



To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	14 September 2018
From	Helen Hardy	Pages	27
Subject	Origin Energy 2018 Notice of Annual General Meeting		

Please find attached a release on the above subject.

Regards

A handwritten signature in blue ink, appearing to read "Helen Hardy".

Helen Hardy  
Company Secretary

02 8345 5000

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# Notice of Annual General Meeting 2018

Notice is given that the 2018 Annual General Meeting of shareholders of Origin Energy Limited (Company) will be held at

Sofitel Sydney Wentworth  
61 Phillip Street, Sydney  
Wednesday  
17 October 2018  
10:30am AEDT

A webcast of the meeting can be heard on the Company's website at [originenergy.com.au](http://originenergy.com.au)

Origin Energy Limited  
ABN - 30 000 051 696

Level 32, Tower 1  
100 Barangaroo Avenue  
Barangaroo, NSW 2000

GPO Box 5376  
Sydney NSW 2001

T (02) 8345 5000  
F (02) 9252 9244

[originenergy.com.au](http://originenergy.com.au)  
[enquiry@originenergy.com.au](mailto:enquiry@originenergy.com.au)



# 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 2018.

## 2. Re-election of Mr John Akehurst

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

“That Mr John Akehurst, 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 Mr Akehurst and the recommendation of the Board in relation to his re-election are set out in the attached Explanatory Notes.

## 3. Re-election of Mr Scott Perkins

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

“That Mr Scott Perkins, 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 Mr Perkins and the recommendation of the Board in relation to his re-election are set out in the attached Explanatory Notes.

## 4. Re-election of Mr Steven Sargent

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

“That Mr Steven Sargent, 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 Mr Sargent and the recommendation of the Board in relation to his re-election are set out in the attached Explanatory Notes.

## 5. 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 2018 be adopted.”

*This is a non-binding advisory vote.*

## Voting exclusion statement

The Company will disregard any votes cast on Resolution 5:

- by or on behalf of a member of the Company’s key management personnel (KMP) named in the Company’s Remuneration Report for the year ended 30 June 2018 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company’s KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 5:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of the KMP.

## 6. Equity grants to Managing Director and Chief Executive Officer Mr Frank Calabria

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

“That the grant of Restricted Shares and Performance Share Rights under the Company’s Equity Incentive Plan to Managing Director and Chief Executive Officer, 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

The Company will disregard any votes cast on Resolution 6:

- in favour of the resolution by or on behalf of Mr Frank Calabria or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company’s KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 6:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of a member of the KMP.

## 7. Approval of potential termination benefits

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

“That approval be given for all purposes (including for the purposes of sections 200B and 200E of the *Corporations Act*), for the giving of benefits by the Company or any of its related bodies corporate to current or future employees who are KMP of the Company or who hold a managerial or executive office in the Company or a related body corporate, in connection with that person ceasing to be a director or ceasing to hold a managerial or executive office in the Company or a related body corporate, all as described in the Explanatory Notes.”

## Voting exclusion statement

If any shareholder is an employee or Director of the Company or a related body corporate, then that shareholder (and their associates) should not vote on Resolution 7 if they wish to preserve their ability to receive benefits under this approval.

Further, the Company will disregard any votes cast on Resolution 7 as a proxy by a person who is a member of the Company’s KMP at the date of the meeting or their closely related parties, unless the vote is cast by a person as a proxy for a person entitled to vote on Resolution 7 in accordance with the directions on the proxy form.

Unlike the other resolutions, the Chairman of the meeting will not be able to vote undirected proxies on Resolution 7, even if the proxy appointment expressly authorises the Chairman of the Meeting to exercise the proxy, as he is a person who may be entitled to receive a benefit under Resolution 7.<sup>1</sup>

## 8. Non-executive Director Share Plan

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

“That approval is given for all purposes for the Non-executive Director Share Plan (NED Share Plan) and for the grant of share rights, and the allocation of shares in the Company on vesting of those share rights, under the NED Share Plan to all current and future Non-executive Directors, as described in the Explanatory Notes.”

## Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8:

- in favour of the resolution by or on behalf of each of the Non-executive Directors (being the only Directors entitled to participate in the NED Share Plan) or any of their associates, regardless of the capacity in which the vote is cast; or

- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 8:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though the resolution is connected with the remuneration of the KMP.

## 9. Resolutions requisitioned by shareholders holding approximately 0.01 per cent of shares on issue

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

### 9(a) Amendment to the constitution

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

"That the following new clause 8.11 be inserted into our company's constitution:

#### *Member resolutions at general meeting*

The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, 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 an issue of material relevance to the company or the company's business 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."

### 9(b) Contingent resolution – Free, Prior and Informed Consent

Subject to and conditional on Resolution 9(a) being passed by the required majority, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That:

1. the Board commission a comprehensive review of whether Free, Prior and Informed Consent (FPIC) of Aboriginal Traditional Owners and communities who may be affected by our company's intended operations has been established in relation to any petroleum exploration permits our company has obtained in the Northern Territory (FPIC Review); and
2. the Board prepare (at reasonable cost and omitting confidential information) a report describing the completed FPIC Review, to be made available to shareholders

on the company website prior to any further exploration activity taking place."

### 9(c) Contingent resolution – interim emissions targets

Subject to and conditional on Resolution 9(a) being passed by the required majority, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That:

1. our company set and publish interim targets that are aligned with the goal of the Paris Climate Agreement to limit global warming to well below 2°C;
2. these targets be based on objectives over the next decade which are quantitative and reviewed regularly, and include:
  - a. the greenhouse gas (GHG) emissions of our company's operations (Scope 1 and 2); and
  - b. the GHG emissions from the use of products sold by our company (Scope 3); and
3. our company's annual reporting include information about plans and progress to achieve these targets."

### 9(d) Contingent resolution – public policy advocacy on climate change and energy by Relevant Industry Associations

Subject to and conditional on Resolution 9(a) being passed by the required majority, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That:

1. the Board commission a comprehensive review of our company's positions, oversight and processes related to direct and indirect public policy advocacy (Lobbying Review), including through industry associations of which our company is a member or at which our company is formally represented (Relevant Industry Associations), on energy and climate change, covering the period 2012 to the present day.

We request that the Lobbying Review:

- a. for each Relevant Industry Association, disclose the proportion of that Association's revenue contributed by our company;
- b. evaluate whether advocacy positions\* taken by Relevant Industry Associations, in respect of Australian climate and energy policy serve our company's policy and financial interests;
- c. evaluate whether advocacy positions\* taken by Relevant Industry Associations are consistent with our company's pledge of support for the Paris Agreement as a global framework for reducing emissions; and

- d. detail proposed actions to be taken as a result of the Review.

\*Given that 'advocacy positions' by Relevant Industry Associations are not always taken in written form, we request that the Lobbying Review include, as evidence of such advocacy positions, credible media reporting.


2. the Board prepare (at reasonable cost and omitting confidential information) a report describing the completed Lobbying Review, to be made available to shareholders on the company website within six months of the AGM at which this proposal is discussed.
3. the Board determine, and disclose to shareholders, the criteria by reference to which the company would discontinue membership of a Relevant Industry Association, in circumstances where the company's interests in respect of energy and climate policy are not promoted by that Association."

Resolutions 9(a) to 9(d) were proposed by a group of shareholders holding approximately 0.01 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 9(a) and, if necessary, Resolutions 9(b) to 9(d) for the reasons set out on pages 11-13 of the Explanatory Notes.

Please Note: Resolutions 9(b) – 9(d) are contingent resolutions and will only be put before shareholders for proper consideration at the meeting if Resolution 9(a) is first passed by special resolution. If Resolution 9(a) is not passed, the three contingent advisory 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 9(a) is not passed.

The Chairman of the meeting intends to vote undirected proxies **AGAINST** Resolutions 9(a) to 9(d).

By order of the Board.



**Andrew Clarke**  
Company Secretary

Sydney, 14 September 2018

1 The only termination benefit the Chairman may potentially receive relates to insurance benefits. Please see page 9 of the Explanatory Notes for further details.

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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, 15 October 2018. 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 10:30am AEDT on Monday, 15 October 2018. A proxy may be lodged with Boardroom Pty Limited:

- online, at [www.votingonline.com.au/originagm2018](http://www.votingonline.com.au/originagm2018) 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 5, 6 and 8, then by completing and returning the proxy form, you will be expressly authorising the Chairman to vote as he sees fit in respect of Resolutions 5, 6 and 8 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 Resolutions 2 to 6 and Resolution 8.

The Chairman of the meeting does not intend to vote any undirected proxies on Resolution 7.

The Chairman of the meeting intends to vote undirected proxies **AGAINST** Resolutions 9(a)–9(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 2018 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.

As explained on page 11 of this Notice, the accompanying member statements in favour of Resolutions 9(a) to 9(d) have been provided by a group of shareholders holding approximately 0.01 per cent of the Company's shares. These are required to be included in the Notice of Meeting and as such have been reproduced without change in Attachment 1 to this Notice.

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

## 1. Receive and consider reports for year ended 30 June 2018

The Company's Annual Report has been made available to shareholders and is published on the Company's website ([originenergy.com.au](http://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. Re-election of Mr John Akehurst, Independent Non-executive Director

Mr Akehurst joined the Board in April 2009. He is Chairman of the Health, Safety and Environment Committee and a member of the Nomination and Risk committees.

