

ASX RELEASE

1 APRIL 2021

CEO APPOINTMENT AND REMUNERATION

Melbourne: Orica (ASX: ORI) today announced that Sanjeev Gandhi, previously announced as Managing Director and CEO designate on 26 February 2021, has been officially appointed to the role and to the Board, effective 1 April 2021.

The key components of Mr Gandhi's remuneration in his new role are:

- Fixed Annual Remuneration (FAR) of A\$1,700,000 per annum (inclusive of superannuation contributions) comprising A\$1,400,000 in cash and A\$300,000 in the form of fixed securities;
- A maximum Short-Term Incentive (STI) opportunity for FY2021 of 150% of FAR (pro-rated for the period in his new role), with 50% paid in cash and 50% in restricted shares; and
- A maximum Long-Term Incentive (LTI) opportunity for FY2022 of 200% of FAR delivered in the form of performance rights. Vesting of the LTI performance rights will be subject to performance hurdles to be determined by the Board.

Orica Chairman Malcolm Broomhead said: *"Our executive remuneration strategy is designed to align our leaders with the long-term success of Orica and its shareholders."*

"While we must provide a competitive base pay that will attract and retain the skills needed to manage a global business in a complex operating environment, it is critical that our chief executive focuses both on driving long-term value creation as well as delivering short term performance."

The material terms of Mr Gandhi's employment agreement are set out in the attachment.

Leaving arrangements for Alberto Calderon

The outgoing Managing Director and CEO Mr Calderon will receive a separation payment equivalent to six months' salary in accordance with the mutual separation terms under his employment contract. Mr Calderon will not receive any STI for FY2021. He will also forgo all unvested equity awards (including the FY2020 STI Deferred Shares and the FY2021, FY2020 and FY2019 LTI awards).

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ABOUT ORICA

Orica (ASX: ORI) is the world's largest provider of commercial explosives and innovative blasting systems to the mining, quarrying, oil and gas and construction markets, a leading supplier of sodium cyanide for gold extraction, and a specialist provider of ground support services in mining and tunnelling.

For more information about Orica, visit: www.orica.com

Summary of material terms of Executive Service Agreement effective 1 April 2021:

Name	Sanjeev Gandhi
Position	Managing Director and Chief Executive Officer (CEO)
Commencement date	Ongoing (i.e., not fixed term) from 1 April 2021
Fixed Annual Remuneration (FAR)	<p>A\$1,700,000 per annum inclusive of any superannuation contributions which will initially be delivered as:</p> <ul style="list-style-type: none"> • A\$1,400,000 in cash • A\$300,000 in the form of fixed securities <p>The fixed securities will be subject to disposal restrictions until the minimum shareholding requirement is reached. The Board may determine to lift disposal restrictions where tax obligations arise from the vesting and/or exercise of fixed securities. Grants of fixed securities will be subject to the applicable plan rules.</p> <p>The CEO's minimum shareholding requirement will be 150% of FAR which must be achieved over a period of up to five years from this appointment.</p>
Short-Term Incentive (STI)	<p>Eligible to participate in Orica's annual STI plan on terms determined by the Board.</p> <p>The FY2021 STI opportunity will be 100% of FAR at target and 150% of FAR at maximum, pro-rated to reflect the period from the commencement date to the end of FY2021.</p> <p>Half of any FY2021 STI payment will be delivered in the form of restricted shares with a one-year vesting period and three-year holding lock.</p> <p>Future STI awards will be determined by the Board.</p>
Long-Term Incentive (LTI)	<p>Eligible to participate in Orica's LTI plan on terms determined by the Board.</p> <p>The CEO has been granted a FY2021 LTI award of performance rights with a face value of 120% of FAR in relation to his prior role as Group Executive and President – Australia Pacific & Asia.</p> <p>The next award will be the FY2022 LTI, made in the form of performance rights with a face value of 200% of FAR.</p> <p>Vesting of the FY2022 LTI performance rights will be subject to performance hurdles to be determined by the Board. Testing against the performance hurdles will occur after a three-year vesting period. Any vested equity will be subject to a further two-year holding lock.</p> <p>Future LTI awards will be determined by the Board.</p>
Notice Period	<p>6 months by either party (or by Orica making a payment in lieu of part or all of any notice period).</p> <p>Nil in the case of termination by Orica for cause.</p>

Termination Payment	<p>6 months' FAR (less any pay in lieu of notice) in circumstances where Orica terminates without cause or where the CEO's employment ends by mutual agreement.</p> <p>Treatment of any STI and LTI benefits on termination will be determined by the rules of those plans.</p> <p>No payment will be made on cessation of employment in excess of the amount lawfully payable under Part 2D.2 of the Corporations Act 2001 without shareholder approval.</p>
Post-Employment Restraints	<p>Non-competition and non-solicitation restraints of up to 12 months apply. The CEO will be eligible to receive a payment equal to the CEO's monthly Fixed Annual Remuneration for each month of the non-compete that applies beyond 6 months (the first 6 months are unpaid).</p>
Relocation	<p>The CEO was entitled to receive certain benefits to assist with relocating to Australia on his appointment as Group Executive and President – Australia Pacific & Asia, including immigration and tax services.</p>