



INFIGEN ENERGY  
NOTICE OF  
ANNUAL  
GENERAL  
MEETINGS  
2015

Power from the source

11am, Friday,  
**13 November 2015**  
The Mint  
10 Macquarie Street, Sydney

# NOTICE OF ANNUAL GENERAL MEETINGS

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 2015 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, 13 November 2015**  
**Place: The Mint**  
**10 Macquarie Street**  
**Sydney**

# MESSAGE FROM THE CHAIRMAN

## Dear Securityholders,

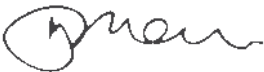
On behalf of the Infigen Boards it is my pleasure to report that the outlook for the business has improved over the last 12 months despite the significant and unwelcome regulatory uncertainty in Australia that persisted since the 2013 Federal election.

Towards the end of the financial year we sold substantially all of our US solar development business for US\$37.9 million and soon thereafter signed agreements to sell our US wind business for US\$272.5 million. The sale of our US wind business is consistent with our strategic objective of improving the capital structure of the business. Following a competitive sale process the outcome represented the best achievable value for securityholders and is a milestone on the path to improving the future prospects for Infigen and its securityholders.

The capital structure has been simplified and de-risked now that the Australian assets have been uncoupled from the US assets, the exposure to the US cash flow 'dip' has been eliminated, and the capacity to maintain Global Facility covenant compliance has improved. Infigen can now pursue growth opportunities in the Australian market with a business that has lower risk and is less complex.

On behalf of the Board, I would like to thank David Smith and our US business team for their efforts during the year and through the two sale processes. We wish them well for the future as we soon expect to part company. I would like to thank my fellow Directors including the Managing Director, Miles George, his senior management team and all Infigen staff for their contributions to the business during the year.

Finally, I would like to thank securityholders for your continued support. Your Directors look forward to welcoming you to our Annual General Meeting to be held at 11am on 13 November 2015 at The Mint, 10 Macquarie Street, Sydney.



### **Mike Hutchinson**

Chairman

*This is an abridged version of the Chairman's report to securityholders included in the 2015 Annual Report. For the complete report please visit [www.infigenenergy.com](http://www.infigenenergy.com)*

## 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 financial report of the Trust, as well as the combined reports of the Directors and Auditor for the year ended 30 June 2015.

*There is no vote on this item.*

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

To adopt the Remuneration Report for the year ended 30 June 2015. The Remuneration Report is set out in the Directors' Report included within the Infigen Energy Annual Report 2015.

*This is a non-binding advisory vote.*

### **Item 3: Director Re-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 Michael Hutchinson, being a Director of the Company and the Foreign Company, who retires as a Director by rotation, in accordance with article 10.3 of the Constitution of the Company and bye-law 12.3 of the Bye-Laws of the Foreign Company, and being eligible offers himself for re-election, is re-elected as a Director of the Company and Foreign Company.*

## Special business

### **Item 4: 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 2,229,460 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.*

**Item 5: 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.*

**Voting Exclusion Statement****Item 2**

A vote must not be cast (in any capacity) on item 2 by or on behalf of:

- the Company's key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (KMP); and
- closely related parties of KMP.

However, a vote may be cast on item 2 by a KMP as a proxy, or a closely related party of a KMP as a proxy, if the vote is not cast on behalf of a KMP or a closely related party of a KMP, and:

- the proxy appointment is in writing and specifies the way the proxy is to vote on item 2; or
- the proxy is the Chairman of the Meetings, and:
  - the proxy appointment does not specify the way the proxy is to vote on item 2; and
  - the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of KMP.

If the Chairman of the Meetings is your proxy or is appointed as your proxy by default, and you do not direct your proxy how to vote in respect of item 2 on the proxy form, you will be expressly authorising the Chairman of the Meetings to exercise your proxy even if item 2 is connected directly or indirectly with the remuneration of KMP.

The Chairman of the Meetings intends to vote undirected proxies in favour of item 2.

