



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	14 September 2017
From	Helen Hardy	Pages	23
Subject	Origin Energy 2017 Notice of Annual General Meeting		

Please find attached a release on the above subject.

Regards

Helen Hardy
Company Secretary
02 8345 5000

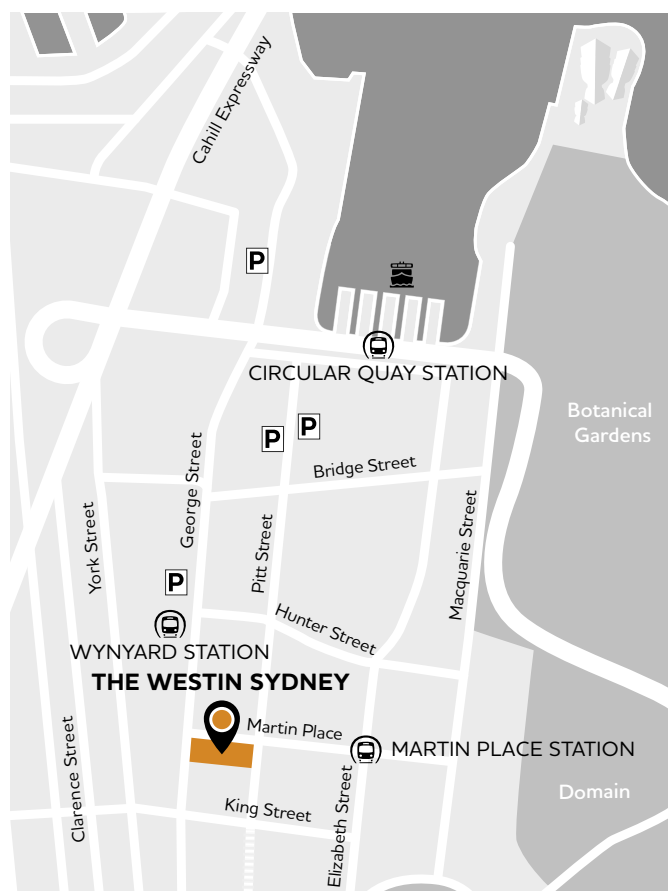
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NOTICE OF ANNUAL GENERAL MEETING 2017

Notice is given that the 2017 Annual General Meeting of shareholders of Origin Energy Limited (Company) will be held at The Westin Hotel, 1 Martin Place, Sydney on Wednesday, 18 October 2017 at 10:00am AEDT.

A webcast of the meeting can be heard on the Company's website at www.originenergy.com.au



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BUSINESS

1 FINANCIAL REPORT

To receive and consider the financial statements of the Company and the reports of the Directors and auditors for the year ended 30 June 2017.

2 ELECTION OF MS TERESA ENGELHARD

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

"That Ms Teresa Engelhard, being a Director who retires under rule 9.1(c) of the Company's constitution and being eligible, is elected as a Director of the Company."

Details of the qualifications and experience of Ms Engelhard and the recommendation of the Board in relation to her election are set out in the attached Explanatory Notes.

3 RE-ELECTION OF MS MAXINE BRENNER

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

"That Ms Maxine Brenner, being a Director who retires by rotation under rule 9.2(a) of the Company's constitution and being eligible, is re-elected as a Director of the Company."

Details of the qualifications and experience of Ms Brenner and the recommendation of the Board in relation to her re-election are set out in the attached Explanatory Notes.

4 REMUNERATION REPORT

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2017 be adopted."

This is a non-binding advisory vote.

Voting exclusion statement

The *Corporations Act* prohibits any votes being cast on Resolution 4 by or on behalf of a person who is a member of the key management personnel (KMP) of the Company (including the Directors and the Chairman) or a closely related party of that KMP as a proxy, or if that KMP is named in the Remuneration Report in any capacity. However, such a person may cast a vote on Resolution 4 as a proxy for a person who is permitted to vote if:

- the appointment of the proxy specifies the way in which the proxy is to vote on the resolution; or
- such a person is the Chairman of the meeting and the appointment of the proxy expressly authorises the Chairman of the meeting to exercise the undirected proxies even if the resolution is connected with the remuneration of a member of the KMP.

5 EQUITY GRANTS TO CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR MR FRANK CALABRIA

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the grant of Deferred Share Rights, Performance Share Rights and Options under the Company's Equity Incentive Plan to Chief Executive Officer and Managing Director, Mr Frank Calabria, in the manner set out in the Explanatory Notes to this Notice of Meeting be approved, and that this approval be for all purposes."

Voting exclusion statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 5 by or on behalf of Mr Frank Calabria or any of his associates who are eligible to participate in the Equity Incentive Plan. The Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - by the Chairman of the meeting 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.
- In addition, pursuant to the *Corporations Act*, the Company's KMP and their closely related parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless the appointment of the proxy either:
- specifies the way the proxy is to vote on the resolution; or
 - expressly authorises the Chairman of the meeting to exercise the undirected proxies even if the resolution is connected with the remuneration of a member of the KMP.

6 INCREASE IN AGGREGATE CAP OF NON-EXECUTIVE DIRECTORS' REMUNERATION

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of the ASX Listing Rules, rule 9.6(a) of the Company's constitution and for all other purposes, the maximum aggregate amount of remuneration which may be provided by the Company to Non-executive Directors for their services as Directors be increased by \$500,000 to a maximum sum of \$3,200,000 a year."

Voting exclusion statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 6 by or on behalf of any Director or any of their associates. The Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the meeting 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.

In addition, pursuant to the *Corporations Act*, the Company's KMP and their closely related parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless the appointment of the proxy either:

- specifies the way the proxy is to vote on the resolution; or
- expressly authorises the Chairman of the meeting to exercise the undirected proxies even if the resolution is connected with the remuneration of a member of the KMP.

7 RESOLUTIONS PROMOTED BY MARKET FORCES AND REQUISITIONED BY 129 SHAREHOLDERS

The following resolutions are **NOT SUPPORTED** by the Board:

7(a) Amendment to the Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

"To amend the constitution to insert at the end of clause 8.3 'Notice of general meetings' the following new sub-clause 8.3(e) 'The company in general meeting may by ordinary resolution express an opinion or request information

about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However such a resolution must relate to a material risk as identified by the company and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

7(b) Contingent resolution - Climate Risk Disclosure

Subject to and conditional on Resolution 7(a) being passed by the required majority, to consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That in order to address our interest in the longer-term success of the company, given the recognised risks and opportunities associated with climate change, we as shareholders of the company request information about the company's exposure to climate change-related risks. Such information should be provided in routine annual reporting from 2018, in accordance with the final recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)."

7(c) Contingent resolution - Transition Planning

Subject to and conditional on Resolution 7(a) being passed by the required majority, to consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That in order to address our interest in the longer term success of the company, given the recognised risks and opportunities associated with climate change, shareholders request information on how the company plans to transition to low-carbon technologies in order to manage the material risks from fossil fuel dependency. Such information should be provided in routine annual reporting from 2018, and should:

- Provide emissions-reductions targets (short, medium, long-term) that will result in 95 per cent clean energy generation by 2050 (base year: 2017);
- Explain how the company's capital expenditures, remuneration structure and its approach to public policy lobbying align with its transition strategy."

7(d) Contingent resolution - Short-lived Climate Pollutants

Subject to and conditional on Resolution 7(a) being passed by the required majority, to consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

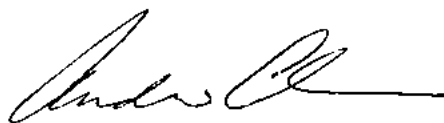
"That in order to address our interest in the longer term success of the company, given the recognised risks and opportunities associated with climate change, we as shareholders of the company request information on the company's strategy to accurately and comprehensively measure and reduce 'short-lived climate pollutants' (SLCPs), particularly fugitive methane emissions. Such information should be provided in routine annual reporting from 2018."

