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ASX Release

Amended AGL Securities Dealing Policy

26 June 2015

Attached is AGL's Securities Dealing Policy which was amended on 22 June 2015.

Paul McWilliams
Company Secretary

About AGL

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable energy generation in the country. Drawing on over 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. 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, landfill gas and biomass. AGL is taking action toward creating a sustainable energy future for our investors, communities and customers.

AGL SECURITIES DEALING POLICY

This policy outlines when AGL Employees may deal in AGL Securities, or the Securities of other companies.

Approved by the AGL Board: 22 June 2015

Effective Date: 30 June 2015

AGL SECURITIES DEALING POLICY

1. PURPOSE

The purpose of this policy is to prevent AGL and its employees from breaching legislative prohibitions on insider trading by dealing in the Securities of AGL or other companies while in possession of inside information.

The policy outlines when AGL Employees may deal in AGL Securities, or the Securities of other companies.

The definition of Securities is complex but includes shares in a company and derivative instruments such as exchange traded options and warrants. It also includes rights to acquire shares (including shares not yet issued by the company) and debt securities such as AGL Energy Subordinated Notes.

2. APPLICATION

This Policy applies to:

- AGL's Directors;
- employees of AGL and its related bodies corporate; and
- contractors and consultants engaged by AGL who, in the course of their engagement with AGL, become in possession of inside information about AGL or another company.

In this Policy, all of these people are referred to as AGL Employees.

Additional responsibilities apply to AGL Directors, and to senior leaders and others identified as Designated Officers.

Aspects of this Policy also extend to associates of AGL Employees, such as family members or companies and other entities controlled by AGL Employees and their associates.

If you are unsure about how this Policy applies to you or to any instrument you wish to deal in, you should seek assistance from the Company Secretary before you deal in the instrument.

3. THE LAW AGAINST INSIDER TRADING

The Corporations Act prohibits a person from dealing, or procuring other persons to deal, in the Securities of a company if the person:

- possesses inside information about the company; and
- knows, or ought reasonably to know, that the information is inside information.

For AGL Employees, this prohibition applies to dealing, or procuring other persons to deal, in AGL Securities. It can also apply to dealing in Securities of another company where an AGL Employee is in possession of inside information about that other company.

3.1 What is inside information?

Inside information is information about a company that is not generally available and that, if it were to be made generally available, would reasonably be expected to have a material effect on the price or value of Securities issued by the company.

Information is generally available if:

- it consists of readily observable matter; or
- it has been publicly disclosed by an announcement to the ASX and a reasonable period for its dissemination among investors has elapsed; or

- it consists of deductions, conclusions or inferences made or drawn from other generally available information.

AGL has legal obligations to immediately disclose to the market all information which would reasonably be expected to have a material effect on the price or value of its Securities. However, there are circumstances where information of this kind is not required to be disclosed, particularly if it relates to an incomplete proposal or to matters which are insufficiently definite to warrant disclosure.

Examples of information that might be inside information include information about:

- AGL's current or expected future financial performance, particularly in comparison with forecast results or market expectations;
- a substantial transaction under consideration;
- an actual or proposed change to capital structure, including a share issue or a debt refinancing;
- a material claim or unexpected liability.

3.2 What is dealing in Securities?

You deal in Securities if you acquire or dispose of any economic interest in those Securities. This includes:

- acquiring or disposing of the Securities;
- entering into an agreement to acquire or dispose of the Securities; or
- granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.

3.3 Consequences of breaching prohibition against insider trading

Insider trading is a criminal offence and may attract substantial fines or imprisonment. Civil penalties may also apply, including the payment of compensation to any person who has suffered loss or damage because of insider trading.

AGL Employees who fail to adhere to the requirements of this Policy may face disciplinary action.

The Australian Securities Exchange (ASX), the Australian Securities and Investments Commission (ASIC), and external governance advisers all monitor AGL's compliance with this Policy. Breaches of the Policy by AGL Employees can have material adverse consequences for AGL's reputation with the ASX and ASIC, and with the investment community at large.

4. AGL'S POLICY POSITIONS

4.1 Prohibited Dealing in AGL Securities

AGL Employees must not deal, or procure a person to deal, in AGL Securities at any time if they are in possession of inside information about AGL.