His executive career was in the upstream oil and gas and LNG industries, initially with Royal Dutch Shell and then as Chief Executive of Woodside Petroleum Limited.

He is Chairman of the National Centre for Asbestos Related Diseases and of the Fortitude Foundation, a Director of Human Nature Adventure Therapy Ltd (since February 2018).

Mr Akehurst is a former Chairman of Transform Exploration Pty Ltd (2012–2017), Alinta Limited (2007–2007) and Coogee Resources Ltd (2008–2009) and a former Board member of the Reserve Bank of Australia (2007–2017), Director of CSL Limited (2004–2016), Oil Search Limited (1998–2003), Securrency Ltd (2008–2012), Murdoch Film Studios Pty

Ltd and the University of Western Australia Business School.

Mr Akehurst holds a Masters in Engineering Science from Oxford University and is a Fellow of the Institution of Mechanical Engineers.

The Board (with Mr Akehurst absent) reviewed the performance of Mr Akehurst. The review included consideration of his expertise, skill and experience as well as his performance and contribution to the work of the Board over his term of office. The Board believes that through his extensive oil and gas and executive management experience, Mr Akehurst provides considerable strength and value to the Board and its deliberations generally. Additionally, these skills contribute significantly to the committees on which he serves, particularly in his leadership of the Health, Safety and Environment Committee.

Mr Akehurst is considered an independent Director by the Board.

### Directors' Recommendation

*The Board (with Mr Akehurst absent) concluded that Mr Akehurst should be proposed for re-election and accordingly recommends that shareholders vote **IN FAVOUR** of his re-election.*

## 3. Re-election of Mr Scott Perkins, Independent Non-executive Director

Mr Perkins joined the Board in September 2015. He is Chairman of the Remuneration and People Committee and a member of the Audit, Risk and Nomination committees.

Mr Perkins is a Non-executive Director of Woolworths Limited (since 2014) and Brambles Limited (since 2015). He is Chairman of Sweet Louise (since 2005), a Director of the Museum of Contemporary Art in Sydney (since 2011) and the New Zealand Initiative (since 2012). Mr Perkins was previously a Non-executive Director of Meridian Energy (1999–2002).

Mr Perkins has extensive Australian and international experience as a leading corporate adviser. He was formerly Head of Corporate Finance for Deutsche Bank Australia and New Zealand and a member of the Executive Committee with overall responsibility for the Bank's activities in this region. Prior to that he was Chief Executive Officer of Deutsche Bank New Zealand and Deputy CEO of Bankers Trust New Zealand.

He has a longstanding commitment to breast cancer causes, the visual arts and public policy development.

Mr Perkins holds a Bachelor of Commerce and a Bachelor of Laws (Hons) from Auckland University.

The Board (with Mr Perkins absent) reviewed the performance of Mr Perkins. The review included consideration of his expertise, skill and experience as well as his performance and contribution to the work of the Board over his term of office. The Board believes that through his extensive experience in corporate strategy, mergers, acquisitions and capital markets, Mr Perkins provides considerable strength and leadership to the Board and its deliberations generally, as well as the committees on which he serves.

Mr Perkins is considered an independent Director by the Board.

### Directors' Recommendation

*The Board (with Mr Perkins absent) concluded that Mr Perkins should be proposed for re-election and accordingly recommends that shareholders vote **IN FAVOUR** of his re-election.*

## 4. Re-election of Mr Steven Sargent, Independent Non-executive Director

Mr Sargent joined the Board in May 2015. He is Chairman of the Origin Foundation and a member of the Health, Safety and Environment and Remuneration and People committees.

Mr Sargent is Chairman of OFX Group Ltd (since 2016). He is Deputy Chairman of Nanosonics Ltd (since 2016) and Non-executive Director of the Great Barrier Reef Foundation (since 2015). Over recent years, Mr Sargent has been a Non-executive Director of Veda Group Ltd (2015–2016) and Bond University Ltd (2010–2016). Mr Sargent was also a member of the Australian Treasurer's Financial Sector Advisory Council, President of the American Chamber of Commerce and a Director on the Board of the Business Council of Australia and he was a member of the Australian B20 Leadership Group and Coordinating Chair of the B20 Human Capital Taskforce in 2014.

Mr Sargent's executive career included 22 years at General Electric, where he led businesses across the USA, Europe and Asia Pacific. Mr Sargent was President and CEO of GE Mining, GE's global mining technology and services business. Prior to this he was President and CEO of GE Australia, NZ & PNG where he had local responsibility for GE's Energy, Oil and Gas, Aviation, Healthcare and Financial Services businesses.

Mr Sargent holds a Bachelor of Business from Charles Sturt University in New South Wales and is a Fellow with the Australian Institute of Company Directors and a Fellow with the Australian Academy of Technological Sciences and Engineering.

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The Board (with Mr Sargent absent) reviewed the performance of Mr Sargent. The review included consideration of his expertise, skill and experience as well as his performance and contribution to the work of the Board over his term of office. The Board believes that Mr Sargent's extensive operational and leadership capabilities, together with his global corporate perspective, further strengthens the Board and complement the skills of other Directors. Mr Sargent's deep understanding of the drivers of a customer centric organisation and a strong and engaged organisational cultures provides significant contribution to the Board and the committees on which he serves.

Mr Sargent is considered an independent Director by the Board.

#### Directors' Recommendation

*The Board (with Mr Sargent absent) concluded that Mr Sargent should be proposed for re-election and accordingly recommends that shareholders vote **IN FAVOUR** of his re-election.*

## 5. 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 2018 to shareholders for consideration and adoption by a non-binding vote. The Remuneration Report was first published on 16 August 2018 and has also been available on the Company's website ([originenergy.com.au](http://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;
- 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 will 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.

#### Directors' Recommendation

*The Board recommends that shareholders vote **IN FAVOUR** of adopting the Remuneration Report.*

## 6. Equity grants to Managing Director and Chief Executive Officer Mr Frank Calabria

Resolution 6 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 2018:

Restricted Shares	Up to 106,684 Restricted Shares with a holding lock of two years (as detailed in section 6.2). This represents the Deferred Element (50 per cent) of his Short Term Incentive (STI) award for FY2018, calculated on a face value basis as detailed in section 6.3. The balance of Mr Calabria's STI award (50 per cent) has been paid in cash.
Performance Share Rights (PSRs)	Up to 312,245 PSRs vesting after 3 years subject to the achievement of performance hurdles as described below. Vested shares are subject to a further holding lock of one year (as detailed in section 6.2). The PSR award represents Mr Calabria's target Long Term Incentive (LTI) allocation for FY2018, calculated on a face value basis as detailed in section 6.3.

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 STI (Deferred STI) and 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, the return on its capital employed, as well as Mr Calabria's continued employment through to the relevant vesting dates. Because there is no certainty of any value being received by Mr Calabria, these incentives represent conditional or "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.

### 6.1 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.

As the Company intends to source the Restricted Shares component of Mr Calabria's remuneration by purchasing these shares on-market, approval is not required under Listing Rule 10.14 for this component. Nonetheless the Board is seeking approval in the interests of transparency and good corporate governance, and also to grant flexibility to the Company to issue shares in the unlikely event that it is not practicable to purchase shares on market at the relevant time. Approval under Listing Rule 10.14 is required for the PSR component.

The Company's Non-executive Directors receive fixed fees and are not eligible to participate in any incentive scheme. As Managing Director and Chief Executive Officer, Mr Calabria is the only Director entitled to participate under the STI and LTI schemes.

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

### 6.2 Overview of equity incentive arrangements

#### Deferred STI

One-half of Mr Calabria's STI award is deferred and subject to a condition of ongoing service.<sup>2</sup> That deferred element is delivered in the form of Restricted Shares. Restricted Shares are granted to Mr Calabria at no cost as they form part of his remuneration and represent part of his earned STI. The Restricted Shares will be subject to a holding lock of approximately two years, ending at the end of the Closed

Period (as defined in the Company's Dealing in Securities Policy) two years from the end of the financial year to which the STI award relates: in this case, the second trading day after the release of the FY2020 full year results in August 2020.

#### LTI

LTI awards are in the form of PSRs, each of which entitles Mr Calabria to receive a fully paid ordinary share in the Company on vesting at the end of the three year performance period. Vesting can only occur if specific performance conditions are met as set out below. Subject to meeting the performance conditions, the PSRs are automatically exercised and convert to shares which are restricted for a further period of approximately one year (to the second trading day after the release of the FY2022 full year results in August 2022). PSRs are granted to Mr Calabria at no cost as they represent part of his remuneration package.

#### Performance hurdles and vesting scale

##### ROCE Hurdle

One half of the PSRs, rounded down to the nearest whole number (up to 156,122 PSRs) will have a Return on Capital Employed (ROCE) Hurdle. The choice of ROCE reflects the importance of prudent capital allocation and the need to generate sufficient returns over that capital employed over time.