Resolutions 7(a) to 7(d) were proposed by a group of shareholders holding approximately 0.0169 per cent of the Company's ordinary shares. The Board considered the requisitions and the reasons put forward by the requisitioning shareholders and unanimously recommend that shareholders vote against Resolution 7(a) and, if necessary, Resolutions 7(b) to 7(d) for the reasons set out on pages 9 to 11 of the explanatory notes.

Please Note: Resolutions 7(b) to 7(d) are "advisory resolutions" and may only be put before shareholders for proper consideration at the meeting if Resolution 7(a) is first passed by special resolution. If Resolution 7(a) is not passed, these conditional resolutions will not be put to the meeting. However, the Company intends to allow shareholders a reasonable opportunity to ask questions on the subject matter of these resolutions at the meeting, even if Resolution 7(a) is not passed.

The Chairman of the meeting intends to vote undirected proxies AGAINST Resolutions 7(a) to 7(d).

By order of the Board



Andrew Clarke
Company Secretary
Sydney, 14 September 2017

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NOTES

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

Pursuant to Regulation 7.11.37 of the *Corporations Regulations*, the Company has determined that, for the purpose of the meeting, shares will be taken to be held by the persons who are the registered holders at 7:00pm AEDT on Monday, 16 October 2017. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

PROXIES, ATTORNEYS AND CORPORATE REPRESENTATIVES

A shareholder who is entitled to attend and vote may appoint not more than two proxies and may specify the proportion or number of the shareholder's votes each proxy is entitled to exercise. If two proxies are appointed but no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

The Chairman intends to put each resolution forward for decision by poll.

On a poll, shareholders have one vote for every fully paid ordinary share held. 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 shareholder appoints two proxies, neither proxy may vote on a show of hands, but both proxies will be entitled to vote on a poll.

A proxy has the same rights as a shareholder to speak at the meeting, to vote (but only to the extent permitted by law and allowed by the appointment) and to join in a demand for a poll.

Shareholders who have appointed a proxy may still attend the meeting. The proxy is not revoked by the shareholder attending and taking part in the meeting, unless the shareholder actually votes at the meeting on a resolution for which the proxy is proposed to be used.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of shareholders shall be accepted to the exclusion of the others, regardless of whether the vote is given in person or by proxy or by representative or by attorney.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act*; and
- provides satisfactory evidence of the appointment of its corporate representative to the Company at least 48 hours prior to commencement of the meeting.

If such evidence is not received at least 48 hours prior to the commencement of the meeting, then the body corporate proxy (through its representative) will not be permitted to act as the shareholder's proxy.

Proxy forms (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be received by the Company's share registry, Boardroom Pty Limited, by 10:00am AEDT on Monday, 16 October 2017. A proxy may be lodged with Boardroom Pty Limited:

- online, at www.votingonline.com.au/originagm2017 or as a registered user via InvestorServe or the Boardroom App;
- by mail, at Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001;
- by hand, at Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000; or
- by facsimile, on +61 2 9290 9655.

UNDIRECTED PROXIES

If the Chairman of the Meeting is your proxy, and you do not mark a box next to Resolutions 4, 5 and 6, then by completing and returning the proxy form, you will be expressly authorising the Chairman to vote as they see fit in respect of Resolutions 4, 5 and 6 even though these Resolutions are connected with the remuneration of the Company's KMP.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2 to 6.

The Chairman of the meeting intends to vote undirected proxies AGAINST Resolutions 7(a) to 7(d).

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution.

QUESTIONS AT THE MEETING

The meeting is intended to give shareholders the opportunity to hear the Chairman and the Chief Executive Officer, to discuss the financial year ended 30 June 2017 and to give some insight into the Company's prospects for the year ahead and provide an opportunity for shareholders to ask questions relevant to the Company. The Company welcomes shareholders' questions at the meeting. However, in the interests of those present, questions or comments should be confined to resolutions before the meeting and should be relevant to shareholders as a whole.

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Meeting and are intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions.

The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions.

1 RECEIVE AND CONSIDER REPORTS FOR YEAR ENDED 30 JUNE 2017

The Company's Annual Report has been made available to shareholders and is published on the Company's website (www.originenergy.com.au). Shareholders are not required to vote on the financial statements and the reports of the Directors and auditor. As described on page 4 of the Notice of Meeting, at the meeting there will be an opportunity for shareholders to comment on and ask questions about the management of the Company.

2 ELECTION OF MS TERESA ENGELHARD, INDEPENDENT NON-EXECUTIVE DIRECTOR

Teresa Engelhard joined the Board of the Company in May 2017 and is a member of the Remuneration and People Committee and the Audit Committee.

Teresa has more than 20 years' experience in the information, communication, technology and energy sectors as a senior executive and venture capitalist. Teresa is a Non-executive Director of RedBubble Ltd (since July 2011), Planet Innovation Ltd (since April 2016), StartupAUS (since March 2016), Redkite (since February 2017) and a member of Innovation and Science Australia's Entrepreneurs' Programme Committee (since May 2015). Teresa started her career at McKinsey & Company in California and spent a decade in Silicon Valley as a venture capitalist and executive before moving to Australia in 2006. More recently, she has focused on energy sector innovation as a venture investor and board member. Teresa's past directorships include Daintree Networks, Redfern Integrated Optics and Zen Ecosystems.

Teresa holds a Bachelor of Science (Hons) degree from the California Institute of Technology (Caltech), an MBA from Stanford University and is a graduate member of the Australian Institute of Company Directors.

Prior to Teresa's appointment, the Company undertook independent checks relevant to her character, experience, education, criminal record and bankruptcy history, and concluded that it was appropriate to appoint Teresa to the Board.

The Board (with Teresa absent) reviewed the performance of Teresa in the four months since her appointment and concluded that her extensive experience in disruption, technology, innovation and growth, together with her global corporate perspectives, will further strengthen the Origin Board and complement the skills of the existing Directors. Teresa is considered an independent Director by the Board.

The Board (with Teresa absent) concluded that Teresa should be proposed for election and accordingly recommends that shareholders vote in favour of her election.

3 RE-ELECTION OF MS MAXINE BRENNER, INDEPENDENT NON-EXECUTIVE DIRECTOR

Maxine Brenner joined the Board in November 2013. She is Chairman of the Risk Committee and a member of the Audit and Nomination committees.

Maxine is a Non-executive Director of Orica Ltd (since April 2013) and Qantas Airways Ltd (since August 2013). She is also an Independent Director and Chairman of the Audit and Risk Committee for Growthpoint Properties Australia and a member of the University of NSW Council.

Maxine was formerly a Managing Director of Investment Banking at Investec Bank (Australia) Ltd. Prior to Investec, Maxine was a Lecturer in Law at the University of NSW and a lawyer at Freehills, specialising in corporate law. Her former directorships include Treasury Corporation of NSW, Neverfail Springwater Ltd, Federal Airports Corporation, where she was Deputy

Chair, and Bulmer Australia Ltd. In addition, Maxine has served as a Council Member of the State Library of NSW and as a member of the Takeovers Panel.

Maxine holds a Bachelor of Arts and a Bachelor of Laws.

The Board (with Maxine absent) reviewed the performance of Maxine. The review included consideration of her expertise, skill and experience as well as her performance and contribution to the work of the Board over her term of office. The Board believes that Maxine provides, through her extensive strategic, financial and legal experience, considerable strength and leadership to the Board and its deliberations generally. Additionally, these skills add to the strength of the committees on which she serves. While Maxine is a member of other Audit Committees, due to the different financial year ends of the companies, she is able to devote adequate time and attention to her Audit Committee work. Maxine is considered an independent Director by the Board.

The Board (with Maxine absent) concluded that Maxine should be proposed for re-election and accordingly recommends that shareholders vote in favour of her re-election.

4 ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Board is presenting the Company's Remuneration Report for the year ended 30 June 2017 to shareholders for consideration and adoption by a non-binding vote. The Remuneration Report was first published on 16 August 2017 and has also been available on the Company's website (www.originenergy.com.au) since then.