AGL Employees also must not deal in AGL Securities during either of the following blackout periods:

- the period between 1 July and the close of business on the day after AGL announces its preliminary final results (Appendix 4E);
- the period between 1 January and the close of business on the day after AGL announces its half year results (Appendix 4D).

4.2 Permitted Dealing in AGL Securities

Subject to additional requirements set out below, AGL Employees may deal in AGL Securities at any other time. These additional requirements relate mainly to AGL Employees who are Designated Officers.

4.3 Dealing in Securities of other companies

From time to time, AGL will be engaged in activities which might result in inside information about another company becoming available to some AGL Employees because of their role or position with AGL. For example:

- another company may provide information about itself, or about a third company, to AGL in the course of a proposed transaction;
- AGL may be considering a transaction which, if implemented, may have an effect on another company and the value of that company's Securities;
- AGL may receive information about the financial or operating performance of a company that AGL has a joint venture with or an investment in.

AGL Employees must not deal in Securities of another company if they are in possession of inside information about that other company.

4.4 Short-term or speculative dealing

AGL encourages AGL Employees to be long-term investors in AGL Securities and to act in a way that promotes growth in long-term returns for all holders of AGL Securities. Speculation in short-term fluctuations in the value of AGL Securities does not promote market confidence in the integrity of AGL or AGL Employees.

AGL Employees must not deal in AGL Securities as a short-term trader or on a speculative basis.

AGL Employees who acquire AGL Securities must not dispose of those Securities, or enter into arrangements (such as margin loans) which could result in those Securities being disposed of, within 12 months of acquisition.

This prohibition does not apply to:

- Securities acquired as a result of the exercise of an option or similar right where the option or right has been held for at least 12 months;
- AGL shares acquired by AGL Employees under AGL's Long Term Incentive Plan, AGL's Share Purchase Plan, or AGL's Employee Share Plan; and
- Share rights acquired pursuant to an entitlement offer made on a pro rata basis to all AGL Shareholders.

4.5 Short selling and stock lending

AGL Employees are prohibited from entering into short selling or stock lending arrangements in relation to AGL Securities.

4.6 Derivatives

AGL may grant AGL shares, options or performance rights to AGL Employees as part of their remuneration entitlements. These grants will usually be subject to the satisfaction of performance hurdles before they vest in the AGL Employee.

The use of Derivatives over unvested AGL Securities has the potential to allow AGL Employees to realise value from those Securities even if the performance hurdles have not been satisfied. This would undermine the intended alignment between the performance of AGL Employees and the interests of AGL shareholders.

AGL Employees are not permitted to use Derivatives in relation to any unvested AGL Securities. For this purpose, a Derivative includes any option, forward contract, swap, futures contract or warrant, or any other arrangement, which itself or in combination with one or more other Derivatives would have the effect of providing an AGL Employee with a greater benefit than would otherwise have been realised in respect of the unvested AGL Securities.

AGL Employees may use Derivatives in relation to AGL Securities which have vested, provided any dealing in those Derivatives complies with the other requirements of this Policy and the AGL Securities are not subject to a holding lock.

5. SPECIFIC RULES FOR DESIGNATED OFFICERS

5.1 Who is a Designated Officer?

Additional safeguards are necessary to avoid the potential for adverse public perceptions of AGL as a result of dealings in AGL Securities by AGL Employees in senior roles. For the purposes of this Policy, these AGL Employees are Designated Officers.

A Designated Officer is an AGL Employee who is:

- an AGL Director;
- a member of AGL's Executive Team; or
- a member of AGL's Senior Leadership Group.

Other AGL Employees may also occupy a position, or perform a role, which may attract public scrutiny of dealings by those AGL Employees in AGL Securities. The Company Secretary may, from time to time, designate any AGL Employee to be a Designated Officer for the purpose of this Policy.

5.2 Dealings in AGL Securities by Designated Officers

Any Designated Officer who proposes dealing in AGL Securities must, before the dealing occurs, notify the Company Secretary of the proposed dealing by completing and submitting a notice in the form attached as Attachment 1 to this Policy. For the avoidance of doubt, this requirement includes any proposed dealing in Derivatives in respect of other AGL Securities, including in respect of fully vested AGL Shares.

