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## ASX Release

### 2016 Annual General Meeting Notice of Meeting

**26 August 2016**

AGL Energy Limited is about to commence dispatch of the Notice of Meeting in respect of the Annual General Meeting to be held on 28 September 2016. A copy of the Notice of Meeting is attached, together with a copy of the shareholder voting form and the shareholder question form.

A handwritten signature in black ink, appearing to read 'John Fitzgerald'.

John Fitzgerald  
**Company Secretary**

#### Further inquiries:

##### Investors

Nicole Rizgalla, Investor Relations Manager  
Direct: +61 2 9921 2691  
Mobile: +61 400 488 836  
email: [nrizgalla@agl.com.au](mailto:nrizgalla@agl.com.au)

##### Media

Kathryn Lamond, Media Manager  
Direct: +61 2 9921 2170  
Mobile: +61 424 465 464  
e-mail: [klamond@agl.com.au](mailto:klamond@agl.com.au)

#### About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action to gradually reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with their energy requirements, including gas, electricity, solar PV and related products and services. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, solar, landfill gas and biomass.

Energy in  
action.®

Since 1837

AGL



## Notice of 2016 Annual General Meeting of Shareholders

AGL Energy Limited  
ABN 74 115 061 375  
Level 22, 101 Miller Street,  
North Sydney NSW 2060

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DATE

**28 September 2016**

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TIME

**10.30am**

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VENUE

**City Recital Hall,  
Sydney**

## HOW TO FIND THE CITY RECITAL HALL, SYDNEY

You can use the map below to find the nearest transport routes and the location of the AGM – City Recital Hall, Angel Place, Sydney.



### By Train

The City Recital Hall is a short walk from Wynyard Station



### By Bus

Major bus interchanges are nearby at Circular Quay and at York Street



### By Car

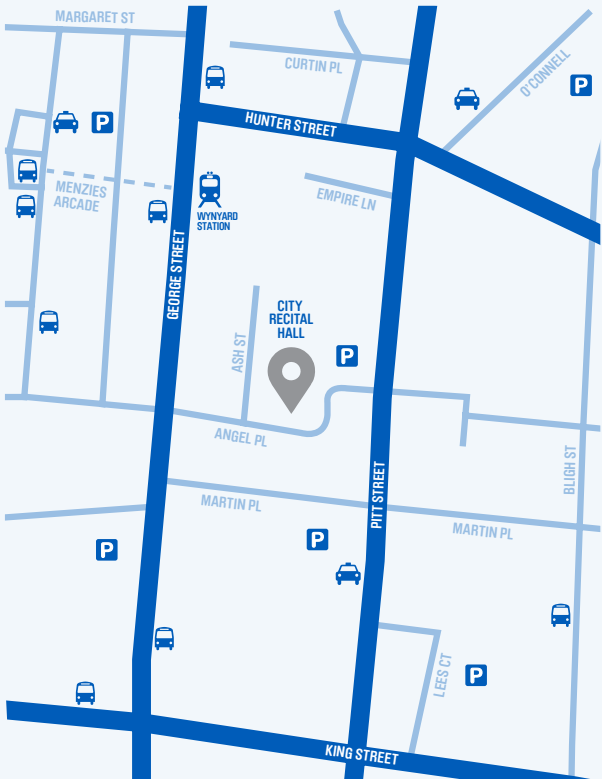
There are many car parks located within walking distance



### By Taxi

Your taxi can enter from George Street

For more specific information about public transport routes and timetables, contact the State Transit Authority on 131 500 or visit [www.transportnsw.info](http://www.transportnsw.info)



Dear Shareholder,

I am pleased to invite you to attend the AGL 2016 Annual General Meeting (AGM) of Shareholders, which has been scheduled as follows:

**Date: 28 September 2016**

**Time: 10.30am**

**Venue: City Recital Hall, Angel Place, Sydney, NSW**

The business to be dealt with at the AGM is provided on pages 4 and 5 of this Notice of Meeting.

Please bring the enclosed Proxy Form with you to facilitate registration at the AGM.

If you do not plan on attending the AGM, you are encouraged to appoint a proxy to attend and vote on your behalf by lodging your proxy appointment online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by completing the enclosed Proxy Form and returning it in the envelope provided. Instructions on how to appoint a proxy are detailed on the back of the Proxy Form. Proxies must be received no later than 10.30am (Sydney time) on 26 September 2016 to be valid for the AGM. Proxies may be lodged online or returned by mail or by fax on 02 9287 0309.