The Remuneration Report:

- explains the Board's policies in relation to the objectives and structure of Origin's remuneration system;
- discusses the relationship between the remuneration outcomes and the returns to shareholders;

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- provides details of performance conditions, why they were chosen and how performance is measured against them;
- describes the governance framework of Origin's remuneration arrangements; and
- sets out the remuneration arrangements for each Director and each of the KMP of the Company.

Shareholders will have a reasonable opportunity to ask questions and comment on the Remuneration Report at the meeting.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

Shareholders should also note that, if 25 per cent or more of the votes cast are against the Remuneration Report, the first element in the Board spill provisions contained in the *Corporations Act* (ie the 'two strikes rule') will be triggered. While this would not impact on the current year's Annual General Meeting, it would affect next year's Annual General Meeting.

The *Corporations Act* prohibits certain persons from voting on this item of business. The voting exclusion statement relating to this item of business is set out on page 2 of the Notice of Meeting.

The Board recommends that shareholders vote in favour of adopting the Remuneration Report.

5 EQUITY GRANTS TO CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR MR FRANK CALABRIA

Resolution 5 seeks shareholders' approval to the grant of equity incentives to Mr Calabria with respect to his short term and long term incentives for the financial year ended 30 June 2017:

DEFERRED SHARE RIGHTS (DSRS)

136,668 DSRs vesting in three equal parcels of 45,556 after 2, 3 and 4 years respectively. This represents the Deferred Element (50 per cent) of his STI award for FY2017, calculated on a face value basis as detailed in section 5.3, the remaining 50 per cent of Mr Calabria's STI award was paid in cash.

PERFORMANCE SHARE RIGHTS (PSRS)

126,866 PSRs vesting after 4 years subject to a dual hurdle of Return on Capital Employed (ROCE) and achievement of pre-tax weighted average cost of capital (WACC). This represents 50 per cent of his target LTI allocation for FY2017, calculated on a face value basis as detailed in section 5.3.

OPTIONS

401,288 Options with an exercise price of \$7.37, vesting after 5 years subject to the TSR performance condition. This represents 50 per cent of his target LTI allocation for FY2017, calculated as detailed in section 5.3

The Company's equity incentive arrangements represent key elements of its remuneration and retention strategies for executives, including Mr Calabria. The deferred component of the Short-Term Incentive (Deferred STI) and Long-Term Incentive (LTI) arrangements are important in aligning the interests of senior executives with those of shareholders.

Together, the Deferred STI and the LTI provide executives with a deferred equity interest in the Company. Whether the incentive provides value to the executive, and if so, how much, will depend on the Company's share price and return performance, and return on capital employed, over the deferral period. There is no certainty of that, so these incentives are "at risk" remuneration.

Detailed information about the Company's incentive plans and policies, their objectives and structure and the performance hurdles that apply to them is set out in the Remuneration Report.

5.1 WHY APPROVAL IS NEEDED

Under Listing Rule 10.14, shareholder approval is required for the issue of securities to any Director under an employee incentive scheme. The Company's Non-executive Directors receive fixed fees and are not eligible to participate in any incentive scheme. As Chief Executive Officer & Managing Director, Mr Calabria is the only Director entitled to participate under the scheme.

The approval sought from shareholders is for all purposes, including the allotment of shares on vesting (and where relevant, exercise) of the DSRs, PSRs and Options in future years. If shareholder approval is given for this resolution under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1.

5.2 OVERVIEW OF EQUITY INCENTIVE ARRANGEMENTS

DEFERRED STI

One-half of Mr Calabria's STI award is deferred and subject to a condition of ongoing service¹. That deferred element is paid in the form of DSRs, which do not require payment from Mr Calabria as they represent part of his earned STI. The DSRs granted are divided into three equal tranches which will vest (provided he meets the requirement of ongoing service) respectively after two, three and four years.

LTI

For the most senior executives, including Mr Calabria, LTI arrangements are paid half in Options and half in PSRs, each of which entitles Mr Calabria to receive a fully paid ordinary share in the Company on vesting and exercise. The allocation of these PSRs and Options do not require payment from Mr Calabria as they represent part of his remuneration package. Vesting and exercise can only occur if specific performance conditions have been met and in the case of Options, if Mr Calabria pays the exercise price to receive the shares.

¹ Except in limited circumstances such as death, disability, or genuine retirement as set out in the Equity Incentive Plan Rules.

PSRs – Performance hurdles and vesting scale

For PSRs, the Board has set a dual hurdle of Return on Capital Employed (ROCE Hurdle), which is statutory Origin EBIT divided by Funds Employed², and achievement of pre-tax Weighted Average Cost of Capital (WACC).

The ROCE Hurdle for the FY2017 PSRs is measured over each of four financial years (FY2018–FY2021), beginning on the 1 July 2017 and ending on 30 June 2021. ROCE performance for that period is then determined by the simple arithmetic average of the four annual returns. The average target for that period has been defined by the Board.

If the ROCE Hurdle is met, the pre-defined pre-tax WACC must be also achieved in FY2020 and/or FY2021 for half of the PSRs to vest. All of the PSRs will vest only if the pre-defined pre-tax WACC is exceeded by at least two percentage points in FY2020 and/or FY2021, with proportional vesting on a straight-line basis between those two outcomes.

The exercise price for PSRs is nil. PSRs are exercised automatically on vesting, and lapse immediately if they fail to vest on the test date.

Options – Performance condition and vesting scale

For Options, the Board has set a Total Shareholder Return (TSR) hurdle over the performance period relative to a Reference Group of companies (Relative TSR Hurdle). The Reference Group is determined by the Board at the beginning of the performance period and for the FY2017 Options comprises the 10 ASX-listed companies that are larger than and the 10 that are smaller than Origin (by market capitalisation) plus AGL, Woodside, Santos and Oil Search (if they are not already in that group).³

The Relative TSR Hurdle for the FY2017 Options is measured over a period of five financial years, beginning on 1 July 2017 and ending on 30 June 2022. The TSR for Origin and for each company in the Reference Group is measured on the basis of a three month weighted average prior to the first and last dates of the five-year performance period.

Vesting of Options occurs if Origin's TSR exceeds the 50th percentile of the Reference Group over the five-year performance period. Half of the Options vest if Origin's TSR exceeds the 50th percentile and the full award of Options vests if Origin's TSR meets or exceeds the 75th percentile, with proportionate vesting on a straight-line basis for outcomes between the 50th and 75th percentiles.

Even if the Relative TSR Hurdle is satisfied, Options that vest can only be exercised if Mr Calabria pays the exercise price upon which shares are then allotted. As a result, even if the Relative TSR Hurdle is satisfied, Options have no value unless the share price rises above the exercise price. Therefore, the hurdle combines both absolute and relative share price performance conditions.

As set out in the Remuneration Report, the exercise price of the Options to be granted to Mr Calabria is the same as applies to other senior executives, which is the 30-day Volume Weighted Average Price (VWAP) to the 30 June 2017, which is \$7.37.

Unexercised Options lapse up to a maximum of 10 years after the grant date.

ADDITIONAL TERMS – DSRs, PSRs & OPTIONS

All DSRs, PSRs and Options are subject to Clawback in accordance with the Equity Incentive Plan Rules. Clawback provisions allow the Board to cancel unvested equity awards or to demand the return of shares or the realised cash value of those shares where the Board determines that the benefit obtained was inappropriate as a result of fraud, dishonesty or breach of employment obligations by the recipient or any employee of the Group.

There is no retesting. DSRs lapse if the ongoing service condition is not met. Any unvested PSRs and/or Options after the test at the end of the relevant performance period lapse immediately.

Upon vesting of a DSR or a PSR, or exercise of an Option, each converts into one fully paid ordinary share in Origin allotted to Mr Calabria. Shares so allotted may be subject to disposal restrictions including those in accordance with the Company's Dealing in Securities policy.

DSRs, PSRs and Options normally lapse on termination, except in a limited number of circumstances such as death, disability, redundancy or genuine retirement. In those limited circumstances DSRs may vest, and PSRs and/or Options may be left on foot.

No loan from the Company is available on the issue of DSRs, PSRs or Options or any other aspect under the proposed equity grant.

