AGL Energy Limited Annual General Meeting Transcript (Q and A only)

Friday, 3 October 2025

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Chair:

I would now like to invite questions on the 2025 Annual Report and the management and performance of AGL. We'll now open the meeting for discussions. We will now invite questions from the floor. If anyone holding a yellow or blue card has a question, please raise your hand and a microphone will be brought to you.

Shareholder:

Thank you, Mr. Chair. Natasha, Shareholder.

Now. Yes, the report concerned there was some grey text in the in the report which was a little bit difficult to read. So I just want you to take a note of that as far as your overall results. They were good but not great. I think it was a mixed bag. You've addressed the issue about the share price and all the relevant inputs relating to that, although I note that Morgan Stanley is favouring Origin over AGL, so. That's one issue. As far as the underlying profit. There was a number of significant items which that was due to lower forecast electricity and renewable energy certificate pricing. What was the reason for the lower forecasting and from that, we're very particular learnings, which you can advise us so that similar events like this can be avoided or mitigated in the future?

Chair:

Thank you, Natasha, for the question. In relation to the significant items, the two key ones were onerous contracts. As you've mentioned, and the retail transformation costs in relation to onerous contracts. The amount was $398 million. Onerous contracts provision refers to contracts that were written some time ago, in some cases up to ten years ago. For wind projects in particular, but some other ones as well. At the time that those contracts were written, they were written at prices that now appear high, and there needs to be provision made for those contracts. Now that prices have changed in that period from ten years ago or five years ago to now, so that that's what that relates to. It is a large swing factor item often in our accounts, not just this year. It's often a large item reflecting, as I say, movements associated with contracts written a long time ago. Contracts written from now on will be written, of course, at the current market price. In ten years time, we might find that those have changed too. It's just a way that we reflect contract prices.

Natasha:

Okay, thanks. Now your borrowings have increased and I sort of understand the reason for the greater investments. What is the gearing range? The Board is looking towards working towards? And I take it from you, I have comment that the level of debt is probably not going to decrease in the future, given the ongoing investment, but you can confirm whether that's correct or not.

Chair:

Thank you for that question. The level of gearing currently is about 37%. Our strategy is to firstly to maintain our investment grade credit rating of Baa2 and also to remain well within our debt covenants. Those are the things that we look at when we're considering our gearing now.

Sorry, what I propose to do is to limit to two questions per person just because we have limited time.

No, I understand that I just answered a range. So it's the 37% at the top of the range or. No, we actually we have headroom to go higher within our existing debt facilities if we wanted to. We review our capital allocation strategy regularly. And that includes consideration of the appropriate level of gearing at any one time, considering our current and future CAPEX plans.

Shareholder:

Okay. Thank you Chair.

Julianne from Australian Shareholders Association:

It's Julianne from the Australian Shareholders Association here representing 254 Shareholders and a million shares. First of all, we appreciate what the efforts that you're making to decarbonise and your comments around long term. The long term and that multi-decade actions that you will need to take. But we wanted to ask you the question around the new 2035 targets that the government has set and whether there is whether that will impact AGL in any way from a positive point of view or from a negative point of view, as far as risks and opportunities.

Chair:

Thanks, Julianne. Look, AGL welcomes government initiatives that have the effect of bringing forward investment in renewables and firming capacity that we need in order to be able to retire our coal fired power stations on the schedule that we've provided. So that commitment is a positive from AGL perspective in the sense that it will help to do that.

Julianne ASA:

Can I just ask, will you commit to some targets that relate directly to those targets?

Chair:

So our targets that we've set out really relate more to the amount of capacity that we intend to add. So we have several targets for 2035, for 2030 we've also introduced some new targets like the three gigawatts of batteries by FY30. And we've increased our 2030 ambition from 5 GW to 6 GW. They're the things that we've done. Of course, where we can and we've said this in many places. We will accelerate depending on how government policy unfolds and how markets evolve over that time.

Guy Wilkinson:

Thank you, Mr. Chairman. Guy Wilkinson, Australasian Centre for Corporate Responsibility, the CTAP lacks a detailed electrification strategy. We all know, accelerating electrification in Australia is important for Australia to meet its decarbonization goals set out by this government just two weeks ago. Yet AGL's ambition to connect every customer to a sustainable future is not backed up by tangible milestones or targets. How is AGL planning to support the electrification of households and industry, and what targets will it set to drive this transformation? Why was this not in the CTAP?

Chair:

Thanks for your question, Guy. So there are several elements of the answer that I'll give in relation to electrification. One of the key things is getting existing gas customers off gas. That decision is a decision for customers. It's not one that we can control and it will vary a lot depending on the financial and other circumstances of particular customers. Not everybody can afford to buy an induction stove, for example, right now, so that that process of in particular switching from gas to electricity is one that will depend on customer action more directly than it will depend on our action. However, what we do is we provide the tools that would enable residential customers and business customers to assess what the benefits would be of electrification. Damien mentioned the online tool that we provide. It's called Electrify Now, if anybody here hasn't used it, I'd suggest you go and have a look. Don't have to be an AGL customer to use it. And essentially what that does is it outlines what sort of savings you could make by switching from gas, hot water, gas appliances, gas heating and so on to electric. So that's one means that we encourage electrification. The second area I think that's relevant to comment on here is advocacy. If you look at the advocacy that Damien and AGL more generally has undertaken in relation to electrification, we have pushed for governments to adopt policies and other initiatives that will encourage people to switch from gas to electricity, and that is a key part of what we can do, what we can control in terms of that rate of electrification. I think they're the key elements that I provide in response to your question.

Guy Wilkinson:

Thank you, Mr. Chairman. And lastly, AGL CTAP shows scope three emissions from gas supply remaining almost flat for the next decade. It has no prediction on future gas demand across households, business and industry. It has no price forecasts. Fossil gas faces challenges in the transition and will need concerted leadership and investment to tackle and help get methane gas out of homes, and for there to be gas alternatives for industry.

