

# Rules of the Origin Energy Performance Rights Plan - 2009

1. **Establishment of the Origin Energy Performance Rights Plan**
    - 1.1 The purpose of the Plan is to:
      - (a) attract quality Eligible Employees to Origin Energy;
      - (b) motivate and retain Eligible Employees of Origin Energy;
      - (c) create commonality of purpose between the Eligible Employees and Origin Energy;
      - (d) add wealth to all shareholders by motivating the Eligible Employees; and
      - (e) enable the Eligible Employees to share the rewards of the success of Origin Energy.
    - 1.2 The Plan shall take effect on the date that the Board resolves.
    - 1.3 The Plan may be terminated or suspended at any time by resolution of the Board. Termination or suspension of the Plan pursuant to this clause 1.3 shall not affect the rights of Eligible Employees who were granted Performance Rights prior to such termination or suspension.
    - 1.4 The Plan may be amended from time to time by resolution of the Board subject to the shareholders of the Company approving any such amendment to the Plan in accordance with the ASX Listing Rules (if required).
  2. **Administration of the Plan**
    - 2.1 The Plan shall be administered by the Board which shall have power to:
      - (a) determine appropriate procedures for administration of the Plan consistent with the Rules;
      - (b) resolve conclusively all questions of fact or interpretation in connection with the Plan;
      - (c) determine, in accordance with clause 3, the Exercise Price and Performance Hurdle in respect of any Performance Rights offered to an Eligible Employee; and
      - (d) establish a trust to acquire, hold and deliver Shares under the Plan and appoint a trustee for that trust.
    - 2.2 Subject to clause 4, the number of Performance Rights (if any) to be offered from time to time to Eligible Employees and the time at which Performance Rights may be offered to Eligible Employees shall be determined by the Board in its discretion.
    - 2.3 The Company, at the Board's discretion, may grant Performance Rights to Eligible Employees who are resident outside of Australia, and make rules, and determine procedures and documentation, for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Employees who are resident outside of Australia.
  3. **Exercise Price and Performance Hurdle**
    - 3.1 (a) Unless otherwise determined by the Board, the Exercise Price of each Performance Right will be \$0.00.
  - 3.2 (a) The Board will determine a Performance Hurdle in respect of each Performance Right to be offered to an Eligible Employee which must be attained before that Performance Right may be exercised.
    - (b) If, during the life of any Performance Right:
      - (i) Shares are offered for subscription by the Company in the circumstances described in clause 9.2;
      - (ii) Shares are issued by the Company in the circumstances described in clause 10.1; or
      - (iii) any reconstruction of the issued capital of the Company occurs as described in clause 11;the Performance Hurdle may be adjusted in such manner as the Board shall determine to be fair and equitable.
  - 3.3 The Company may financially assist a person to pay for the grant of a Performance Right or to pay any Exercise Price in respect of a Performance Right, subject to compliance with the provisions of the Corporations Act and the Listing Rules relating to financial assistance.
4. **Number of Performance Rights to be Offered**

An offer of Performance Rights may only be made under the Plan if the number of Shares that may be acquired on exercise of the Performance Rights on the assumption that they are exercisable at that time, when aggregated with:

  - (a) the number of Shares which would be issued if each outstanding offer, right or option to acquire unissued Shares, being an offer made or right or option acquired pursuant to an Incentive Scheme, was to be accepted or exercised (as the case may be);
  - (b) the number of Shares issued pursuant to an Incentive Scheme in respect of which moneys are owing by the participants in that Incentive Scheme to the Company under loans made to the participants to subscribe for shares under that Incentive Scheme; and
  - (c) the number of Shares that are legally and/or beneficially held by, or on behalf of, the Eligible Employee,

does not exceed 5% of the total number of issued Shares as at the time of the offer.
5. **Offer of Performance Rights**
  - 5.1 The Board in its discretion may from time to time, subject to the terms of the Plan, resolve to offer Performance Rights to an Eligible Employee or Eligible Employees for such consideration, which may be nominal, as the Board may determine. Any offer of Performance Rights shall be personal and shall not be assignable.
  - 5.2 Each offer of Performance Rights pursuant to the Plan must:
    - (a) be in writing;
    - (b) be made in accordance with the Corporations Act, the ASX Listing Rules and these Rules; and

