

AGL Energy Limited

BOARD HEALTH, SAFETY AND ENVIRONMENT COMMITTEE CHARTER

1. Purpose

- 1.1 The primary function of the Board Health, Safety and Environment (HSE) Committee (the Board Committee) is to set and review the implementation of AGL Energy's HSE strategy including:
- Monitoring and reviewing AGL Energy's commitment to the health and safety of its people;
 - Reviewing AGL Energy's environmental priorities and commitments, including its greenhouse gas strategy;
 - Integration of these priorities within AGL Energy's corporate strategy, risk management framework, and people and culture priorities.

2. Membership

- 2.1 The Board Committee shall comprise all members of the Board.
- 2.2 The Chairman of the Board Committee is the Chairman of the Board.
- 2.3 The duties and responsibilities of a member of the Board Committee are in addition to those set out in the Board Charter for a member of the Board of Directors.

3. Responsibilities

- 3.1 The Board Committee is responsible for:

Health and Safety Management Systems and Priorities

- Reviewing and monitoring the effectiveness of AGL Energy's HSE Management System, including the adequacy of processes for identifying, assessing and avoiding HSE risks;
- Monitoring HSE performance, including lead and lag indicators with a view to providing a desirable outcome for investors, customers, employees and the community;
- Monitoring AGL Energy's compliance with relevant HSE legislation and its HSE Policy;
- Reviewing extreme and very high HSE risks and issues, and action plans put in place to reduce risk and prevent future incidents; and

- Reviewing AGL Energy’s health and safety initiatives and programs, and their success.
- Considering reports submitted by management on health and safety performance and issues.

Environment

- Reviewing AGL Energy’s environmental principles and policies.
- Reviewing AGL Energy’s environmental and greenhouse gas footprint and tracking performance indicator trends.
- Reviewing priority goals and targets and monitoring implementation.
- Considering reports submitted by management on environmental performance and issues.

4. Meetings

- 4.1 The Board Committee meets at least twice a year, with additional meetings scheduled on an as needs basis.
- 4.2 The Secretary of the Board Committee will be the Company Secretary or his/her designated representative.
- 4.3 The Company Secretary shall be responsible for scheduling meetings, co-ordinating the preparation of the agenda, minutes and other supporting documentation for the meeting.
- 4.4 The agenda and supporting documentation will be circulated to the Board Committee members within a reasonable period in advance of each meeting. The Secretary of the Board Committee will circulate minutes of meetings to members of the Board Committee, including the names of those present and in attendance.
- 4.5 A quorum of any meeting will be a majority of directors. A duly convened meeting of the Board Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Reporting

- 5.1 The Board Committee will prepare any reports required by law or listing rules or requested by the Board including relevant remuneration sections of the annual report and other shareholder documents.
- 5.2 The Chairman of the Board Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Board Committee’s activities.

6. Other matters

- 6.1 This charter should be reviewed and updated at least every two years and changes required should be recommended to the Board for approval.
- 6.2 The Board Committee should annually review its own performance.
- 6.3 To the extent the Board Committee deems necessary, it may, at AGL Energy's expense, retain legal, accounting or other advisors. The Board Committee is authorised to seek any information it requires from any employee of AGL Energy in order to perform its duties.

Approved by the Board in July 2006