ROCE is referenced to EBIT divided by average capital employed. Adjustments to statutory EBIT are considered in restricted circumstances. Circumstances that would result in impairment related adjustments include for example where such impairments cannot reasonably be said to be the responsibility of current management. Determination of the appropriate cost of capital during the performance period follows established capital asset pricing model norms. Adjustments to these targets may be warranted, at the Board's discretion, to appropriately reflect the impact of corporate actions such as mergers and acquisitions or major projects which, while in shareholders' long term interests, may adversely impact near-term ROCE.

Average actual ROCE outcomes will need to exceed average annual ROCE targets which are reflective of delivering weighted average cost of capital for the Energy Markets business and for the Integrated Gas business. Half of the ROCE tranche will be allocated to, and tested separately against, each of these two businesses.

For each of the Energy Markets and Integrated Gas parcel of PSRs, vesting will occur only if the relevant business achieves its ROCE targets. If the ROCE target for that business is met, half of the relevant parcel of PSRs will vest, while exceeding the targets by two percentage points or more will result in all of the PSRs vesting, with straight line proportionate vesting in between.

##### Relative TSR Hurdle

The balance of the PSRs (up to 156,123 PSRs) will be subject to a Total Shareholder Return (TSR) hurdle over the performance period relative to a Reference Group of companies (Relative TSR Hurdle). The Relative TSR Hurdle has been chosen because it directly reflects returns to shareholders and aligns executive reward to that return. The Reference Group is the S&P/ASX-50 companies as defined at the start of the performance period, which has been chosen because, in the absence of a sufficient number of operationally similar and direct competitors, it represents the most meaningful group with which Origin competes for shareholder investment and executive talent.

No vesting of this PSR tranche occurs if Origin's TSR is at or below the 50th percentile of the Reference Group. Half of this PSR tranche vests if the 50th percentile is exceeded, and all of the PSRs in this tranche vest if Origin's TSR achieves or exceeds the 75th percentile, with straight-line vesting between.

#### Performance period, exercise and lapse

The PSRs have a performance period of three financial years, followed by a holding lock of approximately 13½ months:

##### Grant date

October 2018

##### Base date (Start of performance period)

1 July 2018

##### Test date (End of performance period)

30 June 2021

##### Vested Shares Holding Lock

The second trading day after the release of the FY2022 full year results in August 2022

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.

In exceptional circumstances, the Board may determine to cash settle the PSRs.

#### Additional terms – Restricted Shares and PSRs

In addition to the performance conditions described above, Restricted Shares and unvested LTI awards will ordinarily be forfeited if the holder does not remain in ongoing employment with satisfactory service through to the end of the performance period. Satisfactory service includes adherence to Origin's values and behavioural standards.

All Restricted Shares and PSRs are subject to clawback in accordance with the Equity Incentive Plan Rules. Clawback provisions allow the Board to lapse 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, for example, as a result of fraud, dishonesty or breach of employment obligations by the recipient or any employee of the Group.

There is no retesting of the performance conditions. Unless the Board determines otherwise, Restricted Shares are forfeited if the ongoing service condition is not met. Any unvested PSRs that do not vest after testing at the end of the relevant performance period will lapse immediately.

Following the release of the holding lock on Restricted Shares, the shares will continue to be subject to restrictions in accordance with the Company's Dealing in Securities policy and the Company's minimum shareholding requirements for executives.

Restricted Shares and PSRs normally lapse on termination of employment, except in a limited number of circumstances such as death, disability, redundancy, genuine retirement or other exceptional circumstance approved by the Board. In those limited circumstances, unless the Board determines otherwise, the restrictions on the Restricted Shares may be lifted and PSRs may be left on foot, subject to their original terms and conditions.

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

If a change of control<sup>3</sup> occurs prior to the end of the restriction period on Restricted Shares, which represent a portion of an earned bonus, the Board has discretion to lift the restriction on those Restricted Shares at the date of the change of control. If a change of control occurs prior to the vesting of PSRs 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 Except in limited circumstances such as death, disability, or genuine retirement as set out in the Equity Incentive Plan Rules.

3 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 PSRs 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 participant.<sup>4</sup>

#### Dividends, trading and hedging

Dividends are not paid on PSRs. Dividends are only paid (and voting rights only attach) to shares issued on vesting of the PSRs. Restricted Shares carry dividend entitlements and voting rights.

The Restricted Shares and PSRs 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 PSRs.

### 6.3 Effect of Approval

#### Deferred STI – Restricted Shares

The number of Restricted Shares to be awarded to Mr Calabria was calculated by taking the dollar value of his FY2018 STI Deferred Element (\$1,045,500) and dividing it by the face value of a share, determined as the 30-day Volume Weighted Average Price (VWAP) to 30 June 2018 (\$9.80), rounded to the nearest whole number. Accordingly, the maximum number of Restricted Shares to be awarded is 106,684.

#### LTI – PSRs

The number of PSRs to be granted to Mr Calabria was calculated by taking the dollar value of his LTI award opportunity (\$3,060,000, equivalent to 180 per cent of Fixed Remuneration) and dividing it by the face value of a share, determined as the 30-day VWAP to 30 June 2018 (\$9.80), rounded to the nearest whole number.

Accordingly, the maximum number of PSRs to be granted is 312,245.

Under the Plan Rules, the Board has discretion to reduce the number of awards allocated.

#### Timing of issue

Subject to shareholder approval being obtained, it is intended that the Restricted Shares and PSRs will be allocated to Mr Calabria shortly after the 2018 AGM.<sup>5</sup>

### 6.4 Issues of securities since the last approval by shareholders

At the 2017 Annual General Meeting, shareholders approved the issue of the following securities to Mr Calabria for nil consideration with respect to the financial year ended 30 June 2017:

- 136,668 Deferred Share Rights;
- 126,866 PSRs; and
- 401,288 Options with an exercise price of \$7.37.

These securities were issued on 18 October 2017 to Mr Calabria and are subject to a number of performance and service conditions as explained in the 2017 Notice of Meeting.

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

#### Directors' Recommendation

*The Directors, with Mr Calabria abstaining, recommend shareholders vote **IN FAVOUR** of Resolution 6.*

The Listing Rules and the *Corporations Act* prohibit certain persons from voting on Resolution 6. A voting exclusion statement with regard to Resolution 6 is set out on page 2 of the Notice of Meeting.

## 7. Approval of Potential Termination Benefits

Part 2D.2 of the *Corporations Act* restricts the benefits that can be given without shareholder approval to individuals who hold, or have held in the last three years, a managerial or executive office (as defined in the *Corporations Act*) on leaving employment with the Company or its related bodies corporate (the Group).

Under section 200B of the *Corporations Act*, the Company may only give a person a 'benefit' in connection with their ceasing to hold managerial or executive office in the Group if it is approved by shareholders or an exemption applies.

Approval is being sought in respect of any past, current or future key management personnel of the Company or persons who hold a managerial or executive office (as that term is defined in the *Corporations Act*) in the Group (a Relevant Executive).

At the Company's 2015 AGM shareholders provided approval for potential termination benefits that may be paid or granted to Relevant Executives whose employment terminated in the three years following that AGM. This authorisation lapses at the end of the 2018 AGM. Shareholders are being requested to provide a further three year approval (to the conclusion of the 2021 AGM).

### 7.1 Rationale for seeking approval

The approval sought is in relation to the Group's existing obligations to Relevant Executives, and to enable the Group to operate its remuneration programmes to support the Company's strategy going forward. In particular, the approval will enable the Board to:

- deliver current Relevant Executives the benefits to which they are contractually entitled;
- attract and retain future Relevant Executives on market competitive terms; and
- allow Relevant Executives to be treated fairly on cessation of employment, having regard to their contribution to the Group and the circumstances in which they are ceasing employment.

Origin's remuneration system is focused on delivering shareholder value over the long term, as set out in its Remuneration Report. In line with the above, the overriding objective of the system is to attract and retain valuable staff while aligning the interests of executives and shareholders and, in particular, to provide rewards that support shareholder value creation.

The Company is conscious of the need to strike an appropriate balance between ensuring fair treatment of Relevant Executives on cessation of employment and avoiding excessive termination payouts. Careful consideration was given to this when setting the employment arrangements, remuneration, individual contractual entitlements, benefits and incentive plan treatments for Relevant Executives.

Shareholders are not being asked to approve any increase or changes to the existing remuneration arrangements and entitlements of Relevant Executives described in the Remuneration Report. If shareholder approval is obtained, this will not guarantee that a Relevant Executive will receive any of the termination benefits described below. Origin's purpose in seeking shareholder approval is to:

- facilitate the execution of Origin's remuneration policy and programs as outlined in the Remuneration Report; and
- preserve the discretion of the Origin Board to determine the most appropriate termination package for Relevant Executives at the time cessation occurs.

The Board's discretion to make a payment or give a benefit on termination is intended for "good leaver" circumstances, including death, disability, bona fide redundancy, genuine retirement, or other circumstances where the Board considers it in the best interests of the Company to do so.

## 7.2 Approval is being sought for the following benefits or entitlements

The Company is seeking shareholder approval to pay benefits to Relevant Executives on termination, including to:

- accommodate the full range of leaver treatments provided for under the terms of incentive awards for Relevant Executives, some of which involve exercise of discretion by the Board and/or acceleration of vesting;
- pay any death and disablement benefits to which a Relevant Executive is contractually entitled upon cessation of their employment; and
- pay additional termination benefits to a Relevant Executive, including payments under an employment contract (such as payments in lieu of notice and redundancy payments) and other entitlements or benefits (such as leave benefits, insured benefits, superannuation and other forms of retirement savings, relocation costs, customary payments made in foreign jurisdictions, modest retirement gifts and the retention of Company property, such as phones).