Why does AGL not provide investors with more transparency over its gas retail business in the next decade?

Chair:

Thanks again for the question. I think the answer is much along the lines of the previous answer to some extent, and that is that the decision about converting from gas to electric is actually a customer decision, not ours. As I say, we provide the tools to help that, and we advocate for governments to try to bring forward initiatives that will encourage that. But we can't direct customers to switch from gas to electric. I think there needs to be increased government support for electrification in that area. If we're going to achieve the sort of rapid. Changeover from gas to electric that that organisations like yours are looking for.

Guy Wilkinson:

Thank you, Mr. Chairman.

Shareholder:

Good morning. Thank you very much for what you've outlined for the future. My question is directed essentially; you said you've appointed a new auditor and given credit to Deloitte's for 20 years of excellent service in this change. What criteria did you apply? I ask because PwC has had repeated issues with trust. Extraordinarily bad behaviour and continued to do so. So why and how did you decide to go to a new auditor in favour of one who's shown repeatedly to be a very poor performer and offender? The moral trust? How do you explain that?

Thank you.

Chair:

Thank you for the question. Last year we went through a long and detailed process to consider a change of auditors. We invited all of the major audit firms, including Deloitte, to submit proposals for our external audit. We considered those proposals in detail and felt that PwC provided the best options, the best service for us. We did consider the issue, I think, in particular that you were referring to, which was an issue, as I understand, within the tax group at PwC. Some time ago, we did consider that and we did question PwC around what governance improvements they had made following that incident. We were satisfied that the governance improvements that they had made across the business and in particular of relevance to us in their audit practice, were acceptable in terms of improvement from that incident some time ago.

Shareholder:

So was the turning point. It was it cheaper?

Chair:

No, price was one of the factors that we considered when we looked at the alternatives provided by the major audit firms. But the focus was really on providing the service that we particularly wanted. We have a complex business that requires a lot of audit skill across a range of different capacities, and we felt that PwC provided the best proposal in relation to servicing our requirements.

Shareholder:

I'm sorry to say that I remain unconvinced with what you're telling me, because the Australian Financial Review has continued to report about Sayers and Seymour had contradicted information given by the legal counsel, and I inclined to think I'd be very, very concerned about the future prospects if, as you say, that Deloitte provided a pretty good service. So you have to have a clear definition. Was it the cheaper offer?

Chair:

I think I have answered that question. We had, yeah, we did have multiple criteria on which we made the decision price was one of them, but overall it was the services.

Shareholder

Okay.

Chair:

And I appreciate your view. Thank you.

Shareholder

I would like to ask a question concerning the Computershare and AGL. The link between the two. Apparently I had a bit of problem dealing with these people here. First of all, they didn't send the proxy vote for me at all for two companies and didn't send the hardcopy Annual Report. They say you can have it now. I say if you're going to have it now, I cannot read it. So how you didn't how you deal with these people because you say how we can give it to you now. Excuse me, is that wrong? Robert? 300 400 pages. The Annual Report and the hard copy, we didn't receive it at all. And I have a problem with these people, which I didn't vote for them. I didn't vote for Computershare. I you know, I don't have shares with them. I have shares with AGL. Why these people is hand on behalf, mess it up everything I asked them bring it twice. They didn't say they were going to send it to you. I'm going to send email to you. They it I have copies here. I got now and to justify I am the Shareholder. I now feel sick about that because first of all why Computershare dealing with that supposed to be AGL direct. But I noticed some companies shifted the service to somebody else and I had a problem. I'm going to advance more on that. I didn't have my dividend pay because the company. Apparently notified these people. Computershare the other thinking market link. And what happens? They didn't pay me the dividend because they didn't know my bank account. I gave them my bank account to the company, not for market Link or Computershare. And they I have to ask for three, five, six months, three or more than a year, year and a half. I didn't have dividends because they say they didn't have my bank account. Okay. I gave it to the company when I bought the shares from the company, I would give all my detail, my tax file numbers, everything there. Why? There is no communication with you between the company and somebody else. We had to deal on behalf of the Shareholders and they become difficult for us to.

Chair:

Thank you for the question. I'm sorry you've experienced that difficulty with the share register in relation to the Annual Report. We have what we call an opt in mechanism for the Annual Report. So if you're a Shareholder, in order to receive the Annual Report, you would need to opt in to the Annual Report and then it will be sent to you. But in relation to the other issues that you've had, I'm sorry that that's happened to you in relation to the share registry. And if you like, we can ask somebody to come and have a chat to you personally about that because that's your business. it's not the rest of the people.

Shareholder:

My business is not the Computershare. I don't have nothing to do with them. I dealt with the company, I invest. But yourself transferred to them. Do you know why? I know that because some companies get around 10 million Shareholders. They don't want to provide the Annual Report, the proxy vote. You want to me to print my computer cost the cost for me. And saving money for yourself here. And they say how much money you are saving? How much cost? One of those books. 300 or 400, hard copy. The Annual Report. How much cost?

I don't have a clue, but I can't tell you what's quite a lot of money there, especially the glossy, glossy paper used to statistics and things you put in there. So why you the company 70 companies in Australia and they try to avoid the Shareholders to vote because it's better I don't vote at all. So the Chairman of the Board like yourself, Mr. Miles, you cannot vote for whatever the decision be if I agree or not. I think all companies like that, certainly companies of our size now use a share registry. So that's why you've had to deal with somebody other than AGL directly. Excuse me? I don't deal with them because your pass on any problem their Shareholders, investors dealing with these people and we I'm convinced we have to deal with them now. I've been asked to send the Annual Report. They didn't send it to me. I have to post. You know, I live in Queensland. I don't live here in New South Wales, so I didn't get any report at all. Now they come here, I get a piece of paper here, which I have here. This is the only information I have is annual energy notice meeting. That's all I got.