- (c) otherwise be on the terms which the Board may in its discretion from time to time determine.
- 5.3 Each offer of Performance Rights must:
- (a) be accompanied by a copy of these Rules; and
  - (b) specify the Exercise Price (or specify how it is to be determined), the Performance Hurdle, the consideration, if any, payable on the grant of the Performance Rights and the period of the offer and the manner of its acceptance.
6. **Grant of Performance Rights**
- 6.1 Where the Company receives a valid acceptance of an offer of Performance Rights pursuant to these Rules, it shall grant the Performance Rights to the Eligible Employee within five Business Days of receipt of the valid acceptance and may issue to the Eligible Employee a certificate in respect of the Performance Rights granted (including on the back of the certificate a notice of exercise of the Performance Right).
- 6.2 Performance Rights must be issued in accordance with these Rules and each Eligible Employee to whom Performance Rights are granted will be taken to have agreed to be bound by these Rules and the terms upon which those Performance Rights were granted.
- 6.3 The Performance Rights will not be listed on any stock exchange.
- 6.4 An Eligible Employee has no legal or equitable interest in a Share by virtue of acquiring a Performance Right. An Eligible Employee's rights under the Plan are purely personal and contractual.
- 6.5 An Eligible Employee must not sell, transfer, mortgage, charge or otherwise deal with or encumber any Performance Rights except with the prior approval of the Board.
7. **Right to Exercise Performance Rights**
- 7.1 Performance Rights, once granted, may be exercised at any time during the period specified in clause 7.2, PROVIDED THAT:
- (a) the Performance Hurdle in respect of those Performance Rights has been attained; and
  - (b) the acquisition of Shares pursuant to the exercise of the Performance Rights does not contravene the Corporations Act, the ASX Listing Rules or any policy established by the Company applicable to dealing in Shares by Eligible Employees.
- 7.2 The Performance Rights may only be exercised during the period commencing on the earliest of:
- (a) the third anniversary of the date of grant of the Performance Rights;
  - (b) the day on which any person:
    - (i) who does not have any voting power in the Company or has less than 20% voting power in the Company, makes an acquisition of shares; or
    - (ii) announces or gives the Company notice of a proposal under which the person intends to make an acquisition of shares,
- being in either case, an acquisition as a consequence of which that person's voting power in the Company increases to more than 20%;
- (c) upon the termination of the employment of the Eligible Employee due to his or her death or permanent disablement;
  - (d) upon the termination of the employment of the Eligible Employee in circumstances where the Board in its absolute discretion determines that the Performance Rights should be exercisable;
- and ending on the earliest of:
- (e) five years and three months after the date of issue of the Performance Rights;
  - (f) the day which is six months after the death of the Eligible Employee; and
  - (g) the day on which the Performance Right lapses pursuant to clauses 7.3(b) or (c).
- 7.3 An Performance Right shall lapse if it has not been exercised by:
- (a) the earlier of the days specified in clauses 7.2(f) and (g); or
  - (b) the day on which the Eligible Employee ceases to be employed by Origin Energy by reason of the exercise by the Company or any of its Controlled Entities of an express right of termination specifically conferred by the terms of the Eligible Employee's employment as a consequence of the Eligible Employee's misconduct, wilful neglect in the discharge of his or her duties, serious or persistent breach of the provisions of the terms of his or her employment, the Eligible Employee being charged with a criminal offence which in the reasonable opinion of the Board brings the Company, or any of its Controlled Entities, into serious disrepute, the Eligible Employee becoming bankrupt or insolvent or making an arrangement with his or her creditors generally or the Eligible Employee becoming ineligible to hold the office as a director of a company;
  - (c) unless otherwise determined by the Board in its absolute discretion, the expiration of the period of six months after the Eligible Employee gives notice of termination of employment (whether or not the Eligible Employee abridges that notice or the Company or any of its Controlled Entities and the Eligible Employee agree to abridge or waive that notice).
- 7.4 Performance Rights may be exercised on one occasion with respect to all of the Performance Rights held by an Eligible Employee or on each of several occasions with respect to part of those Performance Rights, but in that case the Performance Rights must be exercised in a minimum of 1,000 Performance Rights and in multiples of 1,000 Performance Rights.
8. **Manner of Exercise of Performance Rights**
- 8.1 Performance Rights may only be exercised by delivery to the Company's Secretary (at a time when the Performance Rights may be exercised) of:
- (a) the certificate (if any) for the Performance Rights or, if the certificate for the Performance Rights has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any

loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;

- (b) a notice addressed to the Company and signed by the Eligible Employee stating that the Eligible Employee exercises the Performance Rights and specifying the number of Performance Rights which are exercised; and
- (c) payment to the Company in cleared funds of the Exercise Price (if any) in respect of which the Performance Rights are exercised.

8.2 If the items specified in clause 8.1 are delivered in accordance with that clause, the Company shall:

- (a) within a reasonable period of time allot or transfer to the Eligible Employee the Shares in respect of which the Performance Rights are exercised together with any additional Shares an entitlement to which has arisen under clause 10 in consequence of the exercise of the Performance Rights; and
- (b) cancel any certificate delivered pursuant to clause 8.1(a) and, if any Performance Rights which have not lapsed remain unexercised, may deliver to the Eligible Employee a replacement certificate for the Performance Rights to reflect the number of those Performance Rights which remain unexercised.

8.3 If the Eligible Employee has died, the Eligible Employee's legal personal representative shall stand in the place of the Eligible Employee for the purposes of clauses 8.1 and 8.2 subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of Shares held by the Eligible Employee.

8.3A

- (a) From and including the date of allotment to a Eligible Employee of any Shares in accordance with these Rules, the Eligible Employee must not sell or transfer those Shares if to do so would be in breach of the insider trading provisions of the Corporations Act (Part 7.10 Division 3), any other applicable law or any Securities Dealing Policy.
- (b) Without limiting the scope of clause 8.3A(a), the Company may implement any arrangements (including applying a holding lock), and do all things in the opinion of the Board necessary or desirable, for the purpose of preventing a breach of clause 8.3A(a) and each Eligible Employee agrees to the Company effecting those arrangements or doing those things.

8.4 From and including the date of allotment to a Eligible Employee of any Shares in accordance with these Rules the Eligible Employee shall:

- (a) be the absolute indefeasible beneficial owner of those Shares; and
- (b) subject to clause 8.3A, the Corporations Act, the ASX Listing Rules and any Securities Dealing Policy applicable to Eligible Employees, be entitled to sell, transfer, dispose of, mortgage, pledge or otherwise deal with those Shares or any interest therein in every manner whatsoever.

8.5 In the case where an Eligible Employee dies or becomes bankrupt the legal personal representative of the deceased Eligible Employee or the trustee in bankruptcy of the bankrupt Eligible Employee shall be the only person recognised as having any title to the Shares of the Eligible Employee issued in accordance with the Performance Rights.

8.6 Shares issued on exercise of an Performance Right shall rank pari passu in all respects with Shares already on issue on the date of exercise of the Performance Right.

8.7 After Shares have been allotted pursuant to clause 8.2, the Company will promptly make application for official quotation of those Shares on the ASX.

## 9. Adjustment for Rights Issue

9.1 An Eligible Employee may only participate in a new issue of Shares or other securities of the Company to holders of Shares if the Performance Right has been exercised in accordance with its terms before the record date for determining entitlements to the issue.