Origin is committed to transparency in communicating its remuneration arrangements to shareholders. To enable shareholders to meaningfully assess whether to approve this resolution, the summary below outlines the key categories of potential termination benefits that may become payable to Relevant Executives.

## 7.3 Summary of Origin's leaving benefits

The summary is not intended to provide an exhaustive list of every benefit that could become payable to a Relevant Executive in every potential termination scenario. Part of the reason Origin is seeking shareholder approval is to preserve a degree of flexibility for the Board to tailor the termination arrangements for Relevant Executives having regard to the circumstances of the Relevant Executive's cessation of employment and within the parameters imposed by:

- Origin's remuneration philosophy and policy, as set out in the Remuneration Report;
- the Relevant Executive's employment contract;
- the terms of any equity awards granted to the Relevant Executive under Origin's incentive plans; and
- prevailing market practice and governance expectations at the time the Relevant Executive ceases employment.

### Contractual benefits

#### Employment contract benefits

Under their employment agreements, Relevant Executives may become entitled to payments in lieu of notice upon cessation of their employment, which are generally capped between three and twelve months' Fixed Remuneration depending on seniority.

In addition, in good leaver circumstances any new hire or retention awards may automatically vest, be released from a holding lock or remain on foot post termination to be tested in the ordinary course, in which case the Board may impose other conditions it considers appropriate. The Board may apply its discretion to some or all of the awards on foot.

#### Redundancy payments

The Company has a long-standing general redundancy policy applicable to all Australian-based ongoing (permanent) employees. The policy provides for a severance benefit equivalent to three weeks' Fixed Remuneration per year of service (capped at 78 weeks). Depending on seniority and role, employment contracts may provide for a minimum severance payment between eight and 18 weeks. Benefits paid under the redundancy policy are generally exempt from the *Corporations Act* restrictions.

Occasionally it will be appropriate to provide a redundancy benefit which is not covered by the redundancy policy, for example a payment may be made outside the jurisdiction covered by the policy, or service may include legacy or jurisdictional arrangements that differ from the standard Origin Australian policy.

#### Leave, insurance, superannuation and other forms of retirement saving

On cessation of employment, Relevant Executives may be paid accrued leave, insurance, superannuation and other forms of retirement saving entitlements. These benefits would not generally be considered 'termination benefits' under the *Corporations Act* and no shareholder approval would normally be required to make these payments. However, to the extent that any of these benefits would constitute a termination payment under the *Corporations Act*, the approval sought will operate to allow for the provision of the benefit to Relevant Executives on cessation of employment.

#### Incentive plan entitlements

Generally, awards made to Relevant Executives under Origin's incentive plans will only vest or be paid to Relevant Executives in circumstances where the Relevant Executive remains employed until the end of the applicable performance period. However, the Board has discretion to waive this employment requirement in cases of death, disability,

genuine retirement, redundancy or other circumstances (good leaver discretion).

For equity awards made under Origin's incentive plans, where the Board exercises this good leaver discretion, the Board may determine that equity held by the Relevant Executive automatically vests, or is released from a holding lock, or remains on foot post termination and is tested in the ordinary course, in which case the Board may impose other conditions it considers appropriate. The Board may apply its discretion to some or all of the equity on foot. Where a Deferred STI element has been earned but has not yet been granted to a good leaver, the Board may substitute a cash payment.

For cash awards made under Origin's incentive plans, where the Board exercises a good leaver discretion, the Board may accelerate payment of a pro-rata amount of any unpaid cash component of an incentive award, on the basis of achievement, or partial achievement for the portion of the performance period worked, of the set performance hurdles.

Whether the Board exercises its discretion for a good leaver will depend upon the particular circumstances of the cessation of employment.

Termination for cause or resignation will generally result in the forfeiture of the entire STI award for the year of termination and the forfeiture of all unvested LTI (options and performance share rights) on cessation of employment.

#### Non-executive Directors entitlements

Non-executive Directors, both of the Company itself and any of its subsidiaries, receive fixed fees for their service and do not participate in any incentive or retirement plans. The only circumstances under which they might receive a termination benefit of the type requiring shareholder approval relates to the payment of insured benefits by virtue of death or disability and other non-material incidental benefits.

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

5 To satisfy Listing Rule 10.15, the Company confirms that the securities will be issued within 12 months of the date of the 2018 AGM or any adjournment of it.

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## 7.4 The value of the potential termination benefits

The amount and value of the termination benefits that may be provided to a Relevant Executive in accordance with this approval cannot be ascertained in advance. This is because various matters will, or are likely to, affect that value, including:

- the circumstances in which the Relevant Executive ceases employment and the extent to which they served the applicable notice period;
- the Relevant Executive's Fixed Remuneration at the time the relevant awards were made and the time they cease employment;
- the Relevant Executive's length of service and the portion of any relevant performance periods for equity awards that have expired at the time they cease employment;
- the number of unvested equity entitlements that the Relevant Executive holds at the time they cease employment and the number that the Board determines to vest, lapse or leave on foot;
- Origin's share price when the value of any equity based termination entitlements are determined, and the terms of those entitlements;
- any other factors the Board considers relevant when exercising its discretion, including where appropriate its assessment of the performance of the Relevant Executive up to the date of cessation;
- the jurisdiction and location in which the Relevant Executive is based at the time they cease employment and the applicable laws in that jurisdiction; and
- any changes in law between the date Origin enters into an employment agreement with a Relevant Executive and the date they cease employment.

If shareholder approval is obtained, the value of the benefits outlined in this resolution and Explanatory Notes will be disregarded when calculating the Relevant Executive's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the *Corporations Act*.

### Directors' Recommendation

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.

The Listing Rules and the *Corporations Act* prohibit certain persons from voting on Resolution 7. A voting exclusion statement with regard to Resolution 7 is set out on page 2 of this Notice.

## 8. Non-executive Director Share Plan

Resolution 8 seeks shareholders' approval for the grant of share rights to Non-executive Directors under the new Non-executive Director Share Plan (NED Share Plan) for FY2019, FY2020 and FY2021 and for the allocation of Origin shares on vesting of those share rights.

The NED Share Plan is a salary sacrifice plan, which allows Non-executive Directors to sacrifice up to 50 per cent of their annual Directors' base fees to acquire share rights at the Value per Share Right as described below. Each share right is a right to receive a fully-paid ordinary share in Origin, subject to the terms of grant (Share Right).

The NED Share Plan has been introduced to support Non-executive Directors to build their shareholdings in the Company and as a means of enhancing the alignment of interests between Non-executive Directors and shareholders generally. The Company has set a minimum shareholding requirement for the Chairman of two times the Non-executive Director base fee, and for all other Non-executive Directors it is one times the Non-executive Director base fee.

Only Non-executive Directors are eligible to participate in the NED Share Plan.

### 8.1 Why approval is needed

Under Listing Rule 10.14, shareholder approval is required for the issue of share rights to any Director, unless the shares allocated on vesting of the share rights are required by the terms of the scheme to be purchased on market.

The approval sought from shareholders is for all purposes, including the allotment of shares on vesting of Share Rights. The Company currently intends to satisfy the vesting of Share Rights by purchasing shares on-market, but wishes to retain the discretion to issue shares if this is ultimately considered in the Company's best interests. 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.

The Board also recognises that it is in line with good corporate governance practices for equity grants to Directors to be approved by shareholders.

### 8.2 Overview of NED Share Plan

Under the NED Share Plan, each Non-executive Director may choose to sacrifice a portion of their fees to be used to acquire Share Rights (up to a maximum of 50 per cent of annual Non-executive Director base fees).

Share Rights will be granted twice a year, shortly following the announcement of the

Company's half year and full year results in February and August respectively. It is expected that the first grant will occur in late February 2019.

The number of Share Rights received by a Non-executive Director will be calculated in accordance with the following formula:

$$\text{No. of Share Rights} = \frac{\text{Fees Sacrificed}}{\text{Value per Share Right}}$$

where:

- *Fees Sacrificed* = the dollar value of the Non-executive Director's fees which have been sacrificed in respect of the relevant period to acquire Share Rights; and
- *Value per Share Right* = the volume weighted average price of Origin's shares for the five trading days leading up to the grant date.

Each Share Right will, subject to compliance with Origin's Dealing in Securities Policy, vest after the end of the following Closed Period (ie Share Rights granted in February following the release of the half year results will vest in late August after the end of the Closed Period following the release of Origin's full year results) and convert into a fully paid ordinary share subject to a disposal restriction (a Restricted Share).

The disposal restriction will end upon the earliest to occur of:

- the Non-executive Director ceasing to be a Director of the Company;
- the time period nominated by the Non-executive Director in their application for Share Rights (up to a maximum of 15 years from the date the share rights were granted); or
- the Board determining that the Restriction Period should end (for example, upon a change of control transaction or in exceptional circumstances applicable to an individual Director),

(the Restriction Period).