**Item 4**

For the purposes of the ASX Listing Rules, the Company, Foreign Company and the Responsible Entity will disregard any votes cast by Mr George and his associates on item 4.

Further, a vote must not be cast on item 4 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 4 (as the case may be).

However, the Company, the Foreign Company and the Responsible Entity need not disregard a vote on item 4 (and that person is not prohibited from voting) if:

- it is cast by a person identified above as proxy for a person who is entitled to vote on the item and the vote is cast in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting at which the resolution is being voted on (who may be a KMP) as proxy for a person who is entitled to vote and the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of KMP.

If you appoint the Chairman of the Meetings as your proxy, and you do not direct your proxy how to vote on item 4 on the proxy form, you will be expressly authorising the Chairman of the Meetings to exercise your proxy even though item 4 is connected directly or indirectly with the remuneration of KMP.

The Chairman of the Meetings intends to vote undirected proxies in favour of item 4.

By order of the Boards of Infigen Energy.

Dated: 1 October 2015



David Richardson  
Company Secretary  
Infigen Energy

## 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 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 1800 226 671.
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 1A Homebush Bay Drive, Rhodes NSW 2138 or 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, 11 November 2015.**

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, 11 November 2015. Accordingly, transfers of Stapled Securities registered after that time will be disregarded in determining entitlement to attend and vote at the meetings.



# 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 Infigen Energy Annual Report 2015 has been distributed to Securityholders. The Infigen Energy Annual Report 2015 includes combined financial reports, as well as combined Directors' and Auditor's reports, for the Company and Trust. The Infigen Energy Annual Report 2015 is 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 2015 and is also available from the Company's website: [www.infigenenergy.com](http://www.infigenenergy.com).

The information included in each annual Remuneration Report is largely determined by the requirements of the *Corporations Act 2001* (Cth). However, the Chairman has prepared a letter to Securityholders at the start of the Remuneration Report that aims to assist Securityholders by identifying the key remuneration-related matters for the Company for FY15.

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

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

The Directors of the Company recommend the adoption of the Remuneration Report.

If at least 25% of the votes cast on the resolution at the 2015 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 2016 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 2016 AGM, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the financial year ending 30 June 2016 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 (other than the Managing Director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

### **Item 3: Director Re-election – Company and Foreign Company only**

Michael (Mike) Hutchinson retires as a Director of the Company and of the Foreign Company and being eligible, offers himself for re-election. Mike was originally appointed to the Board of the Company and the Board of the Foreign Company on 18 June 2009, and subsequently elected Chairman on 11 November 2010. Mike is also Chairman of the Nomination & Remuneration Committee.

Mike was formerly an international transport engineering consultant, a senior Federal Government official and a corporate advisory consultant; and has extensive experience in the transport and communications sectors.

Mike has previously been a non-executive director of the Australian Infrastructure Fund Ltd, Leighton Holdings Ltd, Epic Energy Holdings Ltd, Hastings Funds Management Ltd, Westpac Funds Management Ltd, Pacific Hydro Ltd, OTC Ltd, HiTech Group Australia Ltd, the Australian Postal Corporation and the Australian Graduate School of Management Ltd.

Mike holds a first class honours degree in Civil Engineering from the University of Newcastle upon Tyne, United Kingdom, and graduated from the Harvard Business School Advanced Management Program (AMP110). He is a member of the Institutions of Civil Engineers, Highways and Transportation, and Engineers Australia, and the Australian Institute of Company Directors.

The Directors of the Boards of the Company and Foreign Company (other than Mike Hutchinson who abstains) recommend that Securityholders vote in favour of re-electing Mike Hutchinson as a Director of the Company and Foreign Company.

## SPECIAL BUSINESS

### **Item 4: Participation in the Infigen Energy Equity Plan by Mr Miles George – Company, Foreign Company and Trust**

The remuneration of the Managing Director, Mr Miles George, has been determined with reference to market practice, Infigen's Remuneration Policy, Mr George's current employment contract and prior advice from an independent remuneration adviser, Guerdon Associates. The Nomination & Remuneration Committee engaged Guerdon Associates to provide remuneration market data, advice regarding incentive plan design and measures, and advice on other remuneration-related matters. Information regarding Mr George's FY15 remuneration is included in the Remuneration Report.

