



2015 CORPORATE GOVERNANCE STATEMENT

November 2015



ORICA'S APPROACH TO CORPORATE GOVERNANCE

Orica's Directors and Management are committed to conducting the Company's business ethically and in accordance with the highest standards of corporate governance. Orica's integrated governance framework is designed to ensure that decision-making processes are rigorous and robust and to support the creation of long-term value for shareholders. At Orica, governance is not just a matter for the Board. Good governance is also the responsibility of Executive Management, and is embedded throughout the organisation. The framework adopted by the Board and Management is outlined below and demonstrates the integrated approach to governance that Orica believes is necessary to optimise business outcomes.



Orica's approach to governance is articulated in its Board Charter and Committee Terms of Reference, and in its corporate governance documents, which outline the Company's governance policies, processes and systems. These documents are thoroughly reviewed and updated on a regular basis, including a full independent review in 2014. They can be viewed in the *Governance* section of the Orica Limited website, www.orica.com.

This Statement outlines how Orica Limited complies with each of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3rd Edition* (March 2014). It was adopted by the Board on 17 November 2015.

A "tick" indicates compliance with the Recommendation.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation	Orica Limited's Compliance with Recommendation	
1.1 Role of Board and Management	<p>ROLE AND RESPONSIBILITIES OF THE BOARD</p> <p>The Board of Orica Limited sees its primary role as the protection and enhancement of long-term shareholder value. The Board is accountable to shareholders for the performance of the Company. It oversees and governs the business and affairs of the Company on behalf of the shareholders and is responsible for the Company's overall corporate governance.</p> <p>The role and responsibilities of the Board are outlined in the Board Charter. The Charter also provides a clear delineation between those matters expressly reserved to the Board, and those delegated to Management.</p> <p>Orica's Board Charter was comprehensively reviewed and updated in 2014.</p> <p>A copy of the Charter can be found in the <i>Board, Executive and Committees</i> section of the Company's website, www.orica.com.</p> <p>ACCESS TO INDEPENDENT ADVICE</p> <p>Each Director has the right of access to all relevant Company information and to the Company's Executives and, subject to prior consultation with the Chairman or with the approval of a majority of the Board, may seek independent professional advice at the Company's expense.</p> <p>Pursuant to a deed executed by the Company and each Director, a Director also has the right to have access to all documents which have been presented to meetings or made available whilst in office, or made available in relation to their position as Director, for a term of ten years after ceasing to be a Director or such longer period as is necessary to determine relevant legal proceedings that commenced during this term.</p>	✓

	<p>ROLE OF MANAGEMENT</p> <p>Responsibility for managing, directing and promoting the profitable, safe operation and development of the Company, consistent with the primary objective of enhancing long-term shareholder value, is delegated to the Managing Director & CEO, who is directly accountable to the Board.</p> <p>In a continuously changing internal and external environment, the Managing Director & CEO and the Executive team strive to create an operating culture and discipline within Orica that will continue to deliver shareholder value in both the short and long term.</p>	
1.2 Election and re-election of Director candidates	<p>In considering potential candidates for appointment to the Board, Orica undertakes a thorough review of the skills, experience and competencies of each candidate in relation to the Board's current and future skill and experience requirements, as well as diversity considerations. This process also includes a review of the candidate's character, educational background, interests and associations. As part of this thorough review process, the Board ensures that appropriate checks are undertaken prior to making a Director appointment or putting forward a candidate for election.</p> <p>Nominations for appointment to the Board are considered by the Corporate Governance and Nominations Committee and approved by the Board. In 2015, the Board appointed two new Directors. As part of the appointment process, a search firm undertook appropriate checks and provided assurance to the Board on each Director's background and independence.</p> <p>Orica obtains and discloses all material information relevant to a decision to elect or re-elect a Director in the Notice of Meeting provided to shareholders. Director candidates are required to furnish details of their other commitments and an indication of the time involved. All Directors must obtain the Chairman's prior approval before accepting directorships or other significant appointments.</p>	✓
1.3 Written agreements outlining terms of appointment	<p>DIRECTOR LETTERS OF APPOINTMENT</p> <p>A letter of appointment sets out the terms of the Director's appointment to the Board. Directors are required to agree to the terms at the time of their appointment to the Board.</p> <p>The letter outlines the terms of the appointment, time commitment envisaged, remuneration arrangements, disclosure of Directors' interests including any matters which may affect independence, indemnity and insurance arrangements, confidentiality obligations, access to corporate information and compliance with key governance policies such as the Code of Conduct or Guidelines for Dealing in Securities. These policies are found in the <i>Governance</i> section of Orica's website, www.orica.com.</p>	✓