If a change of control⁴ occurs prior to the vesting of DSRs, which represent a portion of an earned bonus, the Board has discretion to vest at the date of the change of control. If a change of control occurs prior to the vesting of PSRs and/or Options that have been held for at least one year at the time of change of control, the Board has discretion to bring forward testing against the performance conditions as at the date of the change of control, and vesting will occur to the extent that the relevant Performance Conditions have been met.

2 The ROCE numerator is Origin's EBIT and Origin's share of Australia Pacific LNG (APLNG) EBIT plus the dilution adjustment, with adjustment to remove:

- Origin's share of APLNG interest and tax (which is included in Origin's reported EBIT); and
- Items excluded from underlying earnings in the (decrease)/increase in fair value of financial instruments and LNG items category (the LNG items category ceased once Train 2 commenced operations on 5 November 2016).

Gains or losses on disposals and impairments are included unless specifically excluded by the Board.

The denominator average capital employed (ACE) is shareholders' equity plus Origin debt plus Origin's share of APLNG project finance less the non-cash fair value uplift in Origin's investment in APLNG plus net derivative liabilities. The adjustment to ACE reflects the impact of the accounting uplift in the asset base of APLNG of \$1.9 billion which was recorded on the creation of the APLNG Joint Venture. This balance was reduced by \$1,846 million during FY2017 reflecting Origin's share of the impairment recorded by APLNG of its non-current assets. The remaining non-cash fair value uplift balance of \$30 million will be depreciated in APLNG's income statement on an ongoing basis and, therefore, a dilution adjustment is made to remove this depreciation. From Origin's perspective, cash was received for this amount up-front at the time of the creation of the Joint Venture. The non-cash fair value adjustments are disclosed and explained in Note E1.2 in the financial statements. ACE is a simple average of opening and closing capital employed in any one year.

3 For FY2017 grants, the TSR Reference Group comprises the following 23 companies which were the relevant companies on 30 June 2017: AGL Energy, AMP, APA Group, Aristocrat Leisure, ASX Limited, Aurizon, Brambles, Cimic Group, Goodman Group, Lendlease, Newcrest Mining, Oil Search, Qantas, Ramsay Health, ResMed, Santos, Sonic Healthcare, South32, Stockland, Sydney Airport, Treasury Wine Estates, Vicinity Centres and Woodside Petroleum. Companies that subsequently cease to be listed (for example through merger, acquisition or de-listing) are not replaced, unless the Board determines otherwise.

4 On a person/entity acquiring 50 per cent or more of the relevant interest in the Company pursuant to a takeover bid that has become unconditional, or on a person/entity otherwise acquiring 50 per cent or more of a relevant interest in the issued capital of the Company.

On a capital reorganisation, the number of unvested DSRs, PSRs and/or Options to which each participant is entitled, or the exercise price (if any) or both, may be adjusted in a manner determined by the Board to minimise or eliminate any material advantage or disadvantage to the participant⁵.

DIVIDENDS, TRADING AND HEDGING

Dividends are not paid on DSRs, PSRs or Options. Dividends are only paid (and voting rights only attach) to shares issued on vesting (in the case of DSRs or PSRs) or exercise (in the case of Options).

The DSRs, PSRs and Options granted under the Company's incentive plans are not transferable without the consent of the Board. Holders are prohibited from entering into hedging arrangements in respect of the unvested DSRs, PSRs and/or Options.

5.3 EFFECT OF APPROVAL

DEFERRED STI - DSRs

The number of DSRs to be granted to Mr Calabria was calculated by taking the dollar value of his FY2017 STI Deferred Element (\$1,007,250) and dividing it by the Face Value of a share, determined as the 30-day VWAP to 30 June (\$7.37). This number is rounded to the nearest whole number divisible by three, because the DSRs are divided into three numerically equal parcels.

Accordingly, the number of DSRs to be granted is 136,668 (to be divided into three parcels each 45,556).

LTI – PSRS AND OPTIONS

The number of PSRs to be granted to Mr Calabria was calculated by taking half of the dollar value of his LTI award (\$935,000) and dividing it by the Face Value of a share, determined as the 30-day VWAP to 30 June (\$7.37), rounded to the nearest whole number.

Accordingly, the number of PSRs to be granted is 126,866.

The number of Options to be granted is calculated by taking the remaining half of the dollar value of the LTI award (\$935,000) and dividing it by the expected value of an Option, which is determined independently through a Black Scholes model with a Monte Carlo simulation methodology. This is the same methodology that is used to determine

the 'fair value' that is recognised under accounting standards for expensing⁶. It is not possible to use a Face Value approach for determining the number of Options, because the exercise price payable for an Option is set as the current market value of an Origin share. Therefore, the present day value of an Option (Face Value less the exercise price to pay) is zero.

As set out in the Remuneration Report, the exercise price for Options is determined as the 30-day VWAP to 30 June 2017 (\$7.37). The expected value is also referenced to 30 June 2017. Mercer Consulting has independently determined the expected value at 30 June 2017 to be \$2.33. Accordingly, the number of Options to be granted, rounded to the nearest whole number, is 401,288.

TIMING OF ISSUE

Subject to shareholder approval being obtained, it is intended that the DSRs, PSRs and Options will be issued to Mr Calabria shortly after the 2017 AGM.⁷

5.4 ISSUES OF SECURITIES SINCE THE LAST APPROVAL BY SHAREHOLDERS

There have been no securities issued to Mr Calabria since his appointment as Chief Executive Officer and Managing Director on 19 October 2016. No vesting of any of Mr Calabria's prior year LTI awards occurred during FY2017.

At the 2016 AGM, shareholders approved the issue of 450,000 Options and 129,558 PSRs to the Company's previous Managing Director Mr Grant King for nil consideration with respect to the financial year ended 30 June 2016. These securities were issued to Mr King on 19 October 2016.

There had been no other securities issued to Directors or their associates since that date.

5.5 DIRECTORS' RECOMMENDATION

The Directors, with Mr Calabria abstaining, recommend shareholders vote in favour of Resolution 5.

The Listing Rules and the Corporations Act prohibit certain persons from voting on Resolution 5. A voting exclusion statement with regard to Resolution 5 is set out on page 2 of the Notice of Meeting.

6 INCREASE IN AGGREGATE CAP OF NON-EXECUTIVE DIRECTORS' REMUNERATION

In accordance with rule 9.6(a) of the Company's constitution and ASX Listing Rule 10.17, the Company is seeking approval from shareholders to increase the maximum aggregate amount available for Non-executive Directors' remuneration from \$2,700,000 to \$3,200,000 per year, an increase of \$500,000 per year. The current maximum aggregate amount of \$2,700,000 was approved by shareholders at the 2010 Annual General Meeting.

The fees payable to Non-executive Directors are reviewed annually by the Remuneration and People Committee. The remuneration provided to each Non-executive Director for the year ended 30 June 2017 is detailed in the Remuneration Report. In respect of the financial year ended 30 June 2017, the total aggregate amount of remuneration paid to Non-executive Directors was \$2,263,585. This amount includes statutory superannuation contributions but does not include other payments that may be payable to the Non-executive Directors, as provided for in the Company's constitution.

The fees paid to Non-executive Directors have remained unchanged since FY2013, and no increases in fees are proposed for FY2018. Based on current Board and Committee membership, the aggregate for Non-executive Directors base and Committee fees is not expected to exceed \$2,275,000 for the financial year ending 30 June 2018.

Accordingly, it is not the Company's intention to use the whole of the new maximum aggregate immediately.

⁶ The difference between the value calculated for the purpose of allocation and for the purpose of grant date valuation arises because there is a delay between the offer and the granting of the award and therefore there is likely to be share price movement during that period.

⁷ To satisfy Listing Rule 10.14, the Company confirms that the securities will be issued within 12 months of the date of the 2017 AGM or any adjournment of it.

⁵ If new awards are granted, they will, unless the Board determines otherwise, be subject to the same terms and conditions as the original awards.

