



## **Infigen Energy** Notice of Annual General Meetings

Friday, 11 November 2011  
Treasury Room, InterContinental Sydney Hotel,  
117 Macquarie Street, Sydney



# NOTICE OF ANNUAL GENERAL MEETINGS

Notice of

the Annual General Meeting of shareholders of Infigen Energy Limited (ABN 39 105 051 616) (**Company**)

and

the Annual General Meeting of shareholders of Infigen Energy (Bermuda) Limited (ARBN 116 360 715) (**Foreign Company**)

and

a meeting of unitholders of Infigen Energy Trust (ARSN 116 244 118) (**Trust**)

issued by the Company, the Foreign Company and Infigen Energy RE Limited (**Responsible Entity**) (ABN 61 113 813 997; AFSL 290 710) as Responsible Entity of the Trust

(together, the Company, the Foreign Company and the Trust, **Infigen Energy**).

Notice is given that the 2011 Annual General Meetings of the shareholders of the Company and the Foreign Company will be held concurrently with a meeting of unitholders of the Trust as follows:

**Time:** 11am (AEDT)

**Date:** Friday, 11 November 2011

**Place:** Treasury Room, InterContinental Sydney Hotel, 117 Macquarie Street, Sydney

# NOTICE OF ANNUAL GENERAL MEETINGS

## ITEMS OF BUSINESS

### ORDINARY BUSINESS

#### Item 1: Financial Report – Company, Foreign Company and Trust

To receive and consider the combined consolidated financial report of Infigen Energy and the separate financial report of the Trust, as well as the respective reports of the Directors and Auditor for the year ended 30 June 2011.

*There is no vote on this item.*

#### Item 2: Remuneration Report – Company only

To adopt the Remuneration Report for the year ended 30 June 2011. The Remuneration Report is set out in the Directors' Report included within the Infigen Energy Annual Report 2011.

*This is a non-binding advisory vote.*

#### Item 3: Director Election – Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

*That Philip Green, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers himself for election, is elected as a Director of the Company and Foreign Company.*

#### Item 4: Director Election – Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

*That Fiona Harris, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers herself for election, is elected as a Director of the Company and Foreign Company.*

#### Item 5: Director Election – Company and Foreign Company only

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Company and Foreign Company:

*That Ross Rolfe, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers himself for election, is elected as a Director of the Company and Foreign Company.*

### SPECIAL BUSINESS

#### Item 6: Approval of the Infigen Energy Equity Plan – Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

*That approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Securities Exchange for:*

- (a) the Infigen Energy Equity Plan (**Equity Plan**) and for the provision of incentives to senior executives that the Board of the Company determines to be eligible to participate in the Equity Plan (**Participants**);*
- (b) the grant of performance rights, options or security appreciation rights (**Awards**), and any subsequent issue or transfer of stapled securities or payments in respect of such Awards to Participants under the Equity Plan; and*
- (c) the provision of benefits to those Participants under the Equity Plan,*

*as described in the Explanatory Notes accompanying this Notice.*

#### Item 7: Participation in the Infigen Energy Equity Plan by Mr Miles George – Company, Foreign Company and Trust

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

*That approval is given for all purposes under the Corporations Act and the Listing Rules of the Australian Securities Exchange for:*

- (a) the issue to Mr Miles George, Managing Director of the Company, of up to 917,374 performance rights under the Infigen Energy Equity Plan (**Equity Plan**); and*
- (b) the issue or transfer of, and acquisition accordingly by Mr George of, stapled securities in respect of those performance rights, all in accordance with the terms of the Equity Plan and on the basis described in the Explanatory Notes accompanying this Notice.*

# NOTICE OF ANNUAL GENERAL MEETINGS

## ITEMS OF BUSINESS

### **Item 8: Approval of benefits under the 2009 PR&O Plan – Company, Foreign Company and Trust**

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of each of the Company and the Foreign Company, and the unitholders of the Trust:

*That approval is given for the purposes of sections 200B and 200E of the Corporations Act for the giving of benefits under the 2009 Infigen Energy Performance Rights and Options Plan (**PR&O Plan**) to any current participant in the plan in connection with such person ceasing to hold office or a position of employment with the Infigen Energy Group as described in the Explanatory Notes accompanying this Notice.*

### **Item 9: Re-appointment of Auditor – Foreign Company only**

To consider and, if thought fit, to pass the following as an ordinary resolution of the shareholders of the Foreign Company:

*That PricewaterhouseCoopers, being the current Auditor of the Foreign Company, be re-appointed as Auditor of the Foreign Company to hold office until the close of the next Annual General Meeting of the Foreign Company at a fee to be determined by the Directors.*

# NOTICE OF ANNUAL GENERAL MEETINGS

## VOTING EXCLUSION STATEMENT

### VOTING EXCLUSION STATEMENT

In accordance with section 253E of the Corporations Act, the Responsible Entity and its associates are not entitled to vote their interest on any resolution at a meeting of unitholders of the Trust if they have an interest in the resolution or matter other than as a member of the Trust.

#### Item 2

In relation to Item 2, a vote must not be cast (in any capacity) by or on behalf of key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report (**KMP**) or their closely related parties, whether as a Securityholder or as a proxy. However, a vote may be cast on Item 2 by a KMP, or a closely related party of a KMP, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on Item 2 and the vote is not cast on behalf of a KMP or a closely related party of a KMP.

If the Chairman of the Meetings is your proxy or is appointed your proxy by default, and you do not direct your proxy to vote "for", "against" or "abstain" on Item 2 on the proxy form, you are directing the Chairman of the Meetings to vote in favour of Item 2 even if that item is connected directly or indirectly with the remuneration of a member of the KMP.

