

AGL & Mike Cannon-Brookes

A case study of investor leadership on climate change?

The recent AGL saga has highlighted the role of investors as a force for pushing the decarbonisation of companies. But questions remain as to whether this approach is consistent with understandings of corporate purpose and existing legal frameworks, and the implications of this as a case study of ‘investor leadership’ in the climate space. This working paper explores these issues.

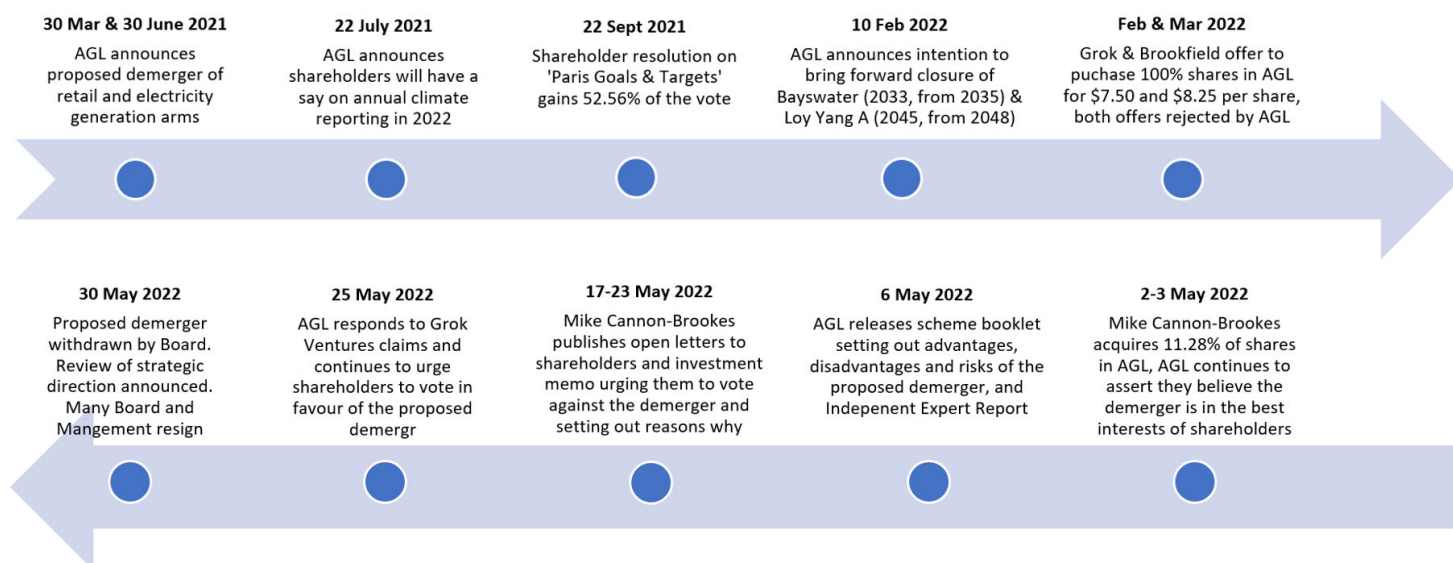
Part I: Background

AGL Energy Ltd (‘AGL’) is a [publicly listed](#) company [involved in](#) gas, electricity and telecommunications retail services, and electricity generation across Australia. The company is Australia’s [highest emitter](#) of scope 1 greenhouse gas emissions. Its shareholding also consists of a significant number of retail investors. By contrast, [Mike Cannon-Brookes](#) is an Australian billionaire, co-founder and CEO of Atlassian Software Systems. He has been increasingly [active](#) as an investor in the clean energy transition through his investment company, [Grok Ventures](#). This has particularly come to the fore in his interactions with AGL.

Over the past 12 months, the future decarbonisation pathway for AGL has been the source of considerable debate between AGL’s Board and Management on the one hand, and Mike Cannon-Brookes and his associated entities on the other. Broadly, the dispute has centred around whether AGL ought to be split into two separate entities, ‘Accel Energy’ managing the electricity generation arm and ‘AGL Australia’ managing the energy retail arm, or whether the two arms ought to be kept together. The proposed demerger was [first announced](#) by AGL’s Board and Management [in 2021](#), with a shareholder vote to approve the proposal to take place in June 2022.

