



## ASX & Media Release

### AGL Energy CEO transition announcement

**24 August 2018**

AGL Energy Limited has today announced that the company's Managing Director and Chief Executive Officer (CEO), Andy Vesey, will leave the company after almost four years in the role.

Brett Redman, currently AGL's Chief Financial Officer (CFO), has been appointed as interim CEO effective today. Mr Redman joined AGL in 2007, has been CFO since 2012, and has more than 25 years' experience in senior roles in blue-chip industrial companies in Australia and North America.

Mr Vesey has stepped down from AGL's Board but, in order to ensure a smooth transition, he will remain employed by AGL in an advisory capacity to the Board until 31 December 2018.

Damien Nicks, currently AGL's General Manager, Group Commercial Finance, has been appointed interim CFO.

AGL Chairman Graeme Hunt said: "Succession planning for the Managing Director and CEO is a matter of key importance to the AGL Board at all times.

"Over recent months, we have increased our focus on the development of internal candidates and on maintaining an active view of potential external candidates. As a result, a domestic and international search process including strong internal candidates is well progressed, and the Board has decided to take that process to the next step. That search will now enter a final phase to enable us to complete an appointment.

"We thank Andy for his great contribution to AGL. At a time of considerable uncertainty in our sector, he has driven our transformation agenda to meet two key strategic imperatives: to prosper in a carbon-constrained future and build customer advocacy. He leaves the company in a robust financial position from which to continue to lead investment in our transitioning industry and in our long-term growth.

"Brett is a highly experienced executive who has distinguished himself as our CFO and has a deep knowledge and understanding of the business and the industry. Under his leadership, we have every confidence that it will be an orderly transition as we finalise the CEO search."

Mr Redman said: "AGL's priorities during the coming weeks will continue to be the safe and reliable operation of our assets, serving our customers to the best of our ability, and listening and responding to all our stakeholders. I have greatly enjoyed working alongside Andy to deliver our transformation agenda over the past four years and I look forward to continuing to implement AGL's strategy while the Board completes the succession process."

Mr Vesey said: "It has been an honour to lead AGL – and a privilege to have had the opportunity to engage in the complex questions of the sustainable transformation of Australia's energy sector over recent years. I am proud of what the AGL team has achieved during those years and I am now looking forward to observing AGL's continued success."



On the end date of his employment on 31 December 2018, Mr Vesey will receive benefits in accordance with his service agreement and the terms of AGL's relevant incentive plans. The Board will permit Mr Vesey to retain a pro-rated number of his FY17 and FY18 performance rights granted under AGL's Long-Term Incentive Plan (LTIP), subject to performance conditions, reflecting his contributions to the company's success up to the end date of his employment. Mr Vesey will also be entitled to a pro-rated Short-Term Incentive Plan (STIP) award for FY19, which will be determined by performance against objectives for the half year to 31 December 2018.

While Mr Redman performs the role of interim CEO, his Fixed Remuneration will be \$1,050,000 per annum. Mr Redman will also be entitled to receive an additional \$100,000 for each month (pro-rated for any part month) that he acts as interim CEO. For the FY19 financial year, Mr Redman's participation in AGL's LTIP and STIP will be an LTIP offer based on a maximum opportunity of 85 percent of Fixed Remuneration and an STIP opportunity based on target of 85 percent of Fixed Remuneration.

Otherwise, Mr Redman's existing terms of employment, as summarised in AGL's 2018 Annual Report, continue to apply.

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#### **About AGL**

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