#### Item 6 and Item 7

In relation to Item 6 and Item 7, the Company, the Foreign Company and the Responsible Entity will disregard any votes cast by:

- a director of the Company, the Foreign Company or the Responsible Entity (except one who is ineligible to participate in any employee incentive scheme in relation to the Company, the Foreign Company and the Responsible Entity); and
- an associate of a director of the Company, the Foreign Company or the Responsible Entity (except an associate of a director who is ineligible to participate in any employee incentive scheme in relation to the Company, the Foreign Company and the Responsible Entity).

Mr George is the only director of the Company, the Foreign Company or the Responsible Entity who is eligible to participate in any employee incentive scheme relating to such entities and whose vote is required to be disregarded in relation to Item 6 and Item 7.

However, the Company, the Foreign Company and the Responsible Entity need not disregard a vote if:

- it is cast by a person identified above as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meetings as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, a vote must not be cast on Item 6 and/or Item 7 by a KMP, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Item 6 and/or Item 7. However, this voting exclusion does not apply if the KMP is the Chairman of the Meetings acting as proxy and their appointment expressly authorises the Chairman of the Meetings to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of the KMP.

If you appoint the Chairman of the Meetings as your proxy, and you do not direct your proxy how to vote in respect of Item 6 and/or Item 7 on the proxy form, you will be expressly authorising the Chairman of the Meetings to exercise your proxy even if Item 6 and/or Item 7 is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the Meetings intends to vote undirected proxies in favour of Item 6 and Item 7.

# NOTICE OF ANNUAL GENERAL MEETINGS VOTING EXCLUSION STATEMENT

## **Item 8**

In relation to Item 8, a vote must not be cast (in any capacity) by or on behalf of a current participant in the PR&O Plan, or their associates, whether as a Securityholder or as a proxy. However, a vote may be cast on Item 8 by a current participant, or their associate, if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on Item 8 and the vote is not cast on behalf of the current participant or an associate of such participant.

Further, a vote must not be cast on Item 8 by a KMP, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on Item 8. However, this voting exclusion does not apply if the KMP is the Chairman of the Meetings acting as proxy and their appointment expressly authorises the Chairman of the Meetings to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of the KMP.

If you appoint the Chairman of the Meetings as your proxy, and you do not direct your proxy how to vote in respect of Item 8 on the proxy form, you will be expressly authorising the Chairman of the Meetings to exercise your proxy even if Item 8 is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the Meetings intends to vote undirected proxies in favour of Item 8.

By order of the Boards of Infigen Energy.

Dated: 1 October 2011



**David Richardson**

Company Secretary  
Infigen Energy

# NOTICE OF ANNUAL GENERAL MEETINGS NOTES

## NOTES:

1. In this notice:
    - **Infigen Energy Group** means the Company and each of its body corporates that is a subsidiary of the Company, the Foreign Company and each controlled entity of the Foreign Company, and the Trust and each sub-trust of the Trust.
    - **Securityholders** means the shareholders of the Company and the Foreign Company and the unitholders of the Trust.
  2. On a show of hands, every person present and qualified to vote has one vote and if one proxy has been appointed, that proxy will have one vote on a show of hands. Under the Corporations Act, if a Securityholder appoints more than one proxy, neither proxy may vote on a show of hands, but both proxies will be entitled to vote on a poll.
  3. On a poll:
    - in the case of a resolution of the Company or the Foreign Company, each Securityholder present in person has one vote for each share they hold. Also each person present as a proxy, attorney or duly appointed corporate representative of a Securityholder, has one vote for each share held by the Securityholder that the person represents; and
    - in the case of a resolution of the Trust, each Securityholder present in person has one vote for each one dollar of the value of the units in the Trust held by the Securityholder. Also, each person present as a proxy, attorney or duly appointed corporate representative of a Securityholder has one vote for each one dollar of the value of the units in the Trust held by the Securityholder that the person represents.
  4. A Securityholder entitled to attend and vote is entitled to appoint not more than two proxies. If it is desired to appoint two proxies, then an additional proxy form can be obtained from Infigen Energy's security registry by telephoning +61 2 8280 7180.
  5. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the Securityholder's voting rights.
  6. A proxy need not be a Securityholder and may be an individual or body corporate.
  7. Proxy forms (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be received by Infigen Energy's security registry Link Market Services:
    - by mail to Locked Bag A14, Sydney South NSW 1235; or
    - by hand to Level 12, 680 George Street, Sydney NSW 2000; or
    - by fax to +61 2 9287 0309.Alternatively, if a proxy is not appointed under a power of attorney, proxy forms may also be lodged online at the Company's website [www.infigenenergy.com](http://www.infigenenergy.com) in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN), and your postcode, as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions provided on the website.
- All proxies must be received prior to 11am (AEDT) on Wednesday, 9 November 2011.**
8. The Board of the Company, the Board of the Foreign Company and the Board of the Responsible Entity of the Trust have determined that, for the purposes of the meetings, shares and units will be taken to be held by the persons who are registered as Securityholders as at 7pm (AEDT) on Wednesday, 9 November 2011. Accordingly, transfers of Stapled Securities registered after that time will be disregarded in determining entitlement to attend and vote at the meetings.



# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

### EXPLANATORY NOTES

These explanatory notes are intended to provide Securityholders with information to assess the merits of the resolutions contained in the accompanying Notice of Meetings.