You are encouraged to let us know of any questions you may have before the AGM. Details of how to lodge those questions prior to the AGM are on page 16 of this Notice.

A copy of AGL's Annual Report can be accessed online at [www.agl.com.au/2016AnnualReport](http://www.agl.com.au/2016AnnualReport)

We look forward to seeing you at the AGM.

If you are unable to attend the AGM you are able to view our live AGM webcast via our website [www.agl.com.au](http://www.agl.com.au).

Yours sincerely



**Jeremy Maycock,**  
Chairman

26 August 2016

## ORDINARY BUSINESS

1. To receive and consider the Financial Report of AGL and the consolidated entity and the Reports of the Directors and Auditor for the financial year ended 30 June 2016.
2. To adopt the Remuneration Report for the financial year ended 30 June 2016, as set out in the Directors' Report section of the Annual Report. *(Note – the vote on this resolution is advisory only and does not bind the Directors or AGL).*
3. To elect Directors:
  - (a) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:  
**“That Belinda Jane Hutchinson, a Director who retires by rotation at the close of the AGM in accordance with Clause 58 of AGL’s Constitution and being eligible, is re-elected as a Director of AGL.”**
  - (b) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:  
**“That Jacqueline Cherie Hey, a Director who retires at the close of the AGM in accordance with Clause 56.2 of AGL’s Constitution and being eligible, is re-elected as a Director of AGL.”**
  - (c) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:  
**“That Diane Lee Smith-Gander, being eligible is elected as a Director of AGL in accordance with Clause 55.3 of AGL’s Constitution.”**

## SPECIAL BUSINESS

### 4. Grant of Performance Rights under the AGL Long Term Incentive Plan to Andrew Vesey

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That approval is given for the Company to grant to its Managing Director and Chief Executive Officer, Andrew Vesey, performance rights under the Company’s Long Term Incentive Plan in respect of the financial year ending 30 June 2017 on the terms set out in the Explanatory Notes which accompany this Notice of Meeting.”

### 5. To increase the maximum aggregate remuneration of Non-Executive Directors

“That for the purpose of ASX Listing Rule 10.17, Clause 61.1 of AGL’s Constitution and for all other purposes, the aggregate maximum sum available for the remuneration of Non-Executive Directors be increased by \$250,000 from \$2,500,000 per year to \$2,750,000 per year with effect from 1 January 2017.”

By Order of the Board



**John Fitzgerald**  
Company Secretary

26 August 2016

These Explanatory Notes have been prepared to provide Shareholders with important information regarding the Items of Business proposed for consideration at the AGM. Capitalised terms in this Notice of Meeting are defined in the Glossary on page 10.

## **DETERMINATION OF ENTITLEMENT TO VOTE**

For the purpose of the AGM, the Directors have determined that shares will be taken to be held by persons registered as Shareholders as at 7.00pm (Sydney time) on 26 September 2016.

## **SHAREHOLDER VOTING**

Each Shareholder who is entitled to vote at the AGM may appoint a proxy, who need not be a Shareholder, to attend and vote at the AGM on the Shareholder's behalf. A Shareholder who is entitled to attend and cast two or more votes at the AGM may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise on a poll. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes that each may exercise, each may exercise half of the votes (disregarding fractions) on a poll.

Each Shareholder who is entitled to vote at the AGM may appoint a proxy and specify the way that the proxy is to vote in relation to a resolution and indicate that the specification is to be regarded as a direct vote. Except where the Directors have determined, prior to the AGM, that direct voting will not be permitted in relation to a particular resolution, a direct vote on a resolution by a Shareholder will, if a poll is demanded (but not on a show of hands), be effective to cast, at the AGM, the votes of the Shareholder as specified in the Proxy Form without the need for, or regardless of, any further action by the proxy and the proxy will therefore have no authority to vote on a poll on the resolution on the Shareholder's behalf.