The Board is seeking shareholder approval to increase the maximum aggregate amount for Non-executive Directors' fees for the following reasons:

- the Board previously had two executive directors who did not receive any fees. It is intended that future Board members would be non-executive and therefore more of the maximum aggregate amount will be utilised than previously;
- to continue to attract and retain individuals of the highest calibre to oversee the strategic and operational challenges of the Company;
- to allow for additional Non-executive Directors being appointed to the Board and provide for appropriate transition periods as part of an active Board renewal and succession planning process; and
- to allow for future adjustments in line with market conditions.

In deciding to seek shareholder approval for the increase to the maximum aggregate amount, a review was undertaken of the prevailing levels of Non-executive Director remuneration across companies within the S&P/ASX 50 Index. The amount of the increase and the percentage of the increase to the maximum aggregate amount are appropriate and are consistent with recent shareholder approvals obtained by other S&P/ASX 50 companies.

Shareholders should note that the proposed increase in maximum aggregate amount does not relate to salaries paid to the Chief Executive Officer and Managing Director in his capacity as an executive of the Company. He does not receive remuneration in the form of directors' fees in addition to his salary as disclosed in the Remuneration Report.

No securities have been issued to a Non-executive Director under ASX Listing Rules 10.11 or 10.14 with the approval of shareholders at anytime within the last three years.

Because they have a personal interest in the subject of this resolution, the Directors have abstained from making a recommendation to shareholders in relation to this resolution.

7 RESOLUTIONS PROMOTED BY MARKET FORCES AND REQUISITIONED BY A GROUP OF SHAREHOLDERS

A group of shareholders holding approximately 0.0169 per cent of the Company's ordinary shares has proposed Resolutions 7(a) to 7(d) under section 249N of the *Corporations Act* and also requested pursuant to section 249P of the *Corporations Act* that the statements set out in the attachment to this notice be provided to shareholders.

Resolution 7(a) seeks an amendment to the Company's Constitution. Resolutions 7(b) to (d) are advisory resolutions that will only be put to the AGM if 75 per cent or more of the votes cast on Resolution 7(a) are in favour.

Consistent with the Company's approach to inviting shareholder debate and feedback, it is the Board's intention to allow a reasonable opportunity at the AGM to take questions from shareholders on each of Resolutions 7(a) to (d), even if those resolutions are not ultimately put to the meeting.

7(A) AMENDMENT TO THE CONSTITUTION

THE BOARD'S RESPONSE

The Board respects the rights of shareholders to requisition a resolution which seeks to amend the Company's Constitution. The Board does not, however, consider the requisitioned resolution to change the Constitution to be in the best interests of the Company and recommends that shareholders vote against it for the reasons set out below.

This resolution proposes to insert a new provision in the Company's Constitution which would enable shareholders, by ordinary resolution, to express a specific opinion, or request information, about the way in which the management of the business and affairs of the Company has been or should be exercised.

Shareholders already have a right under the *Corporations Act* to put effective resolutions to general meetings. In addition, there are a number of avenues available to them to express their opinions about the management of the Company. Most notably, shareholders can attend, engage in and ask questions at general meetings of the Company, or submit questions in advance of the meeting where they are unable to attend in person. Webcasts of annual general

meetings are available on the Origin website, along with copies of other investor briefings and presentations by the Chief Executive Officer.

Origin has an investor relations program to facilitate effective two-way communication with investors. Origin regularly and constructively engages with its shareholders and wider stakeholder groups to understand how Origin's operations and activities impact them. Through this process, the Company receives feedback on its strategies, affairs and outlook. This feedback has been provided, and will continue to be provided, to Origin with the flexibility and agility to adjust both its strategy and its external reporting of that strategy and operations to respond to the prevailing expectations of its shareholders and stakeholders. For example, the Company's remuneration structure has evolved a number of times in recent years to continually meet shareholder expectations and better align with shareholder interests. As a consequence, our Remuneration Report has also been improved and re-presented for the same reasons. Further, the content of Origin's Sustainability Report in recent years has responded continually to stakeholder requests and interests. We have consistently improved the quality and nature of that report as shareholders have sought more information, and we now publish it in time for shareholders to read it while considering AGM materials. These engagements with shareholders and the resetting of internal plans and communication efforts all occur without the need for any constitutional requirement.

The Directors do not believe that the amendment contemplated by this resolution will improve the ability for shareholders as a whole to be heard and to express their opinions about the management of the Company. Creating a constitutionally entrenched power to "express an opinion" or "request information" on the exercise of powers vested in the directors could allow groups of shareholders to use the general meeting process for their philosophical or ideological purposes, which may cause confusion and may not advance the interests of shareholders as a whole. Interest and advocacy groups have other avenues to engage with the Company that are a more appropriate use of time and resources of all shareholders – and the Company welcomes and encourages that engagement.

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The Directors are of the view that the proposed resolution could adversely impact on the governance of the Company. The power to manage the business of the Company is conferred upon the Board by the Constitution. It is important that the Directors are able to make decisions using their business judgment about the business and affairs of the Company in the interests of shareholders as a whole. Shareholders have the ability to hold directors to account for their decisions and actions by voting on the appointment and removal of directors.

Having regard to these reasons, the Board considers the proposed amendment to the Company's constitution is not in the best interests of shareholders.

Accordingly, the Board recommends that shareholders vote **against** this resolution.

The Chairman intends to vote undirected proxies **against** this resolution.

7(B) CLIMATE RISK DISCLOSURE

Resolution 7(b) is an "advisory resolution" and will only be presented to the meeting for consideration if Resolution 7(a) is passed by special resolution. If Resolution 7(a) is not passed, this item will not be put to the meeting. However, as noted above, the Company intends to allow a reasonable opportunity for shareholders to ask questions on the subject matter of this item.

THE BOARD'S RESPONSE

The Board does not endorse the resolution and recommends that shareholders vote against this resolution for the reasons set out below.

Origin's current disclosures already address many of the themes identified by Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), and the Company is committed to continuous improvement in its sustainability reporting.

In June 2017, the TCFD published its final disclosure recommendations covering four thematic areas of governance, strategy, risk management and metrics and targets. The Company believes that its Annual Report (including the Directors' Report, Corporate Governance Statement and Remuneration Report) and Sustainability Report already address many of the TCFD's recommendations referred to in the requisitioned resolution.

Governance matters relating to environmental issues are dealt with in the Corporate Governance Statement in the Annual Report. Climate related risks, opportunities and strategies are addressed in the Annual Report and the Sustainability Report.

Origin unequivocally supports the Paris Climate Accord and other measures to reduce carbon emissions, is supportive of all 50 of the Finkel Review recommendations and has advocated for clear government policies to meet Australia's 2030 emissions reduction target, and net zero emissions in the electricity sector by 2050 or earlier.

Addressing climate change is a key component of Origin's broader strategy. Origin's 2017 Sustainability Report outlines its position on climate change, its resilience to a carbon constrained world and its five pillared approach to the progressive decarbonisation of energy markets in Australia (see response to Resolution 7(c) below).

Origin has a target of adding up to 1,500MW of new renewable supply by 2020, with 1,200MW achieved to date. Origin has also made the commitment to publish the following by December 2017:

- analysis of the potential impact of a number of global carbon reduction scenarios (including a 2-degree scenario) on the wholesale electricity and generation portfolio; and
- a science based emissions reduction target that will be consistent with the IEA's 2-degree scenario.

Accordingly, the Directors are of the view that the resolution is not required given Origin's current reporting practices and its commitment to continually improving its disclosures.

Having regard to these reasons, the Board considers the proposed resolution is not in the best interests of shareholders.

The Board recommends that shareholders vote **against** this resolution.

The Chairman intends to vote undirected proxies **against** this resolution

7(C) TRANSITION PLANNING

Resolution 7(c) is an "advisory resolution" and will only be presented to the meeting for consideration if Resolution 7(a) is passed by special resolution. If Resolution 7(a) is not passed, this item will not be put to the meeting. However, as noted

above, the Company intends to allow a reasonable opportunity for shareholders to ask questions on the subject matter of this item.

