
AGL Energy Share Reward Trust Deed

AGL Energy Limited (ACN 115 061 375)
AGL Share Plan Pty Limited (ACN 080 609 749)

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This Trust Deed is made on [date]

Parties

- 1 **AGL Energy Limited (ACN 115 061 375)** of 72 Christie Street, St Leonards, New South Wales 2065 (**AGL Energy**)
 - 2 **AGL Share Plan Pty Limited (ACN 080 609 749)** of 72 Christie Street, St Leonards, New South Wales 2065 (the **Trustee**)
-

Background

- A AGL Energy wishes to establish a trust to be known as the AGL Energy Share Reward Trust to promote general employee participation and identification with AGL Energy through the holding of fully paid ordinary shares in AGL Energy.
- B The Trustee has agreed to act as the first trustee of the Trust.
- C The Trustee has agreed to apply amounts received from AGL Energy Group Companies from time to time in subscribing for ordinary shares in AGL Energy for Participating Employees on the trusts contained in this Deed.
- D AGL Energy has paid to the Trustee on the date of this Deed the amount of \$100.00 to be held by the Trustee on the trusts contained in this Deed.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the Dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary; and
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

1.2 Interpretation

The interpretation clause in Schedule 1 (**Dictionary**) sets out rules of interpretation for this Deed.

2 Establishment of Trust

2.1 Appointment of Trustee

AGL Energy appoints the Trustee as trustee of the Trust to hold the Settlement Sum and the Contribution Amounts according to the trusts contained in this Deed.

2.2 Acceptance of trusteeship

The Trustee accepts AGL Energy's appointment of it as trustee of the Trust and declares that it will hold the Settlement Sum and the Contribution Amounts according to the trusts contained in this Deed.

3 Commencement date and duration of Trust

The Trust will come into operation on the date of this Deed and subject to any earlier termination under the provisions of this Deed will continue in operation for 80 years.

4 AGL Energy Group Company contributions

4.1 Contribution Amounts

In each Financial Year, AGL Energy and/or a Subsidiary may provide to the Trustee amounts for the purpose of funding the acquisition of Shares by the Trustee according to the trusts contained in this Deed for the benefit of the Participating Employees.

4.2 Application of Contribution Amounts

Subject to clause 4.3, the Trustee must not use Contribution Amounts for any purpose other than to acquire Shares in the ordinary course of trading on the ASX or to subscribe for Shares for Participating Employees as directed from time to time by the Board. Under no circumstances may the Trustee repay the whole or a part of any Contribution Amount to any AGL Energy Group Company.

4.3 Investment of Contribution Amounts

Pending the acquisition of Shares pursuant to clause 4.2, the Trustee may invest Contribution Amounts in short term interest bearing deposits.

5 Eligibility and participation

5.1 Eligible Employees

- (a) Subject to clause 5.1(b), all Employees who have been Employees for at least 12 consecutive months or such lesser period as the Board may determine and who have attained the age of 18 years are eligible to participate in the Plan. The Board may in its absolute discretion determine that for special reasons a particular Employee who would otherwise be ineligible shall be eligible to participate in the Plan.
- (b) Employees who are casual employees of an AGL Energy Group Company or employees who are resident overseas will not be eligible to participate in the Plan unless the Board in its absolute discretion determines otherwise.

5.2 Invitation to participate

The Board may in its absolute discretion, without being bound to do so, from time to time, direct the Trustee to invite any Eligible Employees to participate in the Plan by sending to an Eligible Employee a written invitation to participate in the Plan which is accompanied by an Acceptance Form.

5.3 Acceptance form

An Acceptance Form shall be in such form as is determined by the Trustee but must contain:

- (a) confirmation that the Eligible Employee agrees to join the Plan and to be bound by the terms of this Deed; and
- (b) an instruction to the Trustee in writing to subscribe for or purchase Shares in the ordinary course of trading on the ASX at Market Value (as directed from time to time by the Board) on behalf of the Eligible Employee.

5.4 Participating Employees

An Eligible Employee who completes and signs an Acceptance Form and lodges it with the Trustee by not later than the time specified in the Acceptance Form will be accepted as a Participating Employee for the purposes of the Plan.

6 Allotment of Shares

6.1 Trustee to purchase or subscribe for Shares

The Trustee must in accordance with the directions of the Board apply the Contribution Amounts in:

- (a) purchasing Shares on behalf of Participating Employees in the ordinary course of trading on the ASX; or
- (b) subscribing for Shares on behalf of Participating Employees.