Approval is sought for the grant of performance rights under the Equity Plan to Mr George. A summary of the rules of the Equity Plan is set out in Annexure A to this Notice.

The performance rights are proposed to be granted for the purpose of the Long Term Incentive (**LTI**) component of Mr George's FY16 remuneration package and to satisfy the deferred component of his FY15 Short Term Incentive (**STI**) award as described below.

### **Award of performance rights to satisfy the deferred component of the Managing Director's FY15 STI**

Under the Infigen Energy Short Term Incentive Plan (**STI Plan**) 50% of Mr George's FY15 STI award is required to be deferred and, subject to approval by Securityholders, is to be awarded in the form of a grant of performance rights under the Equity Plan.

The deferred component of Mr George's FY15 STI award has a value of \$135,405. This results in a proposed grant of 448,956 performance rights to the Managing Director. The number of performance rights to be granted has been determined using the volume weighted average ASX market price of Stapled Securities in the last five trading days of the FY15 financial year of \$0.3016 in accordance with the rules of the STI Plan.

The vesting and forfeiture conditions that apply to the performance rights granted in satisfaction of the deferred component of Mr George's FY15 STI award are:

1. Unless they vest or are forfeited or lapse at an earlier date in accordance with the Equity Plan, the performance rights will vest when the first trading window is opened (as determined under the Company's Securities Trading Policy) after the release of Infigen Energy's financial results for FY16.
2. The performance rights will be forfeited if the Managing Director's employment ceases other than due to death, total and permanent disablement, redundancy, retirement or other reason approved by the Board prior to the vesting date in point 1 above.
3. The performance rights will automatically lapse upon the happening of certain events specified in the Equity Plan (these are summarised in Annexure A).
4. The Board of the Company may declare that a performance right has lapsed if the performance right was awarded to the Managing Director based on a Key Performance Indicator (KPI) achievement under the STI Plan for FY15 that is subsequently determined to be incorrect as a result of misstated financial information and the performance right would not have been awarded by the Board of the Company had it been aware of the financial misstatement.
5. The Board of the Company may declare that a performance right has lapsed where the Board determines that any performance rights awarded to the Managing Director as part of a previous LTI award which vested in FY15 should not have vested because the assessment of the applicable performance condition was based on a materially adverse financial misstatement and that the Managing Director's deferred FY15 STI performance rights should be forfeited to take account of the LTI performance rights which should not have vested.
6. The Board of the Company has discretion to accelerate the vesting of all or part of any unvested Award in certain circumstances described in the Equity Plan, including if a takeover bid is made to the holders of Stapled Securities that the Board resolves has a reasonable prospect of success or if Stapled Securities cease to be quoted on an exchange. These circumstances are outlined in Annexure A.

### Long Term Incentive as part of Mr George's FY16 remuneration package

Mr George will, subject to Securityholder approval, be eligible to receive an LTI award under the Equity Plan that is on the same terms as LTI awards made to other senior managers for FY16.

Under the FY16 LTI award, Mr George is eligible to receive a maximum of 1,780,504 performance rights, dependent upon the achievement of applicable performance conditions over the measurement period (see further discussion below). This award is for performance rights with a market value of \$537,000 as at 1 July 2015 assuming all performance conditions are ultimately satisfied and all 1,780,504 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 FY15 financial year of \$0.3016 multiplied by the 1,780,504 performance rights.

### Current remuneration of Mr George

The table below sets out the estimated remuneration of Mr George for FY16 as set by the Nomination & Remuneration Committee. The estimated remuneration is based on information available to Infigen Energy 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 short term and long term incentive plans, and will be reported in Infigen Energy's subsequent Annual Reports.