The Designated Officer must not undertake the proposed dealing until it has been approved in writing in accordance with the following protocol:

<u>Dealing to be undertaken by</u>	<u>Dealing to be approved by</u>
A non-executive Director	Chairman of AGL Board
Chairman of AGL Board	Chair of Audit & Risk Management Committee
Chief Executive Officer (CEO)	Chairman of AGL Board
Chief Financial Officer	Chairman of AGL Board
Member of Executive Team	CEO
Company Secretary	CEO
All other Designated Officers	Company Secretary

An approval to undertake the proposed dealing will be valid for two weeks (but completion of the proposed dealing must not occur during a blackout period and must otherwise comply with the requirements of this Policy).

The requirements for Designated Officers to seek approval before dealing in AGL Securities do not apply to:

- the acquisition of Securities under AGL's Long Term Incentive Plan, AGL's Share Purchase Plan, or AGL's Employee Share Plan;
- the acquisition of shares under AGL's Dividend Reinvestment Plan;
- the acquisition of shares as a result of the exercise of rights acquired pursuant to an entitlement offer made on a pro rata basis to all AGL Shareholders; and
- the on-market sale of rights acquired pursuant to an entitlement offer made on a pro rata basis to all AGL Shareholders.

5.3 Restrictions applicable to associates of Designated Officers

This Policy extends to associates of Designated Officers in relation to dealing in AGL Securities. A Designated Officer's associates includes family members or companies and other entities controlled by the Designated Officer. This means that a Designated Officer must take all steps reasonably necessary for the Designated Officer's associates to:

- avoid dealing in AGL Securities during a blackout period;
- avoid dealing in AGL Securities as a short-term trader or on a speculative basis;
- notify the Company Secretary of, and seek approval for, proposed dealings in AGL Securities; and
- otherwise avoid breaching this Policy.

5.4 Margin Loans

Margin loans to support an investment in Securities have the potential to compromise an AGL Employee's ability to comply with this Policy or with the legal prohibition against insider trading. This is because the terms of a margin loan may require the sale of Securities during a blackout period (in relation to AGL Securities) or at a time when the AGL Employee is in possession of inside information about AGL or another company in which the AGL Employee holds Securities.

AGL Employees are prohibited from entering into margin loan arrangements to fund the acquisition of AGL Securities or in relation to which AGL Securities may be used as a security against repayment of the loan.

The following requirements will apply to margin loans proposed to be obtained by a Designated Officer to acquire Securities of any other company in relation to which it is reasonably foreseeable that the Designated Officer could come into possession of inside information as a consequence of being an AGL Employee.

- The Designated Officer must provide notice of, and obtain approval for, the proposed margin lending arrangements following the process outlined in paragraph 5.2 above. Approval must be obtained before the margin lending arrangements are entered into.
- Similarly, the Designated Officer must ensure that the terms of the margin lending arrangements do not require, or allow for, Securities of any company to be disposed of during a blackout period or at a time when the Designated Officer is in possession of inside information in relation to that company.
- The Designated Officer must promptly inform the Company Secretary in writing (or by e-mail) of any margin call that is made under the margin lending arrangements, and of the terms of that margin call.

5.5 Notification by Directors of Dealing in AGL Securities

AGL is required to notify the ASX within 5 business days of any dealings by AGL Directors in AGL Securities. To allow AGL to meet its ASX obligations, AGL Directors must notify the Company Secretary as soon as practicable (and, in any case, no later than 2 business days) after the dealing occurs.

The Company Secretary will notify the ASX of the Director's dealing in AGL Securities using Appendix 3Y as required by the ASX Listing Rules. The Company Secretary will promptly provide all Directors with a copy of each Appendix 3Y sent to the ASX.

6. EXCEPTIONAL CIRCUMSTANCES

6.1 Exemption to allow dealings during blackout periods

The Company Secretary has the discretion to give approval to an AGL Employee to dispose of AGL Securities during a blackout period if all of the following conditions are satisfied:

- the AGL Employee is experiencing genuine financial hardship or there are other exceptional circumstances;
- the AGL Employee is not actually in possession of inside information about AGL; and
- the Securities are not otherwise subject to a restriction on disposal (eg shares awarded under AGL's Share Reward Plan).