To prevent the demerger occurring, in [February](#) and March 2022, Mike Cannon-Brookes’ Grok Ventures and Brookfield asset management offered to acquire 100% of the shares in AGL for \$7.50 per share and then for \$8.25 per share. Both offers [were rejected](#) by AGL’s Board and Management. Subsequently, [in early May 2022](#), Mike Cannon-Brookes purchased shares representing an 11.28% stake in the company and urged other investors to vote against the demerger. Following Mike Cannon-Brookes’ campaign, AGL’s Board and Management withdrew the proposed demerger at the end of May 2022 when it became clear that they would be unable to secure the required 75% shareholder approval for the demerger proposal to pass.

A brief timeline of these and other key events is as follows. A more extensive timeline is in [Appendix 1](#):



Part II: Corporate purpose

First, this paper asks: are the actions of AGL and Mike Cannon-Brookes consistent with dominant understandings of corporate purpose, or does this episode represent a change in how management and owners see corporate purpose?

Corporate purpose might classically be understood in two ways: ‘shareholder primacy’ and ‘stakeholder theory’. Advocates of the shareholder primacy model contend that the main purpose of a corporation is to maximise returns for its shareholders (or owners). In this regard, “there is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud” (Friedman 1982, p. 112). Proponents of stakeholder theory, by contrast, contend that “if business organizations are to be successful in the current and future environment then executives must take multiple stakeholder groups into account” (Freeman 1984, p.52). Stakeholder theorists move beyond “the idea that shareholder value maximization is the unique or predominant purpose of the corporation” to suggest that “the interests of *specific* stakeholder groups (i.e. those who can affect or are affected by the corporate activities) have to be considered in defining the purpose of the corporation” (Freeman et al 2010, p.242).

Throughout the dispute, both AGL and Mike Cannon-Brookes justified their respective positions in ways consistent with shareholder- or stakeholder-oriented understandings of corporate purpose. And yet, at points, their language alluded to a broader understanding of corporate purpose that this paper terms ‘social value’. While stakeholders including shareholders, are still important in this approach, corporate purpose is tied to a higher ambition of preserving ‘social good’, often relating to potential benefits for customers and the wider community. For example, AGL self-defines its corporate purpose as “‘Progress for life’ [that] recognises our proud history of delivering innovative outcomes for customers, as well as how we are continuing to evolve how Australians produce, share and consume energy”. Examples of each approach in the recent dispute are included below:

Shareholder primacy	Stakeholder theory	Social value
When rejecting Mike Cannon-Brookes and Brookfield’s takeover bid, AGL asserted the offer was “well below the fair value of the company on a change of control basis and relative to the expected value of the proposed demerger, and therefore is not in the best interests of AGL Energy shareholders ”.	After both takeover offers were rejected by AGL’s Board and Management, Mike Cannon-Brookes posted on Twitter saying AGL was set on “a terrible outcome for shareholders, taxpayers, customers, Australia and the planet we all share ”.	When the demerger proposal was first announced, AGL Managing Director & CEO Brett Redman said that AGL is, “evolving and innovating to better serve our customers and communities , and to return value to shareholders”.
To encourage shareholders to vote in favour of the demerger, AGL said that proposed demerger was in shareholders’ best interests as it: (i) “Creates the potential to maximise growth in the value of shares by giving each company the freedom to pursue individual strategies and growth initiatives; (ii) Supports Shareholder returns through distinct dividend policies and capital structures; (iii) Leaves the future value of two ASX listed companies with Shareholders ”.	After acquiring a 11.28% share in AGL, Mike Cannon-Brookes sent a letter to AGL’s directors saying that “the proposed demerger risks a terrible outcome for AGL shareholders, AGL customers, Australian taxpayers and Australia ”.	Mike Cannon-Brookes’ wrote to AGL’s directors saying “...the demerger will entrench a position that is inconsistent with limiting climate change . Under the demerger proposal, AGL A will continue to source a majority of its energy from Accel Energy...We believe this exposure to coal fired power generation is inconsistent with your proposal that AGL A will be a leader in sustainability . If the demerger proceeds, we believe AGL customers and Australian taxpayers will inevitably bear the consequences...”.
Grok Ventures’ investment memorandum explaining why to vote against the demerger, sets out a table of factors that will drive “shareholder value destruction where the demerger proceeds and shareholder value creation where we keep AGL together”.	AGL releases responses to Grok Ventures’ claims against the proposed demerger, with AGL Managing Director & CEO Graeme Hunt saying the demerger is “ the best path forward for the company, for shareholders, and for Australia’s responsible energy transition ”.	Grok Ventures’ investment memorandum refers to the “ huge opportunity that the energy transition presents... ”, stating that “retaining vertical integration strategically positions AGL to lead Australia’s energy transition...We believe AGL can shut down Bayswater and Loy Yang A by 2035 to align with the goals of the Paris Climate Accords ”.