A Proxy Form and, if the Proxy Form is not signed by the Shareholder, the Power of Attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that Power of Attorney or other authority) must be received by AGL at least 48 hours before the time for holding the AGM – that is, by 10.30am (Sydney time) on 26 September 2016. Documents may be lodged with AGL by:

- (i) appointing a proxy online at the AGL Share Registry's website:  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
or
- (ii) posting them in the accompanying reply-paid envelope to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
or

(iii) sending them by fax to the AGL Share Registry on 02 9287 0309  
or

(iv) delivering them to the AGL Share Registry located at:  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

## **CORPORATE REPRESENTATIVES**

A company wishing to appoint a person to act as its representative at the AGM must provide that person with a letter executed in accordance with AGL's Constitution and the Corporations Act authorising him or her to act as the Shareholder's representative.

## **DIRECTING YOUR PROXY HOW TO VOTE**

If you want to direct your proxy how to vote on a particular Item of Business please mark the appropriate box on the Proxy Form.

If you mark the abstain box for a particular Item of Business you are directing your proxy not to vote on that Item.

If you do not mark any box on a particular Item of Business and your proxy is not the Chairman, you are directing your proxy to vote as he or she decides, subject to any voting exclusions that may apply to the proxy.

## **THE CHAIRMAN OF THE MEETING ACTING AS PROXY**

You may appoint the Chairman of the meeting as your proxy. The Chairman of the meeting will be deemed to be your proxy if you sign a Proxy Form but do not name a proxy, or if the person you appoint as proxy does not attend the meeting.

If you direct the Chairman how to vote on a particular Item of Business the Chairman must vote in accordance with your direction on a poll.

If you have appointed the Chairman of the meeting as your proxy and you do not give any voting instructions for Items of Business 2, 4 and 5, then by signing and returning the Proxy Form you will be expressly authorising the Chairman to exercise the proxy as the Chairman sees fit in respect of those Items of Business even though those Items of Business are connected directly or indirectly with the remuneration of the Company's key management personnel.

The Chairman intends to vote undirected proxies in favour of each Item of Business, subject to any voting exclusions that may apply to the proxy (as to which see below).



## VOTING EXCLUSION STATEMENTS

The Voting Exclusion Statements set out below will apply in relation to the resolutions concerning Item 2 of Ordinary Business and Items 4 and 5 of Special Business.

### Item 2 of Ordinary Business

Item 2 of Ordinary Business is a resolution connected directly with the remuneration of members of the key management personnel (KMP) of AGL. The Corporations Act restricts KMP and their closely related parties from voting on this resolution. A “closely related party” of a KMP is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

In accordance with these requirements, AGL will disregard any votes cast on the resolution in Item 2 of Ordinary Business, in any capacity, by or on behalf of:

- (i) Directors and the other members of AGL’s KMP, details of whose remuneration are included in the Remuneration Report; and
- (ii) closely related parties of those persons.

AGL will also disregard any votes cast on Item 2 of Ordinary Business by any member of AGL’s KMP (and their closely related parties) as a proxy, unless the vote is cast:

- (i) for a person entitled to vote in accordance with the directions on the Proxy Form; or
- (ii) by the Chairman of the Meeting for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit on Item 2 of Ordinary Business even though that Item is connected directly or indirectly with the remuneration of a member of the KMP of AGL.

### Item 4 of Special Business

In accordance with the ASX Listing Rules, AGL will disregard any votes cast in any capacity on the proposed resolution in Item 4 of Special Business by Mr Vesey and any associate of Mr Vesey. However, AGL will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form. Mr Vesey is the only Director currently eligible to participate in an employee incentive scheme of AGL.

In addition, as the proposed resolution in Item 4 of Special Business is directly related to the remuneration of a member of AGL’s KMP (Mr Vesey), AGL will disregard any votes cast on the proposed resolution in Item 4 of Special Business, in any capacity, by or on behalf of:

- (i) Directors and the other members of AGL’s KMP, details of whose remuneration are included in the Remuneration Report; and
- (ii) closely related parties of those persons.

AGL will also disregard any votes cast on the proposed resolution in Item 4 of Special Business by any member of AGL's KMP (and their closely related parties) as a proxy, unless the vote is cast:

- (i) for a person entitled to vote in accordance with the directions on the Proxy Form; or
- (ii) by the Chairman of the Meeting for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit on Item 4 of Special Business even though that Item is connected directly or indirectly with the remuneration of a member of the KMP of AGL.

### **Item 5 of Special Business**

In accordance with the ASX Listing Rules, AGL will disregard any votes cast in any capacity on the proposed resolution in Item 5 of Special Business by any Director and any associate of a Director.