Non-executive Directors do not have dividend or voting rights with respect to Share Rights until they have vested. Following vesting, the Restricted Shares acquired by Directors will rank equally (in relation to dividend and other rights) with other fully paid ordinary shares.

Upon retirement from the Board, Non-executive Directors are entitled to retain any outstanding Share Rights, which will remain on foot and will vest in accordance with their original terms. There will be no Restriction Period applicable to the shares allocated in these circumstances. Any salary sacrifice contributions which have been deducted from a retiring Director and for which Share Rights have not been allocated

will be repaid as normal gross fees less applicable PAYG tax.

The Share Rights granted to Non-Executive Directors under the NED Share Plan will not be subject to performance conditions or service requirements which could result in potential forfeiture. This is in line with best practice governance standards which recommend that Non-executive Directors generally should not receive equity with performance hurdles attached as it may lead to bias in their decision-making and compromise their objectivity.

If at any time the Board determines that the allocation of Share Rights or Restricted Shares would result in the Company breaching the Company's constitution, Group policy, any law, the ASX Listing Rules, or is otherwise inappropriate in the circumstances, the Board may defer the allocation of Share Rights or Restricted Shares until a more suitable time or, in the case of Share Rights, return the fees that have been salary sacrificed to the Non-Executive Director.

### 8.3 Additional information

The maximum number of securities that may be acquired by current and future Non-executive Directors under the FY2019, FY2020 and FY2021 grants cannot be specified at this stage and will depend on the following factors:

- Origin's share price at the time of each allocation of Share Rights;
- the number of Non-executive Directors in office from time to time;
- the portion of fees sacrificed by each Non-executive Director in relation to each grant (capped at a maximum of 50 per cent of annual Non-executive Director base fees); and
- the level of fees paid to Non-executive Directors from time to time.

This is the first time the NED Share Plan has been put to shareholders for approval and therefore no Non-executive Director has previously received securities under the NED Share Plan.

All Non-executive Directors in office from time to time may participate in the NED Share Plan.

No current or future Executive Director is eligible to participate.

The current Non-executive Directors are Gordon Cairns, John Akehurst, Maxine Brenner, Teresa Engelhard, Bruce Morgan, Scott Perkins and Steven Sargent.

Any future Non-executive Directors are permitted to participate in the NED Share Plan even though it is not possible to name them in this Notice.

No loans will be made available in relation to the acquisition of Share Rights or shares under the NED Share Plan.

Details of any securities issued under the NED Share Plan will be published in each Annual Report of the Company relating to a period in which securities have been issued and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Under the current proposal, Share Rights will be granted to satisfy FY2019, FY2020 and FY2021 allocations under the NED Share Plan, with all Share Rights to be granted by 17 October 2021, being 3 years following the date of this meeting. It is intended that the NED Share Plan may operate indefinitely, and therefore shareholder approval will need to be refreshed for grants made after FY2021, if the NED Share Plan remains in place.

#### Directors' Recommendation

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.

The Listing Rules and the *Corporations Act* prohibit certain persons from voting on Resolution 8. A voting exclusion statement with regard to Resolution 8 is set out on page 2 of this Notice.

## 9. Resolutions Requisitioned by a Group of Shareholders

A group of shareholders holding approximately 0.01 per cent of the Company's ordinary shares has proposed Resolutions 9(a) to 9(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 Attachment 1 to this notice be provided to shareholders.

Resolution 9(a) seeks an amendment to the Company's constitution. Resolutions 9(b)–(d) are contingent advisory resolutions that will only be put to the AGM if 75 per cent or more of the votes cast on Resolution 9(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 9(a)–(d), even if Resolutions 9(b)–(d) are not ultimately put to the meeting.

## 9(a) Amendment to the constitution

The members' statement in support of this resolution is set out in Attachment 1 of this Notice.

#### 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 an opinion, ask for information or make a request 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 provided, and will continue to provide, 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 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 stakeholders, not just 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 “make a request” on the exercise of powers vested in the directors would 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.

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.

#### Directors' Recommendation

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

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

### 9(b) Free, Prior and Informed Consent (FPIC)

Resolution 9(b) is an “advisory resolution” and will only be presented to the meeting for consideration if Resolution 9(a) is passed by special resolution. If Resolution 9(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 at the AGM for shareholders to ask questions on the subject matter of this item.

The members’ statement in support of this resolution is set out in Attachment 1 of this Notice.

#### The Board’s response

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

Origin believes that it follows the principles of FPIC for its exploration project in the Northern Territory.

Since becoming Operator of its petroleum exploration permits in the Beetaloo sub-basin in 2014, Origin has worked constructively, transparently and in good faith with its directly impacted stakeholders who share access rights to the land. In particular, we have enjoyed meaningful engagement and participation in the project with our host Traditional Owners and host Pastoralists.

Origin holds Tripartite Agreements which are required for the grant of petroleum exploration permits in the Northern Territory. In addition, Origin holds Exploration Agreements with its host Traditional Owners. These comprehensive agreements have been negotiated under the sanction of the statutory representative body, the Northern Land Council, post the completion of anthropological studies. The processes followed to reach these agreements respects the principles of FPIC.

Continuous engagement with host Traditional Owners is undertaken through the Northern Land Council. Examples of these types of engagements include survey work in the field whereby Traditional Owners conduct sacred site clearances prior to any disturbance activity – these clearances are required as part of the Regulator’s assessment and approval process for each activity. Origin commits to meet annually with Traditional Owners to review consented works as well as discuss the planned work programme for the coming year. Where necessary, Origin also holds Aboriginal Areas Protection Authority Certificates.

As well as complying with the relevant national and jurisdictional laws Origin goes further and genuinely works towards contributing to regional economic development in the communities where we operate.

Origin’s priorities in the Northern Territory have always been, and continue to be:

- establishing and maintaining a relationship based on consultation, communication, feedback and participation;
- ensuring engagement processes foster full respect for human rights, dignity, aspirations and culture;
- anticipating and avoiding adverse impacts on communities and their people;
- promoting sustainable development which delivers benefits and opportunities for host Traditional Owners; and
- respecting and preserving the culture, knowledge, and practices of host Traditional Owners.

Accordingly, given Origin’s current practices and arrangements take into account the FPIC framework, the Board considers the proposed resolution neither necessary, nor beneficial.

#### Directors' Recommendation

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

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

### 9(c) Interim emissions targets

Resolution 9(c) is an “advisory resolution” and will only be presented to the meeting for consideration if Resolution 9(a) is passed by special resolution. If Resolution 9(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 members’ statement in support of this resolution is set out in Attachment 1 of this Notice.

#### 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 has a clear five-pillar approach to decarbonisation, accompanied by independently endorsed science-based emissions targets. This endorsement ensures Origin’s decarbonisation trajectory is aligned with the Paris Agreement’s 2°C goal. Origin was the first Australian company to receive the Science Based Targets Initiative (SBTi) approval and remains the only energy company in Australia with the accreditation.

While Origin’s science-base target does not fall within a “decade”, it remains an ambitious and Paris-aligned target. It also balances Paris based decarbonisation goals with reliability and affordability considerations which are a high priority in the Australian energy market. These targets are:

- Scope 1 & 2: halve emissions by 2032, from a 2017 base year; and
- Scope 3: reduce emissions by 25 per cent by 2032, from a 2017 base year.

Two of the key pillars to Origin’s decarbonisation plan are to exit coal-generation by 2032 and to significantly grow renewables. Origin’s coal exit timeframe of 2032 is well before our major competitors, but also allows sufficient time to:

- replace this capacity (Eraring is the biggest power station in the country) to ensure reliable energy supply; and
- respectfully transition the many people who rely on Eraring for employment.

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The closure of Eraring is a significant step in Australia’s decarbonisation goals. This power station is a pivotal asset, not only for Origin, but for the National Electricity Market. It has a capacity of 2880 MW, making it the largest power station in the country. The withdrawal of this level of capacity requires careful and long-term planning. Origin will continue to manage Eraring’s current emissions via its environmental management program but any significant short-term emission reduction targets for this asset are unrealistic, given the current demand by the Australian economy for Eraring’s capacity.

Origin has also committed to significantly grow its renewable capacity. Origin has already set an interim target that renewables will make up 25 per cent of the generation mix by 2020. Origin will continue to review this target and the science-based targets, in particular aligning to the Paris Agreement’s ratcheting mechanism in 2025.

Origin’s Sustainability Report discloses our current and historical emissions performance, our climate change strategy and, from FY2018, it also discloses Origin’s science-based targets and progress towards them. Please note these targets were officially endorsed and adopted in December 2017 so progress in the current year has been modest. Origin will continue to disclose its targets and associated progress in its annual Sustainability Report.

Accordingly, the Directors are of the view that the resolution is not necessary, given Origin’s existing public commitments and reporting practices.

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

**Directors’ Recommendation**

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

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

**9(d) Public policy advocacy on climate change and energy by Relevant Industry Associations**

Resolution 9(d) is an “advisory resolution” and will only be presented to the meeting for consideration if Resolution 9(a) is passed by special resolution. If Resolution 9(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 members’ statement in support of this resolution is set out in Attachment 1 of this Notice.

