

Notice of Meeting 2021

Orica Limited
ABN 24 004 145 868

Registered Office
Level 3, 1 Nicholson Street
East Melbourne, VIC 3002
Australia



Notice of Meeting

Notice is hereby given that the 2021 Annual General Meeting (AGM or Meeting) of Orica Limited will be held online on Thursday, 16 December 2021 at 10:30am.

To address the ongoing health concerns and uncertainties presented by the COVID-19 pandemic, the Orica AGM will again be hosted virtually in 2021. Shareholders are invited to attend the Meeting in real time, via the online platform, which will be accessible on the day of the Meeting at <https://meetings.linkgroup.com/ORI21>.

Information on how to participate in the Meeting virtually is set out below and in the Virtual Meeting Online Guide which is available at orica.com/agm2021.

HOW TO PARTICIPATE IN THE 2021 AGM VIRTUALLY

Watch and participate live online

Shareholders and proxyholders can watch, vote, and ask questions during the AGM via the online platform at <https://meetings.linkgroup.com/ORI21>.

To do this, you will need a computer or mobile/tablet device with internet access.

Shareholders: When you log into the online platform, you will need to provide your details (including SRN/HIN and postcode) to be verified as a shareholder in order to register to vote or ask a question.

Proxyholders: When you log into the online platform, you will need your 'Proxy Number' which will be provided to you by Link Market Services before the AGM in order to register to vote or ask a question.

Shareholders may submit written questions via the online platform or phone questions via the dedicated shareholder question line. Further information on how to do so is outlined on the Virtual Meeting Online Guide.

Options for voting – prior to the AGM

Shareholders who are unable to join us at the AGM are encouraged to cast a direct vote prior to the Meeting or, alternatively, to appoint a proxy to attend and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the Meeting in accordance with your directions.

Even if you plan to attend the virtual Meeting, you are still encouraged to cast a direct vote or submit a directed proxy in advance of the Meeting so that your votes can still be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the Meeting).

Options for asking questions – before and during the AGM

Shareholders may direct questions during the Meeting to the Chairman about the operations and management of Orica, or to Orica's external auditor, KPMG, relevant to the audit of the financial statements.

Shareholders are also able to submit written questions to the Company or auditor in advance of the Meeting.

Questions may be submitted by email to investorrelations@orica.com and must be submitted no later than 5:00pm (AEDT) on Thursday, 9 December 2021.

The Company will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

Viewing the webcast online

The AGM will be webcast live at <https://meetings.linkgroup.com/ORI21>. A recording of the webcast will be available on our website at orica.com/agm2021 shortly after the Meeting. You do not need to be a shareholder or proxyholder to view the webcast.

Annual General Meeting Agenda

10:00am	Registration opens
10:30am	AGM commences
	Chairman's welcome and address to Shareholders
	Managing Director and Chief Executive Officer address to Shareholders
	Items of Business

TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the Meeting. The Chairman has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where he considers it appropriate, the Chairman may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a direct vote or proxy vote by 10:30am on (AEDT) on Tuesday, 14 December 2021 even if they plan to attend the Meeting online.

ITEMS OF 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 2021."

2. Election of Directors

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

"That Denise Gibson, who retires by rotation in accordance with Rule 58.1 of the Company's Constitution, being eligible and offering herself for re-election, is re-elected as a Director."

Details of the person 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 2021."

The Remuneration Report is included in the Annual Report.

4. Grant of performance rights to the Managing Director and Chief Executive Officer (CEO) 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 and Chief Executive Officer, Mr Sanjeev Gandhi, under Orica's Long-Term Incentive Plan on the terms summarised in the Explanatory Notes."

The Explanatory Notes and Notes relating to Voting form part of this Notice of Meeting.

By order of the Board



Erin O'Connor
Company Secretary

4 November 2021



Kirsten Anderson Llewellyn
Company Secretary

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 (“**Company**” or “**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 requires that an entity 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, Ms Gibson is retiring and offering herself for re-election.