The Directors recommend that Securityholders read these explanatory notes in full before making any decision on how to vote on the resolutions.

A reference to a **Stapled Security** is a reference to one share in the Company, one share in the Foreign Company and one unit in the Trust that are stapled together to form a single security and must be traded and otherwise dealt with as a single security.

### ORDINARY BUSINESS

#### Item 1: Financial Report – Company, Foreign Company and Trust

The Company has distributed both the Infigen Energy Annual Report 2011 and the Trust Annual Financial Report 2011 (**Annual Reports**) to Securityholders. The financial reports, as well as the Directors' and Auditor's reports, are included within these Annual Reports. The Annual Reports are both available at Infigen Energy's website: [www.infigenenergy.com](http://www.infigenenergy.com).

Securityholders do not vote on the financial reports and the Directors' and Auditor's reports. However, an opportunity for Securityholders to discuss the financial and other reports will be provided at the meetings.

#### Item 2: To adopt the Remuneration Report – Company only

Securityholders are asked to consider and adopt the Remuneration Report of the Company by way of a non-binding resolution. The Remuneration Report is set out in the Directors' Report included within the Infigen Energy Annual Report 2011 and is also available from the Company's website: [www.infigenenergy.com](http://www.infigenenergy.com).

Under recent changes to the Corporations Act, if at least 25% of the votes cast on the resolution at the AGM are against the adoption of the Remuneration Report, then:

- if comments are made on the report at the meeting, the Company's Remuneration Report for the financial year ending 30 June 2012 will be required to include an explanation of the Board of the Company's proposed action in response or, if no action is proposed, the Board of the Company's reasons for this; and
- if, at the Company's 2012 AGM, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the financial year ending 30 June 2012 are against its adoption, the Company will be required to put to Securityholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors of the Company at the time the Remuneration Report was considered at the 2012 AGM (other than the Managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

An opportunity to discuss the Remuneration Report will be provided at the meeting.

Since the internalisation of management of the Company and its transition to a standalone operating business, the directors of the Company have continued to align key executive and senior management (**senior management**) pay with Securityholder interests.

The alignment of senior management remuneration with Securityholder interests meant that there was again no vesting or payout during the year for any Long Term Incentives (**LTI**) granted under the Performance Rights and Options (PR&O) plan. Short Term Incentive (**STI**) payments have been reduced. Senior management base salaries were not increased in FY11. Non-Executive Directors' fees have been held constant. Senior management numbers were reduced.

Progress has been made towards embedding a performance-based culture. Performance reviews link incentives to key financial, strategic and operational performance indicators.

The Company believes that providing a material part of senior management remuneration with the potential to acquire Stapled Securities is appropriate. Securityholder and senior management interests are better aligned. But the Company is also mindful of dilution. Fewer equity-related awards were made in FY11 than in prior years.

Equity-related awards made to senior managers are reported as part of KMP remuneration, and expensed. The amount reported remains wholly at risk, is deferred for 3-4 years and has vesting dependent on the performance of the Infigen Energy Group. This statutory reporting means that KMP's reported remuneration will often significantly exceed what was actually received. Supplementary commentary and tables have been provided in this year's Remuneration Report to provide a clearer explanation of KMP's "take-home pay" in addition to the statutory disclosures.

The Board of the Company has resolved to change the variable pay components for FY12 with some rebalancing of long and short term incentive elements. In FY12 up to half of any senior management STI payment will be deferred and awarded as performance rights under the Equity Plan and will not vest for a 12 month period subject to the rules of the Equity Plan. This deferral and award as performance rights will provide further alignment between senior management remuneration and Securityholder interests.

# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

The FY11 STI payments that were awarded to KMP and senior managers prior to the Annual General Meeting are set out in the table below. These payments were awarded after the release of the Financial Report dated 30 August 2011 which contained details of the FY10 STI payments. Most FY11 STI payments were significantly less than the prior year payments.

Executive	Performance Year	STI Payment
M George	FY11	\$180,000
	FY10	\$224,180
G Dutailis	FY11	\$100,000
	FY10	\$148,185
D Richardson	FY11	\$62,826
	FY10	\$58,725
B Hopwood	FY11	\$67,000
	FY10	\$82,649
D Griffin	FY11	\$63,617
	FY10	\$81,091
C Baveystock	FY11	\$35,000
	FY10	na

The vote on the Remuneration Report is advisory only. The Directors will, however, take into account the discussion on this resolution at the AGM and the outcome of the vote when considering the future remuneration arrangements of Directors and senior management.

The Directors recommend the adoption of the Remuneration Report.

### Item 3: Director Election – Company and Foreign Company only

Philip Green, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers himself for election.

Philip was originally appointed to the Board of the Company and the Board of the Foreign Company on 18 November 2010. Philip is a member of the Audit, Risk & Compliance Committee.

Philip is a Partner of The Children's Investment Fund Management (UK) LLP (TCI), a substantial Securityholder of the Infigen Energy Group. Philip joined TCI in 2007 and his responsibilities include TCI's global utility, renewable energy and infrastructure investments.

Prior to joining TCI, Philip led European Utilities equity research at Goldman Sachs, Merrill Lynch and Lehman Brothers over a 12 year period. Philip is a UK Chartered Accountant (ACA) and has a Bachelor of Science (Hons) in Geotechnical Engineering.

The Directors of the Boards of the Company and Foreign Company (with Philip Green abstaining) recommend that Securityholders vote in favour of electing Philip Green as a Director of the Company and Foreign Company.

### Item 4: Director Election – Company and Foreign Company only

Fiona Harris, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers herself for election.