**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 has had a public position on climate change policy since 2005 and recognises the science of climate change. Origin unequivocally supports the United Nations Framework Convention on Climate Change’s Paris Agreement, and actions consistent with ensuring any rise in global temperatures is limited to a maximum of 2°C above pre-industrial levels. We understand the role of our Company in responding to that goal, which also guides our policy principles for climate advocacy.

Origin has continually improved its disclosures on climate related topics, including our policy positions on climate change. Origin has a public position statement to guide its actions on climate change and undertake responsible corporate engagement in climate policy.<sup>6</sup> This year Origin, along with over 390<sup>7</sup> other global companies, adopted the recommendations of the G20 Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD). The TCFD has developed a set of voluntary recommendations for companies to disclose information on how they oversee and manage climate-related risks and opportunities. Disclosures in Origin’s FY2018 Annual Report are aligned to these recommendations.

We understand that the advocacy positions we take on climate change and energy policy, and our involvement in industry associations are important to our shareholders and stakeholders. We actively engage with State and Federal Governments, the Opposition, regulatory bodies, industry experts and non-government organisations to help shape Australia’s energy future and make formal submissions in Australia on climate change and energy policy where appropriate, to influence sound policy outcomes and provide clarity on our specific policy positions.

Membership of industry associations is an important part of stakeholder engagement and provides an opportunity for Origin to better understand a diverse range of external views, share best practice, contribute our perspectives and experiences. We actively influence the policy positions of peak industry associations for our core areas of business. These include the Australian Petroleum Production and Exploration Association for gas, the Business Council of Australia for large business, the Australian Energy Council for energy supply, the Clean Energy Council for renewables and the Queensland Resources Council for gas production in Queensland. We report on these industry associations that we belong to in our Sustainability Report. Each of these associations is different and represents

different companies and industries and is engaged on a wide variety of topics in addition to climate change and energy. Origin’s involvement with each association is also different, depending on the core industry they represent.

Origin continually assesses the alignment of its own policy positions with those of the industry associations with whom it engages. Origin remains a member of industry associations so long as it is able to have constructive dialogue on policy positions, including climate change policy and the association provides effective advocacy.

Accordingly, the Directors are of the view that the resolution is not required, given Origin’s clear policy position, transparent 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.

**Directors’ Recommendation**

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

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

<sup>6</sup> To view these commitments visit our website on <https://www.originenergy.com.au/about/sustainability/carbon-commitments.html>.

<sup>7</sup> As at August 2018, [www.fsb-tcfid.org/tcfid-supporters/](http://www.fsb-tcfid.org/tcfid-supporters/)

# Attachment 1 – Shareholder Statements



## Supporting Statement to Resolution 9(a)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia.

The Constitution of our company is not conducive to the right of shareholders to place ordinary resolutions on the agenda of an AGM. In our view, this is contrary to the long-term interests of our company, our company's Board, and all shareholders in our company.

Australian legislation and its interpretation in case law means that Australian shareholders are unable to directly propose ordinary resolutions for consideration at Australian companies' AGMs. In Australia, the *Corporations Act 2001* provides that 100 shareholders or those with at least 5% of the votes that may be cast at an AGM with the right to propose a resolution.<sup>1</sup> However, section 198A specifically provides that management powers in a company reside with the Board.<sup>2</sup>

Case law in Australia has determined that these provisions, together with the common law, mean that shareholders cannot by resolution either direct that the company take a course of action, or express an opinion as to how a power vested by the company's constitution in the directors should be exercised.<sup>3</sup>

Australian shareholders wishing to have a resolution considered at an AGM have dealt with this limitation by proposing two part resolutions, with the first being a 'special resolution,' such as this one, that amends the company's constitution to allow ordinary resolutions to be placed on the agenda at a company's AGM. Such a resolution requires 75% support to be effective, and as no resolution of this kind has ever been supported by management or any institutional investors, none have succeeded.

It is open to our company's Board to simply permit the filing of ordinary resolutions, without the need for a special resolution. We would welcome this, in this instance. Permitting the raising of advisory resolutions by ordinary resolution at a company's AGM is global best practice, and this right is enjoyed by shareholders in any listed company in the UK, US, Canada or New Zealand.

We note that the drafting of this resolution limits the scope of permissible advisory resolutions to those related to "an issue of material relevance to the company or the company's business as identified by the company" and that recruiting 100 individual shareholders in a company to support a resolution is by no means an easy or straightforward task. Both of these factors act as powerful barriers to the actualisation of any concern that such a mechanism could 'open the floodgates' to a large number of frivolous resolutions.

**ACCR urges shareholders to vote for this proposal.**

<sup>1</sup> sections 249D and 249N of the *Corporations Act 2001* (Cth)

<sup>2</sup> S198A provides that "[t]he business of a company is to be managed by or under the direction of the directors", and that "[t]he directors may exercise all the powers of the company except any powers that this Act or the company's constitution (if any) requires the company to exercise in general meeting."

<sup>3</sup> *National Roads & Motorists' Association v Parker* (1986) 6 NSWLR 517; *ACCR v CBA* [2015] FCA 785. Parker turned on whether the resolution would be legally effective, with *ACCR v CBA* [2016] FCAFC 80 following this precedent on the basis that expressing an opinion would be legally ineffective as it would usurp the power vested in the directors to manage the corporation.

## Supporting Statement to Resolution 9(b)

### Overview

The principle of free, prior and informed consent (FPIC) is recognised in international law, and “represents the highest standard possible for the involvement of Indigenous Peoples in decision-making processes about large extractive projects.”<sup>4</sup> **Respect for FPIC is recognised as central to discharging the corporate responsibility to respect human rights under the UN Guiding Principles on Business and Human Rights (UNGPs), where companies interact with Indigenous Peoples.** Under principle 13(a) of the UNGPs, companies must “avoid causing or contributing to adverse human rights impacts in their own activities.” This responsibility “exists over and above compliance with national laws and regulations protecting human rights” - that is, where local laws are inadequate, it is incumbent upon companies to look to international standards.<sup>5</sup>

We commend our company’s statement that “our activities will be guided by” the UNGPs as well as the UN Declaration on the Rights of Indigenous Peoples (UNDRIP).<sup>6</sup> Our company has also committed to “more thoughtfully and meaningfully work with Aboriginal and Torres Strait Islander peoples”<sup>7</sup> through its Reconciliation Action Plan.

The Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect the long term value of our investments. **Where companies in which we invest interact with Indigenous Peoples, obtaining genuine FPIC is an important measure in protecting shareholder value.** In support of this position, we note the following:

- Globally speaking, “[i]n the last decade, the time taken to bring oil projects online has doubled, with 73% of delays due to non-technical problems – including resistance from Indigenous stakeholders.”<sup>8</sup>
- Denouncements by Indigenous peoples of corporate non-compliance with UNDRIP before enacting projects on their land have increased in recent times<sup>9</sup>. According to Hermes Investment Management, <sup>10</sup> “[s]uch tumult has prompted investors to engage with companies about FPIC.”
- Our company frequently states its commitment to consent, which is commendable, however, we emphasise that **a commitment to consent does not necessarily deliver consent**, and that “[d]espite good intentions, good laws and progressive human rights instruments, there [may still remain] a gap between words and actions.”<sup>11</sup>

### FPIC and risk concerns

- Our company holds petroleum exploration permits on Aboriginal land in the Northern Territory (NT). We plan to undertake exploration and, ultimately, hydraulic fracturing (fracking) activities on that land.

<sup>4</sup> See <https://www.oxfam.org.au/what-we-do/mining/free-prior-and-informed-consent/>

<sup>5</sup> UNGPs, commentary to principle 11

<sup>6</sup> Origin Energy Human Rights Policy <https://www.originenergy.com.au/content/dam/origin/about/investors-media/human-rights-policy.pdf>

<sup>7</sup> <https://www.originenergy.com.au/content/dam/origin/about/community/docs/reconciliation-action-plan.pdf>

<sup>8</sup> Tim Goodman, Hermes investment management, 29 January 2018, available at <https://www.hermes-investment.com/au/blog/perspective/companies-indigenous-peoples-collide/> citing Investors and indigenous people: Bridging cultures and reducing risk,” published by First People Worldwide as at November 2015

<sup>9</sup> Free Prior and Informed Consent: An indigenous peoples’ right and a good practice for local communities,” published by the Food and Agriculture Organisation of the United Nations as at December 2016

<sup>10</sup> Tim Goodman, Hermes investment management, 29 January 2018, available at <https://www.hermes-investment.com/au/blog/perspective/companies-indigenous-peoples-collide/>

<sup>11</sup> Statement by the Chair of the UN Permanent Forum on Indigenous Issue (UNPFII) on the 10th Anniversary of the UNDRIP,” published by the UN as at September 2017



- A review of publicly available information about consent processes in place in the NT<sup>12</sup>, including the findings of the Hawke<sup>13</sup> and Pepper<sup>14</sup> inquiries, raises the concerning prospect that some if not all petroleum exploration permits in the NT have been issued in the absence of FPIC. **This poses significant risks to our company.**
- Concerns in relation to FPIC centre around the immense power imbalance between companies such as ours and Aboriginal Traditional Owners, and the lack of appropriate information provided to Aboriginal Traditional Owners in language. Furthermore, the Pepper Review has occasioned a mass leap forward in understandings about fracking – which suggests that new information must be provided to communities for informed consent to be said to have occurred.
- This is an emerging issue and preliminary discussions with civil society organisations have revealed that community attention on fracking in the NT will increase.<sup>15</sup> If it becomes clear that FPIC is not present, our company can expect escalating community concern, which may translate into significant campaigning and protest action. Given our company's consumer profile it is important to protect its brand against potential risks of this kind.
- Hermes Investment Management recommends that, "Until FPIC has been obtained, a project should not commence. Even during a project's life-cycle consent can be withdrawn and amended. It is therefore vital that projects not only deliver on what has been agreed but that dialogue and consultation continues between the [I]ndigenous peoples affected by any project and the project developers and owners."<sup>16</sup>

#### Recommended approach

- **The NT is a complex environment for obtaining FPIC and our company should exercise caution.**
- This resolution is urgent given the lifting of the moratorium on fracking in the NT in April of this year, and the subsequent announcement by our company of its intention to "resume work as soon as practical", and its "plans to drill and fracture stimulate a further five wells to complete existing exploration permit commitments put in place prior to the moratorium being introduced in September 2016."<sup>17</sup>
- If the FPIC Review requested concludes that FPIC has not been clearly established, our company should take active steps to ensure that Aboriginal Traditional Owners and communities are afforded FPIC, by engaging in new consultation processes that comply with FPIC before any further exploration or production activity takes place.