The Board has reviewed the performance of the retiring Director standing for re-election and the Nominations Committee has considered the skills, knowledge, experience and diversity represented on the Board as a whole.

The profile of the candidate is set out below:



Denise Gibson

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

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.

Ms Gibson is a seasoned Chief Executive, business leader and board member with over 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.

The Board has reviewed the performance of Ms Gibson and considers her strong track record in the technology sector and experience in technology product development strongly enhances the Board’s ability to oversee Orica’s technology strategy and commercialization of new products.

The Board (with Denise Gibson abstaining) recommends that shareholders vote in favour of the re-election of Ms Gibson.

Explanatory Notes to Shareholders (cont.)

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 2021 Annual Report.

The 2021 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 performance conditions that must be met for executives to derive value from the 'at risk' components of their remuneration;
- key changes to the executive remuneration framework; and
- the elements of remuneration of the Non-executive Directors, the Managing Director and those senior executives required to be disclosed for the 2021 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 AND CHIEF EXECUTIVE OFFICER (CEO) UNDER THE LONG-TERM INCENTIVE PLAN ("LTIP")

Under ASX Listing Rule 10.14, shareholder approval is required 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 and Chief Executive Officer (Managing Director), Mr Sanjeev Gandhi, under the FY2022 LTIP offer.

Orica's Executive 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 is a key element of this framework.

The Board believes that it is in the 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 Managing Director's reward outcomes by linking a substantial part of the annual remuneration package to the generation of long-term returns for shareholders.

To further strengthen this alignment, Relative Total Shareholder Return (Relative TSR) has been added as a second metric alongside the existing Return on Net Assets (RONA) metric which aims to drive sustainable productivity improvement and efficient capital allocation, which in turn enables long-term shareholder value creation. Both Relative TSR and RONA will be tested over a 3-year performance period. In addition, a 2-year holding lock will be applied to vested incentives under the plan to ensure ongoing alignment with shareholders.

As the long-term incentive component of the Managing Director's remuneration takes the form of an annual grant of Rights under the LTIP, each grant is subject to shareholder approval. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise the Managing Director, including a cash-based incentive.

For the purposes of ASX Listing Rule 10.15, the key terms of the LTIP grant are set out below.

Date of grant	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).
Form of grant	Orica grants Rights as they create share price alignment between executives and ordinary shareholders, but do not provide executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the Rights vest.
Number of Rights	The face value of Mr Gandhi's long-term incentive grant is determined by reference to a percentage (200%) of fixed annual remuneration (FAR), currently \$1,700,000. The actual number of Rights to be allocated will be determined by dividing Mr Gandhi's long-term incentive grant value by the volume weighted average price (VWAP) of Orica shares during the 5 trading days following the full year results announcement for FY2021 rounded down to the nearest whole number of Rights. By way of an example, if the VWAP of the Company's ordinary shares over this period is \$14.50, then Mr Gandhi would be granted 234,482 Rights.
Performance conditions (for vesting of Rights)	RONA 50% of the Rights granted are subject to an average RONA performance hurdle. Annual RONA is defined as Annual EBIT/Rolling 12-month Net Operating Assets. Where: Annual EBIT = Earnings from Continuing Operations before interest, tax and individually material items. 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). To determine average RONA for the performance period, Annual RONA is calculated for each of the years of the performance period, and then averaged.

Explanatory Notes to Shareholders (cont.)

Performance conditions (for vesting of Rights) (cont.)

The average RONA will be rounded to one decimal place with vesting according to the schedule below:

RONA performance (3-year average)	Percentage of Rights vesting
Below 10.2%	Nil
At 10.2%	30% of rights vest
Between 10.2% and 11.0%	Straight line vesting between 30% and 60% of rights vest
At 11.0%	60% of rights vest
Between 11.0% and 11.8%	Straight line vesting between 60% and 100% of rights vest
At or above 11.8%	100% of rights vest

For example, average RONA of 10.6% will result in 45% of Rights vesting. Average RONA of 11.4% will result in 80% of Rights vesting. No Rights will vest should average RONA not equal or exceed 10.2% over the three-year performance period.

