



Political Donations Policy & Procedure
AGL Energy Limited
December 2014



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Document Revision History

Date	Version	Author	Comment
31 December 2014	1.0	Paul McWilliams	As approved by Board

1. Political Donation Policy

The objective of the *Political Donation Policy* (**Policy**) is to set out the circumstances under which AGL may make political donations and the internal reporting requirements in respect of any donations made.

2. Overview of Statutory Obligations

Reporting obligations for political donations vary by State. There is also a separate reporting process for the Commonwealth. The obligations in relation to Political Donations are:

Jurisdiction	Relevant Body	Obligation
Federal	Australian Electoral Commission (AEC)	A "donor" must disclose certain information (e.g., details of gifts and donations) for a particular year subject to a minimum threshold below which disclosure is not required. The threshold is indexed from 1 July of each year.
New South Wales	Election Funding Authority	A "political donor" must disclose a reportable political donation of \$1,000 or more (including where small donations to the same party aggregate to \$1,000 within the same financial year). Disclosure of political donations to the Federal branch of a party is not required. See Federal requirements above.
New South Wales	Department of Planning & Environment Or The relevant Council	A "person" who "makes a relevant planning application" or "makes a relevant public submission" must disclose in a statement all reportable political donations made within the relevant period (i.e., commencing 2 years before the application or submission is made and ending when the application is determined). If a reportable political donation is made while a relevant planning application is pending determination, the reportable political donation must be disclosed in a statement to the person to whom the relevant planning application or submission was made within 7 days after the donation or gift is made.
Victoria	Victorian Electoral Commission	No reporting requirements for political donations applicable to AGL. See Federal requirement above.
South Australia	Electoral Commission South Australia	No reporting requirements for political donations applicable to AGL. See Federal requirement above.
Queensland	Queensland Electoral Commission (QEC)	Within 20 weeks after the end of the financial year, an "entity" that makes gifts totalling more than the gift threshold amount within a financial year to the same registered political party must provide a return disclosing information about the gifts made. An "entity" may comply with this requirement if it lodges an annual return to the AEC (see Federal requirement above) and

		<p>as soon as possible after such report is lodged, provides a copy to the QEC. The copy must be certified by the "entity" as a true copy of the annual return lodged with the AEC.</p> <p>Within 15 weeks after polling day for an election, a "third party" who makes a gift to a candidate during the "disclosure period" in relation to an election totalling more than the threshold amount must lodge a return.</p>
Tasmania	Tasmanian Electoral Commission	No reporting requirements for political donations applicable to AGL. See Federal requirement above.
Western Australia	Western Australian Electoral Commission	No reporting requirements. See Federal requirement above.
Australian Capital Territory	ACT Electoral Commission	No reporting requirements for political donations applicable to AGL. See Federal requirement above.
Northern Territory	Northern Territory Electoral Commission	<p>Within 15 weeks after the polling day for an election, a "person" who makes gifts totalling \$200 or more to a candidate or \$1,000 or more to a registered party must lodge a return.</p> <p>Within 20 weeks after the end of the financial year, a "person" who makes a gift of \$1,500 or more (or gifts totalling \$1,500 or more) to the same registered party must lodge a return for all the gifts made to the party during the financial year.</p>

3. Scope

This Policy applies to employees, including directors and officers, (collectively referred to as **Employees**) of AGL Energy Limited and its subsidiary companies (**AGL**). Any AGL joint venture partner is also required to be made aware of and to comply with this Policy.

This Policy is not intended to apply to any political donations or gifts made by an Employee in a personal capacity. However, the Managing Director and all directors of AGL's subsidiary companies are required to inform AGL of all political donations or gifts made in a personal capacity in accordance with section 8 of this Policy.

4. What is a Political Donation?

A political donation includes a gift or payment made to, or for the benefit of:

- > a political party;
- > an elected member of Parliament or of a local council;
- > a candidate or group of candidates;
- > a third party campaigner; or
- > an employee of the local council or Government Department.

Specific examples of political donations include:

- > a donation of money;
- > a contribution, entry fee or other payment to participate in a fundraising event or function where it is primarily a political fundraiser and payment forms part of the proceeds of the event;
- > a subscription paid to a political party for membership or affiliation;
- > non-cash payments such as gifts or prizes for a political fundraiser or purchasing items at a political fundraiser;
- > the provision of services or goods, e.g., the use of a company vehicle, at no charge or at a discounted rate; or
- > uncharged interest on a loan – that is the additional amount that would have been payable to the lender if the loan had been made on terms requiring the payment of interest at the generally prevailing interest rate for a loan of that kind, and the interest payable had not been waived, and any interest payments were not capitalised.

5. Principles

AGL engages directly with Government and political stakeholders to prepare for legislative and regulatory reforms. Attending political functions is one part of this engagement.

AGL will proactively and regularly disclose donations to political parties. AGL will disclose all political donations even if they are below the relevant disclosure threshold.

AGL will strive to make political donations in a bipartisan manner and in compliance with all relevant reporting requirements.

AGL will not make a donation to an individual or organisation such as a not-for-profit for the purpose of the individual or group making political donations. AGL will not use undisclosed proxies or third parties as intermediaries for purposes of making political donations.

AGL acknowledges the right of individuals to participate in the political process. This Policy does not seek to restrict Employees from having political views or associations (including membership of political parties, attendance at political events, or making political donations). For the avoidance of doubt, Employees should make it clear that any political involvement is purely in a personal capacity and does not represent the views of AGL. Employees who make donations to be funded by AGL (including by way of expense reimbursements) should comply with section 6 of this Policy.