6.2 Shares acquired at Market Value

All Shares acquired by the Trustee pursuant to clause 6.1 will be acquired at the Market Value of the Shares.

6.3 Number of Shares acquired

The number of Shares acquired by the Trustee pursuant to clause 6.1 on behalf of a Participating Employee shall be determined by dividing the Contribution Amount for that Participating Employee by the Market Value of the Shares on the date of acquisition.

6.4 Allotment of Shares by AGL Energy

AGL Energy will allot Shares subscribed for by the Trustee in accordance with clause 6.1(b).

6.5 Number of Shares acquired

The number of Shares acquired by the Trustee pursuant to clause 6.1 on behalf of Participating Employees shall be determined by the Trustee on the basis of Acceptance Forms lodged with the Trustee on behalf of the Participating Employees.

6.6 Shares registered in the name of Employee

Shares purchased or subscribed for by the Trustee pursuant to clause 6.1 will be registered in the names of the Participating Employees on whose behalf those Shares were purchased or subscribed for.

6.7 Full ownership rights

Each Participating Employee will have full legal and beneficial ownership of the Plan Shares registered in his or her name. However, any dealings with Plan Shares shall be restricted as provided in this Deed.

6.8 Notification to Participating Employees

The Trustee shall advise each Participating Employee of the number of Shares acquired by the Trustee on behalf of the Participating Employee from time to time in accordance with this Deed.

6.9 ASX listing

AGL Energy will make application to the ASX for the official quotation of all Shares allotted by AGL Energy pursuant to clause 6.4 and such application will be made within a reasonable time after the Shares are allotted.

6.10 Transaction costs

No brokerage, commission, stamp duty or other transaction cost will be payable by Eligible Employees in respect of the acquisition of Plan Shares.

7 Restriction on dealing with Plan Shares

7.1 No disposal

Plan Shares must not be sold, encumbered, disposed of or otherwise dealt with by a Participating Employee before the earlier of:

- (a) the expiration of a period of three years commencing at the time of the acquisition of the Plan Shares in question on behalf of the Participating Employee; and
- (b) the date on which the Participating Employee ceases to be employed by an AGL Energy Group Company.

7.2 Further restrictions

While Plan Shares are Restricted Plan Shares:

- (a) the Trustee shall be entitled to retain custody of any share certificates or holding statements issued in respect of Restricted Plan Shares acquired on behalf of a Participating Employee in accordance with this Deed; and
- (b) the Trustee is authorised to implement any procedure it deems appropriate to restrict a Participating Employee from dealing with any Restricted Plan Shares whether such shares are certificated or uncertificated.

7.3 Dispatch of share certificate or holding statement

Upon Plan Shares becoming free from the restrictions referred to in clause 7.1, the Trustee shall dispatch any share certificates or holding statements it is holding in respect of those Plan Shares to the Participating Employee in whose name the Plan Shares are registered or to the legal personal representative of the Participating Employee, as the case may be and remove any restrictions it had implemented under clause 7.2(b).

8 Rights attaching to Plan Shares

8.1 Pari passu ranking

Subject to clause 7, unless otherwise determined by the Board at the time of issue, Shares issued pursuant to this Deed shall rank pari passu in all respects with all other shares in AGL Energy of the same class on issue from time to time and shall carry the same rights and entitlements, including voting and dividend rights, as those conferred by those other shares.

8.2 Bonus issues

- (a) Bonus Shares issued in respect of Restricted Plan Shares are not subject to the same restrictions as the Restricted Plan Shares which gave rise to their issue.
- (b) Bonus Shares must be registered in the name of the Participating Employee who is the registered holder of the Plan Shares which gave rise to those Bonus Shares.

8.3 Rights issues

New issues of shares or other securities in AGL Energy in respect of Restricted Plan Shares which are acquired by Participating Employees are not subject to the restrictions referred to in clause 7.1.

8.4 Capital reconstruction

In the event of a consolidation or subdivision of the share capital of AGL Energy, Plan Shares must be consolidated or subdivided in the same ratio as the share capital is consolidated or subdivided. If there is any other reconstruction of the issued share capital of AGL Energy, the Plan Shares must be reconstructed in a manner which does not result in benefits accruing in respect of Plan Shares which do not accrue in respect of other shares issued in the share capital of AGL Energy.