Chair:

I'm sorry, but because this is a general meeting and there are many people here who would like to ask questions, I'm going to have to leave it there. And we will ask somebody to come and speak to you after the meeting about the problem you've had.

Shareholder:

The other thing, the global climate change. For me, I don't want to express the word because I'm going to make somebody offended with that. I don't believe that at all. I've been studying, read the books. All this is created by government, okay. By government and yourself are very keen on that. Become a religion in Australia. Climate change.

Chair:

I'm sorry, but I'm going to have to leave it there. We're going to have to move on to another question. But thank you for your question.

Shareholder:

Thanks. I appreciate the detailed presentations by the Chair and CEO. Thanks for that. I was going to ask a question, but I'll leave it on the table, if you like, about the auditor. Given that Deloitte's have such a good reputation compared to the others. So I'll leave that on the table, but I'll move on to the second question I was going to ask is the Shareholder. I think. We're just as important stakeholders as employees, and we have a commitment to integrity and transparency, which, as I'm sure you do, and therefore I'm asking first. Firstly, my first question is do you have an ESOP that allows your staff to have an input to strategic decisions?

Chair:

I beg your pardon? Was that SAP? Did you say ESOP?

Shareholder:

ESOP, employee share option?

Chair:

Thank you.

Shareholder and Chair (talking at same time into mics)

Okay. I just wanted to get what the acronym was. So an ESOP employee share plan allow employees to ask questions. Obviously on strategy.

Shareholder

The second question relates to something still relating to the auditor. Is your AI model? Because I'm starting to be convinced that most senior executives have very little knowledge of the models they're using, particularly artificial neural networks, which you obviously are using, which can't be interrogated. Of course, you rely on their input, sorry, their output, which could be based on biased input, of course. And therefore, you need well intentioned and smart employees to be involved with that. So my question is, do you and the auditors have the same models, and do you train your staff to use those effectively to challenge standard decisions? So with that, thanks very much.

Thank you.

Chair:

Thank you for the question. In relation to share plan. Yes, we do have one for staff for all. Staff in fact can participate in that plan. And as we've outlined in the Annual Report, there are also the LTI and STI schemes for executives. In relation to AI, AGL is a large business and we do use AI across the business in various areas where it is used to improve productivity and in particular to improve the customer experience and customer agent interaction. So we do use AI, yes. In relation to audit, I'm not clear what your question is in relation to the audit of AI. Our auditors, whether it be Deloitte for FY25 or PwC going forward, subject to the vote here, they review all areas of our business.

Shareholder:

I guess the point I'm making is that an ANN, which are regenerative AI models based on artificial neural nets. They're soft learning algorithms. Is the senior executive trained in those? Because I'm sure some of your staff would be. But is it the same models are using with the auditors say, at least compatible and able to talk the same machine language, if you like? That's my point. Is there some strategy and have you thought that through.

Chair:

I might ask Damien to comment on that.

CEO & MD

Yeah. Look, thanks for your question. As Miles mentioned, AGL is a large, complex organisation with many models that we do run where there are models that do interact into any financial results or numbers. And clearly we work closely with the auditors to ensure we have alignment when they're when they're reviewing and auditing our results. So that alignment is there. In terms of your broader question, clearly, you know, getting AI right, getting the controls around AI model is incredibly important. And so for us at AGL, we spend a lot of time making sure we get that right. And we'll continue to get that right because it will continue to learn and we'll continue to learn with it as well.

Chair:

Thanks for the question.

Susan:

Hello. Susan, Shareholder.

This may be a very simplistic question based on those that have been asked, but my concern and my question relates to the expansion of the wind farms and solar farms. What is AGL's position with regard to prime agricultural land and the removal of it for these and or the rehabilitation of it? When you remove things like the AGL, the Camden site.

Thank you.

Chair:

Thank you for the question. AGL takes very seriously its impact on the environment for all of our assets in relation to wind farms, AGL has some of its own developments which are considered in the context of potential environmental impact. Among other considerations. We also, as you may be aware, contract to take the output of other owners, wind farms. And again, we review the environmental soundness of those projects in relation to solar farms. We don't have any solar farm assets. The impact of wind farms, and this is my personal experience, not an AGL comment, is relatively minor on agricultural land, whether it's prime or not, because the turbines are spaced many hundreds of meters apart and only have a relatively small footprint. But that, as I say, is my personal observation. Having worked in the wind industry for some years.

Shareholder Michael:

I was wondering, with your new auditors, was the audit partner a partner when PwC managed to, how does one say, break the law? And the second part of the question is totally different. I tried to change or I thought of changing my service provider to AGL online, and the online portal did not have anything about my solar panels that have been there for a number of years, let alone the feed in tariff, nor the use of the solar generation in or before. The feed, the electricity from outside sources, which I thought was how does one say incompetent at best, stupid at worst. And generally stopped me changing. I thought I'd change to a company providing my electricity that I had shares in, but I was frustrated at the outset. Your comments would be nice.

Thank you.

Chair:

Thank you for your question, Michael. Two questions in fact. In relation to the proposal to change to PwC as an auditor. Yes, I understand that the senior partner involved was a partner at PwC at the time of that incident. However, in a different area of PwC, which as you would know, is a very large organisation audit department, quite different from the tax department. But the answer to the technical answer to your question is yes. In relation to the issues that you've had with our online app. I'm sorry that you've experienced that problem. I don't know what the particular reason may have been in your personal circumstances, but we do have customer service representatives here today. And if you like, they can talk to you immediately after this meeting when we retire for some refreshments about that particular problem that you've had with your app and your particular circumstances, if that's okay.

Michael:

In reply to your in response to your initial reply about the auditor, I was wondering. It goes to the ethos of the company about breaking laws. Sensibilities over confidentialities. And if the partners were there at the time, why did they need a yank to come over to check out the partners? And that that points to the ethos of the whole bunch of partners.

