



## Origin Energy Limited AGM Report

<b>Company</b>	Origin Energy Limited
<b>Code</b>	ORG
<b>Meeting</b>	AGM
<b>Date</b>	19 October 2022
<b>Venue</b>	Physical with webcast (not hybrid), Sydney
<b>Monitor</b>	Lewis Gomes, Michael Batchelor, Raja Rajagopal

### Meeting Statistics

<b>Number attendees at meeting</b>	77 shareholders, 6 corporate representatives, 7 third party proxy holders, 13 non-voting shareholders, 37 visitors and 389 webcast viewers
<b>Number of holdings represented by ASA</b>	406
<b>Value of proxies</b>	\$17.2 million (as at 18 October 2022)
<b>Number of shares represented by ASA</b>	3,006,652 (equivalent to 15 <sup>th</sup> largest shareholder)
<b>Market capitalisation</b>	\$9.856 billion (as at 18 October 2022)
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chairman Scott Perkins, Chair of Remuneration Committee Steven Sargent, Company Secretary Helen Hardy and General Manager Capital Markets Peter Rice

### Origin has trouble-free AGM

#### Opening Addresses

This year's AGM was conducted as a physical meeting held at the Fullerton Hotel in Sydney. A simultaneous webcast was available but direct participation at the meeting for questions and voting was only available to those who actually attended the meeting. The meeting was chaired by Scott Perkins with CEO Frank Calabria also presenting an update on the company's operations.

The Chairman spoke about the major issues of global uncertainties in the supply of oil and gas and the impacts locally from floods and coal supply disruptions to the Liddell Power Station in the Hunter Valley. He then talked about Origin's strategy refresh which focussed on:

- Strengthening the balance sheet
- Accelerating the exit from Liddell Power Station to 2025
- Selling of the Beetaloo and some other lesser gas exploration permits
- Releasing Origin's first Climate Transition Action Plan (CTAP)

He summarised the financial outcome for FY22 as being a "solid underlying profit" (essentially Integrated Gas more than offsetting significant losses in Energy Markets), the sale of 10% of Origin's holding in APLNG (down from 37.5% to 27.5%), a significant reduction in debt (down by \$1.8 billion to \$2.8 billion), a 29 cents per share dividend and a \$250 million share buyback.

He explained the plans for Eraring and the engagement Origin is having with its staff (many of whom are facing job losses), the intention to build a 700MW battery on the site along with site remediation. He also spoke about Origin's CTAP and its commitment to the Paris Agreement (of limiting global temperature increases to 1.5 degrees C) and linking executive remuneration to reductions in Origin's carbon-based emissions. He stated that Origin is looking to lead the energy transition and supports the recent federal government legislation for a 43% reduction in emissions by 2030. He noted that the transition will require an increase in renewable electricity generation from the current 30% to 80%.

The CEO reflected on the challenges during 2022, especially mid-year with the problems at Eraring. He spoke to the need for a capacity mechanism within the National Energy Market (NEM) to provide for baseload generation. He also talked about the importance of Octopus Energy (the global clean energy and technology business) to future growth in the retail market and the opportunities for virtual power plants (VPPs) within the domestic and industrial sectors.

The CEO was able to give some forward guidance on FY23 outcomes, the most significant was an expected increase in earnings before interest, tax, depreciation and amortisation for Energy Markets to between \$500 million and \$650 million compared with \$365 million in FY22. If achieved, this will be a noticeable turnaround after several years of increasing losses within that part of the business.

### **Item 1 – Financial Statements**

While not requiring a vote, the Chairman invited questions from shareholders. Given the recent disposal of Beetaloo, the many expected questions and statements around native title and fracking issues that were received in previous years were refreshingly absent this year. Several shareholders questioned the drive towards renewables but the Chairman reiterated that gas and batteries were the better long-term alternative to coal fired power stations.

Several shareholders, as well as proxy-holder ASA, questioned the significant writedowns in Energy Markets incurred from hedging contracts and the reduction in goodwill arising from large

hedging gains. The Chairman sought to convince the meeting that these complex instruments were a necessary part of managing an energy company and the board had a good overview and understanding of the processes used to manage these instruments.

### **Items 2 and 3 – Election of a Director and Re-election of a Director**

Dr Nora Scheinkestel stood for election as a director, having been appointed in March 2022, while Greg Lalicker stood for re-election having been first elected in March 2019. Both spoke to their elections in a manner than was refreshingly focussed on their contributions to Origin rather than the sometimes very generic presentations that one encounters at AGMs. Both were easily elected with around 99% of cast votes.

### **Items 4, 5 and 6 – Remuneration Report, Equity Grants and NED Share Plan**

The Chairman spoke briefly to these matters. There were no questions and all three resolutions were easily passed with cast votes in favour ranging from 96% to 98%.

### **Item 7 – Takeover Provision**

This is a 3-year renewal by Origin of its constitution to limit the impacts of partial takeovers. There were no questions and the resolution easily passed with 98% of cast votes in favour.

### **Item 8 – Climate transition Action Plan (CTAP)**

The Chairman spoke to the introduction of the CTAP for which he said there would be updates to shareholders each year. The Australasian Centre for Corporate Responsibility was invited to address the meeting and its spokesperson advised that it supported the CTAP although it did have some questions in relation to some recent operational issues that Origin had in its Queensland gas fields.

One shareholder spoke against the CTAP saying he does not believe in climate change, that most of the rest of the World doesn't care about climate change and that there is an ongoing need for low cost (coal-based) power.

The ASA questioned the limited detail in the CTAP on how Origin was going to meet its emission reduction targets and, in particular, how Origin could commit to a 40% reduction in Scope 3 emissions by 2030 when these emissions are controlled by its customers and not Origin. The Chairman acknowledged that these were "very good questions" but did not give specific answers. He commented that the investment was planned to be "capital light". The CEO noted that Origin has "good line of sight" on some matters but less so on others and highlighted that transmission infrastructure was "on the critical path". It is perhaps fair to conclude that the CTAP is a strong statement of intent rather than being a definitive plan.

This non-binding resolution was easily carried with about 94% of cast votes in favour

## Item 9 – Amendment of Constitution

The Chairman spoke briefly to this matter, being the same resolution as presented to last year's AGM. There were no questions or comments and the resolution was lost with about 96% of cast votes being against the matter.

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