9 Maximum number of Shares issued

The number of Shares the subject of an offer or invitation made under the Plan (**Offer**) which would be issued on acceptance of the Offer when aggregated with:

- (a) the number of fully paid ordinary shares in the capital of AGL Energy which would be issued if all outstanding offers or invitations made or options issued under any employee share or option plan established and operated by AGL Energy were accepted or exercised (as the case may be); and
- (b) the number of fully paid ordinary shares in the capital of AGL Energy issued under the Plan or any other employee share or option plan established and operated by AGL Energy during the five years preceding the Offer,

but disregarding any offer made, or option acquired or share issued by way of or as a result of:

- (c) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (d) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or

- (e) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the Corporations Act; or
 - (f) an offer made under a disclosure document or Product Disclosure Statement,
- must not exceed 5% of the total number of issued fully paid ordinary shares in the capital of AGL Energy on issue at the time of the Offer.

10 Participating Employee accounts

10.1 Account for each employee

The Trustee must open and maintain an Account in respect of each Participating Employee.

10.2 Account details

Each Account must record the number of Restricted Plan Shares in respect of which each Participating Employee is registered as holder.

11 Accounts and Audit

11.1 Trustee to keep accounts

The Trustee shall keep or cause to be kept true accounts of all sums of money received and expended by or on behalf of the Trust and the matters in respect of which such receipt and expenditure takes place and of all sales and purchases of shares and of the assets and liabilities of the Trust.

11.2 Inspection of accounts

The books of account of the Trust shall be maintained at the registered office of AGL Energy and shall be available for inspection by Participating Employees during normal business hours free of charge upon prior written request.

11.3 Appointment of auditor

The Trustee shall appoint an Auditor of the Trust.

11.4 Audit

The Trustee shall cause the books of account to be audited annually by the Auditor.

11.5 Auditor to have access to records

The Trustee shall ensure that the Auditor has access to all papers, accounts and documents concerned with or relating to the Trust.

12 Entitlement to income and capital

12.1 Distribution of Net Income

The Net Income of the Trust for a Financial Year may be applied, in whole or in part, for the benefit of one or more of the following beneficiaries as the Trustee thinks fit and in such shares or proportions as the Trustee thinks fit:

- (a) an Employee;
- (b) an Eligible Employee;
- (c) a Participating Employee; or
- (d) a provident, benefit, superannuation or retirement fund established and maintained for the benefit of AGL Energy employees.

12.2 Distribution of Net Income if no appointment

The Net Income of the Trust for a Financial Year which is not applied in accordance with clause 12.1 shall be distributed to such provident, benefit, superannuation or retirement fund established and maintained for the benefit of AGL Energy employees as the Trustee shall appoint, and in default of any such appointment the Net Income shall be accumulated by the Trustee in which event it shall become an accretion to the trust fund of the Trust.

12.3 Distribution of capital

The Trustee may prior to, but shall upon the termination of the Trust, apply the capital of the Trust for the benefit of any of the following beneficiaries as the Trustee thinks fit and in such shares or proportions as the Trustee thinks fit:

- (a) an Employee;
- (b) an Eligible Employee;
- (c) a Participating Employee; or
- (d) a provident, benefit, superannuation or retirement fund established and maintained for the benefit of AGL Energy employees.

12.4 Distribution of capital if no appointment

Upon the termination of the Trust, the capital of the Trust which is not applied in accordance with clause 12.3 shall be distributed to such provident, benefit, superannuation or retirement fund established and maintained for the benefit of AGL Energy employees as the Trustee shall appoint.

13 Administration of the Plan

13.1 Administration by the Trustee and Board's discretion

The Plan will be administered by the Trustee which shall have the power to determine appropriate procedures for the administration of the Plan consistent with the terms and conditions of this Deed. Every decision of the Trustee as to the interpretation, effect or application of this Deed shall be final, conclusive and binding upon all persons.

13.2 Regulations of Board

The Board may make regulations for the operation of the Plan which are consistent with this Deed and any such regulation shall be binding on the Trustee and the Participating Employees.

13.3 Exercise of powers and discretions by the Board for benefit of AGL Energy

Any power or discretion which is conferred on the Board by this Deed may be exercised by the Board in the interests or for the benefit of AGL Energy and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.

