

## Charter

ORG-CGMS-CHA-001

### 1 Purpose

This Charter sets out the authority, responsibilities, membership and operation of the Board of Origin Energy Limited (the Company).

The Board is responsible for the governance of the Company and has developed principles relating to:

- the role of the Board and matters specifically reserved for Board decision-making;
- those authorities which may be delegated to Committees of the Board;
- the authorities of the Chief Executive Officer; and
- its own performance, operations, procedures and membership.

This Charter outlines those principles.

### 2 Authority

The shareholders have elected the Directors and, through the Constitution, have authorised them to manage the business of the Company and to exercise the powers conferred under the Constitution of the Company.

### 3 Role and Responsibilities of the Board

The Board's role is to:

- act in the best interests of the Company;
- represent and serve the interests of shareholders by guiding and monitoring the Company's strategies, policies and performance;
- set, review and monitor the Company's values and culture; and
- keep shareholders informed of the Company's performance and major developments which affect it.

To accomplish its role, the Board is responsible for:

- approving the strategic direction, policies and budgets of the Company;
- approving major investments and monitoring the return of those investments;
- monitoring financial performance and operations of the Company, including approval of the annual and half year financial statements and reports;
- appointing the Chief Executive Officer, monitoring the performance of the Chief Executive Officer and senior management and holding them accountable for the Company's performance;
- overseeing the remuneration, development and succession planning for the Chief Executive Officer and senior management, and monitoring the appropriateness of people management systems;
- overseeing the identification of key risks in the operations of the Company, approving the risk management systems, monitoring the efficiency and effectiveness of those systems and setting the appropriate risk appetite within which the Board expects management to operate;
- reviewing and approving the Company's compliance systems and corporate governance principles;
- overseeing the Company's commitment to its principles and values, sustainable development, the environment and the health and safety of employees, contractors, customers and the community; and
- acting to protect and enhance the reputation of the Company.

The Board may establish other policies and practices to ensure that the Board fulfils its functions and ensuring that it remains an effective decision making body.

## 4 Role and Responsibilities of Management

The role of management is to manage and control the day to day operation of the Company. To do so, management is responsible for:

- implementing the strategies, plans and budgets approved by the Board;
- operating within the risk appetite approved by the Board; and
- providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

## 5 Role and Responsibilities of the Chairman

The role of the Chairman is to provide leadership to the Board, including encouraging a culture of openness and debate to foster a high-performing and collegial team of Directors who operate effectively. To discharge this role, the Chairman is responsible for:

- facilitating the relationship and communication between the Board and management through the Chief Executive Officer;
- managing the efficient organisation and conduct of the Board's function and meetings;
- overseeing regular and effective evaluations of the Board's performance;
- overseeing the induction and continuing education programs for the Board; and
- exercising such specific and express powers as delegated to the Chairman by the Board from time to time.

## 6 Role and Responsibilities of the Company Secretary

The role of the Company Secretary is to act as secretary of the Board. The Company Secretary is accountable to the Board, through the Chairman, on corporate governance matters and all matters to do with the proper functioning of the Board.

All Directors have access to the Company Secretary.

## 7 Delegations

The Board retains all rights and powers conferred upon it by the Constitution and by law which cannot be delegated.

The Board may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and controls rests with the Board.

### 7.1 Delegation to Committees

The Board may from time to time establish Committees to assist it in carrying out its responsibilities. Current standing Committees established by the Board are:

- Audit Committee;
- Risk Committee;
- Remuneration Committee;
- Health, Safety and Environment Committee; and
- Nomination Committee.

Each of these Committees has its own written Charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All Charters of these Committees are reviewed regularly and are available on the Company's website.

The Audit Committee will comprise only independent, Non-executive Directors. The Chair of the Audit Committee cannot be the Chairman of the Company. The Remuneration, Risk and Nomination Committees will comprise only Non-executive Directors and a majority of each of these Committees will comprise independent Directors.

The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis by resolution.

## 7.2 Delegation to the Chief Executive Officer

As permitted by the Company's Constitution, the Board has delegated to the Chief Executive Officer all those powers and authorities required to manage and control the day to day operation of the Company, except those expressly reserved to the Board or one of its Committees as described in sections 7.1 and 7.3 of this Charter.

## 7.3 Powers reserved to the Board

Matters which are specifically reserved for the Board or its Committees include the following:

- appointment and removal of the Chairman of the Board;
- appointment and removal of the Chief Executive Officer;
- appointment of Directors to fill a vacancy or as additional Directors;
- establishment of Board Committees, their membership, Charters and delegated authorities;
- approval of dividends and dividend policy;
- the issue of equity or equity-like instruments;
- review of corporate governance principles, policies and related public documents;
- approval of expenditure in excess of the monetary authority levels delegated to management;
- calling of meetings of shareholders;
- expansion of the Company's activities into new geographic areas involving substantial sovereign risk or new, non-core and substantive businesses;
- the remuneration of Non-executive Directors (subject to shareholder approved limits), the Chief Executive Officer and any executive Director;
- disclosure of information to the market, as set out in the Company's Continuous Disclosure Policy;
- any changes to the authority delegated to the Chief Executive Officer by the Board; and
- any other specific matters nominated by the Board from time to time.

## 8 Board Structure

The Constitution governs the regulations and proceedings of the Board.