In short, conventional understandings of corporate purpose were prevalent in the AGL and Mike Cannon-Brookes dispute with many references to shareholder value maximisation and stakeholder benefits. Beyond this though, throughout the dispute AGL and Mike Cannon-Brookes alluded to a vision of AGL as a ‘responsible citizen’ in Australian society and as a key player in the transition to the net zero future. The implications of these overtones will be returned to in the final section of this paper.

Part III: Legal frameworks

The second question this paper explores is: are the actions of Mike Cannon-Brookes and AGL consistent with existing legal frameworks?

To elaborate, the dispute between AGL’s Board and Management and Mike Cannon-Brookes might be seen as an example of the corporate governance problem of separate ownership and control of a company. The problem arises where shareholders (including investors like Mike Cannon-Brookes) are widely dispersed in large companies (like AGL, see the company’s shareholding makeup as reported in annual reporting in **Appendix 2**). This might mean that no single shareholder or group of shareholders has control over the Board and Management. The Board and Management control the direction of the company and may be insufficiently accountable to the company’s owners or shareholders (Berle and Means 1932; [Ford, Ramsay & Austin 2018, 7.061](#)).

Certain mechanisms exist in corporate law to remedy this power imbalance between owners and managers. These include shareholders’ ability to commence litigation, scrutiny brought by public regulators, or shareholders’ voting rights at company meetings and to elect/remove directors. In the AGL context, an example of the latter was the requirement for 75% of shareholders to vote in favour of the demerger approval at the extraordinary general meeting. Moreover, over the past several years, AGL shareholders have used their voting rights to signal their discontent with the direction of the company. Some examples are (see full list of AGL’s climate-related resolutions in **Appendix 3**):

- A resolution proposed by shareholder advocacy group Australasian Centre for Corporate Responsibility (ACCR) on ‘[Paris Goals and Targets](#)’ requesting short-, medium- and long-term emissions’ reduction targets aligned with the Paris Agreement secured [52.56%](#) of the vote in 2021.
- Many shareholders [voted against](#) the directors’ [remuneration report](#) and [proposed carbon bonuses](#) in 2020 as they were unhappy with the management and performance of the company.
- A resolution proposed by activist group Market Forces on ‘[Transition planning disclosure](#)’ requesting strategies to reduce emissions in line with the Paris Agreement secured [30.33%](#) of the vote in 2019.

Despite shareholders having some recourse against the unbridled control of directors, [AGL’s constitution](#), on paper at least, vests management power exclusively in directors (see also [Australasian Centre for Corporate Responsibility v Commonwealth Bank of Australia](#)):

POWERS AND DUTIES OF DIRECTORS

64. DIRECTORS TO MANAGE COMPANY

64.1 The business of the Company is managed by or under the direction of the Directors who may exercise all powers of the Company that this Constitution, the Corporations Act 2001 or the Listing Rules do not require to be exercised by the Company in general meeting.

64.2 Without limiting the generality of clause 64.1, the Directors may exercise all the powers of the Company to:

- (a) borrow money;
- (b) charge any property or business of the Company or all or any of its uncalled capital;
- (c) issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person; and
- (d) guarantee or to become liable for the payment of money or the performance of any obligation by or of any other person.

Yet, developments throughout the AGL and Mike Cannon-Brookes dispute challenged this vesting of management power exclusively in the Board and Management. For example:

- In [July 2021](#), AGL announced that shareholders would have an opportunity to have their say on climate reporting in 2022 with the company’s climate report to be put to a non-binding, advisory vote of shareholders at the 2022 Annual General Meeting. This would include “detailed climate change roadmaps including specific decarbonisation targets showing clear progress relative to [AGL’s] existing emissions reduction trajectory”.
- Mike Cannon-Brookes’ associated entities acquiring a 11.28% share in the company to vote against the proposed demerger and campaigning for other shareholders to follow suit through the ‘Keep it together Australia’ campaign. Institutional investors [reportedly notified](#) AGL that they also intended to vote against the demerger namely, Martin Currie, who owns approximately 3% of AGL, and HESTA, holding 0.36%.
- [Investment memorandum](#) sent by Grok Ventures’ to shareholders in May 2022 stating that “We do not believe that the current AGL Board has the leadership or vision to execute on the energy transition opportunity...We intend to work with an AGL Board focused on setting a more ambitious energy transition plan for AGL”.
- Grok Ventures called for meetings with AGL following the withdrawal of the demerger proposal and the announcement of a strategic review. Grok reportedly seeking two seats on AGL’s new Board of directors.

