

## **Notice of Meeting**

Notice is hereby given that the 2018 Annual General Meeting of Orica Limited will be held in the Ballroom, Park Hyatt Melbourne, 1 Parliament Square, East Melbourne, Victoria on Wednesday, 19 December 2018 at 10.30am.

## **Ordinary Business**

### **1 Financial Report, Directors' Report and Auditor's Report**

"To receive and consider the financial report, directors' report and auditor's report for the year ended 30 September 2018."

### **2 Election of Directors**

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

- 2.1 "That Ian Cockerill, a Director who retires in accordance with Rule 58.3 of the Company's Constitution, being eligible and offering himself for re-election, is re-elected as a Director."
- 2.2 "That Denise Gibson, a Director appointed by the Board since the last Annual General Meeting of the Company who retires in accordance with Rule 47 of the Company's Constitution, being eligible and offering herself for election, is elected as a Director."

Details of the persons seeking election are set out in the Explanatory Notes to this Notice of Meeting.

### **3 Adoption of Remuneration Report**

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

To adopt the Remuneration Report for the year ended 30 September 2018.

The Remuneration Report is included in the Annual Report.

### **4 Grant of performance rights to Managing Director under the Long Term Incentive Plan**

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

"That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of performance rights to the Managing Director, Dr Alberto Calderon, under Orica's Long Term Incentive Plan on the terms summarised in the Explanatory Notes."

## **Voting exclusion statement (ASX Listing Rules and Corporations Act) applicable to resolutions 3 and 4:**

No vote may be cast on resolution 3 by or on behalf of any of the Company's key management personnel (**KMP**) (whose remuneration details are included in the Remuneration Report) or their closely related parties.

The Company will disregard any votes cast in favour of resolution 4 by or on behalf of Dr Calderon (and any of his associates), regardless of the capacity in which the vote is cast.

Further, the Company will disregard any votes cast as a proxy on resolutions 3 and 4 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 resolutions 3 or 4:

- a) in accordance with a direction on the proxy form; or
- b) by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy (even if the resolution is connected, directly or indirectly, with the remuneration of a KMP).

### **IMPORTANT: IF YOU APPOINT THE CHAIRMAN OF THE MEETING AS YOUR PROXY**

If you appoint the Chairman of the meeting as your proxy or the Chairman is appointed by default and you do not direct your proxy how to vote on resolutions 3 or 4, you will be expressly authorising the Chairman of the meeting to exercise your proxy, even if the resolution is connected, directly or indirectly, with the remuneration of the KMP. The Chairman intends to vote undirected proxies in favour of resolutions 3 and 4.

By order of the Board  
Kirsten Gray

Company Secretary  
9 October 2018

### **Voting Entitlement**

The Board has determined that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7.00pm on Monday, 17 December 2018.

As determined by the Chairman of the meeting, each resolution will be decided on a poll.

## Explanatory Notes to Shareholders

### Item 1 – Financial Statements and Results

The *Corporations Act 2001* (Cth) (“Corporations Act”) requires the financial report (which includes financial statements, notes to the financial statements and directors’ declaration), the directors’ report and the auditor’s report to be laid before the Annual General Meeting. The Constitution of Orica Limited (“Orica”) provides for these reports to be received and considered at the meeting.

There is no requirement either in the Corporations Act or the Constitution for shareholders to approve the financial report, the directors’ report or the auditor’s report. Shareholders will, however, be given a reasonable opportunity to ask questions and make comments on these reports, and on the business, operations and management of Orica.

### Item 2 – Election of Directors

The ASX Listing Rules require that an entity which has directors must hold an election of directors at each Annual General Meeting.

Under the Company’s Constitution, a Director may not hold office beyond the third Annual General Meeting following the meeting at which the Director was last elected or re-elected. Accordingly, Mr Ian Cockerill is retiring and offers himself for re-election.

Ms Denise Gibson is seeking election by shareholders for the first time, having been appointed as a Director since the last Annual General Meeting. Prior to her appointment, Orica engaged an external service provider to undertake background checks in accordance with the ASX Corporate Governance Principles & Recommendations. The Company received assurance that there was no adverse information with respect to Ms Gibson.