#### ACCR urges shareholders to vote for this proposal.

<sup>12</sup> This review has included the findings of the Hawke Inquiry, the Pepper Inquiry, submissions to those inquiries, and credible media reporting

<sup>13</sup> Report of the Independent Inquiry into Hydraulic Fracturing in the Northern Territory, 2014 see

[https://frackinginquiry.nt.gov.au/\\_data/assets/pdf\\_file/0008/387764/report-inquiry-into-hydraulic-fracturing-nt.pdf](https://frackinginquiry.nt.gov.au/_data/assets/pdf_file/0008/387764/report-inquiry-into-hydraulic-fracturing-nt.pdf)

<sup>14</sup> Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory, 2018, see <https://frackinginquiry.nt.gov.au/>

<sup>15</sup> See, for example <https://www.theguardian.com/environment/2018/jun/18/not-safe-not-wanted-is-the-end-of-nt-fracking-ban-a-taste-of-things-to-come>

<sup>16</sup> Tim Goodman, Hermes investment management, 29 January 2018, available at <https://www.hermes-investment.com/au/blog/perspective/companies-indigenous-peoples-collide/>

<sup>17</sup> <https://www.originenergy.com.au/about/investors-media/media-centre/origin-to-resume-beetaloo-exploration-in-nt.html>

## Supporting Statement to Resolution 9(c)

As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) encourages companies to accelerate their transition to a low carbon economy, in order to protect shareholders and the broader economy from the impacts of climate change.

In December 2017, our company committed to “a company-wide 50% reduction in absolute scope 1 and 2 carbon emissions by 2032” (on 2017 levels)<sup>18</sup>. Our company also committed to “a 25% reduction in value chain Scope 3 emissions on 2017 levels over the same period”<sup>19</sup>. These targets were endorsed by the international Science Based Targets initiative (SBTi)<sup>20</sup>.

Yet neither our company nor the SBTi have disclosed the underlying assumptions or modelling upon which this endorsement was made. This is concerning given our company’s recent emissions performance:

- In FY2018, our company’s operated Scope 1 & 2 emissions increased 6% to 20,079 ktCO<sub>2</sub>-e due to “a full year’s contribution from APLNG Train Two and increased output from the Eraring black coal-fired power station”<sup>21</sup>;
- Our company’s operated Scope 1 & 2 emissions have increased 45% in the five years from FY2013 to FY2018 (13,865 to 20,079 ktCO<sub>2</sub>-e);
- The increased output from Eraring is expected to account for approximately 2,000 additional ktCO<sub>2</sub>-e in FY2018;
- Given our company’s science-based target uses a FY2017 baseline, the cumulative impact of operating Eraring at this level every year until 2032 would be the equivalent of keeping it open for an additional two years.

Our company has set a target of renewables comprising more than 25% of our generation mix by 2020, up from approximately 10% in 2017<sup>22</sup>. Despite this target, our company’s greenhouse gas emissions intensity worsened between FY2013 and FY2017 (0.74 to 0.78 tonnes CO<sub>2</sub>-e/MWh).

Our company’s commitment to a 25% reduction in Scope 3 emissions does not include the emissions from LNG exports (Category 11). Our company has narrowly defined its Scope 3 emissions as those resulting from “gas purchases and electricity derived from the pool”<sup>23</sup>, and reported just 18ktCO<sub>2</sub>-e of Scope 3 emissions in FY2017. It is likely that due to the broader decarbonisation of the electricity sector, this target will be met without the need for action<sup>24</sup>.

### Regulatory risk

- Despite the Australian government’s currently unambitious emissions reduction target (of 26-28% by 2030), the Paris Agreement demands that our Nationally Determined Commitment (NDC) be ratcheted up over time.
- It is widely accepted that a greater proportion of emissions reductions must be borne by the electricity sector. In 2017, the CSIRO modelled four scenarios in which the electricity sector could reduce

<sup>18</sup>Origin Energy, ASX/Media Release, 14 December 2017

<sup>19</sup>ibid.

<sup>20</sup>ibid.

<sup>21</sup>Origin Energy, Financial Statements 30 June 2018

<sup>22</sup>Origin Energy, ‘Resilience of Origin’s Generation Portfolio to a Low Carbon Economy’, October 2017

<sup>23</sup>Origin Energy, ASX/Media Release, 14 December 2017

<sup>24</sup>Finkel et al, Independent Review into the Future Security of the National Electricity Market, June 2017

emissions by between 52-70% by 2030<sup>25</sup>. In the absence of an interim emissions reduction target on its Scope 1 & 2 emissions, our company's contribution to any of these scenarios, and Australia's Paris Agreement commitments is insufficient.

- Our company has a 70% interest in exploration permits over 18,500km<sup>2</sup> in the Beetaloo Basin. In February this year, 31 climate scientists signed an open letter to the Scientific Inquiry into Hydraulic Fracturing in the NT, stating that "the development of onshore shale gas and shale oil fields in the Northern Territory should not go ahead under any circumstances"<sup>26</sup>. The inquiry found that the development of a single onshore shale gas field would increase Australia's GHG emissions by 5%<sup>27</sup>. Such an increase in emissions would be incompatible with Australia's commitments under the Paris Agreement. In the interests of its own commitments, our company should set targets for the use of product sold (Scope 3, Category 11).
- It is expected that in the years ahead, our company will come under increasing regulatory and political pressure to reduce emissions over the medium term. Given that a federal election is due to be held in Australia within the next year, clarity about our company's interim emissions reductions targets would give shareholders greater comfort that our company is prepared for a shifting regulatory landscape.

#### Increased scrutiny

- Earlier this year, our company was included in the Climate Action 100+, a global, institutional investor-led initiative to "drive the clean energy transition and help achieve the goals of the Paris Agreement"<sup>28</sup>. Our company's inclusion in this initiative will subject its emissions performance to greater scrutiny, particularly if our company fails to reduce its emissions over the medium term.
- In July 2018, the Transition Pathway Initiative (TPI) found that the emissions intensity of our company's electricity generation is "not aligned" with limiting global warming to 2°C<sup>29</sup>. Our company compares unfavourably to its global peers in TPI's analysis.
- Furthermore, based on the TPI's benchmarks for emissions intensity that are consistent with the Paris Agreement, our company will not be aligned in 2030, and may not be aligned even after Eraring is closed in 2032. Put simply our company's existing targets are not ambitious enough to meet the aims of the Paris Agreement.

We emphasise our support for our company's long-term goal of net zero emissions from the electricity sector by 2050<sup>30</sup>. As we approach the critical decade for climate action, we urge our company to set substantive, interim targets to reduce its carbon emissions in order to deliver on its commitment to meet the aims of the Paris Agreement.

#### ACCR urges shareholders to vote for this proposal.

<sup>25</sup> CSIRO, Low Emissions Technology Roadmap, June 2017

<sup>26</sup> <http://www.tai.org.au/content/open-letter-scientific-inquiry-hydraulic-fracturing-northern-territory-and-northern>

<sup>27</sup> *Ibid.*

<sup>28</sup> <http://www.climateaction100.org/>

<sup>29</sup> Transition Pathway Initiative, 'The state of transition in the coal mining, electricity and oil and gas sectors: TPI's latest assessment', July 2018

<sup>30</sup> Origin Energy, 'Resilience of Origin's Generation Portfolio to a Low Carbon Economy', October 2017

## Supporting Statement to Resolution 9(d)

As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments.

The last decade of Australian climate and energy policy has been characterised by short-lived policy subject to relentless scrutiny and adversarial campaigning by industry bodies.

Accordingly, we urge companies in the mining and energy sector to review their relationships with industry bodies that act as obstacles to the effective uptake of national and global climate and energy frameworks aimed at limiting global warming to 2°C.

In its 2017 climate change submission to the CDP, our company identified just four industry associations that “are likely to take a position on climate change legislation”: the Australian Energy Council, the Australian Industry Greenhouse Network, the Australian Petroleum Production and Exploration Association, and the Business Council of Australia. We believe, however, that this list does not cover the full extent of our company’s involvement in lobbying on climate policy.