13.4 Board's discretion

The Board in the exercise of the powers and discretions vested in it by this Deed has an absolute and uncontrolled discretion and may exercise or enforce all or any of those powers or discretions at any time and from time to time or may refrain from exercising all or any of them from time to time or at all.

14 Trustee's powers

The Trustee, in addition to all the powers vested in trustees by the *Trustee Act 1925* (NSW) shall have all the powers in respect of the Trust that it is legally possible for a body corporate to have, including, without limitation, the following powers:

- (a) to enter into and execute all contracts, deeds and documents and do all acts, matters or things which it deems expedient for the purpose of giving effect to and carrying out the trusts, authorities, powers and discretions conferred upon the Trustee by this Deed;
- (b) to subscribe for, purchase or otherwise acquire and to sell or otherwise dispose of property, rights or property to which the Trustee is authorised by this Deed to acquire or dispose of on such terms and conditions as it thinks fit;
- (c) to appoint and at its discretion remove or suspend custodian trustees, managers, agents and servants, determine the powers and duties to be delegated to them and pay such remuneration to them as it thinks fit;
- (d) to institute, conduct, defend, compound or abandon any legal proceedings concerning the Trust and also to settle or compromise and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Trustee concerning the Trust;
- (e) to open bank accounts and to retain on current or deposit account at any bank such moneys as it considers appropriate and to make regulations for the operation of such bank accounts, including the signing and endorsing of cheques in connection with such accounts;
- (f) to subscribe for, purchase or otherwise acquire and hold Plan Shares and transfer them to persons entitled in accordance with this Deed;
- (g) to take and act upon the advice or opinion of any legal practitioner (whether in relation to the interpretation of this Deed, any other document or statutes or as to the administration of the trusts hereof) or any other professional person and whether obtained by the Trustee or not, without being liable in respect of any act done by it in accordance with such advice or opinion;

- (h) to pay from the Trust Fund any expenses of the Trust for which it is liable; and
- (i) generally to do all acts and things as the Trustee may consider necessary or expedient for the administration, maintenance and preservation of this Trust and any performance of its obligations under this Deed.

15 Appointment and removal of Trustee

15.1 Trustee vacancy

The Board must fill any vacancy occurring in the office of the Trustee as soon as possible.

15.2 Retirement of Trustee

- (a) Subject to clause 15.2(b), the Trustee may retire by giving three months' written notice to AGL Energy or such shorter period as is agreed to by the Board.
- (b) If the Trustee is sole trustee of this Trust, the Trustee's retirement will not take effect until a replacement Trustee is appointed.

15.3 Appointment and removal of Trustee

Without limiting the powers conferred on AGL Energy by law in relation to the appointment, removal or retirement of a Trustee, the Board may by notice in writing:

- (a) remove any Trustee;
- (b) appoint any person as Trustee either to fill a vacancy or as an additional Trustee; and
- (c) determine the number of Trustees.

15.4 Transfer to new Trustee

A Trustee who has retired or been removed must execute all transfers, deeds or other documents necessary to transfer assets of the Trust into the name of the new Trustee and must deliver the records relating to the trust to the new Trustee.

15.5 Release of Trustee

- (a) Subject to clauses 15.2(b) and 15.5(b), on retirement or removal, the Trustee is released from all obligations and liability under this Deed.
- (b) Clause 15.5(a) does not affect any liability of the Trustee in respect of any act, matter or thing arising before the removal or retirement of the Trustee.

16 Protection of Trustee

16.1 Liability limited

Except for its own fraud, wilful default, negligence or breach of trust, the Trustee is not liable if it acted in good faith for:

- (a) any loss or damage occurring because the Trustee exercised, or did not exercise, any trust or any right, power, authority, discretion or remedy conferred on the Trustee by this Deed or any applicable law;
- (b) any loss or damage occurring because the Trustee acted or did not act on advice or information obtained from any expert or professional; or
- (c) any loss or damage occurring because of a mistake or omission made by the Trustee or by any other trustee or prior trustee of the Trust.

16.2 Trustee's indemnity

Except for any debt, liability or other obligation incurred in relation to any fraud, wilful default, negligence or breach of trust by the Trustee, the Trustee is indemnified by AGL Energy against all liabilities (other than a taxation liability) incurred by the Trustee in the exercise of its rights, powers, authorities, discretions and duties under this Deed or in the bona fide intended or purported exercise of its rights, powers, authorities, discretions and duties under this Deed including, without limitation:

- (a) any debt or other obligation incurred by the Trustee as trustee of this Trust;
- (b) any liability incurred relating to the exercise of any right, power, authority, discretion or duty vested in it under this Deed; and
- (c) all actions, proceedings, costs, claims and demands relating to any matter or thing done or omitted to be done concerning the Trust.