Chair:

Thank thanks, Michael. I appreciate your comment. As I mentioned, I think in relation to an earlier question, we did undertake a very thorough review of the governance improvements that PwC has made since that time and were satisfied with those improved arrangements.

Shareholder:

Thank you, Mr. Chairman

My name is Roman and I am long term Shareholder and I'm representing a number of entities which are also long-term Shareholders of this company. The entities included my self-managed super fund and my personal shareholdings. I would like to thank you, Mr. Chairman, and your management team, for finally joined electronic email system in our customer can now a return back forms instead of by sending them by snail mail. I raised this issue at this forum and now it was implemented and again I would like to thank you. Now I would like to give you another challenge. Can you please organise your different departments to talk to each other and deliver on their promises. To our customers it looks like this company making empty promises and doesn't deliver it. I can provide you more details after the meeting.

Thank you.

Chair response

Thank you Roman. Thanks for noting the improved communication. In relation to the particular issues that you've had. I'd suggest if you're happy for this, that one of our customer service representatives can talk to you after this meeting. Do we have further questions?

Andy

Andy, president of the Mining and Energy Union Victoria. I've got a quick preamble, then a couple of small questions can be aimed for anyone on the Board. So at present, AGL's Loy Yang supplies 30% of Victoria's energy supply. Loy Yang A power station, is attached. Brown Coal mine is situated in Latrobe Valley, and employ approximately 2,000 full time employees and contractors. Thousands more rely on Loy Yang in the local community for trade. Loy Yang A and its brown coal mine are scheduled to shut in 25, as per the report. And the mine may operate a bit longer depending on what happens with Alinta or Loy Yang B so at present, AGL has operated in Latrobe Valley for 13 years, profiting immensely from the region and its local workforce. With the transition from coal fired power and underway, regions like Latrobe Valley are once again in a firing line for economic catastrophe. And we already have some very poor socio-economic outcomes in the Latrobe Valley. So a couple of questions here. And the first one is, does AGL have an obligation to assure that there are secure, well paid jobs in large numbers to accommodate its existing Loy Yang workforce? And then does AGL have an obligation to the residents of the Latrobe Valley to leave them with a positive legacy, one not dominated by the demise of coal fired power, but one that's about economic growth and prosperity for generations to come? And the answer should be yes. So if you can provide a little bit of detail around that, that would be appreciated.

Thank you.

Chair response

Thanks for your question, Andy.

So AGL already has quite significant experience with this process of transitioning thermal assets to other forms of technology. And I'd point to the example of Torrens Island in South Australia, where the existing thermal power station is going to be closed in 2028.

Now for some time, years, in fact, we have had in place a transition plan for the workers at that particular site, personalised assistance with transition plans. In some cases, potentially moving to another location. But that doesn't suit everybody. As we know, training other things like that are part of the transition hub that we establish for the employees at Torrens. Similarly, at Liddell, which was closed in 2023, we put in place an extensive transition program for workers who would be affected by the closure of the Liddell power station. Some of those the people who work there decided to retire because they were at that age and decided that's what they would do. Others decided to retrain, and a substantial number of them were redeployed by AGL to the Bayswater Power Station, which is not far away. As you are probably aware. So we do have experience in and can point to a very serious commitment to our existing employees to be able to assist workers through the transition of our assets. Loy Yang A, as you say, is still ten years away, but I would expect that we will be adopting very similar programs for workers at Loy Yang A as we get closer to that time.

Thank you.

Mick, Mining and Energy Union delegate at Bayswater Power Station.

Just like to ask, we saw an increased an increase in unplanned outages across AGL's thermal generation fleet in this financial year. And by the time Bayswater and Loy Yang are looking to close, they'll be about 50 years old. Workers are concerned that their health and safety is being put at risk, while power station owners sweat assets that are moving to close to closure, rather than investing in essential maintenance. Well, AGL listened to workers concerns about safety and commit to investing in the maintenance of their thermal generation assets all the way through to the final day of operation.

Chair response

I'll ask Damien to answer that question.

CEO & MD response

Thanks, Mick, and thanks for your question. Look, absolutely. Today we continue to invest about $500 million per annum on both of those power stations. Both Loy Yang and Bayswater. And we will continue to do that to make sure we can operate those plants as effectively and reliably as we possibly can. Acknowledging, as you said, these power stations are 40 years of age, so over time they will you know, the reliability is more challenging, but we will continue to invest in them. The investment programs will run all the way up to the major outage cycles, which we're doing right now. I think you'd be aware we're doing a Bayswater major outage right now, circa 110 days. Well over $100 million is what we're spending on that unit alone. That will take that asset out for a long period of time. So we will continue to do that. And we'll also continue to work on the flexibility of those assets, because the flexibility of the assets in this market with renewables is incredibly important as well.

Thank you.

Chair response

We have online questions as well. So I'll take one more question from the floor before we move to online. Thank you.

Chair, mining and Energy Union Northern Districts vice president based in the Hunter Valley.

The federal government's new net zero economy authority provides a framework for transition support to be delivered to workers closing power stations. Now, this framework could lead to AGL facing obligations to provide certain transition support to workers, including retraining, career guidance and access to redeployment opportunities. Will AGL commit to working cooperatively with the Net Zero Economy Authority as Bayswater and Loy Yang, a move towards closure, or does it intend to try and exempt itself from these important obligations?

Chair response

Thanks for. Your question. The answer is yes.

No, no, but but you're absolutely right. So we do. We are now working with the net zero authority and we'll continue to do that. Of course. Okay. James, could you please let me know if there are any online questions, written or verbal, relevant to this item?

MODERATOR response

Yes, Chair. We have four online questions and no one on the phone line.

We have three questions from Mr. Steven Mayne.

