managing director of Broadspectrum Limited and managing director of Lihir Gold Limited. Graeme has also held a number of senior executive positions in a 30-year career with the BHP Group. Graeme will cover his relevant background, other current responsibilities and a summary of his areas of expertise and interests. Your board has considered the contributions Graeme makes to the board. We consider Graeme's skills and experience, in particular his considerable leadership experience in strategic and operational areas across a broad range of industries and complex operations complement and are valuable to the board's existing skills and experience. As chairman of the board, Graeme also adds considerable strength and leadership to the board in its deliberations. Graeme will now speak to you on his candidacy.

SPEAKER: M15

Thank you, Dianne, for the introduction and colleagues for your support. I'm grateful for the opportunity to speak to my re-election. I would like to briefly elaborate a little on the background just covered through the lens of what I believe I bring to your board which is relevant to the set of challenges and opportunities facing AGL. In my 40 plus years in business with BHP Lihir Gold and transport services and Broadspectrum, I worked in operations general management roles across the steel, transport, mining and service sectors. The relevance from an AGL perspective is that I ran businesses that were big energy users such as BHP's global aluminium business. I ran businesses that produced fuel for the global market. So, I was both a customer and a supplier to the energy sector. I've had a responsibility for



various types of generating plant and associated transmission facilities. I've had many decades of experience in the construction, operations and maintenance of capital-intensive assets and it is very familiar territory to me and the need to maintain a strong focus on the safety and environmental performance. I'm very familiar with working in regional and remote communities in Australia and elsewhere and have a lot of experience in working constructively with local communities. At a broader business and corporate governance level I have held managing director and non-executive roles with three ASX executive companies. This has given me significant experience in interacting with shareholders, experience in the areas of corporate finance, mergers, acquisitions and investments, and in dealing with governments of various persuasions, regulators and the like. I believe my history allows me to draw on lessons learned from both good and disappointing experiences.

Those experiences and scar tissue and enhance my contribution in the boardroom. While AGL is very well positioned, there are challenges and opportunities ahead and they will require strong leadership and effective governance. I am committed on delivering that requirement should you, the shareholders of this company, support my re-election.

SPEAKER: DIANE SMITH-GANDER

Thank you, Graeme. Before I put the motion to re-elect Graeme Hunt as a director to a vote, does any shareholder wish to speak to this motion? Sorry it is very hard to see. I think we may have – okay, thank you.

SPEAKER: M16

Gavin Morton, monitor for Australian Shareholders Association. I will be brief. We think that Graeme is an ideal candidate. He meets the guidelines shown very quickly and firstly he has the experience to be chairman. He has less than 12 years of service. He doesn't hold more than five directorships in listed companies and also his shareholding skin in the game in the

company is greater than we thought. He meets that no problems at all. I will be quick and just mention -- I will come back on John in a minute.

SPEAKER: DIANE SMITH-GANDER

Thank you, Mr Morton. We appreciate that useful framework that you provided, that shareholder consideration. And thank you for the pro bono work that you do in representing people through the ASA. Are there any other questions? In that case I will put the motion to a vote. As mentioned, the formal vote on the resolution will be conducted by way of a poll but we will conduct an indicative show of hands first. So, the motion before the meeting is that Graeme Hunt be re-elected as a director of the company. Will those in favour of the motion please raise their yellow voting cards? Those against. Thank you. Details of the proxy and direct votes that have been cast on this motion are as shown on the screen. I now invite Graeme Hunt to resume chairmanship of the meeting.

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you, Dianne and thanks to those who voted to support my re-election. The next matter for consideration is the re-election of John Stanhope as a director. John has been a director since March 2009. John chairs the Audit and Risk Management Committee and is also a member of the Nominations Committee and the People and Performance Committee. John has many years of experience in senior positions in financial communications and other commercial roles. He was previously a member of the Financial Reporting Council and director of RACV Ltd and Telstra Corporation Ltd. John will cover his relevant background, other current responsibilities and a summary of his areas of expertise. The board has considered the contribution John makes to the board and the board considered John's skills and experience, in particular John's considerable financial and commercial expertise compliment and are valuable to the board's existing skills and experience. John also adds considerable strength and leadership to the committees on which he serves, including as chair of the Audit and Risk

Management Committee. John will now speak on his candidacy.