Fiona was originally appointed to the Board of the Company and the Board of the Foreign Company on 21 June 2011. Fiona is a member of both the Audit, Risk & Compliance Committee and the Nomination & Remuneration Committee.

Fiona is Chairman of Barrington Consulting Group and National Director of the Australian Institute of Company Directors. For the past sixteen years Fiona has been a professional non-executive director. Fiona is currently a Director of Altona Mining Limited, Aurora Oil & Gas Limited and Sundance Resources Limited.

Fiona holds a Bachelor of Commerce degree and is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors.

The Directors of the Boards of the Company and Foreign Company (with Fiona Harris abstaining) recommend that Securityholders vote in favour of electing Fiona Harris as a Director of the Company and Foreign Company.

# NOTICE OF ANNUAL GENERAL MEETINGS EXPLANATORY NOTES

## **Item 5: Director Election – Company and Foreign Company only**

Ross Rolfe AO, who has been appointed by the Directors of the Company and the Foreign Company in accordance with article 10.8 of the Constitution of the Company and bye-law 12.8 of the Bye-Laws of the Foreign Company, and being eligible offers himself for election.

Ross was originally appointed to the Board of the Company and the Board of the Foreign Company on 9 September 2011. Ross has broad experience in the Australian energy and infrastructure sectors in senior management, government and strategic roles.

In August 2008 Ross was appointed to the position of Acting Chief Executive Officer of Babcock & Brown Power (renamed Alinta Energy in 2009) and subsequently appointed on a permanent basis to the position of Chief Executive Officer and Managing Director in December 2008. Alinta Energy had interests in ten power stations and served 600,000 retail gas and electricity customers in Victoria and Western Australia. Ross completed a capital restructuring of the business and stepped down from the CEO and MD role in April 2011.

Prior to that appointment, Ross held the positions of Director General (DG) – Department of the Premier and Cabinet, DG – Department of State Development and DG – Department of Environment & Heritage with the Queensland Government. Ross also held the position of Co-ordinator General in Queensland for six years. Ross was also the Chief Executive Officer of Stanwell Corporation, one of Queensland's largest energy generation companies from 2001 until 2005.

Ross is currently a Non-Executive Director of WDS Limited and Thiess Pty Ltd. Ross is the Deputy Chair of the Finance Committee of Infrastructure Australia and he is also a member of the Commonwealth Government's Energy White Paper Reference Group. Ross has had significant other Board experience including a Director of Infrastructure Australia, a Director of Infrastructure Partnerships Australia, the chairmanship of Queensland Manufacturing Institute and Construction Queensland, and directorships of the Queensland Low Emissions Technology Centre, Emu Downs Wind Farm, Queensland Resources Council and Southbank Corporation. Ross is also a former member of the University of Queensland Senate.

The Directors of the Boards of the Company and Foreign Company (with Ross Rolfe abstaining) recommend that Securityholders vote in favour of electing Ross Rolfe as a Director of the Company and Foreign Company.

## **SPECIAL BUSINESS**

### **Item 6: Approval of the Infigen Energy Equity Plan – Company, Foreign Company and Trust**

#### **Requirement for approval**

The primary reason for seeking Securityholder approval of the Equity Plan relates to the requirements of ASX Listing Rule 7.1 and the Corporations Act Part 2J.3 as described below.

#### **ASX Listing Rule 7.1**

Listing Rule 7.1 requires Securityholder approval for an issue of equity securities if, over a 12 month period, the amount of equity securities issued is more than 15% of the number of ordinary securities on issue at the start of that 12 month period. Listing Rule 7.2 exception 9 provides that an issue under an employee incentive scheme does not detract from the available 15% limit under Listing Rule 7.1 if Securityholders approved the issue of securities under an employee incentive scheme as an exception to Listing Rule 7.1 no more than three years before the date of issue.

The Infigen Energy Group last received approval for its equity plan (then called the PR&O Plan) in April 2009. Since this approval a total of 7,084,217 performance rights and 16,868,935 options have been granted under the PR&O Plan. None of these performance rights or options have vested.

If this resolution is passed, the issue of securities under the Equity Plan will not be taken into account when undertaking the calculation of the limit pursuant to Listing Rule 7.1. If this resolution is not passed, the issue of securities under the Equity Plan will be taken into account when determining the 15% limit on securities which may be issued without further Securityholder approval.

#### **Corporations Act Part 2J.3 – Financial Assistance**

Securityholder approval is also sought by the Company for the purposes of the provision of financial assistance to Equity Plan participants under section 260 of the Corporations Act.

In granting Awards to participants under the Equity Plan, the Company may be deemed to be providing financial assistance to participants or to the Equity Plan Trustee or a Equity Plan Company to acquire shares in the Company. Under section 260C(4) of the Corporations Act, the Company may provide such financial assistance under an employee share scheme approved by the Company and its relevant subsidiaries in a general meeting.

The Company therefore also seeks approval of the Equity Plan to ensure it may provide financial assistance to participants, an Equity Plan Trustee or Equity Plan Company under the Equity Plan.

The Directors of the Boards of the Company, the Foreign Company and the Responsible Entity (with Mr George abstaining) recommend that Securityholders vote in favour of this resolution.

# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

### **Infigen Energy Equity Plan**

The Company has reviewed its remuneration policy with input from an independent remuneration adviser.

As a result the Company has amended the Performance Rights and Options Plan (**PR&O Plan**) previously approved by Securityholders in April 2009. The amendments will apply to any Awards made from and after 1 July 2011. The changes will further improve the effectiveness of long term incentive arrangements in aligning senior management remuneration with Securityholder interests. The amended plan is known as the Infigen Energy Equity Plan (**Equity Plan**).

