SECURITIES DEALING POLICY

PURPOSE

The purpose of this policy is to communicate the expectation of the Energy Queensland Group (EQL) with respect to trading in Financial Products of certain companies with which EQL has significant medium to long-term business relationships. From time to time, directors, employees or contractors may become aware of price-sensitive information about a company that is not generally available.

POLICY STATEMENT

This policy sets out the standards required by EQL of its directors, officers and employees in relation to trading in Financial Products and the use of Inside Information.

Directors, officers or employees who may have access to price-sensitive information or Inside Information about a company’s securities that is not generally available, are restricted as to how they can use or communicate the information. An example of where this may arise is where an employee becomes aware of information about a contracting party that is not publically known and makes a decision to buy or sell shares in that company on the basis of that information.

Directors, officers or employees with Inside Information, who know or ought to know that the information is Inside Information:

• Must not subscribe for, buy or sell Financial Products on which a reasonable person would expect the information to have a Material Effect, either for themselves, or for another person, or agree to do so.

• Must not get another person to subscribe for, buy or sell the Financial Products to which the Inside Information relates for the employee, for another person or for themselves.

• If an employee has an arrangement with an agent to conduct discretionary trading on their behalf either through a blind trust or a self-managed superannuation fund, they should ensure that if they have prior knowledge of or control over the investment, that the Financial Products to which the Inside Information relates are excluded from the Financial Products that the agent is authorised to buy and sell.

• Must not, if the relevant Financial Products are able to be traded on a financial market, either directly or indirectly, give the Inside Information, or allow it to be given to another person who they know, or should know, would be likely to do any of the prohibited things described above.

• Must not communicate Inside Information to anybody who works for EQL except in accordance with the rules and policies as described in the Director Code of Conduct and the Employee Code of Conduct.

IMPLEMENTATION

Where EQL employees are directly involved in commercial activities which are material to a listed company, the trading of Financial Products in those companies by employees or a related party will represent an actual conflict of interest. Any conflict of interest must be declared and managed in accordance with the Conflict of Interest Policy. A common example is where an employee is involved in a procurement process and purchases shares in one of the shortlisted entities during the process.

The sale of Financial Products in a company in which a person has a conflict of interest must only be undertaken if the seller is satisfied that no breaches of Insider Trading laws will occur and that there is no potential for anyone to consider that Inside Information has been used or Insider Trading laws have been breached.
The extent of any financial gain or loss arising from the sale of the shares will be irrelevant to establish a conflict of interest or a breach of Insider Trading laws.

REFERENCES

P001. Director Code of Conduct Policy;
P002. Director Conflicts of Interest Policy;
P004. Employee Code of Conduct Policy;
P005. Employee Conflicts of Interest Policy;
Corporations Act (2001) (Cth); and
Corporate Governance Guidelines for Government Owned Corporations.

DEFINITIONS

Another person includes an associate, family member, trust or company over which a director, officer or employee has influence and control.

EQL includes Energy Queensland Limited, its subsidiaries and related bodies corporate.

Financial Products means:
shares in a body, debentures of a body, interests in a managed investment scheme, legal or equitable rights or interests in, including options to acquire, shares, debentures or other interests, derivatives; debentures, stocks or bonds proposed to be issued by a government; superannuation products; or any other financial products able to be traded on a financial market.

Generally available: information is generally available if it is:
(a) readily observable; or
(b) made known in a manner that would, or would be likely to, bring it to the attention of those who commonly deal with that sort of Financial Product and there has been a reasonable period for the information to be disseminated; or
(c) consists of deductions, conclusions or inferences made or drawn from information of the type described above.

Inside information means information that:
(a) is not generally available; and
(b) if it were, a reasonable person would expect it to have a material effect on the price or value of Financial Products.

Insider Trading means an offence under the Corporations Act (2001) (Cth) to trade using inside information, or communicate inside information to others who will, or are likely to, trade on the inside information.

Material effect: a reasonable person will be taken to expect information to have a material effect on the price or value of Financial Products if the information would, or would be likely to, influence people who commonly buy Financial Products in deciding whether or not to buy or sell those products.
ENFORCEMENT

In addition to legal penalties, the trading of Financial Products in companies where relevant Inside Information is held prior to trading will constitute a serious breach, which may include termination of your employment or engagement.

The reporting of the incident to the relevant external authorities, including notification to the Crime and Corruption Commission, the Australian Securities and Investments Commission may apply.

In accordance with the Corporate Governance Guidelines for Government Owned Corporations, EQL’s shareholding Ministers must receive timely advice of potential and actual breaches of this Policy by directors, officers and where material, employees.

VARIATION

This policy is not intended to detract from, or add to, any rights held by a person covered by this policy under a contract of employment or union collective agreement. Subject to any consultation obligations, EQL may vary, add to, withdraw, or replace this policy, at its discretion, at any time.

The CEO and the Company Secretary have the authority to approve administrative amendments to Board approved policies (i.e. minor updates, amendments or corrections not involving changes to delegations or the provisions of the policy).

CATEGORY

Governance