The Board has reviewed the performance of Mr Cockerill and the Nominations Committee has considered the skills, knowledge, experience and diversity represented on the Board as a whole.

The Board considers that Mr Cockerill and Ms Gibson, if elected or re-elected, will be independent of executive management and free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of Orica and its shareholders generally.

**Accordingly, the Board supports the re-election of Mr Cockerill and the election of Ms Gibson.**

The profile of each candidate is set out below.



#### **Ian Cockerill**

Ian Cockerill was appointed as an independent Non-executive Director of Orica Limited in July 2010. He is the Chairman of the Safety, Health, Environment & Community Committee and a member of the Human Resources & Compensation Committee and the Nominations Committee.

Mr Cockerill is a highly experienced mining executive and company director, with four decades of experience with some of the world’s leading mining companies. He has deep expertise in mining operations and business development, and has extensive international business experience, gained through his role as former Chief Executive Officer of Anglo Coal and Gold Fields Limited, and his senior leadership roles at AngloGold Ashanti and the Anglo American Group.

Mr Cockerill is the Chairman of BlackRock World Mining Trust plc and a Director of Endeavour Mining Corporation and Ivanhoe Mines Limited. He is also Chairman for Conservation 360, a Botswanan conservation NGO dealing with anti-poaching initiatives. Former Chairman of the Leadership for Conservation in Africa, and a former Director of Business Leadership South Africa, the South African Business Trust and the World Gold Council.

The Board recommends the re-election of Mr Cockerill.



### **Denise Gibson**

Denise Gibson was appointed as an independent Non-executive Director of Orica Limited on 1 January 2018. She is a member of the Human Resources & Compensation Committee and the Nominations Committee.

Ms Gibson is a seasoned Chief Executive and board member with 30 years of experience in consumer electronics design, manufacturing, logistics and supply chain, combined with more recent experience in marketing, distribution and retail services, and extensive corporate experience at Motorola in senior executive management and marketing roles.

Ms Gibson is the Co-founder and Chairman of Ice Mobility, a Director of Aerial Technologies Inc., NASDAQ-listed VOXX International Corporation and ORBCOMM Inc., and a Director of the Consumer Technology Association and the Consumer Technology Association Foundation, both not-for-profit organizations. She is also Founder and former CEO of Brightstar US.

The Board recommends the election of Ms Gibson.

### **Item 3 – Remuneration Report**

Shareholders will be given the opportunity to comment on and ask questions about the Remuneration Report which is included in Orica's Annual Report 2018.

The 2018 Remuneration Report highlights:

- a governance framework that underpins remuneration decision-making;
- the remuneration policy and structure adopted by the Board that encourages Orica's performance-based culture by making a significant proportion of total target remuneration 'at risk' against performance;
- the strong link between Orica's financial performance and the level of reward;
- the past and current performance conditions that must be met for executives to derive value from the 'at risk' components of their remuneration;
- changes to the executive remuneration framework for 2019; and
- the elements of remuneration of the Non-executive Directors, the Managing Director and those senior executives required to be disclosed for the 2018 financial year.

The vote on this item is advisory only and will not bind the Directors or Orica. However, the Board takes into account feedback from our shareholders in relation to our remuneration strategy, including the discussion and vote on this resolution, when considering the future remuneration arrangements of the Company.

The Board recommends that shareholders vote in favour of this non-binding ordinary resolution.

### **Item 4 – Grant of performance rights to the Managing Director under the Long Term Incentive Plan ("LTIP")**

Under ASX Listing Rule 10.14, shareholder approval is required in order for a Director to be issued securities under an employee incentive scheme. Accordingly, shareholders are asked to approve the grant of performance rights (**Rights**) to the Managing Director under the FY2019 LTIP offer.

The Board believes that it is in shareholders' interests to provide the Managing Director with an equity-based long-term incentive to ensure there is alignment between satisfactory returns for shareholders and the rewards for the Managing Director by linking an appropriate part of the executive's reward to the generation of long term returns for shareholders.