<b>Remuneration categories</b>	<b>FY16 remuneration</b>
Fixed remuneration (inclusive of statutory superannuation)	\$636,000
Maximum short term incentive opportunity (up to 50% of any STI award will be deferred under the rules of the STI Plan)	\$523,000
Long term incentive opportunity	\$537,000

## Performance conditions of proposed awards under the Equity Plan in respect of the FY16 LTI Grant

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 number (if any) of performance rights awarded to the Managing Director that will ultimately vest is dependent on the achievement of performance conditions determined by the Board of the Company. The Board of the Company has determined the performance rights should be subject to a Total Shareholder Return (**TSR**) performance condition 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 the vesting of Tranche 2 of the performance rights will be subject to the EBITDA performance condition.
3. The performance period for both Tranche 1 (TSR condition) and Tranche 2 (EBITDA performance condition) will be a three year period from 1 July 2015 to 30 June 2018.
4. The Board of the Company has the discretion to vary or substitute either or both of the performance conditions in circumstances where a significant corporate transaction materially affects the achievability of a performance condition. If these circumstances arise the Board of the Company will exercise its discretion in a manner consistent with ensuring that the revised or alternative performance condition(s) is/are not materially easier or more difficult to achieve than the condition(s) as it/they stood before the transaction occurred.
5. Further details of the current performance conditions are provided below.
6. **TSR performance 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 companies in the financial services and the materials/resources sector).
7. 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 Infigen Energy 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:

<b>Infigen Energy's TSR performance compared to the relevant peer group</b>	<b>Percentage of Tranche 1 performance rights that vest</b>
0 to 49 <sup>th</sup> percentile	Nil
50 <sup>th</sup> percentile	25%
51 <sup>st</sup> to 75 <sup>th</sup> percentile	27% – 75%  (ie. for every percentile increase between 51% and 75% an additional 2% of the Tranche 1 performance rights will vest)
76 <sup>th</sup> to 95 <sup>th</sup> percentile	76.25% – 100%  (ie. for every percentile increase between 76% and 95% an additional 1.25% of the Tranche 1 performance rights will vest)

8. **EBITDA performance condition** (applicable to Tranche 2 performance rights) – the vesting of the Tranche 2 performance rights will be subject to an EBITDA performance condition set by the Board of the Company. An EBITDA growth target is to be established annually by the Board of the Company. This growth target will be a stretch goal. The EBITDA performance will be measured relative to Infigen Energy's capital base. The annual EBITDA growth target will be a specified percentage increase in the ratio of EBITDA to Infigen Energy's Capital Base over the year. The Capital Base will be measured as prior year net assets less derivative valuations, plus current year's earnings and net debt, normalised for foreign exchange. Both the EBITDA and Capital Base will be measured on a proportionately consolidated basis to reflect Infigen Energy'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 growth targets will provide a cumulative target of which at least 90% must be achieved in order for any vesting of Tranche 2 performance rights to occur.

The annual EBITDA growth target for FY16 has been set to reflect the performance expectations of Infigen Energy'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 Infigen Energy'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 performance condition rewards senior management for sustaining and delivering capital efficiency performance over an extended period.

The vesting scale for the FY16 Tranche 2 performance rights is set out in the table below:

<b>Infigen Energy's EBITDA Performance</b>	<b>Percentage of Tranche 2 performance rights that vest</b>
90% ≤ 110% of the cumulative EBITDA target over the three year performance period	0% to 100% (ie. for every 1% increase between 90% and 110% of target an additional 5% of the Tranche 2 performance rights will vest)

9. Any performance rights that do not vest following the measurement of performance against the TSR and EBITDA performance conditions described above will be subject to a single re-test four years after the commencement of the relevant performance period (ie. after 30 June 2019). Any performance rights that do not vest following that re-test will then lapse.
10. The Board of the Company has discretion to accelerate the vesting of all or part of any unvested Award in certain circumstances described in the Equity Plan, including if a takeover bid is made to the holders of Stapled Securities that the Board resolves has a reasonable prospect of success or if Stapled Securities cease to be quoted on an exchange. These circumstances are outlined in Annexure A.
11. The rules 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 set out in the Equity Plan and are summarised in Annexure A.