16.3 Trustee's discretion

The Trustee in the exercise of the powers and discretions vested in it by this Deed has an absolute and uncontrolled discretion and may exercise or enforce all or any of those powers or discretions at any time and from time to time or may refrain from exercising all or any of them from time to time or at all.

17 Remuneration of Trustee

The Trustee is not entitled to receive from the Trust any fees, commission or other remuneration in respect of its office.

18 Costs and expenses

AGL Energy must pay any fees, costs and expenses incurred in the establishment, maintenance or administration of this Trust, including, without limitation, the reasonable fees, costs and expenses of any person employed or engaged under this Deed.

19 Termination of Trust

19.1 Terminating events

The Board may by written notice to the Trustee terminate the Trust at anytime. Subject to the foregoing, the Trust will terminate and be wound up on the day before the 80th anniversary of the date of this Deed.

19.2 Directions concerning restrictions

If this Trust is terminated, the Board must determine how the Restricted Plan Shares are to be dealt with and must give such other directions to the Trustee regarding the operation of the Plan as may be required in order to satisfy the requirements of the ITAA.

19.3 Trustee's obligation on termination

On the termination of the Trust the Trustee must discharge all debts and liabilities of the Trust.

20 Amendment

20.1 Listing Rules

No amendment may be made to this Deed except in accordance with the Listing Rules.

20.2 Amendment by Board resolution

Subject to clauses 20.1 and 20.3, AGL Energy may at any time by resolution of the Board amend all or any of the provisions of this Deed (including this clause 20.2).

20.3 Restriction on right to amend

No amendment to this Deed may reduce the rights of any Participating Employee in respect of Plan Shares beneficially owned by the Participating Employee prior to the date of the amendment, other than an amendment introduced primarily:

- (a) to correct any manifest error or mistake;
- (b) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (c) to enable Contribution Amounts or other amounts paid by any AGL Energy Group Company to the Trustee to qualify as income tax deductions;
- (d) to enable the Participating Employees to receive a more favourable taxation treatment in respect of their participation in the Plan; or
- (e) to enable the Trustee or any AGL Energy Group Company to comply with the Corporations Act or the Listing Rules.

20.4 Retrospective effect

Subject to the above provisions of this clause 20, any amendment made pursuant to clause 20.2 may be given such retrospective effect as is specified in the Board resolution by which the amendment is made.

21 Rights of Participating Employees

Nothing in this Deed:

- (a) confers on any Employee the right to receive any Shares;
- (b) confers on any Participating Employee the right to continue as an employee of AGL Energy or any AGL Energy Group Company;
- (c) affects any rights which AGL Energy or any AGL Energy Group Company may have to terminate the employment of any Participating Employee; or
- (d) may be used to increase damages in any action brought against AGL Energy or any AGL Energy Group Company in respect of any such termination.

22 General

22.1 Method of delivery of notices

Any notice to be given by the Trustee or a Participating Employee shall be deemed to have been duly given if:

- (a) delivered;
- (b) sent by ordinary prepaid mail; or
- (c) by facsimile transmission,

and shall be deemed to have been served:

- (d) if delivered, at the time of delivery;
- (e) if posted, three Business Days after the date of posting, excluding Saturdays, Sundays and public holidays but if the address of any Participating Employee is outside Australia, then eight Business Days shall be substituted for three Business Days for any notice given to or by the Trustee or that Participating Employee;
- (f) if by facsimile transmission, when received by the addressee,

but if delivery or receipt is on a day which is not a Business Day or is after 4:00pm (addressee's time) it shall be regarded as having been received at 9:00am on the following Business Day.

22.2 Place of delivery of Notices

Delivery and postage shall be to the address of the Trustee as listed above and to the address of any Participating Employee as indicated on the Acceptance Form or such other address as the Trustee or any Participating Employee may notify to the other.

22.3 Governing law and jurisdiction

- (a) This Deed is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales.

22.4 Enforceability, prohibition and severance

- (a) Any provision of, or the application of any provision of, this Deed or any right, authority, discretion or remedy conferred on the Trustee or AGL Energy or the Board by this Deed or any applicable law which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this Deed which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) The application of this clause 22.4 is not limited by any other provision of this Deed in relation to severability, prohibition or enforceability.