The first question is what process did we run to select Myles George as our next Chair was a headhunting firm involved. And did we interview any external candidates? Were there multiple internal candidates competing for the position with a formal pitch and vote, or was Myles the obvious standout internal candidate supported by consensus? Could Myles also please comment on the biggest changes in Board process? Delegations, reporting lines or governance that he has implemented since taking over as Chair in February this year? Could CEO Damien Nicks also comment as to whether Myles is more or less hands on than Patricia McKenzie as a Chair?

Thank you

Chair response

Thank you for the questions. So as you would be aware, the Chair of the Board is selected by the directors. And the answer to your question is that my candidacy as Chair was unanimously supported by the Board in terms of changes. There has been no material changes in strategy since I took over as Chair in February of this year. I think the change, though, that I would observe over the last year or so, has been the shift from building optionality in our development pipeline to delivery. So the focus of our business, in particular in the last year, has been on delivering those assets that we've built up over the last couple of years into our development pipeline. And so now you're seeing in particular the battery projects that we've commented on in the presentations now coming forward, that's been probably the change that I would I would observe. James, did we have another question?

MODERATOR response

The next question from Mr. Stephen Mayne.

Could outgoing Deloitte signing partner Harriet Fortescue please comment on what involvement she and her team had in terms of the public reporting in the remuneration report of the $720,000 medical settlement with former Chair Patricia McKenzie and the appropriateness of the size of the payment was, Deloitte consulted on the implications of the settlement, which caused overall payments to non-executive directors. Directors to reach $3.3 million in 2024/25, exceeding the Shareholder approved fee cap of $2.75 million. Also, could Harriet please comment on how Deloitte felt the competitive tender for the audit contract was conducted? How was the timing handled? In order to avoid any impact on the regular auditing process?

Chair response

Thank you for the question, Stephen. In 2023, Patricia McKenzie was seriously injured at an AGL site. That injury required multiple surgeries.

AGL engaged independent expert advice to determine a compensation arrangement for Patricia McKenzie, which would be no worse and no better than any, if any, other employee at AGL had been in a similar situation. The determined compensation of $720,000, which is set out in our Annual Report, plus additional Medicare fees of approximately $11,000, is a full and final settlement of the injuries and costs that Patricia sustained in the past and for any future costs. In relation to the audit process, that process was conducted by the Board, and I think I mentioned previously that Deloitte was invited to participate in that process. And so it's not appropriate for them to comment on that process as a participant in it. As I mentioned before, PwC was chosen for providing the best overall proposal on a range of criteria that included the services provided and the cost. Do we have another question?

MODERATOR response

James from Mr. Mayne.

The next question from Mr. Mayne, thank you to Kerry Schott for her three years of service on the Board. Why is she not seeking a second term? It is always helpful for investors to have access to some exit perspectives from retiring independent directors. In her final contribution as an AGL director, could Kerry please comment on what she regards as the two best decisions AGL made during her time on the Board, and would she do anything differently if she had her time again?

Chair

Thank you for the question, Stephen. Yes, an applause is appropriate for Kerry. Kerry has made a fantastic contribution to this Board over the three years that she has served on the Board. Kerry has made a personal decision to retire from this Board, having been on it, as I said, for approximately three years, some of you may be aware that Kerry has a number of other commitments in various other roles. And as I say, it's a personal decision of Kerry's to retire. We think Kerry has made a fabulous contribution to the Board, and we wish her all the best for the future. Kerry, did you want to add anything?

Kerry Schott

Thank you for your compliments, Stephen. They're quite unexpected. And I've enjoyed my time on the Board and I'm leaving it in good hands.

Thank you.

Chair

Thanks, James. Are there any further questions online?

MODERATOR response

There's one final question online from **Mr. Robert.** Could you please explain the strategy behind offering Netflix subscriptions?

Thank you.

Chair response

Thank you for the question, Robert. We have found that offering Netflix subscriptions has a specific benefit that it does attract electricity and gas customers as well, who tend to be quite sticky. And so the offer that AGL makes in relation to Netflix customers has been very successful. I think we might move on.

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The second item of business concerns the adoption of the remuneration report for the year ended 30th June 2025.

Now let's turn to questions on Item 2, the 2025 Remuneration Report. We'll start with questions from Shareholders and proxies in the room today. Anyone holding a blue or yellow card has a question. Please raise your hand and a microphone will be brought to you.

Shareholder

Thank you, Mr. Chair. Natasha, Shareholder. As far as my reading of the remuneration report, it seems that on the financials there was a little bit generous. But the seemed to be a fail on the employee Engagement and Inclusion Index, if correct. Can you explain that and what steps have been taken to improve those that performance.

Chair:

Thank you for the question, Graham. Would you like to answer that?

Graham Cockroft:

Thank you. Natasha.

Sorry. You're asking about. The employee engagement. I think Damien highlighted in his discussion earlier his presentation about the work that's going on to ensure that we have the right people in the organisation and that we keep them well motivated. And that's part of clearly what the remuneration is about. More broadly, we run a survey every year, an engagement survey to understand how people are feeling about the organisation that covers a range of areas. And each the results of that are collated. And then each manager who was responsible for leadership within the company is given the results of their team. And they can then take actions within their team to improve engagement.

Shareholder

Yeah. That's engagement. What about inclusion I take that, so that's.

Graham Cockroft

Yeah, it is, it is. And that's one of the questions within the engagement survey. We look at diversity and inclusion. And again that's all part of that same process is fed back through.

Shareholder

Right okay okay. Thanks.

Chair

Do we have other questions from the floor.

Shareholder

Thank you again. Artificial intelligence is repeatedly mentioned that AGL is using it extensively. What I'd like to know, do you have an ongoing program to develop the capacities of the Board. And Mr. Nicks in particular, whether this has allowed them to keep up to date with its use? And is there any critical use or faculty evaluation by individuals of what artificial intelligence is doing, preparing reports, decision making, etcetera, etcetera? Because as we are told, it's going to save the world, it's going to decarbonize, it's going to change everything and reduce human oversight.

