



<b>Company</b>	Origin Energy
<b>Code</b>	ORG
<b>Meeting</b>	AGM
<b>Date</b>	20 October 2020
<b>Venue</b>	Virtual
<b>Monitor</b>	Lewis Gomes and David Jackson

<b>Number attendees at meeting</b>	133 shareholders, 19 3 <sup>rd</sup> party proxy holders and 351 guests
<b>Number of holdings represented by ASA</b>	454
<b>Value of proxies</b>	\$14.2 million (as at 20 October 2020)
<b>Number of shares represented by ASA</b>	3,173,410 (equivalent to 16 <sup>th</sup> largest shareholder)
<b>Market capitalisation</b>	\$7.88 billion (as at 20 October 2020)
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair Gordon Cairns and Chair of Remuneration and People Committee Steven Sargent

## Origin unruffled by environmental and indigenous questioning

### Opening Addresses

This year's AGM was conducted as a virtual meeting using the Lumi platform. The meeting was generally low key with an initial Welcome to Country video followed by a presentation from the Chair, Gordon Cairns, and a presentation by the CEO, Frank Calabria. There were only a few slides to support these presentations.

The Chair, who was retiring at the end of this meeting, reflected on the achievements over the seven years of his tenure including a much greater focus on customers, a stronger internal culture, various digital initiatives including Octopus Energy, action on climate change issues, the good work of the Origin Foundation and the strong cash flow from APLNG. His one expressed disappointment was the prevailing low share price of Origin, mainly as a reflection of COVID-19 induced low global oil and gas prices, and significant changes to the wholesale electricity and retail energy markets in

Australia. He stated his continuing belief that the current share price does not reflect the value of the company and that he will continue to be a customer and shareholder of Origin.

The Chair reinforced Origin's commitment to climate change initiatives, advising that the company will halve its Scope 1 and 2 emissions by 2032 and aims to be a net zero emitter by 2050. The Chair also addressed and defended its engagement with indigenous groups within the Beetaloo Basin gas exploration area, claiming that most opposition was coming from people who have no traditional links to the area.

The CEO noted the difficulties experienced during the year with widespread droughts, bushfires then floods and finally, and most tellingly, COVID-19. The impacts on customers was felt through financial difficulties being experienced by some and through reductions in demand for gas and electricity. Operationally, the company achieved record cash flow from APLNG, its best-ever Net Promoter Scores from customers and good safety focus and outcomes. He noted that Origin has now become an energy aggregator, having to balance the supplies of various intermittent and firming energy sources with varying customer demands. Its focus on customers and digital interfaces will be strengthened through the partnership with Octopus Energy which is seen as having global best practice customer interface systems and digital technology.

The CEO confirmed its forward guidance for FY21 with slightly lower APLNG production due to reduced demand (650PJ to 680PJ, FY20 was 708PJ) with a breakeven oil price of US\$27 to US\$31 per barrel. Energy Markets EBITDA will also be down (\$1.15 billion to \$1.3 billion, FY20 was \$1.46 billion underlying) but will be partly offset with targeted cost savings of \$70 million. Gas exploration in the Beetaloo Basin has resumed but no Final Investment Decision will be made for some time and will depend on the prevailing gas market and production characteristics.

### **Resolution 1 – Financial Statements**

While not requiring a vote, the Chair invited questions from shareholders. Almost all questions were directed at climate change issues and impacts of the Beetaloo project on native landowners and the local environment. The Chair had to repeat many of his answers to these questions.

In response to a question from the ASA, the Chair elaborated on the benefits of the Octopus partnership which he believes will greatly enhance the customer interface and achieve considerable savings in energy retailing of about \$70 million in the near term and up to \$150 million in the longer term. The ASA also asked why two new directors were appointed to the board after the Notice of Meeting was issued, meaning that shareholders will not be able to vote on these appointments until the next AGM. The ASA also queried why neither of these directors had any direct industry experience relevant to Origin's business. The Chair responded that the appointments were just a matter of timing and that they would achieve a better gender balance on the board and bring relevant director experience to the company. In relation to their (lack of) industry experience, he commented "that not all directors need to be goal keepers".

A questioner asked about the increase in audit fees in FY20 and the Chair advised that there was a change in auditor and an increased scope of work due to changes in accounting standards.

### **Resolution 2 – Re-election of Maxine Brenner**

Both the Chair and Ms Brenner spoke to her re-election, noting that she had significant experience in strategy “resets” in times of rapid change and considerable experience in mergers & acquisitions, major capex evaluation and risk management. She was also said to have an enquiring mind and values dissenting views.

Ms Brenner was re-elected with 94.12% of cast votes in favour.

### **Resolution 3 – Remuneration Report for FY20**

The Chair spoke to the Remuneration Report and described the proposed changes for FY21 which are likely to include a “hybrid” LTI Plan as a replacement for the LTI Plan previously announced as Resolution 4 and subsequently withdrawn. The hybrid plan is likely to be a 50:50 split of deferred equity and a relative TSR performance-based share award, details of which will be advised in due course.

The ASA questioned the Chair on the extent of consultation with shareholders over the LTI Plan, noting that the late withdrawal of Resolution 4 suggested that there had been insufficient consultation. The Chair responded rather sharply by noting that he had had two meetings with the ASA and numerous other shareholders and proxy advisors. However, the two meetings with the ASA occurred **after** the Notice of Meeting was issued whereas the ASA would have hoped to have been consulted prior to the Notice being issued, thereby possibly saving Origin from the embarrassment of having to withdraw Resolution 4.

A questioner asked about the quantum of the CEO’s FY20 remuneration, possibly suggesting that it was excessive. The Chair advised that the CEO’s actual remuneration was below the average of the ASX50 CEO’s.

The resolution was passed with 84.77% of cast votes in favour.

### **Resolution 4 – Grant of Securities to the CEO**

As noted above this resolution had been withdrawn and hence there was no vote on the matter.

### **Resolution 5(a) – Requisition to Amend the Company’s Constitution**

This resolution was raised by a small group of shareholders seeking a change to the company’s constitution to enable special interest groups to raise ordinary resolutions at AGM’s that may influence Origin’s business operations. The board of Origin did not endorse this resolution and neither did the ASA.

The resolution was lost with 90.85% of cast votes against the matter.

As a consequence of this vote, Resolutions 5(b) and 5(c) were not put to the meeting.

### **Meeting Conclusion**

Having dealt with all resolutions, the Chair invited further questions from the attendees. No new matters were raised, almost all questions were focused on environmental and indigenous issues.

The Chair then invited Scott Perkins as chair-elect to address the meeting and the meeting was subsequently closed after just short of two hours.