SPEAKER: JOHN STANHOPE

Good afternoon and thank you for being here today and I, too, would like to thank you as Board for their support for my re-election and I today seek your support for my re-election for the AGL board for a fourth and final term. I begin by reminding you of my background which is strong in the areas of governance, finance, strategy and risk management. Specifically, I have extensive corporate experience primarily in finance and strategy in the Telco sector for a very long time. With my last eight years of Telstra as the chief financial officer. In addition, I was director on the Telstra board for the last two of those years. I'm currently chairman of Australia Post. I'm chairman of the Port of Melbourne and I'm chair of the Bionics Institute and chancellor of a wonderful Victorian University called Deakin. I've continued strong personal interest and passion for good governance and reporting, being a member of B20 and chair of the Business Reporting Leaders Forum which has as its goal to improve reporting to shareholders and all stakeholders for that matter. I'm also a deputy chairman of the International Integrated Reporting Council which tries to improve reporting globally. In a time of significant change, experience and knowledge of AGL's operations and strategy is very important and I offer that continuity, that knowledge and that experience. Like many other industries, the energy sector is changing and we must anticipate change and adjust accordingly. I said that three years ago and this is still the case. Good governance and risk management are very important in such a changing world and where there is ever-increasing scrutiny over company performance which there should be, I will have a role which will oversee the review that we have heard today of the processes, the culture and resourcing to ensure the effectiveness of our compliance. It's very important in the light of what we have heard today and your questions today. Rightfully so. As you know I am chair of the Audit and Risk Management Committee and I am acutely aware of the changes in our industry and the risks and how good processes to identify and manage the

risks are essential. I'll continue to play a key role in this regard being ever vigilant in respect of community, customer and stakeholder behavioural change and expectations. We have a great company that's addressing the changes taking place with a great executive team. The board is strong and united and fully aware of the changes necessary to be fit for purpose in the years ahead whilst at the same time adjusting for the changes in society and the expectations of all our customers. I'll continue to contribute to the strategic thinking and good governance of this company.

Focus must always be on shareholder value, long-term sustainability and being a good corporate citizen and while doing so managing the risks associated with these things. I seek your endorsement to continue to represent you as a director.

SPEAKER: F12

Thank you, John. Before I put the motion that John Stanhope be re-elected as a director to a vote does any shareholder wish to speak to the motion?

SPEAKER: M18

I'll be brief. The only question we had in regards to John was whether he had the equivalent of more than five directorships. The one that caused the attention was the Port of Melbourne and we were unsure of how much time he would spend in doing that. It's more to the point and that is; will he have enough time to devote to AGL amongst all the other interests that he has got. If he could say a few words that would be helpful.

SPEAKER: M2

John, I am happy for you to say a few words --

SPEAKER: M17

Sure. Let me assure you that I do commit the time needed to AGL. The Port of Melbourne chair role, it's not a listed company so I am only on one

listed company and the Port of Melbourne is held by private equity and doesn't take anywhere near that time that AGL does and deserves so I do have the time.

SPEAKER: M19

I will sit down. I will just say that we discussed this yesterday and with that answer I will vote 2.4 million votes for John's re-election. I'm sure you've already got the votes but nonetheless we have given them to you .

SPEAKER: CHAIRMAN, GRAEME HUNT

Thank you for the question and just to reaffirm. Certainly, it is my view as chairman and the view of John's colleagues that he certainly has the time available and puts it in to his role as a director of this company and particularly through his role as chair of the Audit and Risk Committee. Now the old saying 'If you want something done give it to a busy person'. Thank you. I'll now put the matter to a meeting for a show of hands. Those in favour please raise your yellow cards. Those against. Thank you.

Details of the proxy and direct votes that had been cast on this motion are shown on that screen behind me. Okay so a poll will now be taken on each of the resolutions. Deloitte will be scrutineers for the poll. If you have not already done so please cast your votes on the link vote app or indicate your vote for each resolution on the yellow voting card you received when you registered this morning. Representatives of your share registry link, Market Services are now available to collect your completed voting cards.

As I said earlier, summary of the proxy votes I hold as a nominated proxy for shareholders in relation to which resolution are shown on the screen behind me. I advise that I intend to vote all discretionary votes available to me as chair of the meeting in favour of each revolution put to the meeting.

Ladies and gentlemen, that concludes the formal items of business for today's meeting. The polls will remain open for another 10 minutes and results of the polls on each resolution will be provided to the ASX by close of business today and posted on the company's website. It only remains to me

on behalf of the board to thank you for attending and demonstrating your interest in AGL but taking part in the meeting. Rest assured we have heard the comments and questions from the floor and the board will further discuss and consider the matters that you raised with us today.

We look forward to seeing you next year in Sydney. I now declare the meeting closed subject to conclusion of the polls and invite you to join us for some refreshments outside. Good afternoon. Thank you.