THE BOARD'S RESPONSE

The Board does not endorse the resolution and recommends that shareholders vote against this resolution for the reasons set out below.

Origin recognises that energy is a critical part of the global climate change solution and is taking decisive action to support efforts to reduce carbon emissions. Origin believes that the transition to a low carbon future presents more opportunities than risks for the Company, given the resilience of its existing operations and a strategy focused on growth in renewables, gas and customer solutions. The 2017 Sustainability Report outlines the Company's five pillar approach to the progressive decarbonisation of energy markets in Australia:

- exit coal-fired power generation by early-2030s;
- significantly grow renewables in our portfolio;
- leverage our strong gas position as a lower emissions firming fuel;
- empower customers with low-carbon and energy efficient solutions; and
- consistently demonstrate leadership in climate change advocacy.

In 2015, Origin was the first energy company in the world to sign up to seven of the *We Mean Business* coalition commitments on climate change. In the 2017 Sustainability Report, Origin has committed to publish analysis of the potential impact of a number of global carbon reduction scenarios on the wholesale electricity and generation portfolio and to commit to a science based emissions reduction target that will be consistent with the IEA's 2-degree scenario by December 2017.

The Company's remuneration policies and arrangements are already disclosed in detail in the Remuneration Report. The Company's approach to capital expenditure and public policy and advocacy are also disclosed in detail in the Company's existing reporting documents, including the Operating and Financial Review, Sustainability Report and investor presentations.

Taking into account the disclosure the Company already makes, the resolution would require duplicate and potentially confusing additional disclosure and incur unnecessary additional costs.

The resolution also lacks sufficient clarity to enable practical application and invites disagreement as to compliance given there is no reporting standard against which to objectively benchmark the disclosure required.

Accordingly, the Directors are of the view that the resolution is not required given Origin's current reporting practices and its commitment to continually improving its disclosures.

The Board recommends that shareholders vote **against** this resolution.

The Chairman intends to vote undirected proxies **against** this resolution

7(D) SHORT-LIVED CLIMATE POLLUTANTS

Resolution 7(d) is an "advisory resolution" and will only be presented to the meeting for consideration if Resolution 7(a) is passed by special resolution. If Resolution 7(a) is not passed, this item will not be put to the meeting. However, as noted above, the Company intends to allow a reasonable opportunity for shareholders to ask questions on the subject matter of this item.

THE BOARD'S RESPONSE

The Board does not endorse the resolution and recommends that shareholders vote against this resolution for the reasons set out below.

Origin reports its emissions in the Sustainability Report. Emissions are characterised as either:

- scope 1 emissions, being emissions resulting from its business operations; or
- scope 2 emissions, being emissions resulting from the electricity Origin purchases to undertake its business operations.

Short Lived Climate Pollutant gases such as methane can leak from infrastructure such as pipe joints and valves and these are characterised as scope 1 emissions and are already reported in the Company's annual Sustainability Report. In line with the Queensland Government's regulatory requirements, all Australia Pacific LNG's gas field infrastructure is surveyed for methane leaks. Emission factors are utilised to

estimate leak rates and these factors are periodically reviewed from available scientific literature to increase the accuracy of reporting. Origin reports this information annually under the National Greenhouse Emissions Reporting Scheme and in the Company's annual Sustainability Report.

Most hydrocarbon-producing basins, including the Bowen and Surat Basins that host the major Queensland CSG fields, have naturally-occurring methane emitted from the landscape. These methane emissions have occurred for millennia, but there is little historical information on quantities emitted. The Company recognises that it is possible that gas development activities can change natural methane migration and emission patterns. Changes can include increases in some areas or decreases in others, depending on geology, water levels and other factors. The Company has been working with the CSIRO and other independent scientific experts in the areas of its operation. The aim is to research landscape emissions and understand where changes might be attributed to gas development activities. Where the Company obtains relevant information in relation to landscape emissions in its field of operations, it is intended they also be reported in the annual Sustainability Report.

Origin continues to take a proactive approach to methane emissions from landscape. One way of capturing methane emissions as they migrate through underground geology is to intercept them with gas wells. In FY2016 and FY2017 Origin successfully trialed this methodology. Further information regarding this trial is available in the 2017 Sustainability Report.

Taking into account the disclosure the Company already makes, the resolution would require unnecessary additional disclosure and incur unnecessary additional costs. Further, similar to Resolution 7(c), it also lacks sufficient clarity to enable practical application and invites disagreement as to compliance given there is no reporting standard against which to objectively benchmark the disclosure required.

Accordingly, the Directors are of the view that the resolution is not required given Origin's current reporting practices and its commitment to continually improving its disclosures.

The Board recommends that shareholders vote **against** this resolution.

The Chairman intends to vote undirected proxies **against** this resolution.

ATTACHMENT

SHAREHOLDER STATEMENTS

Supporting Statement 1

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders can follow the example of none of their UK, US, New Zealand or Canadian cousins in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that they seek more information or favour a particular approach to corporate policy.

The Constitution of Origin Energy is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of Origin Energy, the Origin Energy board and all Origin Energy shareholders.

Passage of this resolution – to amend the Origin Energy constitution – will simply put Origin Energy in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

Supporting Statement 2

We move this resolution with the intention to increase our company's resilience to regulatory and market changes that can be foreseen as international action is taken to limit global warming in accordance with the climate goals established by the Paris Agreement. In November 2016, the Paris Agreement entered into force, thereby committing 195 countries to holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and to pursue efforts to limit warming to 1.5°C¹.

This resolution seeks further information consistent with the final recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). According to the TCFD, improved disclosure of climate-related information will allow investors to "appropriately assess and price climate-related risk and opportunities"². Furthermore, "inadequate information about risks can lead to a mispricing of assets and misallocation of capital", potentially threatening financial system stability as "markets can be vulnerable to abrupt corrections"³.

¹The Paris Agreement, UN Framework Convention on Climate Change

²Recommendations of the Task Force on Climate-related Financial Disclosures, Final Report, June 2017

³Breaking the tragedy of the horizon – climate change and financial stability, Mark Carney, September 2015

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In describing the transition risks posed by the Paris Agreement, the TCFD states “rapidly declining costs and increased deployment of clean and energy-efficient technologies could have significant, near-term financial implications for organisations dependent on extracting, producing, and using coal, oil and natural gas”⁴.

The TCFD issued its final recommendations in June this year, which were subsequently endorsed by scores of companies including ANZ Banking Group, BHP Billiton and Royal Dutch Shell. The TCFD recommendations seek improved climate-related information from companies based on four key themes: Governance, Strategy, Risk Management, and Metrics and Targets.

Origin has disclosed much information related to climate change, particularly on Governance and Risk Management, in its annual submissions to the CDP (formerly Carbon Disclosure Project). As per TCFD guidance and its own commitments to the ‘We Mean Business’ coalition, Origin should seek to incorporate as much of this information as possible into mainstream financial reporting⁵.

According to its 2016 submission to the CDP (formerly Carbon Disclosure Project), Origin’s Public Policy team is responsible for “coordinating company-wide positions on climate change and related policies”⁶. Origin should disclose the process by which company-wide positions on climate change are formed, and whether executives responsible for forming these positions, particularly where it informs strategy, are adequately empowered, and how their remuneration is linked to climate change targets.

In relation to Strategy, Origin should disclose the risks and opportunities to its businesses over the short, medium and long term. This is particularly relevant for the development of new technologies, and how they may impact the behaviour of Origin’s customers. Origin should also disclose the physical risks posed to its infrastructure from climate change.

Arguably, the most important element of the TCFD recommendations (within the theme of Strategy) pertains to scenario analysis. Though Origin has clearly assessed the International Energy Agency’s (IEA) 450 Scenario⁷, to date the company has not disclosed the impacts on all of its businesses of such a scenario, nor policy scenarios consistent with the Paris Agreement. Shareholders should be rightly concerned about the company’s future under more aggressive policy pathways, including a 1.5°C scenario. Origin should disclose the results of the scenario analysis conducted to date, including the assumptions and sensitivities contained therein.