And I ask this, particularly given that Deloitte was reported to have produced and cost the taxpayer about half $1 million, produced a report which was of plenty of suspect quotations and figures and God knows what else. So what I'm asking is, is there an ongoing educational program for staff, including Mr. Nicks and Board? How well equipped are they to deal with these issues and to make sure that artificial intelligence doesn't take over the critical decision making? Capacities and is in accord with what our strategic goals are?

Chair

Thank, thank you for the question. I might ask Damien to answer that question.

CEO & MD

Yeah. Thank you. And thank you for the question. Absolutely. You know, we are running a range of education programs for all of our people, including the executive, including the Board as well. The way I think you need to think about AI, it's something you need to continue to grow and learn with. It will continue to evolve. And I'll give you an example where we see real benefit. We use AI and models right now for batteries whereby we're trading batteries. There's so much data that is coming in there that you need technologies like this to be able to do that. So AI plays a vital role, but at the same time, we'll still have traders there overlooking, making sure the right decisions are being made.

Shareholder

Good. I mean, that's I think that is particularly important that some humans are always this operation because otherwise it gets away and nobody knows. And as I mentioned, the Deloitte report costing the taxpayer about half $1 billion was full of falsities and inaccurate quotations and figures, etc., etc..

Thank you.

Chair

Thank you for the question. Are there any more questions from the floor? We have one over here.

Shareholder

Roger, Shareholder, Chairman. You gave a good thorough answer to Steven Mayne’s question about how the compensation for the previous Chair was calculated, but you did totally ignore his question about. How it's okay. As a result, that the total money paid to directors exceeds what's been authorised. I think, for the record, you should answer that question too.

Chair response

Thank you for that question, Stuart. The payment that was made to Patricia was not a director fee. It was compensation for an injury that that is why it is not appropriate to add that amount to the to the fees that were paid to directors and argue that it's more than the fee pool. It was not fees. It's compensation for a serious injury, as I mentioned previously. Are there any more questions from the floor we might move to online? We've got one more. I'll take one more at the back there.

Shareholder

My name is Antoinette. Thank the Board for finally having an AGM in Sydney because I have no social media and so I usually don't participate in meetings elsewhere. All I wanted to say is that I'm still happy with AGL. I'm an ex-employee and I have a number of shares, and I just wanted to continue my tradition of objecting to the remuneration report, because I object in principle to all these reports, because they are for the beneficiaries only and no use and no interest for the actual Shareholders. But I am happy that I have AGL shares and I'll keep them. And so I hope that you're keeping more AGM in Sydney instead of Melbourne. Thank you very much.

Chair response

Thank you. Antoinette. Look what we actually do because we have Shareholders in many cities is we actually alternate between Melbourne and Sydney. So next year will be in Melbourne, the year after will be back in Sydney. But thank you. Thank you for your question and observations. We might move to the online questions. James, do we have any online written or verbal questions relevant for this item?

MODERATOR response

Yes, Chair. We have two online questions and no one on the phone.

The first online question comes from Mr. Stephen Mayne.

According to the AFR, former Chair Patricia McKenzie suffered an injury on a site tour in August 2023. At what site did this occur and who gave the legal advice that it was okay to make the $720,000 settlement payment in January this year, even though it caused director remuneration payments to exceed the cap approved by Shareholders in the 20 2425 financial year. Did the payment include covering legal expenses incurred by the former Chair in achieving this settlement, and did this issue lead to the change of Chair in February this year?

Chair response

Thank you for the question, Stephen. The details of the injury that Patricia sustained are personal for Patricia. And so I won't be disclosing any of the details of the actual injury, where it occurred, how it occurred, or anything else. That's Patricia's business. We did, as I mentioned in a previous answer, obtain expert, independent advice. And this is set out in our Annual Report. As to the details of it, we did obtain independent, expert legal advice and other advice in relation to the appropriate compensation payment. I'm not proposing to identify who the consultants were used were in relation to your comment about director fees. The director pool was not exceeded. The payment that was made to Patricia was not in the nature of director fees. It was compensation for a serious injury. As I mentioned previously. do we have another question James?

MODERATOR response

The final online question is from Australasian Responsibility, the LTI carbon transition metric relating to emissions, intensity of electricity supplied is a weak and poorly designed metric. LTI is not linked well to the targets outlined in the CTAP. Furthermore, its 0% vesting since its introduction suggests it has not been incentivising changes effectively either. The changed waiting for this year's this year suggests the committee does not see value in adjusting the remuneration around the CTAP. What is AGL's justification for this decision? What alternative carbon metrics has the committee considered to replace this inadequate metric with something that more effectively drives the targets in the CTAP?

Chair response

Thank you for the question.

The emissions intensity metric does directly drive emissions reductions. We consider that it's appropriate that it be emissions intensity and not absolute emissions reductions, because if, for example, there was unplanned downtime or for whatever reason, the plants didn't work well, that would actually reduce emissions but would not be a good outcome for supplying reliable electricity or for our Shareholders. The other metric that's included for the LTI in carbon transition is that's now included is the measure for new renewable generation and storage capacity that's to be built, that we believe is a very strong metric for encouraging the build out of the assets that are required to replace our coal fired power stations when they close. And you may have seen that we have doubled the weighting given to that metric to 20% from this year and remove the third metric that we previously had, the green revenue metric, which was in the in the view of our staff, but also of Shareholders, difficult to measure. So we believe that the remaining measures, the emissions intensity at 10% and the build out of new renewable and storage capacity at 20% remain appropriate.

Thank you, I think we might now move on.

I now turn to the third item of business, which is the advisory resolution on the 2025 Climate Transition Action Plan.

I'll now invite questions on this item. Let's start with questions from Shareholders and proxies in the room today. Again, if anyone holding a yellow or blue card has a question, please raise your hand and a microphone will be brought to you.