In addition, as the proposed resolution in Item 5 of Special Business is directly related to the remuneration of members of AGL's KMP, AGL will disregard any votes cast on the proposed resolution in Item 5 of Special Business, in any capacity, by or on behalf of:

- (i) Directors and the other members of AGL's KMP, details of whose remuneration are included in the Remuneration Report; and
- (ii) closely related parties of those persons.

AGL will also disregard any votes cast on the proposed resolution in Item 5 of Special Business by any member of AGL's KMP (and their closely related parties) as a proxy, unless the vote is cast:

- (i) for a person entitled to vote in accordance with the directions on the Proxy Form; or
- (ii) by the Chairman of the Meeting for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit on Item 5 of Special Business even though that Item is connected directly or indirectly with the remuneration of a member of the KMP of AGL.

## GLOSSARY

In this Notice of Meeting, the following terms have the respective meanings unless the context otherwise requires:

**AGL** means AGL Energy Limited ABN 74 115 061 375.

**AGL LTIP** means the FY17 Long Term Incentive Plan of AGL.

**AGL Annual Report 2016** means the Annual Report of AGL for the financial year ended 30 June 2016.

**AGM** means the 2016 Annual General Meeting of Shareholders.

**Board** means the Board of Directors of AGL.

**Company** means AGL Energy Limited ABN 74 115 061 375.

**Constitution** means the Constitution of AGL.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Director** means a Director of AGL.

**FY17** means the 12 months ending 30 June 2017.

**Items of Business** means the items of business proposed for consideration at the AGM, details of which are set out on pages 4 and 5 of this Notice of Meeting.

**Notice of Meeting** means the notice pursuant to which the AGM is convened.

**Ordinary Business** means the ordinary business proposed for consideration at the AGM, details of which are set out on page 4 of this Notice of Meeting.

**Proxy Form** means the proxy form enclosed with this Notice of Meeting.

**Remuneration Report** means the section of the Directors' Report contained in the AGL Annual Report 2016 entitled 'Remuneration Report'.

**Special Business** means the items of special business proposed for consideration at the AGM, details of which are set out on page 5 of this Notice of Meeting.

**TFR** means total fixed remuneration.

**Voting Exclusion Statements** means the voting exclusion statements set out on pages 8 and 9 of this Notice of Meeting.

**VWAP**, in relation to AGL shares and in relation to a period of time, means the volume weighted average price at which AGL shares traded on the ASX during that period of time.

## ORDINARY BUSINESS

### Item 1

#### To receive and consider the Financial, Directors' and Auditor's Reports for the financial year ended 30 June 2016

Shareholders have been notified that the AGL Annual Report 2016 can be found on AGL's website ([www.agl.com.au](http://www.agl.com.au)) under 'Investor Centre' and have been given the option of having a printed copy of the AGL Annual Report 2016 sent to them. The AGL Annual Report 2016 has been sent to those Shareholders who have requested it. During the discussion of this Item, there will be an opportunity for Shareholders to ask questions about, or comment on, the AGL Annual Report 2016 and the management and performance of AGL.

### Item 2

#### Adoption of the Remuneration Report for the financial year ended 30 June 2016

AGL is required under the Corporations Act to include, in the business of its AGM, a resolution that its Remuneration Report for the financial year ended 30 June 2016 be adopted. The resolution is advisory only and does not bind the Directors. However, the Directors will take into account the outcome of the vote when reviewing AGL's remuneration policies and practices. During discussion of this Item, there will be an opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report.

The Remuneration Report which forms part of the Directors' Report is set out in the AGL Annual Report 2016.

### Directors' Recommendation

Acknowledging that each Director has a personal interest in his or her own remuneration from AGL, as described in the Remuneration Report, the Directors unanimously recommend the adoption of the Remuneration Report.

### Item 3

#### Election of Directors

##### (a) *Belinda Jane Hutchinson*

Belinda Jane Hutchinson, Age 63

**Term:** Non-Executive Director since December 2010.

**Independent:** Yes.

**Committees:** Member of the People and Performance Committee, the Audit and Risk Management Committee and the Nominations Committee.

**Directorships:** Chair of Thales Australia Limited and Future Generation Global Investment Company Limited, a director of Australian Philanthropic Services, Chancellor of the University of Sydney, a member of the Salvation Army Australian Eastern Territorial Advisory Board and of St Vincent's Health Australia NSW Advisory Council.