9.2 If, during the life of any Performance Right there is a pro rata issue (except a bonus issue or otherwise than pursuant to any of the Incentive Schemes) to the holders of ordinary shares, the Exercise Price (if any) shall be reduced according to the following formula:

$$O' = O - \frac{E [P - (S + D)]}{N + 1}$$

where:

O' = the new exercise price of the Performance Right;

O = the old exercise price of the Performance Right;

E = the number of underlying securities into which one Performance Right is exercisable;

P = the average market price (the closing price on SEATS, excluding special crossings, overnight sales and exchange traded option exercises) per security (weighted by reference to volume) of the ordinary shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing ordinary shares (except those to be issued under the pro rata issue);

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

## 10. Adjustment for Bonus Issue

10.1 If, during the life of any Performance Right, securities are issued pro rata to the Company's shareholders generally (otherwise than pursuant to any Incentive Scheme) by way of bonus issue, the Eligible Employee shall be entitled, upon later exercise of that Performance Right, to receive in addition to the number of Shares comprised in the Performance Right an allotment or transfer of so many additional securities as would have been issued to a shareholder

who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares comprised in the Performance Right exercised.

10.2 Additional securities to which the Eligible Employee becomes so entitled shall, as from the time securities are issued pursuant to the bonus issue and until those additional securities are allotted or transferred, be regarded as securities comprised in the relevant Performance Right for the purposes of subsequent applications of clause 10.1 and any adjustments which, after the time just mentioned, are made under clause 11 to the number of securities comprised in an Performance Right shall also be made to the additional securities as if they were securities comprised in the Performance Right.

#### 11. Adjustment for Reconstruction etc.

In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company (not being a reconstruction referred to in clauses 9.2 and 10 above), the number of Performance Rights or the Exercise Price (or both) shall be reconstructed (as appropriate) in accordance with the Listing Rules of the ASX (applying at that time) and in a manner which will not result in any additional benefits being conferred on a holder of an Performance Right which is not conferred on holders of Shares, but in all other respects the terms of exercise will remain unchanged.

#### 12. Cumulation of Adjustments

Full effect shall be given to clauses 9.2, 10 and 11 as and when occasions of their application arise and in such manner that the effect of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect shall be such as to reflect in relation to the Shares and securities comprised in an Performance Right the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

#### 13. Participation in Other Opportunities

If, during the life of any Performance Right, securities of any other corporation are offered or otherwise made available to the Company's shareholders generally, the Company will use its best endeavours to ensure that the Eligible Employee is given an opportunity to participate on the same basis as if he or she had then held the Shares the subject of Performance Rights.

#### 14. Rights and Obligations of Eligible Employees

14.1 All Eligible Employees shall be entitled to the benefit of and shall be bound by the terms and conditions of the Rules and any amendments thereto.

14.2 Whenever the Board exercises a discretion pursuant to the Rules the exercise of that discretion shall be in the sole and absolute discretion of the Board and each decision shall be conclusive, final and binding upon Eligible Employees.

14.3 The Plan shall not form part of any contract between any corporation within Origin Energy and any Eligible Employee and shall not confer directly or indirectly on any Eligible Employee any legal or equitable rights whatsoever against any corporation within Origin Energy (other than rights as an Eligible Employee under the Plan against the Company).

14.4 This Plan:

- (a) does not confer on any Eligible Employee or Participant the right to continue as an employee or officer of the Company or any Related Body Corporate of the Company;
- (b) does not affect any rights which the Company, or any Related Body Corporate of the Company, may have to terminate the employment or office of the Eligible Employee or Participant; and
- (c) may not be used to increase damages in any action brought against the Company, or any Related Body Corporate of the Company, in respect of that termination.

#### 15. General Provisions

15.1 Whenever the number of securities comprised in an Performance Right or the Exercise Price is adjusted pursuant to these Rules, the Company shall give notice of the adjustment to the Eligible Employee and the ASX together with calculations on which the adjustment is based.

15.2 Any notice to be given by the Company to the Eligible Employee shall be taken to have been given if served personally on the Eligible Employee or left at his or her last known place of residence.

#### 16. Governing Law

The Rules shall be governed by and construed in accordance with the laws for the time being in force in the State of New South Wales, Australia.