The return range of 10.2% to 11.8% has been chosen as it reflects the Board's expectations based on Orica's Corporate Plan and long-term growth forecast considering the current industry/market cycle.

The Board has retained discretion to adjust RONA in exceptional circumstances for individually material items that may otherwise distort the average RONA outcome.

Relative TSR

50% of the Rights granted are subject to a Relative TSR performance hurdle.

Orica's TSR performance over the performance period will be measured against the performance of constituents within the ASX 100 index, defined as at the start of the performance period (1 October 2021).

Vesting will occur according to the schedule below:

Relative TSR performance (against ASX 100)	Percentage of Rights vesting
Below Median	Nil
At Median	50% of rights vest
Between Median and 75th Percentile	Straight line vesting between 50% and 100% of rights vest
At or above 75th Percentile	100% of rights vest

For example, TSR performance at the 60th Percentile will result in 70% of Rights vesting while TSR performance at the 65th Percentile will result in 80% of Rights vesting. No Rights will vest should Orica's TSR performance be below the median of the peer group.

Performance period and vesting

The Rights are subject to a three-year performance period commencing from the start of FY2022 (i.e. 1 October 2021). Any Rights that do not vest following testing of the performance conditions at the end of the performance period (expected to occur following the announcement of full-year financial results for FY2024) will lapse.

Allocation of Shares

Following testing of the applicable performance conditions and determination of the vesting level of the Rights, one fully-paid ordinary share in Orica will be allocated for each Right that vests.

In accordance with the terms of the LTIP, the Board also has discretion to settle vested Rights in cash.

Trading restrictions

Shares allocated on the vesting of Rights will be subject to a restriction on trading for a two-year period (from 1 October 2024 to 30 September 2026) during which time the Managing Director will be restricted from dealing in those shares.

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.

We note that 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.

Cessation of employment

Cessation during the performance period

If the Managing Director resigns from the Group or is terminated for cause prior to Rights vesting, in general, his Rights lapse and he will have no further interest in the Rights.

Unless the Board determines otherwise, if employment ceases in other 'good leaver' circumstances (including retirement, mutual separation, death or ill-health), the Managing Director would retain the Rights on a pro-rata basis based on time served during the performance period, with the performance conditions being tested at the end of the performance period to determine the number of Rights which may vest at this time (if any).

Shares allocated on the vesting of Rights will be subject to a restriction on trading for a two-year period (from 1 October 2024 to 30 September 2026) during which time the Managing Director will be restricted from dealing in those shares.

Cessation during restriction period

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 2024 to 30 September 2026) during which time the Managing Director will be restricted from dealing in those shares.

Price payable for the Rights

No amount will be payable by the participant in respect of the grant, or for the shares allocated on the vesting of the Rights.

Explanatory Notes to Shareholders (cont.)

Application of Malus Standard

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:

- (a) a material misstatement in financial results;
- (b) behaviour that brings Orica into disrepute or has the potential to do so;
- (c) serious misconduct by any participant; or
- (d) any other circumstance, which the Board has determined in good faith.

Mr Gandhi's current total remuneration package

ASX Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Gandhi's current total remuneration, which for FY2022 will remain as per the remuneration package disclosed on his appointment as Managing Director.

Fixed Annual Remuneration (including superannuation) (FAR)	\$1,700,000, comprising \$1,400,000 in cash and \$300,000 in the form of fixed securities
Short-term incentive opportunity	Target: 100% of FAR Maximum: 150% of FAR 50% of any STI awarded will be paid in cash with the remaining 50% in the form of restricted shares
Long-term incentive opportunity	200% of FAR on a face value basis

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

Other required information – ASX Listing Rules

The Managing Director is the only current Director of Orica entitled to participate in the LTIP. If any additional person(s) covered by ASX Listing Rule 10.14 become entitled to participate in the FY2022 LTIP, they will not be permitted to participate until further shareholder approval is obtained under that Rule.

There is no loan scheme in relation to the grant of Rights under the LTIP.

