



AGL Energy 2022 AGM report

ASX code	AGL
Meeting date	15 November 2022
Type of meeting	Hybrid
Monitor	Helen Manning
Pre AGM-meeting	<p>AGL: With chair Patricia McKenzie, board members and co-chairs of the review of strategic direction committee Graham Cockroft and Vanessa Sullivan. Investor relations AGL: James Thompson. From the ASA: Helen Manning and Ramaswamy (Raja) Rajagopal.</p> <p>With candidates nominated by major shareholder: From the ASA: Fiona Balzer, ASA Policy and Advocacy Manager, Rachel Waterhouse, ASA CEO, Helen Manning, ASA Company Monitor. Separate in-person meetings with Mark Twidell, Kerry Schott and Christine Holman. Virtual meeting with John Pollaers.</p>

Meeting Statistics

Number of holdings represented by ASA	380
Number of shares represented by ASA	1,392,258
Value of shares represented by ASA	\$10,595,083
Total number attending meeting	166 attendees in person of which 92 were shareholders and 6 were 3 rd party proxy holders. Online attendees 1076 of which 197 were shareholders and 0 proxy holders.
Market capitalisation	\$5.12 billion
ASA open proxies voted	11,695,897 (voted over 10 agenda items)

This AGM was headlined because a minority shareholder in a company was attempting to seemingly wield disproportionate control, by putting forward 4 additional board nominations, to a current board of 5. It was also significant, because the stated purpose of this action was to force an accelerated decarbonisation, that went to an historically big part of AGL's business model: profits made from generating electricity through coal-fired power stations. The four proxy advisers got involved in supporting Grok Ventures, the investment vehicle of Mike Cannon-Brookes and minority shareholder of 11.28%, proposed candidates. Our published voting intentions saw us agreeing with some of what Grok Ventures/Mike Cannon-Brookes was saying.

The AGM turned out to be a reasonably subdued affair. Only 166 people attended. There were a couple of placards out the front denouncing coal and some members of the press were present with cameras. Any anticipated showdown and fireworks on the board nominations didn't materialize. Only a surprisingly few climate-change related questions were levelled at the board and Patricia McKenzie kept to tightly scripted responses.

The addresses of Chair Patricia McKenzie and CEO Damien Nicks are [here](#), followed verbatim at the meeting. This alerted to a first strike on the remuneration report, based on pre-AGM lodged votes. Patricia McKenzie also stated (not in the script) that all four Grok nominated candidates would be elected to the board.

The ASA had put in writing questions to the board beforehand. We had emphasised that we were looking to try to vote for excellence in the candidates and that we valued the overall functioning of the resulting board. We didn't end up questioning the individual candidates. We asked whether a review on strategy would continue with the new board and whether they would commit to a vote on the climate transition action plan (CTAP) next year. We also asked what the chair would do to bring the board together. The answers were no to the strategy question and no to committing to the CTAP resolution. We believe, and trust that there will be good attempts to bring the board together. It is also possible that the CTAP will have the possibility of acceleration and that fresh ideas will give new strategy dimensions.

We had left votes on 2 of the candidates open until the meeting. Christine Holman gave a strong video interview and addressed our concerns on workload and independence with regard to AGL and CSR. We did not support John Pollaers election to the board as we feel he hadn't made a good case of the stated reasons for his election. We recognise and respect that shareholders elected all nominations to the board.

The remuneration report attracted a 30% disapproval vote thereby making it a 'first strike'.

The CTAP also attracted 70% for votes. All board endorsed board members received votes in the high 90 percentiles. Kerry Schott attracted 85%, Christine Holman slightly less and John Pollaers 61%. The new board will have 4 females and 5 male non-executive directors.

The new board will have a lot of work to do. We wish them success.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- *makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- *shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.