



## ASX & Media Release

### AGL Energy Limited – Updated Securities Dealing Policy

24 May 2019

Attached is a copy of AGL's Securities Dealing Policy, which was updated on 22 May 2019.

A copy is also available on AGL's website [www.agl.com.au](http://www.agl.com.au).

Yours sincerely

John Fitzgerald

**Company Secretary**

#### **About AGL**

AGL is committed to helping shape a sustainable energy future for Australia. We operate the country's largest electricity generation portfolio, we're its largest ASX-listed investor in renewable energy, and we have 3.6 million customer accounts. Proudly Australian, with more than 180 years of experience, we have a responsibility to provide sustainable, secure and affordable energy for our customers. Our aim is to prosper in a carbon-constrained world and build customer advocacy as our industry transforms. That's why we have committed to exiting our coal-fired generation by 2050 and why we will continue to develop innovative solutions for our customers.



# Policy

## AGL Securities Dealing Policy

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Approved by the AGL Board: 22 May 2019



## 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; and
- ensure that public confidence is maintained in the reputation of AGL, its directors and employees of the Group and in the trading of AGL Securities.

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

An overview of insider trading laws can be found in paragraph 8 of this Policy.

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 the Group; and
- contractors and consultants engaged by the Group 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 Persons.

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. AGL's Policy Positions

### 3.1. Prohibited dealing in AGL Securities

AGL Employees must not deal, or procure or encourage 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 pass on any inside information to others unless it is necessary for business purposes and the AGL Employee has authority to communicate the information.

In addition, and regardless of whether an AGL Employee is in possession of any inside information, AGL Employees must not deal in AGL Securities during 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); and
- any other period that the Board may specify from time to time.



### 3.2. The Front Page Test

In addition to the prohibition on dealing in AGL Securities referred to in section 3.1 above, it is important that public confidence in AGL is maintained. It would be damaging to AGL's reputation if the market or the general public perceived that AGL Employees might be taking advantage of their position in AGL to make financial gains (by dealing in securities on the basis of inside information).

As a guiding principle, AGL Employees should ask themselves:

*If the market were aware of all the current circumstances, could I be perceived to be taking advantage of my position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (The **Front Page Test**)*

If an AGL Employee is unsure, he or she should consult the Company Secretary.

Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test.

### 3.3. Permitted dealing in AGL Securities

Subject to additional requirements set out below, AGL Employees may deal in AGL Securities at any other time. The additional requirements in paragraph 4 apply mainly to AGL Employees who are Designated Persons.

### 3.4. 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; or
- 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.

### 3.5. 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 3 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 3 months;
- AGL shares acquired by AGL Employees under an AGL employee equity plan, including 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.



### **3.6. Short selling and stock lending**

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

### **3.7. Hedging and 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.

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.

## **4. Specific rules for Designated Persons**

### **4.1. Who is a Designated Person?**

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

A Designated Person is an AGL Employee who is:

- an AGL Director;
- a member of AGL's Executive Team;
- a member of AGL's Enterprise Leadership Team;
- an executive assistant of a member of AGL's Executive Team;
- any other AGL Employee who is a participant in AGL's Long Term Incentive Plan; or
- designated as such by the Company Secretary from time to time.

### **4.2. Dealings in AGL Securities by Designated Persons**

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



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

**Dealing to be undertaken by**

A non-executive Director  
Chairman of AGL Board  
Chief Executive Officer (CEO)  
Chief Financial Officer  
Member of Executive Team  
Company Secretary  
All other Designated Persons

**Dealing to be approved by**

Chairman of AGL Board  
Chair of Audit & Risk Management Committee  
Chairman of AGL Board  
Chairman of AGL Board  
CEO  
CEO  
Company Secretary

The approver may consult with members of management as appropriate.

Any approval to trade can be given, withdrawn, or refused by the applicable approver in his or her absolute discretion without giving reason.

A decision to refuse approval is final and binding on the person seeking the approval. If approval to trade in Securities is withdrawn or refused, the person seeking the approval must keep that information confidential and not disclose it to anyone. Any approval to trade under this Policy is not an endorsement from AGL and the person undertaking the trade is individually responsible for their investment decisions and their compliance with insider trading laws.

There are certain times during the year when approval under this Policy is more likely to be granted. These are the four-week periods immediately following each blackout period.

Designated Persons who wish to seek approval to trade under this Policy are encouraged to do so during these periods.

Any approval to undertake the proposed dealing will be valid for one week unless it is withdrawn. Completion of the proposed dealing must not occur during a blackout period and will be deemed to be withdrawn if the person becomes aware of inside information prior to undertaking the dealing. The proposed dealing must otherwise comply with the requirements of this Policy.

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

- the acquisition of AGL Securities under an AGL employee equity plan, including AGL's Long Term Incentive Plan, AGL's Employee Share Plan or AGL's Share Purchase Plan;
- the acquisition of AGL Securities under AGL's Dividend Reinvestment Plan;
- the acquisition of AGL Securities as a result of the exercise of rights acquired pursuant to an entitlement offer made on a pro rata basis to all AGL Shareholders;
- the on-market sale of rights acquired pursuant to an entitlement offer made on a pro rata basis to all AGL Shareholders;
- the disposal of AGL Securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back; and
- dealings that result in no effective change to the beneficial interest in the AGL Securities (for example, transfers of AGL Securities already held by an AGL Employee into a superannuation fund or trust of which the AGL Employee is a beneficiary).

However, any dealing under one of these exceptions remains subject to compliance with insider trading laws and the Front Page Test noted above at all times.