The ASX Listing Rules require this Notice of Meeting to state the number and average price of securities received by Mr Gandhi under Orica's LTIP. A total of 70,629 performance rights have been issued to Mr Gandhi under the LTIP (at no cost) in respect of prior year long-term incentives (FY2021 LTIP which will be tested following the FY2023 full-year financial results).

Details of any securities issued under the LTIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

The Board (with Sanjeev Gandhi abstaining) recommends that shareholders vote in favour of this resolution.

Notes Relating to Voting

1. 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 Tuesday, 14 December 2021.

As determined by the Chairman of the Meeting, each resolution set out in the Notice of Meeting will be decided on a poll.

2. VOTING EXCLUSION STATEMENTS (ASX LISTING RULES AND CORPORATIONS ACT) APPLICABLE TO RESOLUTIONS 3 AND 4:

Resolution 3

The Company will disregard any votes cast on resolution 3:

- by or on behalf of a person who is a member of the Company's key management personnel (KMP) named in the Remuneration Report for the year ended 30 September 2021 and their closely related parties (regardless of the capacity in which the vote is cast); or
- as proxy by a person who is a member of the KMP on the date of the AGM and their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on resolution 3:

- in accordance with a direction given to the proxy to vote on the resolution in that way; or
- by the person chairing the Meeting, in accordance with an express authorisation from the person entitled to vote on the resolution to exercise the proxy even though the resolution is connected with the remuneration of the KMP.

Resolution 4

The Company will disregard any votes on resolution 4:

- cast in favour of the resolution by or on behalf of Mr Sanjeev Gandhi or his associates (regardless of the capacity in which the vote is cast); and
- cast as proxy by a person who is a member of the KMP on the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast on resolution 4:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way;
- as proxy for a person entitled to vote on the resolution by the person chairing the Meeting pursuant to an express authorisation to exercise the proxy as the chairman decides; or

Notes Relating to Voting (cont.)

- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder, to vote in that way.

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 and 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 all resolutions.

3. REGISTRATION

Shareholders can register to attend the AGM virtually and vote via the online platform at <https://meetings.linkgroup.com/ORI21>

Online registration for the AGM will commence from 10:00am on Thursday 16 December 2021 (AEDT).

4. HOW TO VOTE

Direct Voting – Prior to the Meeting

Shareholders may vote directly on resolutions considered at the Meeting without attending the Meeting or appointing a proxy. Shareholders may cast a direct vote prior to the Meeting online at linkmarketservices.com.au.

If you cast a direct vote, you may still attend the virtual AGM. However, if you select your voting card at the Meeting, your prior vote will be cancelled and you will be required to cast your vote again during the course of the Meeting.

Live Voting Online – During the Meeting

Shareholders will be able to vote in real time at any time during the Meeting or when invited by the Chairman. Shareholders will be able to vote for, against or abstain on each item through the online platform.

Appointing a Proxy

If a shareholder is unable to attend the Meeting, but is entitled to attend and vote, the shareholder can appoint a proxy to attend and vote on the shareholder's behalf as an alternative to attending the Meeting.

A proxy may but need not be a shareholder of the Company and can be either an individual or body corporate. A shareholder that is entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

Certain voting restrictions apply to resolutions 3 and 4. If you wish to appoint a member of the Company's KMP (which includes each of the Company's directors and the Chairman) as your proxy or one of their closely related parties or associates, please read the voting exclusions for resolutions 3 and 4 carefully. Shareholders are encouraged to direct their proxies how to vote.

Voting Deadline

To be valid, direct votes and proxy appointments submitted prior to the Meeting must be received by Link Market Services Limited **by 10:30am (Melbourne time) on Tuesday, 14 December 2021.**

- Cast a direct vote or appoint a proxy online at linkmarketservices.com.au
- Mail a Voting Form to Locked Bag A14, Sydney South, NSW 1235, Australia
- Fax a Voting Form to +61 2 9287 0309

Corporate Representatives

A body corporate that is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative must ensure that the Company has received evidence of his or her appointment, including any authority under which it has been signed in advance of the Meeting, unless it has previously been given to the Company.