**Experience:** Belinda has had extensive experience in non-executive roles including as Chairman of QBE Insurance Group, a Director of Telstra Corporation, Coles Myer, Crane Group, Energy Australia, TAB, Snowy Hydro Trading and Sydney Water. Her executive career included her role as an Executive Director of Macquarie Group, a Vice President of Citibank, and a senior manager at Andersen Consulting.

**The Directors (excluding Ms Hutchinson) recommend that Shareholders vote in favour of Item 3(a).**

*(b) Jacqueline Cherie Hey*

**Jacqueline Cherie Hey, Age 50**

**Term:** Non-Executive Director since March 2016.

**Independent:** Yes.

**Committees:** Member of the Audit and Risk Management Committee, the Safety Sustainability and Corporate Responsibility Committee and the Nominations Committee.

**Directorships:** A director of Bendigo & Adelaide Bank Limited, Australian Foundation Investment Company, Qantas Airways Limited, Melbourne Business School and Cricket Australia, a member of the Brighton Grammar School Council and an Advisory Group Member of the Australian Securities & Investments Commission.

**Experience:** Jacqueline has enjoyed a successful executive career prior to becoming a full time company director in 2011. She has extensive experience in the areas of information technology, telecommunications and marketing, including as CEO / Managing Director of Ericsson in the UK and in Australia. Jacqueline worked with Ericsson for more than 20 years in finance, marketing and sales and in leadership roles in Australia, Sweden, the UK and the Middle East.

**The Directors (excluding Ms Hey) recommend that Shareholders vote in favour of Item 3(b).**

*(c) Diane Lee Smith-Gander*

**Diane Lee Smith-Gander, Age 58**

**Directorships:** Chair of Safe Work Australia and Chairman of Broadpectrum Limited (formerly Transfield Services), a director of Wesfarmers Limited and President of Chief Executive Women.

**Experience:** Diane has extensive Australian and international experience in banking and finance, technology, and strategic and management consulting. This includes as a former Partner at McKinsey & Company in Washington DC and New Jersey in the US, and Group Executive IT and Operations, Westpac Banking Corporation.

**The Directors recommend that Shareholders vote in favour of Item 3(c).**

## SPECIAL BUSINESS

### Item 4

#### Grant of performance rights under the AGL Long Term Incentive Plan (LTIP) to Andrew Vesey

##### Andrew Vesey's service contract entitlement

1. Under the terms of his service contract with AGL, Mr Vesey is entitled to receive in respect of each year of his employment a grant of performance rights issued under the AGL LTIP with a 'target' face value of 120% of his TFR for the year in question.
2. Mr Vesey's TFR is currently \$2,100,000. Under the terms of his service contract Mr Vesey's TFR is required to be reviewed annually by the Board. The Board may in its discretion increase Mr Vesey's TFR but may not decrease it without Mr Vesey's consent. Mr Vesey's TFR will increase on 1 September 2016 to \$2,300,000 million.
3. A summary of the key terms of Mr Vesey's service contract is set out in the Remuneration Report which also contains details of his remuneration for the financial year ended 30 June 2016.

#### AGL Long Term Incentive Plan arrangements

A long term incentive is an integral part of AGL's remuneration framework for AGL executives. The AGL LTIP is designed to generate long term value for AGL shareholders by linking the performance of AGL executives with the achievement of specific business and strategic goals. Details of the AGL LTIP and an explanation of how it operates in practice are set out in the Remuneration Report.

#### Shareholder approval

Under ASX Listing Rule 10.14 a director may only acquire shares or rights to shares under an employee incentive scheme if the director's participation has been approved by an ordinary resolution of shareholders. Approval from shareholders is being sought in relation to Mr Vesey's participation in the AGL LTIP in FY17, namely the 12 months ending 30 June 2017.

#### Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to performance rights which may be granted to Mr Vesey under the AGL LTIP:

- (a) The maximum number of performance rights to be granted to Mr Vesey in respect of FY17 is 147,068. This is the maximum number of performance rights available to vest should the applicable performance hurdles be met at maximum. This number of performance rights has been determined by dividing \$2,760,000, being 120% of Mr Vesey's TFR for FY17 of \$2,300,000, by the VWAP of AGL shares traded on ASX during the 30 calendar days up to and including 30 June 2016 of \$18.7668. Mr Vesey's terms of employment provide for a 'target' LTIP grant of 120% of TFR.