### 8.1 Board Composition

The Board, together with the Nomination Committee, determines the size and composition of the Board subject to the terms of the Company's Constitution.

It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, diversity, expertise and experience from a range of backgrounds.

The Chairman of the Board should be an independent Non-executive Director and must not be a former Chief Executive Officer of the Company.

## 8.2 Independence

The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

A Director is considered to be independent for the purposes of service on the Board and Board Committees if the Director satisfies the standards adopted by the Board from time to time to assist it in its regular 'independence' determinations. A copy of the current criteria to assess the independence of Directors is attached to, and forms part of, this Charter.

## 8.3 Disclosure of interest

A Director must disclose to the Board:

- any material personal interest that he or she or any associate may have in a matter that relates to the affairs of the Company; and
- any other interest or relationship that may affect the director's independence.

## 8.4 Election and re-election

The Constitution and the ASX Listing Rules govern the election and re-election of Directors.

New Directors are provided with formal letters setting out the key terms and conditions of their appointment.

Directors are invited to participate in induction programs and any continuing education arranged for them.

## 8.5 Meetings

The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. The Board shall meet as required but will usually meet at least eight times each year.

The Board will also hold periodic workshops to consider matters of particular relevance and conduct visits of Company operations and meet with operational management during the year.

Non-executive Directors should periodically meet without the presence of the Executive Directors or management to address such matters as succession planning, key strategic issues, and Board operation and effectiveness.

## 8.6 Access to information and advice

All Directors have access to Company employees, advisers and records. In carrying out their duties and responsibilities, Directors have access to advice and counsel from the Chairman, the Company Secretary and the Group General Counsel, and are able to seek independent professional advice at the Company's expense, after consultation with the Chairman.

## 8.7 Performance evaluation

The Board, through the Nomination Committee, will review the performance of the Directors retiring by rotation and seeking re-election under the Constitution each year, the results of which will form the basis of the Board's recommendation to shareholders at the Annual General Meeting.

Annually, the Directors will conduct performance evaluations of the Board as a whole, Board Committees and the governance processes which support the Board.

## 8.8 Approval and review of Charter

The Board shall review the Charter periodically to ensure its relevance and effectiveness. The Charter is available to shareholders on the Company's website.

**Approved by the Board December 2016**

It is the intention of the Board of Origin Energy Limited that its composition should include a majority of independent Non-executive Directors. The Board has determined a definition of an independent Director based on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, and the nature of Origin's operations and businesses.

An independent Director is a Director who is not a member of management (a Non-executive Director) and who is free of any interest, position, association or relationship that could materially influence, or could reasonably be perceived to materially influence, the independent exercise of their judgment.

To be considered independent by the Board, the Director should meet the following criteria:

1. is not a shareholder holding more than 10% of the Company's shares or an officer of, or otherwise associated directly or indirectly with, a shareholder holding more than 10% of the Company's shares;
2. is not, or has not been employed in an executive capacity by the Company or another group member or, if the Director was so employed, there was a period of at least three years between ceasing to hold any such employment and being first appointed to the Board;
3. is not, or has not within the three years prior to being first appointed to the Board, been a partner, director or senior employee of a material professional adviser of the Company or another group member. An adviser is a "material professional adviser" for purposes of this criterion if its billings to the Company exceed 5% of its total revenues in the period. A Director who is a partner, director or senior employee of a professional adviser will not participate in any consideration of the possible appointment of the professional adviser and will not participate in the provision of any service to the Company by the professional adviser;
4. is not, or has not within the three years prior to being first appointed to the Board, been a significant supplier or customer of the Company or another group member, or a director, partner or senior employee of such a significant supplier or customer. A "significant supplier" is defined as one whose revenues from the Company exceed 5% of the supplier's total revenue in the period. A "significant customer" is one whose amounts payable to the Company exceeds 5% of the customer's total operating costs. Even if this criteria is not satisfied in any given period, the Board may determine that a Director is independent if the arrangements between the significant customer with the Company are those usually and customarily offered to customers by the Company, have been awarded as a result of a competitive tender or otherwise are on substantially similar terms as those prevailing at the time for comparable transactions with other customers under similar circumstances;
5. has no other material contractual relationship with the Company or another group member other than as a Director of the Company;
6. has no interest or relationship that could influence in a material respect a Director's ability to act in the best interests of the Company;
7. has no close family ties with any person who falls within any of the categories described above. "Close family ties" include a spouse, child, step-child, dependant or a family member who may be expected to influence, or be influenced by the Director in their dealings with Origin; or
8. has not been a Director of the Company for such a period that, in the opinion of the rest of the Board, his or her independence or performance may have been compromised. It is the policy of the Board that a majority of the members of the Audit Committee, the Remuneration Committee, the Risk Committee and the Nomination Committee be independent Directors. The Audit Committee should be chaired by an independent Director who is not the Chairman of the Board.

# Board

## Independence of Directors

## Charter

Directors will update the Board with any information in relation to interests or relationships relevant to their independence. Based on the information received, the Board will regularly assess the independence of each Non-executive Director and disclose the independence status of Directors in the Annual Report.

The Director concerned will not participate in the determination of his/her own independence.

If a Director's independence status changes, disclosure will be made to the ASX in a timely manner.