The long-term incentive is a key element in the Executive Remuneration Framework offered to the Managing Director. This Remuneration Framework is designed to attract, motivate, reward and retain executives through a remuneration approach that is globally relevant, competitive, aligns with shareholder interests and has a high perceived value.

The long-term incentive component of remuneration takes the form of an annual grant of Rights under the LTIP. Each annual grant is subject to shareholder approval.

For FY2019, the LTIP will have one metric, Return on Net Assets (**RONA**), measured on a three-year average basis. The Board considers this metric is most closely aligned to the objectives of sustainable productivity improvement and efficient capital allocation, which in turn enable long-term shareholder value creation. In addition, an additional two year holding lock will be applied to vested incentives under the plan to ensure alignment with shareholders.

Further details of Dr Calderon's remuneration package are set out in the Remuneration Report which is included in the Annual Report.

Date of grant	<p>If shareholder approval is obtained, it is expected that the Rights will be granted shortly after the meeting (and, in any event, will be granted within 12 months).</p>														
Number of Rights	<p>The face value of Dr Calderon's annual long term incentive participation is determined by reference to a percentage (215%) of his fixed annual remuneration (FAR). Dr Calderon's current FAR is \$1,800,000.</p> <p>The actual number of Rights to be allocated will be determined by dividing Dr Calderon's long term incentive participation value by the volume weighted average price (VWAP) of Orica shares during the 5 trading days following the full year results announcement rounded down to the nearest whole number of Rights.</p> <p>By way of an example, if the VWAP of the Company's ordinary shares over this period is \$20, then Dr Calderon would be granted 193,500 Rights.</p>														
Performance conditions (for vesting of Rights)	<p>The Rights are subject to a RONA performance hurdle.</p> <p><b>RONA</b></p> <p>Rights granted are subject to a hurdle based on average RONA performance. Annual RONA is defined as Annual EBIT / Rolling 12 month Net Operating Assets</p> <p><i>Where:</i></p> <p>Annual EBIT = Earnings from Continuing Operations before interest, tax and individually material items.</p> <p>Rolling 12 month Net Operating Assets = Net property plant and equipment, Intangibles, Investments (non-current) in associates, trade working capital, non-trade working capital and environment provisions (added back).</p> <p>To determine average RONA for the performance period, Annual RONA is calculated for each of the years of the performance period, and then averaged.</p> <p>The average RONA will be rounded to one decimal place with vesting according to the schedule below:</p> <table><tr><th>RONA performance (3 year average)</th><th>Percentage of Rights vesting subject to RONA</th></tr><tr><td>Below 13.7%</td><td>Nil</td></tr><tr><td>At 13.7%</td><td>30% of rights vest</td></tr><tr><td>Between 13.7% and 14.0%</td><td>Straight line vesting between 30% and 60%</td></tr><tr><td>At 14.0%</td><td>60% of rights vest</td></tr><tr><td>Between 14.0% and 14.7%</td><td>Straight line vesting between 60% and 100% of rights vest</td></tr><tr><td>At or above 14.7%</td><td>100% of rights vest</td></tr></table>	RONA performance (3 year average)	Percentage of Rights vesting subject to RONA	Below 13.7%	Nil	At 13.7%	30% of rights vest	Between 13.7% and 14.0%	Straight line vesting between 30% and 60%	At 14.0%	60% of rights vest	Between 14.0% and 14.7%	Straight line vesting between 60% and 100% of rights vest	At or above 14.7%	100% of rights vest
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	<p>For example, average RONA of 13.8% will result in 45% of Rights vesting. Average RONA of 14.2% will result in 71.4% of Rights vesting. No Rights will vest should average RONA not equal or exceed 13.7% over the three year performance period.</p> <p>The return range of 13.7% – 14.7% has been chosen as it reflects market expectations for returns through the current industry / market cycle, Orica's corporate plan and transformation program and long-term growth expectations.</p> <p>The Board has retained discretion to adjust RONA in exceptional circumstances for individually material items that may otherwise distort the average RONA outcome.</p>
<b>Performance period and vesting</b>	<p>The Rights are subject to a three year performance period commencing from the start of FY2019 (i.e. 1 October 2018). Any Rights which do not vest following testing of the performance condition at the end of the performance period (expected to occur following the announcement of full-year financial results for FY2021) will lapse.</p>
<b>Allocation of Shares</b>	<p>Following testing of the applicable performance condition and determination of the vesting level of the Rights, one fully-paid ordinary share in Orica will be allocated for each Right which vests. In accordance with the terms of the LTIP, the Board also has discretion to settled vested Rights in cash.</p>
<b>Trading Restrictions</b>	<p>Shares allocated on the vesting of Rights will be subject to a restriction on trading for a two year period (from 1 October 2021 to 30 September 2023) during which time the Managing Director will be restricted from dealing in those shares.</p> <p>At the end of the restriction period, trading restrictions will cease to apply, and the Managing Director will be able to sell, or otherwise deal with those shares, subject to complying with Orica's Securities Dealing Policy.</p> <p>In certain exceptional circumstances, the Board may determine that applicable trading restrictions will cease to apply to all, or a portion of, the Managing Director's shares prior to the end of the restriction period.</p>
<b>Cessation of employment</b>	<p><b>Cessation during the performance period</b></p> <p>If the Managing Director resigns from the Group or is terminated for cause prior to the Rights vesting, in general, his Rights lapse and he will have no further interest in the Rights.</p> <p>Unless the Board determines otherwise, if employment ceases in other circumstances (e.g. retirement, mutual separation, ill-health etc.), the Managing Director would retain the Rights on a pro-rata basis with the performance condition being tested at the end of the performance period to determine the number of Rights which may vest at this time (if any).</p> <p>Shares allocated on the vesting of Rights will be subject to a restriction on trading for a two year period (from 1 October 2021 to 30 September 2023) during which time the Managing Director will be restricted from dealing in those shares.</p>