A summary of the Equity Plan is set out in Annexure A to this Notice of General Meetings. That summary sets out the general terms of the Equity Plan. A grant of performance rights, options or security appreciation rights (**Awards**) under the Equity Plan is subject to the rules of the Equity Plan and the terms of the specific award.

The Equity Plan will allow the grant of Awards to senior management of the Infigen Energy Group. Any Awards granted to senior management under the Equity Plan are "at risk". They will only vest if the terms and conditions, including performance hurdles, set out in the relevant Award are satisfied, unless the Board exercises its discretion to accelerate vesting in certain limited circumstances. The circumstances in which the Board has discretion to accelerate vesting are set out in paragraph 12 of Annexure A to this Notice of General Meetings.

The granting of Awards under the Equity Plan will be conditional upon the Company obtaining relief from certain disclosure and licensing requirements under the Corporations Act from the Australian Securities and Investments Commission (ASIC). Such relief was previously provided for the PR&O Plan and the Company is applying for new relief given the amendments made to this plan.

### **Item 7: Participation in the Infigen Energy Equity Plan by Mr Miles George – Company, Foreign Company and Trust**

Approval is sought for the grant of performance rights under the Equity Plan to the Managing Director, Mr George, as part of his FY12 remuneration package.

#### **Level of participation in the Equity Plan**

The level of participation offered to Mr George in respect of FY12 under the Equity Plan has been determined with reference to market practice, the Company's remuneration policy and his current employment contract.

Mr George will, subject to Securityholder approval, be eligible to receive an award under the Equity Plan that is on the same terms as LTI awards made to other senior managers for FY12.

Under the FY12 Equity Plan award, Mr George is eligible to receive a maximum of 917,374 performance rights, dependent upon the achievement of the TSR and Operational Performance conditions over the measurement period (see further discussion below). This award is for performance rights with a market value of \$293,000 as at 1 July 2011 assuming all performance conditions are ultimately satisfied and all 917,374 performance rights ultimately vest. This market value has been determined using the volume weighted average ASX market price of Stapled Securities in the last five trading days of the financial year ended 30 June 2011 of \$0.31939 multiplied by the 917,374 performance rights.

#### **Current remuneration of Mr George**

The table below sets out the estimated remuneration of Mr George for FY12 as set by the Nomination & Remuneration Committee. The estimated remuneration is based on information available to the Infigen Energy Group at the time of preparing the Notice of Meetings. The actual remuneration may differ based on achievement of Key Performance Indicators and other performance hurdles included within the STI and LTI plans, and will be reported in the Infigen Energy Group's subsequent Annual Reports.

<b>Remuneration categories</b>	<b>FY12 remuneration</b>
Fixed remuneration (inclusive of statutory superannuation)	\$585,000
Maximum short-term incentive opportunity (up to 50% of any STI award will be deferred under the rules of the Company's STI plan)	\$702,000
Long-term incentive opportunity	\$293,000

# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

### Performance conditions of proposed awards under the Equity Plan in respect of FY12

1. If the proposed award is approved by Securityholders, performance rights will be awarded to the Managing Director in two tranches of equal value (**Tranche 1** and **Tranche 2**).
2. The measures used to determine performance and the subsequent vesting of performance rights are Total Shareholder Return (**TSR**) and an operational performance condition involving earnings before interest, taxes, depreciation and amortisation (**EBITDA**). The vesting of Tranche 1 of the performance rights will be subject to the TSR condition, while Tranche 2 of the performance rights will be subject to the Operational Performance condition.
3. The performance period for both Tranche 1 (TSR condition) and Tranche 2 (Operational Performance condition) will be a 3 year period from 1 July 2011 to 30 June 2014.
4. **TSR condition** (applicable to Tranche 1 performance rights) – TSR measures the growth in the price of securities plus cash distributions notionally reinvested in securities. In order for any of the Tranche 1 performance rights to vest, the TSR of Stapled Securities must outperform that of the median company in the S&P/ASX 200 (excluding financial services and the materials/resources sector). The vesting scale that applies to FY12 Tranche 1 performance rights has been varied in comparison to previous awards so that fewer performance rights vest for achievement of the median TSR performance, and higher performance is required for 100% to vest.
5. For the purpose of calculating the TSR measurement, the security prices of each company in the S&P/ASX 200 (as modified above) and of the Infigen Energy Group will be averaged over the 30 trading days preceding the start and end date of the performance period. The percentage of the Tranche 1 performance rights that vest will be as follows:

IFN's TSR performance compared to the relevant peer group	Percentage of Tranche 1 performance rights that vest
0 to 49th percentile	Nil
50th percentile	25%
51st to 75th percentile	27% – 75% (i.e. for every percentile increase between 51% and 75% an additional 2% of the Tranche 1 award will vest)
76th to 95th percentile	76.25% – 100% (i.e. for every percentile increase between 76% and 95% an additional 1.25% of the Tranche 1 award will vest)

6. **Operational Performance condition** (applicable to Tranche 2 performance rights) – the vesting of the Tranche 2 performance rights will be subject to an Operational Performance condition set by the Board of the Company. An EBITDA growth requirement is to be established annually by the Board of the Company. This requirement will be a stretch goal. The EBITDA performance will be measured relative to the Infigen Energy Group's Capital Base. The annual EBITDA performance target will be a specified percentage increase in the ratio of EBITDA to the Infigen Energy Group's Capital Base over the year. The Capital Base will be measured as equity (net assets) plus net debt. Both the EBITDA and Capital Base will be measured on a proportionately consolidated basis to reflect the Infigen Energy Group's economic interest in all investments. Any shortfall or overachievement in each year of the three year performance period will be rolled over into the calculation of results for the next year. At the completion of the annual measurement periods the EBITDA requirement will provide a cumulative performance hurdle of which at least 90% must be achieved in order for any vesting of Tranche 2 performance rights to occur.