Origin should disclose the metrics used to assess the risks and opportunities posed by climate change. This should include the metrics used to assess the efficiency of new technologies, and the growth of gas demand in Origin’s export destinations.

Origin should seek to improve the disclosure of its greenhouse gas (GHG) emissions. Aggregated emissions, like those reported to the National Greenhouse Gas Inventory (NGGI), are a useful measure of the company’s performance, however, the company should disclose the emissions performance of individual assets.

⁴Recommendations of the Task Force on Climate-related Financial Disclosures, Final Report, June 2017

⁵ibid.

⁶Origin Energy - Climate Change 2016 Information Request, CDP

⁷Sustainability Report 2016, Origin Energy Ltd

Origin should disclose the metrics and targets by which they measure their performance in reducing emissions. Despite committing to adopt a “science-based emissions reductions target”⁸, which was due to be announced by the end of the 2016 calendar year, the company has yet to announce such a target. If Origin’s commitment to a science-based target has proven to be too difficult or inflexible, then the company should determine its own target and explain as much to investors.

Supporting Statement 3

We move this resolution with the intention to increase our company’s resilience to regulatory and market changes that can be foreseen as international action is taken to limit global warming in accordance with the climate goals established by the Paris Agreement. In November 2016, the Paris Agreement entered into force, thereby committing 195 countries to holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and to pursue efforts to limit warming to 1.5°C⁹.

In describing the transition risks posed by the Paris Agreement, the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) states “rapidly declining costs and increased deployment of clean and energy-efficient technologies could have significant, near-term financial implications for organisations dependent on extracting, producing, and using coal, oil and natural gas”¹⁰.

Investors are concerned that Origin is not properly assessing and reporting to shareholders on the financial, operational, and policy risks linked to planned capital expenditures on fossil-fuel based power generation, transmission and distribution.

The International Energy Agency (IEA) calculates that energy-related CO₂ emissions need to peak before 2020 and fall by more than 70% from 2017 levels by 2050 to limit global mean temperature rise to below 2°C with a probability of 66%. This equates to 95% clean energy generated by 2050¹¹.

In FY2016, Origin Energy was Australia’s fourth largest greenhouse gas (GHG) emitter¹². Climate change poses significant transition risks to Origin’s Energy Markets business. In FY2016, the company generated 61% of its electricity from coal, 28% from natural gas and 11% from renewables¹³. The emissions intensity of Origin’s generation portfolio is generally consistent with the National Electricity Market (NEM), operating at 0.88 tonnes of CO₂-e per MWh, marginally below the NEM average of 0.90 tonnes of CO₂-e per MWh¹⁴. However, the emissions intensity of Australia’s NEM is the highest amongst developed countries¹⁵ and globally behind only South Africa.

⁸Sustainability Report 2016, Origin Energy Ltd

⁹The Paris Agreement, UN Framework Convention on Climate Change

¹⁰Recommendations of the Task Force on Climate-related Financial Disclosures, Final Report, June 2017

¹¹Perspectives for the energy transition: Investment needs for a low-carbon energy system, IEA and IRENA, 2017

¹²Greenhouse and energy information by registered corporation, National Greenhouse and Energy Reporting (NGER) Scheme, 2015-16

¹³Annual Report 2016, Origin Energy Ltd

¹⁴Sustainability Report 2016, Origin Energy Ltd

¹⁵Analysis of electricity consumption, electricity generation emissions intensity and economy-wide emissions, Climate Change Authority, October 2013

Origin has committed to retiring its only coal-fired generator, Eraring, “in the 2030s”¹⁶, more than 50 years after its commission date. The company has not announced plans for the retirement of its gas-fired generators, claiming gas to be a “complementary fuel to support the intermittency of renewables”¹⁷. Origin has however, committed to build or contract up to 1,868MW of renewable capacity by June 2020¹⁸. Though this is a positive commitment, the company should disclose its long-term plans for its generation portfolio, and the expected emissions of its generation portfolio into the future.

Origin claims that renewable energy alone cannot deliver system reliability and that “the lowest cost and most carbon-efficient method of ensuring system reliability is increased use of low-emission, flexible, gas-fired generation”¹⁹. Yet the levelised cost of energy from utility-scale PV technologies, offshore wind generation, and lithium batteries continues to fall precipitously²⁰. Taller wind towers with greater rotor diameters for example are driving exponential gains in capacity. This makes continued investment in gas-fired plants with a 30-year life increasingly risky, given the dependence on the capital-intensive nature of replacing rapidly depleted gas wells and building/maintaining extensive pipelines.

Origin cites the IEA in stating, “gas [will be] the only fossil fuel that is expected to increase in demand under the 2°C scenario”²¹. Yet the IEA’s Energy Technology Perspectives 2017 report anticipates that in a “below-2°C” scenario, natural gas’s share of global energy use will fall by 47% against a 2014 baseline²². Origin should disclose the analysis upon which current and future capital expenditure on exploration and development of new gas reserves is based. Origin should disclose how such capital expenditures are consistent with multiple policy pathways.

Origin’s Integrated Gas business is also subject to significant transition risks. In FY2017, Origin incurred further post-tax impairment charges of \$3.064 billion, including \$1.846 billion on Australia Pacific LNG (APLNG)²³. Much of the impairments on APLNG were due to over-inflated oil price estimates. Now that APLNG is operating above design nameplate capacity²⁴, Origin should disclose its plans for APLNG to 2050, the sensitivity of APLNG to various gas demand scenarios, and how APLNG reconciles with IEA analysis of a low-carbon energy system.

Origin claims that the Long Term Incentives available to approximately 100 senior executives are “strongly linked to pursuing opportunities that decarbonising the energy sector provides”²⁵. Yet Performance Share Rights and Options are explicitly linked to measures of ROCE (Return on Capital Employed) and relative Total Shareholder Return²⁶, respectively. Given the transition risks faced by the company and the sectors in which it operates, Origin should disclose how its remuneration structures specifically align with decarbonisation. Origin should consider incentivising executives to meet climate-related targets; for example, emissions reductions or portfolio decarbonisation.

¹⁶Sustainability Report 2016, Origin Energy Ltd

¹⁷ibid.

¹⁸Full Year Results 2017, Origin Energy Ltd

¹⁹Sustainability Report 2016, Origin Energy Ltd

²⁰Levelised Cost of Energy Analysis 10.0, Lazard, December 2016

²¹Sustainability Report 2016, Origin Energy Ltd

²²Energy Technology Perspectives 2017, International Energy Agency

²³2017 Full Year Results, Origin Energy Ltd

²⁴ibid.

²⁵Origin Energy - Climate Change 2016 Information Request, CDP

²⁶Annual Report 2016, Origin Energy Ltd

Supporting Statement 4

We move this resolution with the intention to increase our company's resilience to regulatory and market changes that can be foreseen as international action is taken to limit global warming in accordance with the climate goals established by the Paris Agreement. In November 2016, the Paris Agreement entered into force, thereby committing 195 countries to holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and to pursue efforts to limit warming to 1.5°C²⁷.

As part of the We Mean Business Coalition's climate change initiatives, Origin committed to reduce short-lived climate pollutants (SLCPs)²⁸. SLCPs include methane, fluorinated gases including hydrofluorocarbons (HFCs) and black carbon²⁹. The oil and gas sector has been identified as the single largest source of methane globally³⁰.

Methane (CH₄) is the primary component of natural gas, and "can be directly released to the atmosphere at each stage of gas production and transport either intentionally (via flaring or venting, equipment purging, or incomplete combustion), or unintentionally (e.g. leaks and failures)"³¹. Methane can also enter the atmosphere via the landscape, known as migratory emissions. Origin correctly states, "the emission of methane is more potent and has a higher potential to exacerbate the effects of climate change than carbon dioxide"³². According to the Climate Council, "the global warming potential of methane is 86 times greater than carbon dioxide over a 20-year timeframe and 28 times greater over a hundred years"³³.

