

ASX & Media Release

AGL Chairman's comments in relation to Remuneration Report vote

28 September 2016

The Chairman of AGL Energy Limited (AGL), Jerry Maycock, today made the following comments at AGL's annual general meeting in relation to the vote to adopt the company's 2016 Remuneration Report.

"It appears that more than 25% of votes cast will be against the resolution and that AGL will record what is commonly referred to as a 'first strike'," Mr Maycock said.

"The Board considers this to be a disappointing result... Through its People & Performance Committee, the Board strives to ensure that the company has executive remuneration settings which incentivise management to deliver long-term returns to shareholders and enable the company to compete for and retain talented executives.

"The Board believes that, following a year when the total return to shareholders exceeded 22 percent, and where stretch cost control and transformation targets were achieved by management, the remuneration outcomes were an appropriate reflection of management's performance.

"Nevertheless it is clear there is a need and an opportunity to review the disclosure of our processes and outcomes in relation to both executive remuneration benchmarking and short-term incentive outcomes.

"I can assure you this will be improved next year."

Further inquiries:

Investors

Nicole Rizgalla, Investor Relations Manager
Direct: +61 2 9921 2691
Mobile: +61 (0) 400 488 836
email: nrizgalla@agl.com.au

Media

Kathryn Lamond, Media Manager
Direct: +61 2 9921 2170
Mobile: +61 (0) 424 465 464
e-mail: klamond@agl.com.au

About AGL

AGL is one of Australia's leading integrated energy companies. It is taking action to responsibly 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 meeting 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.