

**AGL Energy Limited**  
**NOMINATIONS COMMITTEE CHARTER**

**1. PURPOSE**

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- 1.1 The primary function of the Nominations Committee (**the Committee**) is to assist the Board in fulfilling its responsibilities to Shareholders through the appropriate recruitment, retention and education of Directors.
- 1.2 The Committee will have oversight of and review of:
- Maintaining a Board which comprises individuals best able to discharge the responsibilities of Directors having regard to the execution of AGL's strategic objectives, to the requirements of the law, and to the highest standards of corporate governance;
  - Reviewing the performance of the Board; and
  - Succession planning for the Board.

The Committee will primarily fulfil these responsibilities by carrying out the activities in Section 6 of this Charter.

**2. MEMBERSHIP**

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- 2.1 Unless the Board determines otherwise, the Committee shall comprise all non-executive Directors of AGL.
- 2.2 Subject to paragraph 2.1, the membership of the Committee shall be appointed by the Board from amongst the non-executive Directors of AGL and shall consist of a minimum of three members.
- 2.3 Each of the members will be independent which means they will be free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of AGL.
- 2.4 The Chairman of the Committee shall be the Chairman of the Board. Should the Chairman of the Committee be absent from any meeting, one of the members of the Committee present shall be appointed Chair of that meeting.
- 2.5 The duties and responsibilities of a member of the Committee are in addition to those set out for a member of the Board of Directors.
- 2.6 The Secretary of the Committee is the Company Secretary.

**3. MEETINGS**

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- 3.1 The Committee will meet a minimum of two times annually and more frequently if required as determined by the Committee Chairman. The Committee shall keep minutes of its meetings.
- 3.2 A quorum of any meeting shall be two members.
- 3.3 Any non-executive Director may attend Committee meetings.

- 3.4 No one outside the Committee and the Board is entitled to be present at a meeting of the Committee but, unless the Committee determines otherwise, the Managing Director, the Company Secretary, and the Head of People and Culture shall attend Committee meetings.

#### **4. AUTHORITY**

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- 4.1 The Committee is a Committee of the Board and shall have no authority independent of the functions delegated to it by the Board.
- 4.2 The Committee is authorised by the Board to seek any information from any officer or employee of AGL all of whom must co-operate with any request made by the Committee.
- 4.3 The Committee is authorised to engage any firm of professional advisers as it sees fit to provide independent counsel and advice and to assist in any consideration of such matters as the Committee deems appropriate.
- 4.4 The findings of the Committee shall not relieve the Board of any of its responsibilities.

#### **5. REPORTING**

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- 5.1 The Company Secretary shall distribute copies of the minutes of a meeting of the Committee to the Board as soon as practicable after the meeting.
- 5.2 The Committee shall regularly inform the Board about Committee activities and make recommendations to the Board on matters relevant to the Committee's purpose.

#### **6. RESPONSIBILITIES**

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- 6.1 Without limiting its role, the Committee shall fulfil its responsibilities by:

##### ***Board composition and performance responsibilities***

- Reviewing periodically the skills and experience required to discharge competently the Board's duties having regard to AGL's operating performance, financial position and strategic objectives and comparing those requirements with the skills and experience represented on the Board from time to time.
- Reviewing the structure, size and composition of the Board and Board Committees. This is to be considered having regard to AGL's Constitution, which requires that the Board comprise not fewer than 3 and not more than 10 Directors at any time, and to the Board and Board Committee charters which require that a majority of the Board, and all members of a Board Committee, shall be independent directors.
- Developing and implementing a process for evaluating the performance of the Board, the Board Committees and each individual Director. The Committee shall also be responsible for reporting the results of that evaluation to the Board.

##### ***Board appointments***

- Preparing a description of the skills and experience required when considering the suitability of potential candidates for appointment to the Board.

- Overseeing a professional and objective search process to identify suitable candidates to fill Board vacancies as and when they arise and recommending candidates for the approval of the Board.
- Overseeing arrangements for the effective appointment and induction of new Directors.
- Selecting Directors to recommend to the Board for re-election by rotation at AGL's Annual General Meetings.

***Board succession planning***

- Developing succession plans for non-executive Directors, taking into account the challenges and opportunities facing AGL, and the skills and experience likely to be required in the future.

***Board education***

- Establish protocols for the continuing education of Directors.

**6.2 Recommendations to the Board**

The Committee will make recommendations to the Board:

- arising from any review of the structure, size and composition of the Board and from any evaluation of the effectiveness of the Board;
- on candidates it considers appropriate for appointment to the Board. Such recommendations should have appropriate regard to how the skills, experience and other qualities of a recommended appointee will balance and complement the mix of skills, experience and other qualities of existing Directors;
- concerning the re-election by Shareholders of any Director under clause 58 of AGL's Constitution;
- concerning the suspension or removal from office of any Director under clause 55.4 of AGL's Constitution;
- about succession plans for non-executive Directors;
- for any changes to this Charter.

**7. OTHER MATTERS**

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- 7.1 This charter should be reviewed by the Committee at least every two years. Any changes to the charter must be approved by the Board.
- 7.2 The Committee shall annually review its own performance.

**Approved by the Board in December 2010**