#### 17. Definitions

17.1 In these Rules, unless the context otherwise requires:

"ASX" means Australian Securities Exchange;

"ASX Listing Rules" means the Official Listing Rules of ASX;

"Board" means the Board of Directors of the Company from time to time;

"Business Day" has the same meaning as in the Listing Rules;

"Company" means Origin Energy Limited;

"Controlled Entities" means any of those entities which are controlled by the Company for the purposes of Section 50AA of the Corporations Act;

"Corporations Act" means the Corporations Act, 2001 (Cth);

"Eligible Employee" means:

- (a) a full-time or permanent part-time employee of the Company or any Subsidiary;
- (b) a director or secretary of the Company or any Subsidiary; or
- (c) any other person who is determined by the Board to be an Eligible Employee for the purposes of the Plan,

other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Company or any Subsidiary (or has given notice of resignation in order to avoid that dismissal);

"Exercise Price" in respect of an Performance Right, means the exercise price of an Performance Right determined in accordance with clause 3.1 as varied or adjusted in accordance with these Rules;

"Incentive Scheme" means an employee share, performance right or option scheme extended to

either or both employees and directors of the Company and its Related Bodies Corporate, and includes the Plan;

“life” means, in relation to a Performance Right, the period between grant of the Performance Right and its lapse pursuant to clause 7.3;

“Origin Energy” means the group of corporations constituted by the Company and its Controlled Entities;

“Performance Hurdle” means in relation to each Performance Right, the performance hurdle determined in accordance with clause 3.2;

“Performance Right” means a right granted pursuant to these Rules to subscribe for or take a transfer of a Share upon and subject to the terms of these Rules and the terms of the issue of the Performance Right;

“Permanently Disabled” in relation to an Eligible Employee means an Eligible Employee who is deemed, at the discretion of the Board, to be totally and permanently disabled and “Permanent Disablement” has the equivalent meaning;

“Plan” means the Origin Energy Performance Rights Plan as administered in accordance with these Rules;

“Related Body Corporate” has the meaning given to that term in the Corporations Act;

“Rules” means the terms and conditions of the Plan as amended from time to time;

“Securities Dealing Policy” means any policy established by the Company applicable to trading in securities of the Company; and

“Shares” means fully paid ordinary shares in the capital of the Company or, if at any time the Company’s issued ordinary share capital consists of ordinary shares of some other description by virtue of an event of a kind dealt with by clause 11, those ordinary shares.

- 17.2 Words importing gender include each other gender; the singular includes the plural and vice versa; headings shall not be taken into account in the interpretation of these Rules; and references to any statutes or sections shall include all statutes or sections amending, consolidating or replacing the statutes or sections referred to.
- 17.3 These Rules, the offering and granting of any Performance Rights, the rights attaching to the Performance Rights granted and the issue or transfer of any Shares pursuant to the exercise of Performance Rights shall at all times be subject to the ASX Listing Rules and Corporations Act applying at that time.
- 17.4 A reference to the Shares comprised in an Performance Right is a reference to the Shares for which the Eligible Employee has for the time being an Performance Right to subscribe or take a transfer of by reason of the grant to him or her of that Performance Right, including any securities resulting from an adjustment made pursuant to these Rules.
- 17.5 A reference to an offer, issue or distribution to the Company’s shareholders generally is a reference to an offer, issue or distribution to the generality of the holders for the time being of Shares, whether or not including holders of other securities issued by the Company and whether or not including persons in particular places outside Australia or other minority

groups who may for a particular reason be excluded from participation.

- 17.6 A reference to the ordinary course of trading on the ASX shall be interpreted in accordance with the Corporations Act.
- 17.7 Clause 7.2(b) shall be interpreted as if it were a provision contained in Chapter 6 of the Corporations Act.
- 17.8 Where any calculation or adjustment to be made pursuant to these Rules, produces a fraction of a cent or a fraction of a share, the fraction shall be eliminated by rounding to the nearest whole number favourable to the Eligible Employee.
- 17.9 In this Plan, a reference to the Corporations Act or Listing Rules is a reference to the Corporations Act or Listing Rules in force in relation to the Company after taking into account any waiver, modification or exemption which is in force either generally or in relation to the Company.