

AGL Energy Limited (AGL)

BOARD SAFETY, SUSTAINABILITY AND CORPORATE RESPONSIBILITY COMMITTEE CHARTER

1. PURPOSE

- 1.1 The Board of Directors (**Board**) considers that an integral component of conducting AGL's businesses is the management of safety, sustainability and corporate responsibility (**SSCR**) matters. The Board is responsible for setting the policies and processes for compliance with all AGL's occupational health and safety (**OHS**), environmental law and corporate responsibility obligations.
- 1.2 To facilitate AGL's SSCR policies, this Charter establishes the Board Safety, Sustainability and Corporate Responsibility Committee (**the Committee**). The primary function of the Committee is to assist the Board in enabling AGL to operate its businesses safely, ethically, responsibly and sustainably. The Committee will oversee and monitor the promotion, establishment and integration across AGL of the principles of safety, sustainability and corporate responsibility as the foundations of good management and good business.
- 1.3 The Committee will have oversight of and review of:
- AGL's actions to meet its obligation to maintain the health and safety of its people;
 - the social, environmental and ethical impact of AGL's policies and practices;
 - initiatives to enhance AGL's sustainable business practices and reputation as a responsible corporate citizen;
 - integration of SSCR in the formulation of AGL's corporate strategy, risk management framework, and people and culture priorities; and
 - AGL's compliance with all relevant legal obligations on the matters within the Committee's responsibilities.
- 1.4 The Board may from time to time request the Committee to develop general SSCR oversight and management policy positions (**Policy Positions**) for AGL or its subsidiaries for consideration by the Board. These Policy Positions may assist AGL in the structuring and operation of its various subsidiaries, business or project activities, structures, entities and sites.
- 1.5 The Committee will operate in accordance with this Charter and any relevant Policy Position adopted by the Board in respect of AGL, a subsidiary, business or project activity, structure, entity or site.
- 1.6 To the extent of any inconsistency between a provision of this Charter and a Policy Position adopted by the Board, the relevant Policy Position shall prevail.
- 1.7 The Committee may recommend to the Board from time to time that a Policy Position be modified either generally or in relation to a specific AGL subsidiary, business or project activity, structure, entity or site.

2. MEMBERSHIP

- 2.1 The composition of the Committee shall be as determined by the Board from time to time but shall comprise a minimum of 3 members of the Board.

- 2.2 The Chairman of the Committee shall be appointed by the Board.
- 2.3 The duties and responsibilities of a member of the Committee are in addition to those set out in the Board Charter for a member of the Board of Directors.
- 2.4 Subject to any provision to the contrary as set out in this Part 2, membership of the Committee by a Board member shall otherwise be governed in accordance with the Board Charter.

3. RESPONSIBILITIES

- 3.1 The Committee is responsible for:

General Responsibilities

- Providing ongoing assistance and advice to the Board on SSCR matters.
- Monitoring AGL's performance on SSCR matters.
- Acting as an interface between the Board and management on SSCR matters.
- Developing draft policies, reports and other materials on SSCR matters for Board consideration.

Occupational Health and Safety (OHS)

- Overseeing AGL's compliance with relevant OHS legislation and AGL's OHS Policy.
- Reviewing and monitoring the adequacy and effectiveness of AGL's OHS management systems to implement AGL's policies, including the adequacy of processes for identifying, assessing and seeking to avoid or minimise OHS risks.
- Monitoring OHS performance, including lead and lag indicators, with a view to providing OHS outcomes acceptable to investors, customers, employees and the community.
- Reviewing OHS risks and issues, and action plans put in place to seek to minimise current risks and prevent future incidents.
- Reviewing AGL's health and safety initiatives and programs, and their success.
- Considering reports submitted by management on health and safety performance and issues.

Sustainability

- Reviewing AGL's sustainability principles and policies.
- Reviewing AGL's environmental and greenhouse gas footprint and tracking performance indicator trends.
- Reviewing priority goals and targets and monitoring implementation.
- Considering and approving AGL's annual Sustainability Report.
- Considering reports submitted by management on environmental performance and issues.
- Overseeing AGL's compliance with relevant legislation and AGL policies.

Corporate Responsibility

- Formulating, reviewing and monitoring compliance with policies and procedures requiring AGL to act ethically and responsibly in its interactions with its people; its customers; its suppliers and the communities in which it operates.
- Reviewing, approving and monitoring compliance with AGL's Code of Conduct.
- Reviewing, approving and monitoring compliance with AGL's Customer Charter.
- Satisfying itself that AGL's customer communications policies are consistent with AGL's strategic objective of being the energy industry leader in service delivery and customer management.
- Overseeing AGL's compliance with relevant legislation on the matters within its SSCR responsibilities.

4. MEETINGS

- 4.1 The Committee shall meet at least four times a year, with additional meetings scheduled on an as needs basis. The Committee will endeavour to hold as many meetings as practicable at AGL business unit locations.
- 4.2 The Secretary of the 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 in the ordinary course be circulated to the Committee members within a reasonable period in advance of each meeting. The Secretary of the Committee will circulate minutes of meetings to members of the Committee.
- 4.5 A quorum of any meeting will be two members of the Committee. A duly convened meeting of the 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.
- 4.6 As considered appropriate by the Committee, representatives of management and other relevant invitees may be invited to attend meetings and accompany Committee members on site visits.
- 4.7 Subject to any provision to the contrary as set out in this Part 4, Committee meetings shall otherwise be conducted in accordance with the Board Charter.

5. REPORTING

- 5.1 The Committee will prepare draft reports for Board consideration as required by law or listing rules or requested by the Board on the matters within its responsibility including regular reports to scheduled Board meetings, relevant sections of the annual report and other shareholder documents.
- 5.2 The Chairman of the Committee or the Chairman's nominee shall attend Board meetings and the Annual General Meeting prepared to respond to any Directors or shareholder questions (as applicable) on the Committee's activities.

6. OTHER MATTERS

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

Approved by the Board in June 2010