Thus, the AGL and Mike Cannon-Brookes dispute arguably suggests a shift in corporate governance is emerging. This shift sees shareholders playing more of a ‘management’ role in companies to encourage them towards a more progressive decarbonisation path.

Part IV: Implications for investor leadership

This final section considers some of the implications of the AGL and Mike Cannon-Brookes saga for investor leadership on climate change and further questions to explore.

Political corporate social responsibility (CSR) offers one possible explanation for Mike Cannon-Brookes actions stepping up as an investor to lead the decarbonisation of AGL. Political CSR may be defined as “activities where CSR has an intended or unintended political impact, or where intended or unintended political impacts on CSR exist (i.e. impacts related to the functioning of the state as a sphere of activity that is distinctive from business activity)” ([Frynas and Stephens 2015, p.485](#)). Following this theory, Mike Cannon-Brookes has stepped up as a private individual to act as a de facto regulator or actor in climate governance, where there has been a failure of leadership from the Australian Federal government over the past decade.

Nevertheless, while is arguably positive that individuals have stepped up to fill this governance gap in Australia, there are potential challenges of an investor-led push towards a clean energy future. For example:

- Investors are acting on an ‘ad-hoc’ basis, and are unable to pursue the larger systemic and coherent changes that will be needed across the economy in small-, medium- and large- businesses.
- Investors are not impartial given their personal shareholding interests and may therefore be unable to make difficult choices where the interests of shareholders and stakeholders conflict.
- Much of investors’ advocacy may be taking place behind the scenes limiting the transparency with which this transition is occurring.
- Influence is able to be exerted by mainly larger investors suggesting that this is just another example of shareholder majority rule.
- Determining what is in the ‘best interests of the company’, ‘best interests of customers and the community’, or the ‘best interests of Australia and the world’ is a subjective assessment, and may not necessarily be affirmed for many years down the track.

The potential challenges of investor-led action suggests that regulation has a fundamentally important role to play in the transition towards a net zero future. Governments have the capacity to enact systemic changes, providing coherence, transparency, and accountability. What ‘good governance’ looks like in this regard will be further explored by the researchers involved in this study.

Appendix 1: Timeline of events

[30 March 2021](#) AGL announces intention to demerge its retail and electricity generation arms, with AGL Managing Director & CEO Brett Redman saying that AGL is, “evolving and innovating to better serve our customers and communities, and to return value to shareholders”

[22 April 2021](#) Brett Redman resigns as Managing Director & CEO, with then Chairman Graeme Hunt appointed as interim Managing Director & CEO

[30 June 2021](#) AGL confirms intention to demerge to create two energy businesses: ‘Accel Energy’ (electricity generation arm) and ‘AGL Australia’ (energy retail arm), with a vote to be held by the end of June 2022. AGL Interim Managing Director & CEO Graeme Hunt said the proposal was the “next evolution” of the company and “an important step...to protect shareholder value and establishing platforms for growth while providing greater customer focus and creating opportunities for our people”

[22 July 2021](#) AGL announces that shareholders will have an opportunity to have their say on climate reporting in 2022, with AGL Chair Peter Botten saying that each of the proposed new entities will “publish detailed climate change roadmaps including specific decarbonisation targets showing clear progress relative to our existing emissions reduction trajectory”

[23 July 2021](#) Shareholder letter sent by AGL regarding the proposed demerger, providing notice that a vote would be held in Q4 of FY2022

[22 September 2021](#) At the AGM, shareholder resolution on ‘Paris Goals and Targets’ gains 52.56% of the vote

[10 February 2022](#) AGL announces it is bringing forward its coal closure dates to no later than 2033 for Bayswater Power Station (previously 2035) and 2045 for Loy Yang A Power Station (previously 2048) in its half year results announcement

20-21 February 2022 [Proposal](#) by Brookfield and Grok ventures to acquire 100% of the shares in AGL Energy for \$7.50 per share, [rejected](#) by the AGL Board with AGL Chairman Peter Botten saying that the proposal “does not offer an adequate premium for a change of control and is not in the best interests of AGL Energy shareholders”

[28 February 2022](#) Shareholder letter sent by AGL affirming the decision to reject Mike Cannon-Brookes and Brookfield’s proposal, confirming that they were “confident the demerger is in the best interests of shareholders”