We don't have any questions from the floor.

James, do we have any online questions?

MODERATOR response

Yes, Chair.

We have five online questions and no questions on the phone. The first online question comes from **Miss Ainsley.** How will AGL proactively advocate across the country for its policy positions, such as no new residential gas connections and the acceleration of electrification and consumer energy resources? And can AGL update investors more frequently about its advocacy efforts and its efforts to improve industry associations such as the Business Council of Australia, whose advocacy for offsets use and expansion of gas production isn't aligned with AGL or climate science.

Chair response

Thank you for that question.

AGL does advocate strongly for electrification, taking on Board your comment about updating our advice in relation to that advocacy. Yes, we continue to provide updates about the advocacy that we undertake both directly and also through industry associations. You may be aware that Damien is the Chair of the Australian Energy Council. We believe that advocacy is one of the key levers that we do have to pull. I mentioned in in relation to an earlier question that some things that are required for the energy transition, we don't have direct control over. And in those cases, we use advocacy, advocacy at all levels of government to achieve the sorts of policies that are going to drive the replacement, ultimately, of our coal fired power stations.

MODERATOR response

The next question comes from shareholder, Mr. Ian.

Please advise how coal fired power plants have performed over the last two months. Secondly, have you been able to further improve ramp up, ramp down performance of the coal fired plants?

Chair response

Thank you, Ian, for the question. We'll provide our performance updates in the in the normal course. So that's something that Damien is responsible for in terms of the ramp up and ramp down. As you may be aware, we have conducted trials at Bayswater in relation to ramping up and ramping down the coal fired power units in response to changes in the in demand during the day. Those trials have been very successful, and we will continue to develop that process to ensure that we have maximum flexibility operating the existing coal fired assets that we have.

James, do we have another question?

MODERATOR response

Next question comes from Mr. Alexander

How does AGL account for use of generative AI or large language models as part of their climate disclosures? What is being done to offset or minimize these emissions?

Chair Response

Thank you for the question, Alexander.

We as I think Damien mentioned previously, we do use AI across our organisation to improve productivity in a number of areas and also to provide a better and more effective customer experience. We account for our own emissions in our CTAP both scope one, scope two and scope three emissions. And the initiatives that we undertake to minimise those emissions, including any emissions associated with our use of AI.

James.

MODERATOR response

We have another question from **Mr. Ian.**

Please explain the long duration energy storage project based on Raygen technology.

Chair response

Thank you for the question.

AGL has a number of long duration storage technologies in its development pipeline. These include pumped storage, hydro batteries, gas powered generation. And as you've mentioned, the project that project uses a combination of high intensity solar radiation modules and also essentially water storage to be able to store energy in hot water for considerable periods of time. So it's quite a useful potential. Long storage, long duration storage technology. And for us, it's just part of a range of technologies that we can consider and deploy. Do we have any more questions, James.

MODERATOR response

Two more online questions from Australasian Responsibility AGL's coal closure dates remain largely unchanged in the 2025 CTAP. The scope one and two emissions trajectory allows significant headroom for potential increasing use of coal power in the coming years.

Investors need confidence that AGL, as Australia's largest greenhouse gas emitter, is actively managing and reducing its scope one and two emissions with sufficient rigor. Could you give more detail on how the company is addressing these investor concerns and keeping emissions from coal under regular review to ensure AGL is not emitting more than absolutely necessary?

Chair response

Thank you for that question.

We have used conservative assumptions around those emissions, and the reason that we do that is because there may be circumstances where increased generation is required in a particular year in order to meet the demand that we have from our customers. We do expect, however, to beat those interim targets that we've specified.

MODERATOR response

Final question comes from **Mr. Steven Mayne.**

It is disappointing that you have rejected requests to disclose the proxy position on all resolutions to the ASX, along with the formal addresses, and that you even withheld proxy disclosure on the previous remuneration report item until after the debate on the remuneration report. Please disclose the proxy position on this climate resolution now so that Shareholders can ask questions. If there have been any noteworthy protest votes against the Board's recommendation, did any of the proxy advisors recommend against this resolution? If so, what concerns did they raise?

Chair Response

Thank you for the question, Steven.

Going answering your last question. First, all proxy advisors recommended in favour of this resolution. We do not disclose the voting prior to this. And the reason for that is we believe that is the best way to have an open and robust discussion. We believe disclosing the results of the of the voting ahead of the discussion is the wrong way around, and we will continue to do it the way that we do it at the moment. But thank you for your question.

There are no further questions on this item. I think we can now move on details of the proxy and direct votes that have been cast on this item, as shown on the screen.

I now turn to the fourth item of business, which is the appointment of PricewaterhouseCoopers as auditors of AGL.

I'll now invite questions on this item. Again, let's start with questions from Shareholders and proxies in the room today. If anyone holding a yellow or blue card has a question, please raise your hand and a microphone will be brought to you. There are no questions from the floor.

James, do we have any questions online?

MODERATOR response

Chair there are no questions online or on the phone.

Chair response

Thank you. James I think we can now move on.

I now turn to the fifth item of business, which is the election of one new director and the re-election of two directors.

I'll now take questions on the election of Betsy Donaghy and the re-election of John Pollaers and Mark Twidell, starting again with questions from Shareholders and proxies in the room.

Anyone holding a yellow or blue card has a question.

Please raise your hand and a microphone will be brought to you.

Shareholder

Thanks very much.

Very interesting presentations from the new possible directors, if I can ask a question to the three of you, given your background, are you interested in data centre development and therefore a new strategy relating to it and the large language models that you're going to possibly develop yourself in collaboration with those data centres?

Chair response

Thank you for the question.

AGL is closely following the development of the data centre market. Obviously, as a potential large customer for us in Australia and the Board is cognisant of that and regularly receives briefings from Damien on the development of that market.