We are concerned that our company’s in principle commitment to the goals of the Paris Agreement is being undermined by our company’s membership of various trade associations which undertake advocacy counter to these goals.

In particular we question the long-term attractiveness to shareholders of our company’s public policy advocacy through the following industry associations:

- **Australian Industry Greenhouse Network** advocates for emissions-intensive trade-exposed (EITE) industries - including aluminium, cement, petroleum, coal and steel - to be exempt “from the costs of the [National Energy] Guarantee”<sup>31</sup>; this is now part of government policy, counter to the goals of the Paris Agreement;
- **Australian Petroleum Production and Exploration Association (APPEA)** has called for the removal of any regulatory barriers (including state-based moratoria) that prevent the development of Australia’s gas resources<sup>32</sup>, despite conservative estimates of the global carbon budget determining that 56% of Australia’s gas resources must remain unburned if we are to meet the goals of the Paris Agreement<sup>33</sup>;
- APPEA’s climate change policy principles state that were Australia to implement more aggressive climate policies than its international competitors, the costs imposed on EITE industries, such as LNG, should be minimised<sup>34</sup>;
- **Australian Pipelines and Gas Association** advocates for switching the majority of Australia’s coal-fired electricity generation to gas<sup>35</sup>;
- The **Business Council of Australia (BCA)** actively campaigned against and celebrated the repeal of Australia’s short-lived price on carbon in 2014<sup>36</sup>;
- The BCA supports the adoption of the National Energy Guarantee (NEG), however, it described the more ambitious target of 45% (by 2030) as an “economy wrecking target”<sup>37</sup>, despite that target being more closely aligned to the Paris Agreement than the government’s proposed target;

<sup>31</sup> AIGN comments on National Energy Guarantee - draft detailed design consultation paper, 13 July 2018

<sup>32</sup> APPEA Submission to ESB National Energy Guarantee Draft Detailed Design Consultation Paper, 15 June 2018

<sup>33</sup> McGlade & Ekins, ‘The geographical distribution of fossil fuels unused when limiting global warming to 2°C’, Nature, January 2015

<sup>34</sup> APPEA Climate Change Policy Principles, December 2015

<sup>35</sup> APGA Submission to the Draft Design Consultation Paper - National Energy Guarantee, March 2018

<sup>36</sup> <http://www.bca.com.au/media/business-groups-welcome-carbon-tax-repeal>

- BCA CEO Jennifer Westacott has claimed that more ambitious emissions targets will result in “the deindustrialisation of the economy”<sup>38</sup>, and told government MPs that the BCA would campaign against the opposition’s more ambitious emissions target<sup>39</sup>;
- BCA President Grant King believes the continued export of Australian coal will assist other countries in reducing emissions<sup>40</sup>; this is patently absurd and runs counter to our company’s interests;
- **Gas Energy Australia** has singularly blamed renewable energy for rising electricity prices, and advocates for the primary role of gas in reducing emissions<sup>41</sup>;
- The **Queensland Resources Council (QRC)** has repeatedly lobbied for government policy and financial support for the construction of new coal-fired power generation<sup>42</sup>, although any new coal-fired power generation would be inconsistent with Australia meeting its Paris Agreement commitments<sup>43</sup>;
- The QRC supports the development of new thermal coal mines in Queensland including Adani’s Carmichael coal mine in the Galilee Basin<sup>44</sup>.

Many of these policy interventions seek to weaken policy outcomes that are consistent with the goals of the Paris Agreement. The breadth of such lobbying suggests that our company’s governance of industry association relationships is inadequate, and that our company’s ambition to transition to a low carbon portfolio is underserved by many of these relationships.

Our company has stated that the “goal of net zero emissions in the electricity sector by 2050 or earlier is possible”<sup>45</sup>. Yet the BCA believes such a goal would “wreck the economy”. In respect to the NEG, some of our company’s industry associations are arguing for vastly different policy outcomes, which suggests a lack of oversight of their advocacy.

Our company’s public policy advocacy is not limited to gas and electricity. For example, the Australian Institute of Petroleum (our company is an associate member), the BCA and Gas Energy Australia have each advocated for changes to Australia’s vehicle emissions standards<sup>46</sup>.

We emphasise our support for our company’s long-term goal of net zero emissions from the electricity sector by 2050<sup>47</sup>. However, the activities of industry associations of which our company is a member stand in conflict with this commitment and our company’s long term financial and strategic interests, and have the potential to undermine shareholder value over time, given our company’s exposure to climate-related risk and energy instability.

Our company’s membership of Relevant Industry Associations should therefore be reviewed in light of those associations’ positions, with a view to establishing criteria for discontinuing memberships that have not promoted our company’s interests.

#### **ACCR urges shareholders to vote for this proposal.**

<sup>37</sup><https://twitter.com/BCAcomau/status/1011414577702031361>

<sup>38</sup><https://twitter.com/SkyNewsAust/status/1025867269719519232>

<sup>39</sup><https://www.theguardian.com/australia-news/2018/jun/26/tumbull-quashes-abbotts-bid-to-give-party-room-a-say-on-energy-guarantee>

<sup>40</sup><https://www.gladstoneobserver.com.au/news/business-council-gladstone-at-the-centre-of-nation/3474433/>

<sup>41</sup>Gas Energy Australia, Submissions to National Energy Guarantee (NEG) Draft Detailed Design Consultation Paper, 13 July 2018

<sup>42</sup><https://www.qrc.org.au/media-releases/queensland-ideal-place-for-hele-coal-investment/>

<sup>43</sup>[http://www.climateinstitute.org.au/verve/\\_resources/TCI\\_A-Switch-In-Time\\_Final.pdf](http://www.climateinstitute.org.au/verve/_resources/TCI_A-Switch-In-Time_Final.pdf)

<sup>44</sup><https://www.qrc.org.au/media-releases/statement-queensland-resources-council-chief-executive-ian-macfarlane-adani/>

<sup>45</sup>Origin Energy, ‘Resilience of Origin’s Generation Portfolio to a Low Carbon Economy’, October 2017

<sup>46</sup><https://infrastructure.gov.au/vehicles/environment/forum/>

<sup>47</sup>Origin Energy, ‘Resilience of Origin’s Generation Portfolio to a Low Carbon Economy’, October 2017

# Questions



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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, 10 October 2018.

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## Directory

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### Registered Office

Level 32, Tower 1  
100 Barangaroo Avenue  
Barangaroo, NSW 2000

GPO Box 5376  
Sydney NSW 2001

T (02) 8345 5000

F (02) 9252 9244

[originenergy.com.au](http://originenergy.com.au)

[enquiry@originenergy.com.au](mailto:enquiry@originenergy.com.au)

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### Secretaries

Andrew Clarke  
Helen Hardy

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### Share registry

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

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

GPO Box 3993  
Sydney NSW 2001

T Australia 1300 664 446

T International (+61 2) 8016 2896

F (02) 9279 0664

[boardroomlimited.com.au](http://boardroomlimited.com.au)

[origin@boardroomlimited.com.au](mailto:origin@boardroomlimited.com.au)

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### Auditor

KPMG

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Further information about Origin's performance can be found on our website:

[originenergy.com.au](http://originenergy.com.au)



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 Sofitel Sydney Wentworth, 61 Phillip Street, Sydney, NSW 2000 on Wednesday, 17 October 2018 at 10:30am AEDT.

For your proxy appointment and vote to be effective it must be recorded before **10:30am AEDT on Monday, 15 October 2018.**

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

**TO VOTE ONLINE** **BY SMARTPHONE**

**STEP 1: VISIT** <https://www.votingonline.com.au/originagm2018>

**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 **10:30am AEDT on Monday, 15 October 2018.** 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** <https://www.votingonline.com.au/originagm2018>
- 📠 **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.

**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 **Sofitel Sydney Wentworth, 61 Phillip Street, Sydney, NSW 2000 on Wednesday, 17 October 2018 at 10:30am 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 5, 6 & 8, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 5, 6 & 8 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 and Resolution 8.

The Chairman of the Meeting intends to vote all available undirected proxies **against** Resolutions 9(a) to 9(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 '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 6 inclusive and have not made a recommendation on resolutions 7 and 8.

		Board Recommendation	For	Against	Abstain*
Resolution 2	Re-election of Mr John Akehurst	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Scott Perkins	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr Steven Sargent	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Remuneration Report ( <i>Non-binding advisory vote</i> )	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Equity grants to Chief Executive Officer & Managing Director Mr Frank Calabria	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of potential termination benefits	NOT APPLICABLE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Non-executive Director Share Plan and issue of shares	NOT APPLICABLE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Non-endorsed resolutions.**

The Board recommends shareholders vote **AGAINST** resolutions 9(a) to 9(d) inclusive

		Board Recommendation	For	Against	Abstain*
Resolution 9(a)	Amendment to the Constitution ( <i>special resolution</i> )	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9(b)	Contingent resolution – Free, Prior and Informed Consent	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9(c)	Contingent resolution – Set and publish interim emissions targets	AGAINST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9(d)	Contingent resolution – Public policy advocacy on climate change and energy by Relevant Industry Associations	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

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018