The maximum number of performance rights that may ultimately vest for Mr Vesey under the AGL LTIP for FY17 will then be determined at the end of the 3 year period following the grant of the performance rights and will depend upon the extent to which the applicable performance hurdles have been satisfied over that period.

- (b) The price (including a statement whether the price will be, or be based on, the market price) or the formula for calculating the price for each security to be acquired under the AGL LTIP for a financial year is the VWAP of AGL shares traded on ASX during the 30 calendar day period up to and including 30 June of the preceding financial year. The price of performance rights to be notionally granted to Mr Vesey in respect of FY17 is \$18.7668.
- (c) No Director or associate of a Director has acquired performance rights under the terms of the AGL LTIP except for the performance rights granted to Mr Vesey in respect of FY16 which were approved by AGL shareholders at the AGM held on 30 September 2015. In accordance with the terms of the AGL LTIP no consideration was paid by Mr Vesey for those performance rights.
- (d) There are no Directors or associates of Directors entitled to participate in the FY17 AGL LTIP except for Mr Vesey.
- (e) A voting exclusion statement is included in the notice of annual general meeting.
- (f) There is no loan applicable in relation to the acquisition of performance rights or the shares underlying them as no payment for performance rights or the AGL shares underlying them is required by Mr Vesey.
- (g) The performance rights are expected to be granted to Mr Vesey in October 2016 (but in any event no later than 12 months after the date of this meeting) on the conditions described in these Explanatory Notes.

## **Directors' Recommendation**

The Directors (excluding Mr Vesey) recommend that shareholders vote in favour of Item 4.

## **Item 5**

### **To increase the maximum aggregate remuneration of Non-Executive Directors**

The maximum remuneration payable by AGL to Non-Executive Directors is determined by AGL shareholders in general meeting and may not be increased without the prior approval of AGL shareholders as required under clause 61.1 of AGL's constitution and ASX listing rule 10.17.

The maximum aggregate remuneration of Non-Executive Directors is currently \$2,500,000 per year. This cap includes all fees and superannuation contributions paid to Non-Executive Directors and is the amount approved by shareholders of AGL at the annual general meeting held on 23 October 2012.

All elements of remuneration of Non-Executive Directors for the financial year ended 30 June 2016 are disclosed in the Remuneration Report. No securities have been issued to any of AGL's Non-Executive Directors under ASX Listing Rules 10.11 or 10.14 at any time within the last three years.

AGL's policy is to adequately remunerate Non-Executive Directors at market rates for their time, commitment and responsibilities. The Board has received external advice from an independent remuneration advisor on the current level of Non-Executive Director remuneration, which includes a market comparison of remuneration paid to Non-Executive Directors of companies of comparable groups across the ASX 100. AGL's current maximum aggregate remuneration for Non-Executive Directors of \$2,500,000 sits within the 40th percentile for companies listed in the S&P ASX 11-50 index. The market median maximum aggregate remuneration for Non-Executive Directors in the S&P ASX 11-50 index is \$2,750,000. In the last three financial years, AGL's Non-Executive Directors have been awarded the following increases to their base fee:

- > FY13/14 - nil;
- > FY14/15 - 2.9%; and
- > FY15/16 - 2.5% (rounded up to the nearest \$100).

It is proposed to increase the cap on the aggregate remuneration of Non-Executive Directors by \$250,000 from \$2,500,000 per year to \$2,750,000 per year.

The new cap of \$2,750,000, in addition to allowing Non-Executive Directors to be remunerated at market rates for their efforts also contains an allowance to accommodate fees for additional Non-Executive Directors to assist in Board succession. The intention is that new Directors will be appointed to the Board prior to the retirement of existing Directors to allow time for an orderly transfer of responsibilities.

Accordingly the Board seeks AGL shareholder approval of a new maximum aggregate sum of \$2,750,000 per year for Non-Executive Directors remuneration. This increase will allow the Board to:

- > recognise increases in both the workload and responsibilities of Non-Executive Directors on the Board and its committees;
- > provide for effective succession planning and transition arrangements; and
- > have the flexibility to attract and retain the services of Non-Executive Directors of the highest calibre.

**As each of the Non-Executive Directors has a personal interest in Item 5, it is not appropriate for them to make any recommendation as to how AGL shareholders should vote on this resolution.**



AGL aims to ensure that the Annual General Meeting and the Annual Report meet Shareholders' expectations. Your views are essential to this.