All Employees are to be familiar with this Policy and act in accordance with the Policy at all times.

An Employee may be disciplined if they do not comply with this Policy. Disciplinary action may include termination of employment.

6. Who can approve a Political Donation?

From time to time, AGL may make political donations, for example, for an Employee to attend a function held by a political party undertaking fundraising for an election campaign. AGL may also pay to participate in the business networking forum of a political party.

Before any political donation of any kind is made for or on behalf of AGL, approval must be obtained from any of the Managing Director, Group Head of Corporate Affairs or Company Secretary.

7. Process for Recording and Payment of Political Donations

Prior to seeking approval, an Employee proposing to make a political donation for or on behalf of AGL must liaise with AGL's Government Affairs team to ascertain whether the proposed political donation will cause AGL to exceed any donations limits. If Government Affairs has confirmed that the political donation would not cause AGL to exceed any donations limits, the person who proposes to make the donation must obtain approval in accordance with section 6 of this Policy. Once approved in accordance with section 6 of the Policy, the Employee proposing to make the political donation must provide the approval together with an invoice to Government Affairs within 24 hours of receiving the approval.

Approved invoices are to be sent to Government Affairs for coding and then sent to Accounts Payable for processing.

Political donations must not be paid via credit card. A tax invoice must be requested.

Group Finance must inform Government Affairs of all payments that are political donations prior to processing of the invoice.

A register of approved political donations must be kept by Government Affairs. The register must include the following information:

- the name of the party or person for whose benefit the donation was made;
- the date on which the donation was made; and
- the amount or value of the donation.

8. Political Donations by Directors

The Managing Director and a director of any subsidiary of AGL must notify Government Affairs that he or she has made a political donation in his or her own capacity within 24 hours of making that donation (regardless of the value of the donation). The following information must be provided to Government Affairs:

- the name of the person to whom the gift was made;
- the date on which the gift was made;
- the name of the person who made the gift;
- the residential address of the person who made the gift; and
- the amount (or value) of the gift.

9. Reporting

External reporting requirements of political donations are set by the relevant State and Federal bodies. Section 2 of this Policy identifies these key reporting obligations. Reports are required to be lodged in accordance with these obligations and this is the responsibility of Government Affairs.

A report of all political donations is required to be presented quarterly to the Audit and Risk Management Committee (**ARMC**). This report should include the nature of the political donation, date, amount and approver of the expense.

AGL will post on its website details of political donations reported to the ARMC.

10. Roles and Responsibilities

AGL Board

The Board has ultimate responsibility for overseeing the performance of AGL, including effectively monitoring the organisation's compliance management objectives. It is responsible for reviewing and approving changes to this Policy and for satisfying itself that AGL systems of compliance risk management and internal compliance controls are operating effectively.

AGL Audit and Risk Management Committee

The ARMC is responsible for maintaining and overseeing a sound system of internal controls based on the adoption by the Board of a risk-based approach to the identification, assessment, monitoring and management of risks that are significant to the fulfilment of AGL's business objectives. The ARMC shall be responsible for monitoring compliance with this Policy.

Executive Team (including Chief Executive Officer)

The Executive Team collectively has responsibility for promoting a compliance management culture throughout AGL, including consistent application of this Policy across the business. The CEO, Group Head of Corporate Affairs and Company Secretary are the only members authorised to approve a political donation. The Executive Team is responsible for implementing and giving effect to this Policy.

Government Affairs

Government Affairs is responsible for:

- > complying with all State and Federal political donation reporting requirements in a complete, accurate and compliant manner, including lodgement of any political donations statements;
- > accurate coding of all approved political donations;
- > keeping up to date of all relevant planning applications and relevant planning submissions;
- > updating Group Risk of any changes to political donation obligations;
- > providing donation reports to the ARMC on a quarterly basis; and
- > arranging for details of political donations to be published on AGL's website.

Group Finance

Group Finance is responsible for:

- > notifying Government Affairs of proposed payments that are, or appear to be, political donations prior to making payment;
- > accurately processing all approved political donations; and
- > providing a weekly report of any political donations processed to Government Affairs.

Upstream Gas

Upstream Gas is responsible for:

- > maintaining a register of all relevant planning applications and relevant planning submissions; and
- > providing a weekly report of all relevant planning applications to Government Affairs.

AGL Group Risk & Compliance

Group Risk & Compliance is responsible for maintaining and reviewing this Policy.

Other AGL Business Units

- > informing Government Affairs when making a planning application (or a variation to a planning application) in NSW so a political donation statement can be lodged;
- > providing Government Affairs with a monthly report of all relevant planning applications being considered; and

- › informing Government Affairs when a planning application has been determined.

11. Related Policies

This Policy should be read in conjunction with the following AGL Policies:

- › Code of Conduct;
- › Compliance Policy;
- › Fraud Risk Control Policy;
- › Risk Management Policy; and
- › Whistleblower Policy.

12. Review of this Policy

This Policy is to be reviewed no less frequently than every two years.

13. References

Commonwealth Electoral Act 1918 (Cth)

Election Funding, Expenditure and Disclosures Act 1981 (NSW)

Electoral Act 1992 (ACT)

Electoral Act (NT)

Electoral Act 1992 (Qld)

Electoral Act 1907 (WA)

Environmental Planning and Assessment Act 1979 (NSW)