[7 March 2022](#) Second proposal by Brookfield and Grok to acquire 100% of the shares in AGL Energy for \$8.25 per share, rejected by the Board stating that the Board considered the revised proposal “is still well below both the fair value of the company on a change of control basis and relative to the expected value of the proposed demerger, and therefore is not in the best interests of AGL Energy shareholders”

[20 April 2022](#) AGL reports that a generator fault at Loy Yang A Unit 2 has put the unit offline until approximately 1 August "

[2 May 2022](#) Mike Cannon-Brookes sends letter to AGL’s directors saying that Grok Ventures has acquired more than an 11% interest in AGL and that they intend to vote against the proposed demerger

[2 May 2022](#) Shareholder letter sent by AGL regarding the proposed demerger saying it is in the best interests of shareholders as it: (i) “Creates the potential to maximise growth in the value of shares by giving each company the freedom to pursue individual strategies and growth initiatives; (ii) Supports Shareholder returns through distinct dividend policies and capital structures; (iii) Leaves the future value of two ASX listed companies with Shareholders”

[3 May 2022](#) AGL responds to the substantial holding notice lodged by Galipea Partnership (associated with Mike Cannon-Brookes) adding up to 11.28% of issued shares, saying they continue to believe the proposed demerger “is in the best interests of AGL shareholders”

[5 May 2022](#) AGL Managing Director & Chief Executive Officer Graeme Hunt presents at Macquarie Australia Conference and addresses commentary about the initial substantial holder notice by entities associated with Grok Ventures and “some of the false claims being made about AGL” using “facts”

[6 May 2022](#) Notice to shareholders that the general meeting and scheme meeting to vote on the proposed demerger was confirmed by the Supreme Court of NSW, vote to be held on 15 June 2022

[6 May 2022](#) Scheme booklet released by AGL setting out the advantages, disadvantages and risks of the proposed demerger, as well as including the Independent Expert Report of Grant Samuel

[6 May 2022](#) AGL presentation for investors about the demerger, noting that the demerger “will advance Australia’s new energy future; enabling a responsible transition of Australia’s energy system towards decarbonisation” and that the Board “believes it will create long-term shareholder value and a strong future for both parts of AGL Energy’s business”

[17 May 2022](#) Letter sent by Mike Cannon-Brookes to shareholders, urging them to vote against the “deeply flawed plan that will deliver a terrible outcome for AGL shareholders, workers, customers, Australian taxpayers and the planet”. The letter says that: “We believe the best way we can realise the potential value of the company and create a brighter future is if we vote against the demerger and keep AGL together”. Letter sets out reasons why they will be voting against

[18 May 2022](#) Notice from Galipea Partnership that they have taken steps to simplify their interest in AGL such that they hold fully paid ordinary shares representing 11.28% of shares

[20 May 2022](#) (updated on 23 May) Grok publishes an investment memorandum explaining “why we believe that voting against the AGL Board’s proposed demerger not only avoids further shareholder value destruction from splitting the company, it presents an opportunity to unlock significant value and share price outperformance”. Sets out a table of factors that will drive “shareholder value destruction where the demerger proceeds and shareholder value creation where we keep AGL together”

[25 May 2022](#) Shareholder letter sent by AGL relating to proposed demerger, stating “Your Board unanimously recommends that you vote to approve the Demerger” and “Grant Samuel, the Independent Expert appointed to review the proposed Demerger, has concluded that it is in the best interests of AGL Energy Shareholders”

[25 May 2022](#) AGL releases responses to Grok Ventures’ claims, with AGL Managing Director & CEO Graeme Hunt saying the plan is “the best path forward for the company, for shareholders, and for Australia’s responsible energy transition” and it is critical for shareholders to decide on the basis of “factual and consistent” information

[27 May 2022](#) Notice from Galipea Partnership providing an update of their holding and confirming that they continue to hold fully paid ordinary shares representing 11.28% of shares on issue

[30 May 2022](#) AGL advises they are withdrawing the demerger proposal, despite continuing to believe it offers the best way forward, as “having regard to anticipated voter turnout and stated opposition from a small number of investors including Grok Ventures, AGL Energy believes the Demerger Proposal will not receive sufficient support to meet the 75% approval threshold for a scheme of arrangement”. AGL announces a review of strategic direction. Four members of the Board and Management resign (Peter Botten, Graeme Hunt, Jacqueline Hey and Diane Smith-Gander)

[10 June 2022](#) Update on generator fault at Loy Yang A Unit 2, offline until approximately second half of September