If you would like further information on AGL, or would like to ask a question of AGL or the Auditor at this AGM, you may lodge your questions online by visiting the AGL Share Registry's website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by completing the enclosed form and returning it in the enclosed reply paid envelope.

**Questions for the AGM (including written questions to the Auditor) must be received at any of the addresses below by 5.00pm on 20 September 2016.**

The Chairman of the AGM will answer as many of the frequently asked questions as possible.

The AGM will be webcast live at [www.agl.com.au](http://www.agl.com.au) and a copy of the Chairman's address to the AGM will be available on the AGL website.

In accordance with the Corporations Act, Shareholders will also be given a reasonable opportunity at the AGM to ask:

- > questions about, or make comments on, the management of AGL and the Remuneration Report; and
- > the Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by AGL and the independence of the Auditor.

**If you would like to make a suggestion or comment on the Annual Report**, please advise AGL in one of the following ways (this will allow us to incorporate your views into the content and design of future Annual Reports):

- > **Online** at the AGL Share Registry's website:  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
- > **Write** to the AGL Share Registry or the Company Secretary by completing the enclosed form and sending it to the Share Registry in the enclosed reply paid envelope to:

**Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235**

or post to:

**Company Secretary  
AGL Energy Limited  
Locked Bag 1837  
St Leonards NSW 2065**

or fax to:

the AGL Share Registry on 02 9287 0309

**LODGE YOUR VOTE**

-  **ONLINE**  
vote.linkmarketservices.com/AGL
-  **BY MAIL**  
AGL Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia
-  **BY FAX**  
+61 2 9287 0309
-  **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138
-  **ALL ENQUIRIES TO**  
Telephone: +61 1800 824 513 (free call within Australia)



**X99999999999**


**VOTING FORM**

I/We being a member(s) of AGL Energy Limited and entitled to attend and vote hereby appoint:

**STEP 1** Please mark either A or B

**A VOTE DIRECTLY**

elect to lodge my/our vote(s) directly (mark box)

 in relation to the Annual General Meeting of the Company to be held at **10:30am on Wednesday, 28 September 2016**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

**OR**

**B APPOINT A PROXY**

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Wednesday, 28 September 2016 at City Recital Hall, Angel Place, Sydney, NSW (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 2, 4 and 5:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP). **The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

**STEP 2**

**Resolutions**

**2** Remuneration Report

**For Against Abstain\***

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**4** Grant of Performance Rights under the AGL LTIP to Andrew Vesey

**For Against Abstain\***

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**3(a)** Re-election of Belinda Jane Hutchinson

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**5** To increase the maximum aggregate remuneration of Non-Executive Directors


<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**3(b)** Re-election of Jacqueline Cherie Hey

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**3(c)** Election of Diane Lee Smith-Gander

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

 \* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3**

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



## HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chairman's decision as to whether a direct vote is valid is conclusive.

### VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Monday, 26 September 2016**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

Voting Forms may be lodged using the reply paid envelope or:



#### ONLINE

[vote.linkmarketservices.com/AGL](http://vote.linkmarketservices.com/AGL)

Login to the Link website using the holding details as shown on the Voting Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Voting Form).



#### BY MOBILE DEVICE

Our voting website for mobiles is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the AGL Energy Limited voting link [vote.linkmarketservices.com/AGL](http://vote.linkmarketservices.com/AGL) into your phone. Login using the holder number and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile.



#### BY MAIL

AGL Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

**LODGE YOUR QUESTIONS**

-  **ONLINE**  
[vote.linkmarketservices.com/AGL](http://vote.linkmarketservices.com/AGL)
-  **BY MAIL**  
 AGL Energy Limited  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia
-  **BY FAX**  
 +61 2 9287 0309
-  **BY HAND**  
 Link Market Services Limited  
 1A Homebush Bay Drive, Rhodes NSW 2138
-  **ALL ENQUIRIES TO**  
 Telephone: +61 1800 824 513 (free call within Australia)



**X99999999999**

Please use this form to submit any questions about AGL Energy Limited (“the Company”) that you would like us to respond to at the Company’s 2016 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company’s auditor it should be relevant to the content of the auditor’s report, or the conduct of the audit of the financial report.

This form must be received by the Company’s share registrar, Link Market Services Limited, by **5:00pm on Tuesday, 20 September 2016**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company’s auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

**My question relates to (please mark the most appropriate box)**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |

SAMPLE

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |

**QUESTIONS**