	<p><b>Cessation during restriction period</b></p> <p>If the Managing Director ceases employment prior to the end of the restriction period, any shares held will continue to be subject to a restriction on trading for a two year period (from 1 October 2021 to 30 September 2023) during which time the Managing Director will be restricted from dealing in those shares.</p>
<b>Price payable for the Rights</b>	No amount is payable by the Managing Director in respect of the grant, or for the shares allocated on the vesting of the Rights.
<b>Application of Malus Standard</b>	<p>The terms of the LTIP contain the ability for the Board to apply Orica's 'Malus Standard'. This Standard provides the Board with the ability to reduce or lapse unvested awards in the case of:</p> <ul style="list-style-type: none"> <li>(a) a material misstatement in financial results;</li> <li>(b) behaviour that brings Orica into disrepute or has the potential to do so;</li> <li>(c) serious misconduct by any participant; or</li> <li>(d) any other circumstance, which the Board has determined in good faith.</li> </ul>
<b>Other required information – ASX Listing Rules</b>	<p>The Managing Director is the only current Director of Orica entitled to participate in the LTIP.</p> <p>There is no loan scheme in relation to the grant of Rights under the LTIP.</p> <p>In accordance with the approval received from shareholders at the 2017 Annual General Meeting, on 15 December 2017, the Company allocated 207,841 performance rights to the Managing Director, Dr Calderon, at an acquisition price of \$18.62 per share.</p>


The Board, other than the Managing Director, who has an interest in resolution 4, recommends that shareholders vote in favour of this resolution.







## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
ORICA Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 301 253

## PROXY FORM

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

### APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am on Wednesday, 19 December 2018 in the Ballroom, Park Hyatt Melbourne, 1 Parliament Square, East Melbourne, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 3 and 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).**

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.**

#### Resolutions

	For	Against	Abstain*
<b>2.1</b> Re-election of Ian Cockerill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2.2</b> Election of Denise Gibson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> Grant of performance rights to Managing Director under the Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* 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 votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am on Monday, 17 December 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN), Holder Identification Number (HIN) or Employee ID as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

ORICA Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
or  
  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**