### **4.3. Restrictions applicable to associates of Designated Persons**

This Policy extends to associates of Designated Persons in relation to dealing in AGL Securities. For the purposes of this Policy, a Designated Person's associates include:

- close family members including a spouse or partner and dependent children; and
- companies and other entities (such as family trusts or self-managed superannuation funds) controlled by the Designated Person or any close family member of a Designated Person.

This means that, where practicable, a Designated Person must take appropriate steps for the Designated Persons' 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;
- seek approval for any proposed dealings in AGL Securities; and
- otherwise avoid breaching this Policy.

### **4.4. 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.

### **4.5. 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 close of business on the second day after the dealing is entered into).

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.

## **5. Exceptional Circumstances**

### **5.1. Exemption to allow dealings during blackout periods**

If an AGL Employee wishes to dispose of AGL Securities during a blackout period, they must first seek approval from the person specified in paragraph 5.2 if they are a Designated Person or otherwise from the Company Secretary.

The relevant approver 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, compulsion by court order 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 Employee Share 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.

## 6. Other Matters

### 6.1. Date of effect

This Policy has been approved by AGL's Board and has effect from 22 May 2019.

### 6.2. Further information about this Policy

If you have any questions about the application of this Policy to you, please contact the Company Secretary (John Fitzgerald – [jfitzger@agl.com.au](mailto:jfitzger@agl.com.au) or (02) 9921 2754).

### 6.3. Review of this Policy

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

## 7. Insider Trading Laws

The Corporations Act prohibits a person from dealing, or procuring or encouraging 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 or encouraging other persons to deal, in AGL Securities and communicating inside information about AGL to another person who is likely to deal, or procure or encourage another person 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.

If an AGL Employee is in possession of inside information about AGL, they must not trade in AGL Securities at any time, including outside a blackout period.

### 7.1. 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;
- it has been publicly disclosed by an announcement to the Australian Securities Exchange (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 is confidential and 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; and
- a material claim or unexpected liability.

## 7.2. 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.

## 7.3. 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 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.

# 8. Glossary

Term	Definition
<b>AGL</b>	means AGL Energy Limited (ABN 74 115 061 375).
<b>AGL Board</b>	means the board of directors of AGL.
<b>AGL Employees</b>	means each director, officer and employee of the Group, and each contractor and consultant to the Group who are contractually bound to comply with this Policy.
<b>AGL Executive Team</b>	means AGL Employees who hold a senior management role and who are direct reports of AGL's Chief Executive Officer.

Term	Definition
<b>Associate</b>	in relation to an AGL Employee means: <ul style="list-style-type: none"> <li>• a member of the AGL Employee's close family; and</li> <li>• a company or other entity controlled by the AGL Employee or a close family member of the AGL Employee.</li> </ul>
<b>Blackout period</b>	means each of the following periods: <ul style="list-style-type: none"> <li>• the period between 1 July and the close of business on the day after AGL announces its preliminary final results (Appendix 4E);</li> <li>• the period between 1 January and the close of business on the day after AGL announces its half year results (Appendix 4D); and</li> <li>• any other period that the Board may specify from time to time.</li> </ul>
<b>Company Secretary</b>	means the Company Secretary of AGL from time to time.
<b>Corporations Act</b>	means the <i>Corporations Act 2001 (Cth)</i> .
<b>Deal or dealing</b>	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: <ul style="list-style-type: none"> <li>• acquiring or disposing of the Securities;</li> <li>• entering into an agreement to acquire or dispose of the Securities; or</li> <li>• granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.</li> </ul>
<b>Derivatives</b>	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 or any other arrangement which operates to limit the economic risk of an unvested holding in AGL Securities or 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.
<b>Designated Person</b>	has the meaning provided to it in paragraph 5.1.
<b>Enterprise Leadership Team</b>	includes the Executive Team, direct reports of the Executive Team and any other person invited by the Executive Team to be a member of the Enterprise Leadership Team.
<b>Group</b>	includes AGL and its related bodies corporate.
<b>Inside information</b>	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.
<b>Securities</b>	include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives, and financial products covered by section 1042A of the Corporations Act.



### Attachment 1

#### **AGL Securities – Request for Approval to Deal**

AGL's Securities Dealing Policy requires Designated Persons (as defined in the Policy) to seek approval for a proposed dealing in AGL Securities as set out in the Policy. In addition, all AGL Employees (not just Designated Persons) must seek approval to deal in AGL Securities during a blackout period (i.e. due to exceptional circumstances).

#### **To be completed by AGL Employee**

<b>Name:</b>	
<b>Position:</b>	

I request approval to deal in AGL Securities as follows:

<b>Securities:</b>	<i>Insert description of the Securities (eg AGL shares)</i>
<b>Details of proposed dealing:</b>	<i>Insert details of proposed dealing (eg buy or sell; number of Securities involved)</i>
<b>Name of person dealing:</b>	<i>Insert name of person proposing to deal. If not the AGL Employee, describe the relationship of the person to the AGL Employee</i>
<b>Reasons for dealing (to be completed if approval sought to trade during a blackout period due to exceptional circumstances)</b>	<i>Insert details of exceptional circumstances and attach supporting documentation</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 or insider trading laws.
- The proposed dealing will comply with the Policy and will not be undertaken until I have received approval to deal.
- The dealing will be undertaken within 7 days of approval being granted (unless approval is withdrawn before the dealing takes place).
- I am responsible for complying with applicable laws relating to insider trading.

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: Name:	Date:
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