Due to methane's global warming potential, excessive fugitive emissions would jeopardise the dependence of Origin's strategy on natural gas "as the least emissions-intensive fossil fuel"³⁴. The Melbourne Energy Institute cited research from Alvarez et al that suggested "the methane-emission threshold at which point using gas for electricity generation provides no benefits over using coal occurs at a methane-emissions level equal to 3.2 per cent of total gas production"³⁵. This threshold is further lowered in the case of LNG that is exported, due to the energy consumed throughout the export and import process. Origin's claims of providing "cleaner energy" would therefore be seriously compromised by significant fugitive methane emissions.

Origin states that it surveys Australia Pacific LNG's gas field infrastructure for methane leaks, in accordance with the Queensland's Government's regulatory requirements³⁶. Origin reported in 2016 that its "fugitive methane emissions from flaring, venting and leakage at [its] oil and gas operations were 756 kt of CO₂-e", which were slightly down on the previous year, despite a significant increase in production volumes³⁷. Yet the Climate Council found that Australia's coal seam gas industry under-reports methane emissions due to:

²⁷The Paris Agreement, UN Framework Convention on Climate Change

²⁸Sustainability Report 2016, Origin Energy Ltd

²⁹Short-Lived Climate Pollutants, Climate and Clean Air Coalition

³⁰Global Methane Emissions and Mitigation Opportunities, Global Methane Initiative, December 2015

³¹Pollution and Price: The Cost of Investing in Gas, Climate Council, April 2017

³²Sustainability Report 2016, Origin Energy Ltd

³³Pollution and Price: The Cost of Investing in Gas, Climate Council, April 2017

³⁴Sustainability Report 2016, Origin Energy Ltd

³⁵A review of current and future methane emissions from Australian unconventional oil and gas production, Melbourne Energy Institute, October 2016

³⁶Sustainability Report 2016, Origin Energy Ltd

³⁷ibid.

- "a lack of field studies and direct measurement by the industry";
- "most reporting of methane emissions uses factors derived from out-dated United States (US) industry metrics which have been shown to significantly under-report emissions, particularly from the coal seam gas industry";
- "no baseline studies undertaken of methane emissions before development of large coal seam gas deposits took place in the Bowen and Surat Basins";
- "minimal studies have been done since of actual emissions over this now very large developed area"³⁸.

Origin relies on a single CSIRO study from 2014 to claim "fugitive emissions formed only a very small percentage of Scope 1 greenhouse gas emissions"³⁹. The CSIRO described it as a "pilot study", as it had measured emissions at just 43 coal seam gas (CSG) wells – less than 1 per cent of the existing CSG wells in Australia⁴⁰ (at the time). The study concluded that "to fully characterise emissions, a larger sample size would be required and measurements would need to be made over an extended period to determine temporal variation"⁴¹. Furthermore, that "there are many other potential emissions points throughout the gas production and distribution chain that were not examined in this study"⁴². To date, there have been no further studies published on the fugitive methane emissions from Queensland's CSG fields.

It is imperative that Origin, and the broader LNG industry in Australia, commission an independent, expert assessment of the full life cycle of GHG emissions. Such an assessment would allow investors to assess Origin's claims, and determine whether further capital should be invested in the further development of natural gas reserves. Given the short term warming potential of methane emissions, it is critical that such an assessment is carried out as soon as practicable.

³⁸Pollution and Price: The Cost of Investing in Gas, Climate Council, April 2017

³⁹Sustainability Report 2016, Origin Energy Ltd

⁴⁰Field Measurements of Fugitive Emissions From Equipment and Well Casings in Australian Coal Seam Gas Production Facilities, CSIRO, June 2014

⁴¹ibid.

⁴²ibid.

If you are entitled to vote at the AGM, you may submit written questions in advance relevant to the business of the meeting. Questions may also be submitted for the external auditor about the auditor’s report or the conduct of the audit.

Questions may be lodged as part of the online proxy process. Alternatively, you may send written questions to Origin’s share registry at the address as set out on the proxy form or write your questions here and return to the registry.

Please submit your written questions by no later than 5:00pm AEDT on Wednesday, 11 October 2017.

Horizontal lines for writing questions.

For personal use only

**DIRECTORY
ORIGIN ENERGY
LIMITED**

REGISTERED OFFICE

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T (02) 8345 5000
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SECRETARIES

Andrew Clarke
Helen Hardy

SHARE REGISTRY

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

GPO Box 3993
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T Australia 1300 664 446
T International (+61 2) 8016 2896
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origin@boardroomlimited.com.au

AUDITOR

KPMG



Further information about Origin's
performance can be found at:
www.originenergy.com.au

Shareholders can contact Origin at:
shareholder.enquiries@originenergy.com.au

Shareholders wishing to receive their shareholder communications electronically, including annual reports, notices of meetings and dividend statements and other company related information should contact the share registry.

For personal use only



ORIGIN ENERGY LIMITED
ABN 30 000 051 696

All Correspondence to:

- By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- By Fax:** +61 2 9290 9655
- Online:** www.boardroomlimited.com.au
- By Phone:** (within Australia) 1300 664 446
(outside Australia) +61 2 8016 2896

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

YOUR VOTE IS IMPORTANT

The Annual General Meeting of the Company will be held at The Westin Hotel, 1 Martin Place, Sydney, NSW 2000 on Wednesday, 18 October 2017 at 10:00am AEDT.

For your proxy appointment and vote to be effective it must be recorded before **10:00am AEDT on Monday, 16 October 2017.**

You may appoint your proxy and vote either by going online or completing this form.

TO VOTE ONLINE	BY SMARTPHONE
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STEP 1: VISIT www.votingonline.com.au/originagm2017

STEP 2: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone QR Reader App

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1 on the next page. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. A proxy may be an individual or a body corporate. Do not write the name of the Company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 & 3 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

STEP 4 SIGN THE FORM

The form **must** be signed as follows:

Individual: this form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 5 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am AEDT on Monday, 16 October 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- Online** www.votingonline.com.au/originagm2017
- By Fax** + 61 2 9290 9655
- By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia
- By Smartphone** Via Boardroom Investor App, or Scan the QR Code

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Origin Energy Limited

ABN 30 000 051 696

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Origin Energy Limited (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

OR failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at The Westin Hotel, 1 Martin Place, Sydney, NSW 2000 on Wednesday, 18 October 2017 at 10:00am AEDT and at any adjournment or postponement of that meeting, to act generally on my/our behalf and to vote in accordance with the following directions or if no directions have been given, and to the extent permitted by law, as the proxy sees fit.

STEP 2 VOTING DIRECTIONS AND EXCLUSIONS

If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, and I/we have not directed my/our proxy how to vote in respect of Resolutions 4, 5 & 6, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 4, 5 & 6 even though they are connected with the remuneration of a member of key management personnel of Origin Energy Limited.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of Resolutions 2 to 6 inclusive.
The Chairman of the Meeting intends to vote all available undirected proxies against Resolutions 7(a) to 7(d) inclusive.
The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each Resolution.

If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote 'For', 'Against' or to 'Abstain' from voting on an item, you must provide a direction by marking the 'For', 'Against' or 'Abstain' box opposite that resolution.

STEP 3 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority on a poll.

Board recommended resolutions.

The Board recommends shareholders vote FOR resolutions 2 to 5 inclusive and have not made a recommendation on resolution 6

	Board Recommendation	For	Against	Abstain*
Resolution 2 Election of Ms Teresa Engelhard	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Ms Maxine Brenner	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Remuneration Report (Non-binding advisory vote)	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Equity grants to Chief Executive Officer & Managing Director Mr Frank Calabria	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Increase in aggregate cap of Non-executive Directors' remuneration	NOT APPLICABLE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Non-endorsed resolutions.

The Board recommends shareholders vote AGAINST resolutions 7(a) to 7(d) inclusive

	Board Recommendation	For	Against	Abstain*
Resolution 7(a) Amendment to the Constitution (special resolution)	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7(b) Contingent resolution - Climate Risk Disclosure	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7(c) Contingent resolution - Transition Planning	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7(d) Contingent resolution - Short-Lived Climate Pollutants	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 4 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017