[10 June 2022](#) Announcement that Christine Corbett to depart AGL, was due to take up role as Managing Director and CEO of the proposed demerged AGL Australia

Appendix 2: AGL's annual top 20 shareholders

<u>Annual Report 2021</u>		<u>Annual Report 2020</u>		<u>Annual Report 2019</u>		<u>Annual Report 2018</u>	
HSBC Custody Nominees (Australia) Limited	24.51	HSBC Custody Nominees (Australia) Limited	30.89	HSBC Custody Nominees (Australia) Limited	28.64	HSBC Custody Nominees (Australia) Limited	27.83
J P Morgan Nominees Australia Pty Limited	11.68	J P Morgan Nominees Australia Pty Limited	14.10	J P Morgan Nominees Australia Pty Limited	15.32	J P Morgan Nominees Australia Limited	13.13
Citicorp Nominees Pty Limited	5.98	Citicorp Nominees Pty Limited	6.99	Citicorp Nominees Pty Limited	8.72	Citicorp Nominees Pty Limited	7.61
National Nominees Limited	1.70	National Nominees Limited	2.71	National Nominees Limited	2.78	National Nominees Limited	4.03
BNP Paribas Nominees Pty Ltd	1.16	BNP Paribas Nominees Pty Ltd	1.29	BNP Paribas Nominees Pty Ltd	1.49	BNP Paribas Nominees Pty Ltd	1.52
BNP Paribas Noms Pty Ltd	0.68	BNP Paribas Noms Pty Ltd	0.88	BNP Paribas Noms Pty Ltd	0.76	BNP Paribas Noms Pty Ltd	1.18
BNP Paribas Nominees Pty Ltd Six Sis Ltd	0.68	HSBC Custody Nominees (Australia) Limited	0.61	HSBC Custody Nominees (Australia) Limited	0.58	Citicorp Nominees Pty Limited	0.74
Milton Corporation Limited	0.57	Argo Investments Limited	0.58	Argo Investments Limited	0.56	Australian Foundation Investment Company Limited	0.66
HSBC Custody Nominees (Australia) Limited	0.57	Milton Corporation Limited	0.57	Milton Corporation Limited	0.54	Custodial Services Limited	0.65
Argo Investments Limited	0.37	HSBC Custody Nominees (Australia) Limited-GSCO ECA	0.38	HSBC Custody Nominees (Australia) Limited-GSCO ECA	0.49	Argo Investments Limited	0.56
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	0.33	Citicorp Nominees Pty Limited	0.32	BNP Paribas Nominees Pty Ltd	0.48	HSBC Custody Nominees (Australia) Limited	0.51
Netwealth Investments Limited	0.30	Netwealth Investments Limited	0.29	Citicorp Nominees Pty Limited	0.48	Milton Corporation Limited	0.47
HSBC Custody Nominees (Australia) Limited-Gsco Eca	0.27	Pacific Custodians Pty Limited	0.27	AMP Life Limited	0.30	UBS Nominees Pty Ltd	0.31
Citicorp Nominees Pty Limited	0.25	BNP Paribas Nominees Pty Ltd Hub24 Custodial Services Ltd DRP	0.25	Netwealth Investments Limited	0.29	AMP Life Limited	0.30
Carlton Hotel Limited	0.22	Carlton Hotel Limited	0.22	Custodial Services Limited	0.25	Pacific Custodians Pty Limited	0.25
The Senior Master Of The Supreme Court	0.21	The Senior Master of the Supreme Court	0.20	BKI Investment Company Limited	0.23	Carlton Hotel Limited	0.21
Broadgate Investments Pty Ltd	0.20	Gwynvill Investments Pty Ltd	0.20	Pacific Custodians Pty Limited	0.22	Netwealth Investments Limited	0.20
Woodross Nominees Pty Ltd	0.17	BKI Investment Company Limited	0.20	HSBC Custody Nominees (Australia) Limited	0.22	Gwynvill Investments Pty Limited	0.19
BNP Paribas Nominees Pty Ltd	0.16	Loris H Hassall Pty Ltd	0.17	Carlton Hotel Limited	0.21	BKI Investment Company Limited	0.19

Mr Zeng Yang	0.14	Custodial Services Limited	0.15	Australian Foundation Investment Company Limited	0.21	The Senior Master Of The Supreme Court	0.18
	50.15 %		61.27 %		62.77 %		60.72 %