We have another question.

Shareholder

Thank you.

It's not a question. Just a comment. Elizabeth. I hope you don't spoil your reputation by putting your name on such a Board as this. With such a shockingly past record. I go back, back over a hundred years with this company. I have a memory. Back to the.1950s. Then it was renowned for a Board with just having your mates on the Board.

Then you had that reputation. The reputation. The catastrophe. In New Zealand. And then the debacle in Western Australia. And lately. You had a billion dollars spare a couple of years ago, instead of giving you two. Dividends to the Shareholders you went on a Share buyback. At the time, the shares were $28. Within 18 months. I think it was 18 months. That fell to $5 in $0.01. What a waste of $1 billion. And this is what we're putting up with. I hope you can make a difference in the future.

Thank you.

Chair response

Thank you for your comment. I would observe that most of those incidents, well, in fact, all of them, happened long before this Board was appointed. But thank you for your comment.

Shareholder

You make a difference in the future.

Chair response

Thank you. Any other questions from the floor? No.

James, do we have questions online?

MODERATOR response

Yeah, we have one question online and no questions on the phone.

The question comes from **Mr. Steven Mayne.**

Why didn't we just do the normal thing and appoint Betsy to fill a casual vacancy? Back when she was announced as director in May, rather than waiting until today before she formally joins the Board? Yes, this does respect Shareholder mandates. But why didn't you do what most other companies do?

Chair response

Thanks for the question, Steven.

As you're aware, Kerry is proposing to retire at this meeting and we just thought it was appropriate, therefore, that Betsy should stand at this meeting. It's as simple as that. But thanks. I appreciate the question, Steven.

Okay, I think we can now move on.

I will now take questions on the grant of performance rights to Mr. Damien Nicks.

Again, let's start with questions from Shareholders and proxies in the room today. Anyone with holding a yellow or blue card has a question.

Please raise your hand and a microphone will be brought to you.

Charles Shareholder

This is a shocking record. Over the last six years. In 2019, you had a dividend of 64 and about $0.57. They should be up to $101.60 instead of that, it's $0.48. That has fallen by more than two thirds. What a what a shocking record for you. You should retire. And the secretary I mean the company. Chairman should retire with you unless you can improve on that. You don't deserve any bonus for that record. Over 70% reduction in dividends, a shocking record.

Chair response

Thank you.

I'll take that as a comment, but just make the observation that, as I mentioned, the LTI is largely based on relative Shareholder returns. And in the past five years, the LTI has only vested twice for Mr. Nicks in total amount of approximately 75,000 shares. So understand the point you're making that performance should be linked to Shareholder experience, and it is.

We have one more question at the back.

Antoinette Shareholder

I constantly vote against these extra money transactions because I feel everybody is paid sufficiently through their salaries and the extra money shouldn't actually work to promote even more commitment. I think the commitment should be there in the first place, and I actually believe that most of you have that commitment in the first place. So I am just objecting as a matter of principle, not just with AGL, but in general with all companies that have all these dealings and special remunerations on the side.

Thank you very much.

Chair response

Antoinette, I understand your position.

AGL strives to make sure that its executive remuneration is in line with peers in the ASX, and that includes the structure of the remuneration. In our case, both STI and LTI elements as well as base salary but I do understand your point.

Thank you.

We have one last question at the back.

Michael Shareholder

In a decades plan for you term for a long incentive plan seems unduly short. And the second part is when you pick the number of 97,609 shares. What price of the shares did you use to determine this? The number. And why was it nine and not 10 or 600?

Chair response

Thank you for the question.

I understand the point you're raising about four years versus a ten year plan. However, we have as we've discussed earlier in this meeting, interim plans, which are in that four year time frame. So there are measures against which we can check that the four year term of the performance rights is leading to achievement of what is, as Damien has said, a multi-decade strategy or as you put a ten year kind of plan. So there are ways that we can measure that, and we do. In relation to your specific question, the average price of the shares was calculated as being the average price over 30 days up to and including 30th of June 2025. That price was $10.16. That's on page 13 of the notice of meeting. Thank you for the question.

Are there any questions online, James?

MODERATOR response

Yes, Chair. There is one question online and no questions on the phone.

The question online comes from **Mr. Stephen Mayne.**

The latest Annual Report says that we have 113,171 Shareholders, but less than 5% will have bothered voting today. Retail Shareholder voting in Australia was already low but crashed further after Covid. With the move away from paper when disclosing the outcome of voting on all resolutions today, including this LTI grant to the CEO, please advise the ASX how many Shareholders voted for and against each item, similar to with a scheme of arrangement, this will provide a better gauge of retail Shareholder sentiment on all resolutions and insight into the chronically low retail Shareholder participation rate. The likes of Qantas, ASX, Suncorp, Tabcorp and even our own share registry provider Computershare have all voluntarily provided this data at their most recent AGM. You've got the data Chair, so why not let the sunshine in?

Unlike your predecessor Patricia McKenzie, who needlessly rejected such requests?

Chair response

Thank you for the question, Stephen.

As you said, this is not a scheme of arrangement situation and the ASX requirements are met by the way that we disclose currently and we don't intend to change the way we do that at present. But thank you for your question.

If there's no more questions, I think we can move on.

Ladies and gentlemen, that concludes the formal items of business for today's meeting.

A summary of the direct votes and proxy votes I hold as proxy for Shareholders in relation to each resolution are shown on the screen. The polls will remain open for another ten minutes.

Results of the poll on each resolution put to the meeting will be provided to the ASX as soon as possible today, and posted on the company's website on behalf of the Board, thank you for attending and demonstrating your interest in AGL by taking part in this meeting.

I now declare the meeting closed subject to conclusion of the poll.

For those of you who would like, there is some refreshments out the front. If you'd like to join, some of the directors will be out there shortly. If you'd like to have a discussion with any of us.

Thank you again for attending.