An AGL Employee seeking approval to dispose of AGL Securities during a blackout period should do so using the form attached as Attachment 1 to this Policy. Full details of why the AGL Employee considers that exceptional circumstances exist should be included.

The Company Secretary must maintain a record of all approvals given to sell AGL Securities during a blackout period.

The Company Secretary must promptly inform the Board of all instances where approval has been given to an AGL Employee to sell ASX Securities during a blackout period.

7. OTHER MATTERS

7.1 Date of effect

This Policy has been approved by AGL's Board and has effect from **30 June 2015**.

7.2 Further information about this Policy

If you have any questions about the application of this Policy to you, please contact the Company Secretary (Paul McWilliams – pmcwilliams@agl.com.au or (02) 9921 2696).

7.3 Review of this Policy

This Policy shall be reviewed bi-annually by AGL's Audit and Risk Management Committee and any changes approved by the Board.

8. GLOSSARY

Terms used in this Policy have the meaning set out below:

AGL means AGL Energy Limited (ABN 74 115 061 375).

AGL Board means the board of directors of AGL.

AGL Employees means each director, officer and employee of AGL or its related bodies corporate (within the meaning of section 50 of the Corporations Act), and each contractor and consultant to AGL or its related bodies corporate who are contractually bound to comply with this Policy.

AGL Executive Team means AGL Employees who hold a senior management role and who are direct reports of AGL's Chief Executive Officer.

associate in relation to an AGL Employee means:

- a member of the AGL Employee's immediate family; and
- a company or other entity controlled by the AGL Employee.

blackout period means each of the following periods:

- the period between 1 July and the close of business on the day after AGL announces its preliminary final results (Appendix 4E);
- the period between 1 January and the close of business on the day after AGL announces its half year results (Appendix 4D).

Company Secretary means the Company Secretary of AGL from time to time.

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

deal or **dealing** in relation to Securities means to acquire or dispose of any economic interest in those Securities. The term is intended to be interpreted broadly and includes:

- acquiring or disposing of the Securities;
- entering into an agreement to acquire or dispose of the Securities; or
- granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.

Derivatives has the meaning given in section 761D of the Corporations Act and includes options, forward contracts, swaps, futures contracts and warrants and any combination of one or more of these things.

Designated Person means an AGL Employee who is:

- an AGL Director;
- a member of AGL's Executive Team;
- any other AGL Employee who is a participant in AGL's Long Term Incentive Plan; or
- any person designated by the Company Secretary as a Designated Officer in accordance with paragraph 5.1 of this Policy.

inside information in relation to a company means information about the company that is not generally available and that, if it were to be made generally available, would reasonably be expected to have a material effect on the price or value of Securities issued by the company.

Securities include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives, and financial products covered by section 1042A of the Corporations Act.

Senior Leadership Group includes the Executive Team, direct reports of the Executive Team (including, for purposes of this Policy, executive assistants of members of the Executive Team), any person in a role rated level 15 or above on AGL's employment position framework, and any other person invited by the Executive Team to be a member of the Senior Leadership Group.

AGL Securities – Dealing Notification and Request for Approval to Deal

AGL's Securities Dealing Policy requires Designated Officers (as defined in the Policy) to notify the Company Secretary of a proposed Dealing in AGL Securities and to seek approval as set out in the Policy.

To be completed by Designated Officer

Name:	
Position:	

I request approval to Deal in AGL Securities as follows:

Securities:	<i>Insert description of the Securities (eg AGL shares)</i>
Details of proposed Dealing:	<i>Insert details of proposed dealing (eg buy or sell; number of Securities involved) and whether there are related margin lending arrangements</i>
Name of person Dealing:	<i>Insert name of person proposing to Deal. If not the Designated Officer, describe the relationship of the person to the Designated Officer</i>

I confirm the following:

- I have read and understood AGL's Securities Dealing Policy (the Policy) and confirm that the proposed Dealing will not contravene the Policy.
- The proposed Dealing will comply with the Policy and will not be undertaken until I have received approval to Deal.
- I am responsible for complying with applicable laws relating to insider trading.
- The proposed sale of the AGL Securities is due to exceptional circumstances as set out in the attached supporting documents.

Signed:	Date:
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To be completed by person approving proposed Dealing in AGL Securities

Approval for the proposed Dealing has been granted:

Yes

No

Signed:	Date:
Name:	