<u>Annual Report 2021</u>	<u>Annual Report 2020</u>	<u>Annual Report 2019</u>	<u>Annual Report 2018</u>
<p>In a substantial holding notice dated 15 March 2017, BlackRock Group advised that as at 27 February 2017, it had an interest in 40,935,468 ordinary shares, which represented 6.09% of AGL's ordinary shares at this time.</p> <p>In a substantial holding notice dated 26 November 2019, Vanguard Group advised that as at 22 November 2019, it had an interest in 38,926,303 ordinary shares, which represented 6.03% of AGL's ordinary shares at this time.</p> <p>In a substantial holding notice dated 27 December 2019, State Street Corporation advised that as at 23 December 2019, it had an interest in 32,165,826 ordinary shares, which represented 5.02% of AGL's ordinary shares at this time.</p>	<p>In a substantial holding notice dated 15 March 2017, BlackRock Group advised that as of 27 February 2017 it had an interest in 40,935,468 ordinary shares, which represented 6.09% of AGL's ordinary shares at this time.</p> <p>In a substantial holding notice dated 14 June 2018, The Vanguard Group, Inc advised that as at 12 June 2018 it had an interest in 32,944,083 ordinary shares which represented 5.023% of AGL's ordinary shares at this time.</p>	<p>In a substantial holding notice dated 15 March 2017, BlackRock Group advised that as of 27 February 2017 it had an interest in 40,935,468 ordinary shares, which represented 6.09% of AGL's ordinary shares at this time.</p> <p>In a substantial holding notice dated 14 June 2018, The Vanguard Group, Inc advised that as at 12 June 2018 it had an interest in 32,944,083 ordinary shares which represented 5.023% of AGL's ordinary shares at this time.</p>	<p>In a substantial holding notice dated 15 March 2017, BlackRock Group advised that as at 27 February 2017, it had an interest in 40,935,468 ordinary shares, which represented 6.09% of AGL's ordinary shares at this time.</p> <p>In a substantial holding notice dated 26 November 2019, Vanguard Group advised that as at 22 November 2019, it had an interest in 38,926,303 ordinary shares, which represented 6.03% of AGL's ordinary shares at this time.</p> <p>In a substantial holding notice dated 1 February 2021, State Street Corporation advised that as at 28 January 2021, it had an interest in 38,131,163 ordinary shares, which represented 6.12% of AGL's ordinary shares at this time.</p>

Appendix 3: AGL’s climate-related resolutions

Year	Company	Filed by	Type	Content	Support
2022	AGL	AGL	EGM	<p>Item 1: Approval of Capital Reduction To consider and, if thought fit, approve the following resolution as an ordinary resolution: “That, subject to and conditional on the scheme of arrangement described in Section 11 of the Scheme Booklet and proposed to be made between AGL Energy and the holders of its fully paid ordinary shares (Scheme) becoming effective in accordance with section 411(10) of the Corporations Act 2001 (Cth) (Corporations Act), AGL Energy’s share capital be reduced pursuant to section 256C(1) of the Corporations Act on the Implementation Date by the Capital Reduction Amount, with the reduction being effected and satisfied by applying such amount equally against each ordinary share in AGL Energy on issue at the Record Date and in accordance with the Scheme.”</p> <p>Item 2: Financial Assistance Resolution To consider and, if thought fit, approve the following resolution as a special resolution: “That, pursuant to section 260B(2) of the Corporations Act, approval is given for the financial assistance to be provided by all or any of the entities listed in Schedule 1 (the Guarantor Entities) in connection with the acquisition of shares in the Guarantor Entities (or their holding companies) by AGL Australia Limited (ACN 651 096 114) and the Scheme as described in section 4.1 of the Explanatory Notes.”</p> <p>Item 3: Name Change Resolution To consider and, if thought fit, approve the following resolution as a special resolution: “That, pursuant to section 157 of the Corporations Act, approval is given to change the name of AGL Energy Limited to Accel Energy Limited, effective from the date that ASIC updates its register to reflect the new name (to occur on or after the date on which the Scheme becomes effective in accordance with section 411(10) of the Corporations Act).”</p> <p>Item 4: Approval of potential benefits to persons holding a managerial or executive office To consider and, if thought fit, approve the following resolution as an ordinary resolution: “That, subject to and conditional on the Scheme becoming effective in accordance with section 411(10) of the Corporations Act, approval is given for all purposes (including sections 200C and 200E of the Corporations Act), for the giving of benefits to any holder of a managerial or executive office in AGL Energy Limited or a related body corporate (as defined in section 200AA of the Corporations Act), in connection with the Demerger, on the terms set out in the Explanatory Notes which accompany the Notice of General Meeting.” A voting exclusion applies to this resolution – see below</p>	<p>ASX announcement withdrawal of demerger and resignation of Board on 30 May</p> <p>[Vote had been due Wednesday, 15 June 2022 at 10:30am (AEST)]</p>
2021	AGL	AGL	Ordinary	<p>2. Remuneration Report To consider and, if thought fit, to pass the following resolution as an ordinary resolution: “To adopt the Remuneration Report for the financial year ended 30 June 2021, as set out in the Directors’ Report section of the 2021 AGL Annual Report.” “Note: the vote on this resolution is advisory only and does not bind the Directors or AGL. A voting exclusion applies to this resolution – see page 5 for details.”</p>	94.68%
		ACCR	Special	<p>Amendment to the Constitution a. To consider, and if thought fit, to pass the following resolution as a special resolution: "To insert into our company’s constitution the following new clause 32.4: Member resolutions at general meeting - The Members in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company’s business and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company. "</p>	4.36%
			Ordinary	<p>Paris Goals and Targets b. “To consider, and if thought fit, to pass the following resolution as an ordinary resolution: "Shareholders request the Board disclose, in association with forthcoming demerger scheme documents: 1. Short, medium and long-term targets for reductions in the proposed demerged companies’ Scope 1, 2 and 3 emissions (Targets) that are aligned with articles 2.1 (a) and 4.1 of the Paris Agreement1; 2. Details of how the proposed demerged companies’ capital expenditure (sustaining and growth and transformation) will align with the Targets; and</p>	52.56%