12. The Board of the Company may declare that a performance right has lapsed following a materially adverse financial misstatement which previously overstated the Infigen Energy Group's financial performance to take account of performance rights which would not have been awarded or vested had the Board been aware of the financial misstatement.

#### Requirement for approval

Under Listing Rule 10.14, a Director of a listed entity can only acquire securities under an employee incentive scheme that may involve the issue of new listed securities with Securityholder approval. In accordance with the requirements of the Listing Rules, the following information is provided to Securityholders:

1. Each performance right that vests in accordance with the vesting conditions described above will (subject to the Board of the Company determining that the vested performance rights will be satisfied by the delivery of Stapled Securities instead of their cash equivalent value) translate into one Stapled Security (subject to any adjustment in accordance with the Equity Plan rules). Securityholder approval under item 4 is sought for the grant of a maximum of 2,229,460 performance rights to Mr George and the acquisition by Mr George of Stapled Securities in consequence of the vesting of these performance rights in accordance with the Equity Plan rules.
2. Mr George will not be required to pay any amount on the grant or vesting of his performance rights.
3. In accordance with the approved grant of performance rights to Mr George at the 2014 AGM, Mr George has been granted 3,144,685 performance rights for nil consideration since that meeting. None of those performance rights have vested as at the date of this Notice. However, upon the opening of the first trading window after the release of Infigen Energy's FY15 financial results on 31 August 2015, or as otherwise provided for within the Infigen Energy Equity Plan, the following changes are expected to occur to the number of performance rights held by Mr George:
  - 977,605 performance rights will vest and the same number of Stapled Securities will be issued to Mr George (being the performance rights granted to satisfy Mr George's deferred component of his FY14 STI);
  - 836,069 performance rights will vest and the same number of Stapled Securities will be issued to Mr George – these performance rights relate to Tranche 2 of Mr George's FY13 LTI award (granting of these performance rights was approved by Securityholders at the 2012 AGM); and

- 811,905 performance rights will lapse – with 458,687 of these performance rights relating to Tranche 1 of Mr George’s FY12 LTI award (granting of these performance rights was approved by Securityholders at the 2011 AGM) and 353,218 performance rights relating to the unvested portion of Tranche 2 of Mr George’s FY13 LTI award (granting of these performance rights was approved by Securityholders at the 2012 AGM).
4. 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.
  5. The proposed grant of performance rights to Mr George will be made as soon as practicable after Securityholder approval is obtained, and in any event no later than 12 months after this meeting.
  6. No loan will be made by Infigen Energy in connection with the potential grant of performance rights to Mr George.
  7. Mr George is currently the only Director of the Company, Foreign Company or Responsible Entity entitled to potentially receive a grant of performance rights under the Equity Plan.

The Directors of the Boards of the Company, the Foreign Company and the Responsible Entity (other than Miles George who abstains) recommend that Securityholders vote in favour of this resolution.

#### **Item 5: 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 its capacity as Auditor of the Company, the Trust and the Foreign Company during the 2015 financial year is shown in Note 34 to the financial statements within the Infigen Energy Annual Report 2015.

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 Infigen Energy'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.

## **ANNEXURE A - Overview of the Infigen Energy Equity Plan ("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).
5. 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.
6. 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.
7. 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.

8. 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.
9. The Board may impose performance conditions on any awards under the Equity Plan to reflect the Group's business plans, budgets and performance objectives. The Board may vary these performance conditions from time to time. Awards will not vest unless these vesting conditions are satisfied or accelerated vesting occurs in accordance with paragraph 13 below.
10. An Award does not entitle a participant to participate in any new issue of Stapled Securities. Awards will also 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).
11. 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 11(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 5 above, no amount is payable where that Market Price does not exceed that base price.

12. No amount is payable for the grant of an Award.
13. 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.

14. 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.
15. 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.
16. 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.
17. 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.

18. 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.
19. 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.



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