22.5 Waivers

A waiver, forbearance, abandonment, election or estoppel affecting:

- (a) a term of this Deed (including this clause 22.5);
- (b) the exercise of a right, power, authority, discretion or remedy under this Deed;
- (c) the exercise of a right, power, authority discretion or remedy created or arising on a breach of or default under this Deed,

must be in writing, or, in the case of estoppel, must be based on a written statement signed by the party against whom the waiver, abandonment, election, forbearance or estoppel is claimed.

22.6 Continuing indemnities and survival of indemnities

Each indemnity contained in this Deed is a continuing obligation despite any settlement of account or the occurrence of any other thing and remains in full force and effect until all money owing, contingently or otherwise, under any indemnity has been paid in full.

Schedule 1 — Dictionary

1 Dictionary

In this Deed:

Acceptance Form means an acceptance form referred to in clause 5.3.

Account of a Participating Employee means an account referred to in clause 10.1.

AGL Energy means AGL Energy Limited ACN 115 061 375.

AGL Energy Group Company means AGL Energy and each Subsidiary and any other body corporate nominated by the Board from time to time.

Auditor means any person registered as an auditor under the Corporations Act.

ASX means Australian Stock Exchange Limited.

Bonus Shares means shares issued by AGL Energy by way of a bonus issue in respect of Plan Shares.

Board means the board of Directors of AGL Energy from time to time or a committee appointed by the board of Directors of AGL Energy from time to time.

Business Day means a day on which trading banks are open for business excluding Saturdays, Sundays and public holidays in Sydney.

Contribution Amount means amounts contributed by an AGL Energy Group Company to the Trustee in any Financial Year for the purpose of clause 4.1.

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

Deed means this deed as originally executed and as it may be amended from time to time.

Director means a director of AGL Energy.

Eligible Employee means an Employee who is eligible to participate in the Plan in accordance with clause 5.1.

Employee means a person engaged in full-time or permanent part-time or casual employment with an AGL Energy Group Company other than a Director.

Financial Year means a year ending at midnight on 30 June.

ITAA means the Income Tax Assessment Act 1936, as amended and the Income Tax Assessment Act 1997.

Listing Rules means the Official Listing Rules of ASX.

Market Value of a Share means in relation to a subscription for Shares, the weighted average of the prices at which Shares are traded on the ASX during the 5 Business Days up to and including the day on which the subscription occurs and in relation to a purchase

of Shares means the price at which the Shares are actually acquired in the ordinary course of trading on the ASX.

Net Income means "net income" as defined in section 95(1) of the ITAA or the net income of the Trust as determined by the Trustee in respect of a Financial Year, whichever the Trustee chooses.

Participating Employee means an Eligible Employee who is accepted as a Participating Employee in accordance with clause 5.4.

Plan means the AGL Share Reward Trust as established by this Deed.

Plan Shares means Shares registered in the name of a Participating Employee which have been subscribed for by the Trustee for that Participating Employee pursuant to clause 6.1.

Restricted Plan Shares means Plan Shares which are subject to the restrictions contained in clause 7.1.

Settlement Sum means the amount of \$100.00 referred to in Recital D.

Share means a fully paid ordinary share in the capital of AGL Energy.

Subsidiary means a body corporate that is a subsidiary of AGL Energy under Division 6 of Part 1.2 of the Corporations Act.

Trust means the AGL Share Reward Trust established by this Deed.

Trustee means the trustee from time to time of the Trust

2 Interpretation

In this Deed the following rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this Deed;
- (b) the singular includes the plural and vice versa;
- (c) words that are gender neutral or gender specific include each gender;
- (d) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (e) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;

- (iv) a document includes all amendments or supplements to that document;
- (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Deed;
- (vi) this Deed includes all schedules and attachments to it;
- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
- (viii) an agreement other than this Deed includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (ix) a monetary amount is in Australian dollars;
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (h) in determining the time of day, where relevant to this Deed, the relevant time of day is:
 - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
 - (ii) for any other purpose under this Deed, the time of day in the place where the party required to perform an obligation is located; and
- (i) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

Execution page

Executed as a deed.

Signed and delivered by **AGL Energy Limited**
by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed and delivered by **AGL Share Plan Pty Limited** by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)