The annual EBITDA performance target for FY12 has been set to reflect the performance expectations of the group's business and prevailing market conditions. The annual target for each subsequent financial year will be established by the Board of the Company no later than the time of the release of the Infigen Energy Group's annual financial results for the preceding financial year.

The prospective targets remain confidential. However each year's target, and the performance against that target, will be disclosed retrospectively in the Remuneration Report.

The EBITDA/Capital Base performance condition rewards senior management for sustaining and delivering capital efficiency performance over an extended period.

The vesting scale for the FY12 Tranche 2 performance rights is set out in the table below:

IFN's EBITDA Performance	Percentage of Tranche 2 performance rights that vest
90% to 110% of the cumulative target	5% to 100% (i.e. for every 1% increase between 90 and 110% of target an additional 5% of the Tranche 2 award will vest)

This vesting scale has been varied in comparison to previous awards so that performance rights vest within a range of achievement against target compared to previous awards that were subject to cliff vesting on an all or nothing basis. The revised vesting scale reduces risk and ensures that pay is more variable and aligned with performance outcomes.

# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

7. Any performance rights that do not vest following the measurement of performance against the TSR and Operational Performance conditions described above will be subject to a single retest 4 years after the commencement of the relevant performance period (ie. after 30 June 2015). Any performance rights that do not vest in year 4 will then lapse.
8. The Board of the Company has discretion to accelerate the vesting of all or part of any unvested Award in the circumstances described in paragraph 12 of Annexure A to this Notice of General Meetings.
9. The rules of the Equity Plan relating to the lapse of unvested Awards and the circumstances in which a participant who ceases employment is entitled to retain their unvested Awards are summarised in paragraphs 13 and 14 respectively of Annexure A to this Notice of General Meetings.

### Requirement for approval

Under Listing Rule 10.14, a director of a listed entity can only acquire securities under an employee incentive scheme with Securityholder approval. The proposed award to the Managing Director, Mr George, under the Equity Plan in respect of FY12, is part of the overall remuneration and benefits package offered to Mr George and is subject to Securityholder approval. In accordance with the requirements of the Listing Rules, the following information is provided to Securityholders:

1. At the conclusion of the performance period, each performance right that vests will translate into one Stapled Security. Accordingly, Securityholder approval under Item 7 is sought for the acquisition of a maximum of 917,374 Stapled Securities by Mr George.
2. Mr George will not be required to pay any amount on the grant or vesting of his performance rights.
3. Mr George will be prohibited from entering into hedging arrangements or transactions that will limit or reduce exposure to economic risk of holding unvested performance rights.
4. The proposed grant of performance rights to Mr George will be made as soon as practicable after Securityholder approval and the required relief from ASIC is obtained, and in any event no later than 12 months after this meeting.
5. No loan will be made by the Infigen Energy Group in connection with the potential grant of performance rights or Stapled Securities to Mr George.
6. Mr George is currently the only director of the Company, Foreign Company or Responsible Entity entitled to receive a grant of Awards under the Equity Plan.

The Directors of the Boards of the Company, the Foreign Company and the Responsible Entity (with Mr George abstaining) recommend that Securityholders vote in favour of this resolution.

### Item 8: Approval of benefits under the Performance Rights and Options Plan – Company, Foreign Company and Trust

#### Why is approval being sought?

The PR&O Plan was previously approved by Securityholders at the General Meetings held on 29 April 2009. This included approval for potential retirement benefits under the PR&O Plan for the purposes of section 200B of the Corporations Act.

Given the amendments to the retirement benefit provisions of the Corporations Act in 2009, the Board of the Company considers it prudent to confirm the approval of retirement benefits potentially available to current participants in the PR&O Plan who hold a managerial or executive office in the Infigen Energy Group.

Section 200B of the Corporations Act prevents a company from giving a person a benefit in connection with a person ceasing to hold a "managerial or executive office" (as defined in the Corporations Act) in the company or its related bodies corporate unless securityholder approval is given or an exemption applies.

Section 200B and the other provisions of Part 2D.2.2 of the Corporations Act are commonly referred to as the "retirement benefit" provisions. The retirement benefit provisions were amended in 2009 to:

- reduce the maximum retirement benefits that can be given without prior Securityholder approval to "12 months base salary" (as defined in the Corporations Act), and
- expand the scope of the provisions so they apply to all persons whose remuneration is required to be disclosed in the Infigen Energy Group Remuneration Report (i.e. key management personnel).

Under the retirement benefits provisions of the Corporations Act, the term "benefit" has a wide operation and would include the exercise of discretion by the Board of the Company under the PR&O Plan in connection with a participant ceasing employment.



# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

### What is approval sought for?

This approval only applies in respect of options and performance rights previously granted to senior managers of the Company as part of their remuneration in FY09, FY10 and FY11. There are currently ten employees (not all of which are senior managers) who received FY09, FY10 and FY11 awards. The Board of the Company does not propose to grant any further performance rights or options under the PR&O Plan. Any future awards will be made under the Equity Plan discussed in Item 6 above.

