

ASX Announcement

19 May 2015

Orica appoints Alberto Calderon as Managing Director and CEO

Melbourne: Orica (ASX: ORI) today announced the appointment of Alberto Calderon as Managing Director and Chief Executive Officer, effective immediately.

Mr Calderon was appointed interim Managing Director and CEO on 23 March and has led the company in that capacity while the Board continued the international search process as part of succession planning that commenced last year.

Orica Chairman, Russell Caplan, said: "Following an extensive and rigorous global search, the Board is pleased to be able to appoint Alberto to the role of Managing Director and CEO. Alberto is a world class executive with broad leadership experience across large, global, complex organisations in the resources sector. He has a deep understanding of our business and customers that ensures he is the natural fit to lead the continued implementation of Orica's strategy."

Mr Calderon said: "I am honoured to be given the opportunity to lead Orica. During my time as interim CEO I have been privileged to be able to spend more time with our people, investors and customers, listening to their views. My focus will be on ensuring the execution of Orica's strategy as we continue on the path to being a simpler, more flexible and efficient company, and a partner of choice for our customers globally. At the same time, I want to ensure a culture of respect, collaboration and performance."

Mr Calderon has been appointed on a rolling contract with no fixed term, on a remuneration package benchmarked to the market. His total remuneration has a higher proportion at risk, subject to him meeting short term and long term performance criteria, to ensure his remuneration aligns with total shareholder value creation.

Alberto Calderon CV Summary

2011 – 2013; Group Executive and Chief Executive Aluminium, Nickel and Corporate Development, BHP Billiton.

2007 – 2011; BHP Billiton Chief Commercial Officer

1999 – 2006; CEO of Colombian coal and oil companies, Cerrejon Coal and Ecopetrol.

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Summary of material terms of Executive Service Agreement dated 19 May 2015

Name	Alberto Calderon Zuleta
Position	Managing Director and Chief Executive Officer
Commencement date	19 May 2015. It is not a fixed term contract.
Fixed Remuneration	A\$1,800,000 per annum inclusive of superannuation contributions
Short-Term Incentive (STI)	<p>Participation in Orica's annual STI Plan.</p> <p>STI opportunity at 100 percent of Fixed Remuneration being A\$1,800,000 per annum if performance targets are achieved but not exceeded. The maximum STI opportunity is 200 percent of Fixed Remuneration if stretch targets are met.</p> <p>50 percent of the actual STI payment will be provided as restricted shares, being restricted for one year and subject to reduction or forfeiture in certain circumstances. During the restriction period, the CEO will be entitled to earn dividends on and vote his restricted shares.</p> <p>Participation in the FY2015 STI Plan will be pro-rated to reflect time served in role since permanent appointment.</p>
Long-Term Incentive (LTI)	<p>Participation in Orica's LTI Plan on terms determined by the Board from time to time.</p> <p>An initial long-term incentive award with a face value of 180 percent of Fixed Remuneration will be awarded in FY2016 in the form of performance rights. This grant will be subject to shareholder approval where required in accordance with applicable law.</p> <p>Vesting of the performance rights is subject to the terms and conditions of the Orica Long-Term Incentive Plan as summarised in Orica's 2014 Annual Report. Grants are subject to reduction or forfeiture in certain circumstances.</p>
Notice Period	<p>6 months by Orica.</p> <p>6 months by CEO.</p> <p>Nil in the case of termination for cause.</p>
Termination payment	<p>6 months' Base Salary if the Company gives notice and elects to pay in lieu.</p> <p>A severance payment of 6 months' Base Salary if the contract is terminated by the Company with notice.</p> <p>A payment of 6 months' Base Salary if the contract is terminated by mutual agreement (in which case no notice is required to be given).</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 Restraint	<p>A 12 month restraint provision applies.</p> <p>The Company may elect to pay a monthly amount equal to the CEO's Fixed Remuneration at the time of termination in support of the restraint if the CEO resigns or the contract is terminated by mutual agreement (but not where the Company terminates for Cause or by giving notice).</p>