				3. Details of how the proposed demerged companies' remuneration policies will incentivise progress against the Targets. Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company or the proposed demerged companies, or the Board's ability to limit the disclosure of commercial-in-confidence information."	
2020	AGL	AGL	Ordinary	Remuneration report "To adopt the Remuneration Report for the financial year ended 30 June 2020, as set out in the Directors' Report section of the 2020 AGL Annual Report." "Note – the vote on this resolution is advisory only and does not bind the Directors or AGL. A voting exclusion applies to this resolution – see page 5 for details".	48.99% [First strike on remuneration report, investors unhappy]
			Ordinary	Grant performance rights under AGL Long Term Incentive Plan to Brett Redman "That approval is given for AGL to grant to its Managing Director and Chief Executive Officer, Brett Redman, 124,139 performance rights under AGL's Long Term Incentive Plan in respect of the financial year ending 30 June 2021 on the terms set out in the Explanatory Notes which accompany the Notice of Meeting." [see explanatory notes]	65.26% [Investors unhappy, incentives for reduce coal targets]
		ACCR	Special	Amend Constitution to permit advisory resolutions "To amend the constitution to insert a new clause 32.4: Member resolutions at general meeting - The Members in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company".	5.06%
			Ordinary	Coal Closure Dates "Shareholders affirm our company's commitment to decarbonisation and welcome the FY20 scenario analysis. Shareholders request that our company align the closure dates of the Bayswater and Loy Yang A coal-fired power stations with a strategy to limit the increase in global temperatures to 1.5°C above pre-industrial levels. Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company"	19.96%
2019	AGL	Market Forces	Special	Amend Constitution to permit advisory resolutions "To amend the constitution to insert at the end of Clause 3.2 'General Meetings – Business' the following new sub-clause: The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However such a resolution must relate to a material risk as identified by the company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."	6.57%
			Ordinary	Transition planning disclosure "Shareholders note the 2018 Global Investor Statement to Governments on Climate Change and its accompanying briefing paper, which calls for a reduction in greenhouse gas emissions to meet the goals of the Paris Agreement, necessitating the phase out of coal power generation by no later than 2030 in OECD countries, including Australia. Shareholders therefore request that the company, in annual reporting from 2020, disclose strategies to reduce scope 1 and scope 2 emissions in line with the climate goals of the Paris Agreement, including short, medium and long term targets."	30.33%
		ACCR	Ordinary	Public health risks of coal operations "Shareholders request that, by 30 June 2020, the board prepare and disclose an assessment of the capital and operating expenditure required to install and maintain pollution controls at the Bayswater and Loy Yang A coal-fired power stations, sufficient to mitigate public health risks associated with non-carbon air pollution at those operations. The assessment should be prepared at reasonable expense and omit proprietary information."	10.85%
2015	AGL	Caroline Le Couteur, ACCR	Special	Prepare business model to ensure profitability under pathways that limit the world to 2° C warming; and (b) disclosure power generation and supply chain emissions management	5.1% support with 2.9% abstentions