Under the PR&O Plan, the Board of the Company may accelerate the vesting of all or a portion of the unvested performance rights or options held by a participant upon cessation of a participant's employment or determine that a participant is entitled to retain their performance rights or options as if they were still an employee of the Infigen Energy Group.

As noted above, the exercise of this discretion in connection with a senior manager ceasing employment would constitute a "benefit" for the purpose of the retirement benefit provisions of the Corporations Act. This will require Securityholder approval where the discretion is being exercised in favour of a senior manager holding a managerial or executive office in the Infigen Energy Group where the value of the senior manager's termination benefits exceeds the statutory cap imposed by the Corporations Act.

Approval is sought to continue to permit the Board of the Company to exercise the above discretion under the PR&O Plan in connection with the cessation of employment of a participant who holds a managerial or executive office where the Board of the Company considers it reasonable and appropriate to do so.

The Board's intention is to only exercise its discretion where a participant ceases employment with the Infigen Energy Group without fault on the participant's part.

Approval is sought to assist the Infigen Energy Group to meet its existing obligations to its senior management and to provide the Infigen Energy Group with the flexibility to continue to remunerate employees fairly and responsibly.

The current market value of any potential retirement benefit arising from the FY09, FY10 and FY11 awards are illustrated in *Table 4 – Value of Remuneration That Vests in Future Years* within the FY11 Remuneration Report. The value of the benefit will ultimately depend on:

- the number of performance rights or options previously granted under the PR&O Plan;
- the number of performance rights or options held by the participant which the Board of the Company determine should vest (which may be a portion or all of the performance rights or options held); and
- the market price of Stapled Securities at the time such performance rights vest or options are exercised.

Key matters, events or circumstances which will, or are likely to affect the calculation of the value of the retirement benefit include:

- the financial performance of the Infigen Energy Group and the business or support area in which the participant works;
- the personal performance of the relevant participant;
- the seniority level and geographic location of the participant;
- the number of years of service with the Infigen Energy Group; and
- the circumstances in which the participant leaves the Infigen Energy Group.

Other than any entitlements arising under these past awards, it is the Company's current policy not to provide retirement benefits that would exceed 12 months fixed remuneration.

The Directors of the Boards of the Company, the Foreign Company and the Responsible Entity (with Mr George abstaining) recommend that Securityholders vote in favour of this resolution.

# NOTICE OF ANNUAL GENERAL MEETINGS

## EXPLANATORY NOTES

### **Item 9: Re-appointment of Auditor – Foreign Company only**

Section 89 of the Companies Act 1981 (Bermuda) requires that the Auditor of the Foreign Company be appointed as Auditor by the shareholders of the Foreign Company at each Annual General Meeting of the Foreign Company. Upon appointment, the Auditor is to hold office until the close of the next Annual General Meeting. PricewaterhouseCoopers is the current Auditor of the Company, Foreign Company and Trust, and as such, PricewaterhouseCoopers is nominated for re-appointment as Auditor of the Foreign Company up until the close of the next Annual General Meeting.

Section 89 of the Companies Act 1981 (Bermuda) also provides that the Directors of the Foreign Company may approve the remuneration of the Auditor as authorised by the shareholders of the Foreign Company. Directors of the Company and the Responsible Entity of the Trust currently have authority to approve the remuneration of PricewaterhouseCoopers in its capacity as Auditor of both the Company and the Trust. Shareholders of the Foreign Company are therefore requested to provide the Directors of the Foreign Company with similar authority to approve the remuneration of PricewaterhouseCoopers in its capacity as Auditor of the Foreign Company. The remuneration paid to PricewaterhouseCoopers in their capacity as Auditor of the Company, the Trust and the Foreign Company during the 2011 financial year is shown in note 9 to the financial statements within the Infigen Energy Annual Report 2011.

The Directors of the Board of the Foreign Company recommend that shareholders of the Foreign Company approve the resolution to re-appoint PricewaterhouseCoopers as Auditor of the Foreign Company.

Securityholders are reminded that the Foreign Company is now a largely inoperative formal element of the Infigen Energy Group's historical structure that is maintained only because its removal could be complex and expensive under the terms of the stapling deed and various lender arrangements.



# NOTICE OF ANNUAL GENERAL MEETINGS

## ANNEXURE A

### ANNEXURE A – OVERVIEW OF THE INFIGEN ENERGY EQUITY PLAN

1. The Board of the Company (“**Board**”) may in its absolute discretion determine which eligible persons will be offered the opportunity to participate in the Equity Plan.
2. Eligible persons may be invited to apply to be a participant in the Equity Plan.
3. Under the Equity Plan, the Company may grant performance rights, options or security appreciation rights (**Awards**).
4. The main difference between an option and a performance right is that an exercise price as determined by the Board is required to be paid by the participant to exercise a vested option, whereas a vested performance right has a nil exercise price (unless determined otherwise by the Board at the time of grant).

Security appreciation rights are the right to receive, upon vesting, a cash payment equal to the difference between the base price of the security appreciation right (set by the Board at the time of grant, having regard to the then market price of Stapled Securities) and the market price of Stapled Securities at the time when the security appreciation right vests. No amount is payable to a security appreciation right holder if the market price of Stapled Securities at the time of vesting is less than the original base price.

