ASX/Media Release

5 October 2020

Withdrawal of Resolution 4 from Notice of Annual General Meeting

Origin Energy Limited (Origin) today announced the withdrawal of Resolution 4 from its 2020 Notice of Annual General Meeting. The resolution related to the grant of restricted share rights to Chief Executive Officer (CEO) Mr Frank Calabria under a new Long Term Share Plan (LTSP).

Following a comprehensive assessment of the remuneration framework in FY2020, the Board proposed the adoption of a new model better suited to Origin's business and based on restricted share rights with longer deferral periods, the LTSP. The assessment showed that the existing Long Term Incentive Plan (LTIP) structure is not achieving its key objectives of attracting executive talent, retaining key leaders and contributing to the generation of executive share ownership thereby aligning executive and shareholder interests. The Board believes that the LTIP is not well suited to the commodity nature, and the investment profile, of the energy industry.

Origin Chairman Mr Gordon Cairns said, "Following extensive engagement with investors and other stakeholders over recent weeks, the Board recognises there remain some shareholder reservations about the proposed introduction of a restricted share plan with longer deferral provisions to replace our existing LTIP.

"In response to shareholder feedback, the Board will not replace the LTIP and will instead modify it by reducing the maximum achievable from 180 per cent to 120 per cent of Fixed Remuneration, retaining the existing Relative Total Shareholder Return (TSR) performance hurdle for 50 per cent of the grant and restrict the LTSP component for the balance. We believe this strikes a sensible balance between the conventional external hurdle approach and the incorporation of new arrangements which the Board firmly believes is right for our business and for the future."

Further details on the modified LTIP and the CEO's award are set out in the Annexure to this announcement.

As previously advised, any shares arising from the vesting of the rights from the FY2021 grant will be satisfied by purchasing on market.

Withdrawal of Resolution 4 will not affect the validity of the proxy form provided in connection with the 2020 Notice of Annual General Meeting or any proxy forms already submitted.

For further information:

Media
Anneliis Allen
Mobile : +61 428 967 166

Investors
Peter Rice
Mobile: +61 417 230 306

Annexure A

Under the modified LTIP, the CEO will receive a 33⅓ per cent reduction in the face value of long term award opportunity from the FY2020 level of 180 per cent of Fixed Remuneration (FR) down to 120 per cent of FR ($2,197,200). Half of this will be allocated to Relative TSR using the existing peer group (ASX 50), and the other half to the new Long Term Share Plan component. Relative to FY2020, Mr Calabria's maximum Total Remuneration will reduce by 13 per cent.

The number of Restricted Share Rights to be awarded for FY2021 will reduce from 275,121 proposed in the Notice of Meeting to 183,414, plus 183,416 Performance Share Rights (PSRs), which will be awarded on the same basis as applied for the FY2020 award. The total number of rights to be granted is 366,830, which is the award value ($2,197,200) divided by the 30-day VWAP to 30 June 2020 ($5.9897), rounded to the nearest whole number.