5. The grant of an Award is subject to the rules of the Equity Plan and the terms of the specific award as determined by the Board.
6. The Board is responsible for administering the Equity Plan in accordance with the rules of the Equity Plan and the terms and conditions of specific grants of an Award to participants in the Equity Plan.
7. An application to participate in the Equity Plan will not be accepted if, at the time of the application, the applicant:
  - (a) is not an employee of an Infigen Energy Group entity;
  - (b) has given notice of his or her resignation as an employee; or
  - (c) has been given notice of termination of his or her employment.
8. The Board may impose performance conditions on any awards under the Equity Plan to reflect the group’s business plans, budgets and performance objectives. Awards will not vest unless these vesting conditions are satisfied or accelerated vesting occurs in accordance with paragraph 12 below.
9. Awards will not attract dividends, distributions or voting rights until they vest (and in the case of options, are exercised) and Stapled Securities are allocated (whether or not the Stapled Securities are then subject to non-disposal restrictions).
10. On the vesting of an Award, the Company must cause to be issued, transferred or paid (as applicable) to the participant:
  - (a) in respect of vested options which are exercised by the option holder, the number of Stapled Securities (expressed to one decimal place) the subject of each vested option multiplied by the number of vested options exercised by the participant, rounded down to the nearest whole number of Stapled Securities;
  - (b) in respect of vested performance rights, in the absolute discretion of the Board, either:
    - (i) the number of Stapled Securities (expressed to one decimal place) the subject of each vested performance right multiplied by the number of vested performance rights held by that participant, rounded down to the nearest whole number of Stapled Securities; or
    - (ii) a cash amount equivalent to the Market Price of a Stapled Security on the vesting date multiplied by the number of Stapled Securities contemplated under paragraph 10(b)(i) above. The Market Price means an amount equal to the volume weighted average of the selling price of a Stapled Security recorded on the ASX over the 5 ASX trading days immediately preceding the vesting date or if no sale occurred during such period the last sale price of a Stapled Security recorded on the ASX; or
  - (c) in respect of vested security appreciation rights, a cash amount (rounded to the nearest whole dollar) calculated by multiplying the number of Stapled Securities to which those security appreciation rights relate by an amount equal to the amount by which the Market Price of a Stapled Security on the vesting date of the security appreciation right exceeds the base price of that security appreciation right.

As stated in paragraph 4 above, no amount is payable where that Market Price does not exceed that base price.
11. No amount is payable for the grant of an Award.

# NOTICE OF ANNUAL GENERAL MEETINGS

## ANNEXURE A

12. The Board may, in its absolute discretion, accelerate the vesting of all or part of any unvested Award, in the following circumstances:
- (a) a takeover bid is made to holders of Stapled Securities which the Board resolves has a reasonable prospect of success;
  - (b) a court orders that a meeting be held to consider a scheme involving a proposed arrangement for the merger or acquisition of the Infigen Energy Group;
  - (c) if Stapled Securities cease to be quoted on any securities exchange;
  - (d) the winding up of the Company, Foreign Company or Trust; or
  - (e) a participant's employment ceases due to death or total and permanent disability.
- The Equity Plan contains rules regulating the exercise of the Board's discretion in these circumstances.
13. An unvested Award held by a plan participant will lapse on the earlier of:
- (a) the expiry date applicable to that option, performance right or security appreciation right; or
  - (b) that participant becoming bankrupt or committing an act of bankruptcy; or
  - (c) the Board determining that the participant:
    - (i) has committed (or it is evident that the participant intends to commit) any act (whether by omission or commission) which amounts or would amount to any of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the participant's duties;
    - (ii) is convicted of a criminal offence (other than minor/trivial offences) or is guilty of wilful or recklessly indifferent conduct which may injure the reputation or business of an Infigen Energy Group member; or
    - (iii) has failed to comply with a non-compete or confidentiality condition contained in their employment contract with an Infigen Energy Group member;
  - (d) that participant ceasing to be an employee due to reasons other than death, total and permanent disablement, redundancy or retirement (unless the Board of the Company determines otherwise in its absolute discretion); or
  - (e) subject to certain exceptions, the compulsory or voluntary winding up of the Company, Foreign Company or Trust as detailed in the Equity Plan.
14. If a participant's employment ceases due to death, total and permanent disablement, redundancy or retirement, or for any other reason approved by the Board in its absolute discretion, then his or her unvested Awards will be retained by the participant after his or her employment ceases and will vest or lapse in accordance with the terms of the grant of the Award and the Equity Plan rules.
15. The Equity Plan provides for the acquisition, by issue or transfer, of fully paid Stapled Securities by the plan entity appointed by the Company. Stapled Securities may then be transferred from the plan entity to a participant upon the relevant performance conditions being satisfied. Any Stapled Securities issued under the Equity Plan will rank equally with those traded on the ASX at the time of issue.
16. A participant may not sell, assign, transfer or otherwise deal with, or grant a security interest over, an Award. An Award lapses immediately on any purported sale, assignment, transfer, dealing or grant of security interest unless the Board in its absolute discretion approves the dealing or transfer or transmission is effected by force of law on death or legal incapacity to the participant's legal representative.
17. In the event of any capital reorganisation of the Company (or certain other matters affecting the Company's capital structure including any bonus issues and rights issues), the participant's Award will be adjusted, as set out in the Equity Plan and otherwise in accordance with the ASX Listing Rules. In general, it is intended that the participant will not receive any advantage or disadvantage from any such adjustment relative to holders of Stapled Securities.
18. The Board may impose restrictions on the disposal of Stapled Securities acquired by a participant under the Equity Plan and implement such arrangements (including a holding lock) as it determines are necessary to enforce this restriction. Once any restriction is removed, and subject to the Company's Securities Trading Policy, Stapled Securities acquired under the Equity Plan may be dealt with freely by the participant.