	<p>EXECUTIVE SERVICE CONTRACTS</p> <p>Terms of employment for each senior Executive are set out in an individual service contract with the Company, which includes a description of roles and responsibilities, remuneration arrangements, reporting relationships and termination conditions, rights and entitlements.</p>	
1.4 Company Secretary	<p>The Company Secretary is accountable to the Board, through the Chairman, for the effective functioning of the Board and its committees, and for supporting and facilitating the Company's corporate governance processes.</p> <p>The Company Secretary's role and responsibilities include:</p> <ul style="list-style-type: none"> • Providing advice to the Board on governance matters • Coordinating the timely completion and distribution of Board and Committee papers • Taking the minutes for Board and Committee meetings, and ensuring that the business of the meetings is accurately recorded • Monitoring Board and Committee policies and procedures to ensure compliance • Planning and organising induction programs for new Directors • Organising site visits and professional development programs for Board members <p>The Company Secretary is also available to provide advice and services directly to any individual Board member.</p> <p>As required by rule 59.3 of Orica's Constitution, any decision to appoint a Company Secretary must be formally resolved by the Board.</p>	✓
1.5 Diversity	<p>ORICA'S CONTINUED COMMITMENT TO DIVERSITY AND INCLUSION</p> <p>Orica seeks to foster a culture of respect, collaboration and performance in which all employees can develop and thrive. Our diverse workforce supports high performance and Orica's social licence to operate in the many communities which host the Company's operations.</p> <p>We seek to give people the opportunity to apply their varied skills, experiences and perspectives to create value for our diverse customer base. Our operations are located within over 400 different communities worldwide and we value the different backgrounds and the local know-how that our people bring to their relationships with our customers and community stakeholders every day.</p> <p>As a global company, Orica seeks to attract and retain talent at all levels from the countries in which it operates and to provide</p>	✓

workplaces in which all employees are treated fairly, with respect and dignity, and are supported to succeed.

ORICA'S CURRENT FOCUS

Targets were set in early FY2014 to increase the gender diversity of the Senior Leadership team; build stronger local management teams and skilled, local workforces; and improve the cultural capability of senior leaders, by end FY2016.

Gender diversity of the Senior Leadership team

Metric	Target by end FY2016	FY2015 outcome
Representation of women in Senior Leader (Executive and General Manager) roles	20%	14% (FY2014 14%)

Against our target of 20 percent women in Senior Leader roles by end FY2016, women currently represent 14 percent of Orica's senior leaders, unchanged from last year. This is similar to female management representation in the mining industry today, but it is not where Orica seeks to be now and in the future.

At entry levels, we are finding and attracting women with the potential to be leaders of the future: over 40 percent of Orica's global graduate program intake in FY2015 was female (FY2014: 35 percent). However, the rate and extent of progress made in developing and appointing women into senior leadership and management roles is insufficient, particularly in commercial and operational areas and outside of Australia more generally. A review is underway which will lead to new targets and initiatives commencing in FY2016.

Workforce Localisation

Metric	Target by end FY2016	FY2015 progress
Workforce localisation plans in place for key markets	Plans developed and enacted	Localisation plans developed and enacted for Africa, Latin America and Asia.

We want our leaders and managers to reflect the diverse markets in which we operate, and we are committed to developing local management and operational talent. This makes good business sense – for strong leadership, customer and community engagement and competitive advantage. In FY2015, workforce

	<p>localisation plans were developed and enacted for Africa, Latin America and Asia. As a result of these plans, 9 management roles have been filled and technical training to global standards has been rolled out in all three regions. Orica's global graduate program was launched in Russia with 4 graduates appointed, following launch in Africa in FY2014 and the subsequent growth of the African program to 16 graduates in total. The program is now active in 19 countries. The implementation of the new operating model in FY2016 will significantly increase the cultural diversity of Orica's global leadership team.</p> <p><i>Leadership accountability and capability with respect to Diversity and Inclusion</i></p> <table> <tr> <th>Metric</th><th>Target by end FY2016</th><th>FY2015 outcome</th></tr> <tr> <td>Percentage of Senior Leaders and Managers who have received global leadership and capability development with respect to diversity</td><td>100%</td><td>100% of Executives completed the first module of Orica's Executive Development Program; Manager program commenced</td></tr> </table> <p>Our intent is that diversity be treated as a whole-of-organisation priority and that Senior Leaders and Managers have accountability for driving the diversity agenda and are equipped to do so. In FY2015, all Executives completed Orica's Executive Development Program, which included diversity components. The Manager Development Program, which includes training in leadership of culturally and gender diverse environments, commenced rollout during the year. From these programs, it was clear that further work was required in addressing unconscious bias and all Senior Leaders and Managers will participate in training in this area in FY2016.</p> <p>Under the new operating model, accountability for driving the diversity agenda will be transferred to regional and functional Executives from the start of FY2016. Each Executive will establish a monitored Diversity Action Plan, identifying the key actions they are committed to achieving. Diversity remains a key area of focus for the company into 2016.</p>	Metric	Target by end FY2016	FY2015 outcome	Percentage of Senior Leaders and Managers who have received global leadership and capability development with respect to diversity	100%	100% of Executives completed the first module of Orica's Executive Development Program; Manager program commenced	
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1.6 Board Evaluation	<p>Each year, Orica undertakes a review of the effectiveness of the Board, its Committees and individual Directors. In 2015, the Board conducted a self-assessment process, which included:</p> <ul style="list-style-type: none"> An evaluation of the Board composition, roles and responsibilities, oversight of strategy and risk, board processes and relationships and dynamics, 	✓						

	<ul style="list-style-type: none"> An evaluation of Committee effectiveness, designed to assess each Committee's performance against its Terms of Reference <p>In alternate years, the Board undertakes an external review of the Board and its Committees facilitated by an independent consultant experienced in undertaking Board reviews.</p>	
1.7 Management Evaluation	<p>All Orica senior Executives are subject to an annual performance review.</p> <p>Performance expectations are established for the Managing Director & CEO by the Board, including operational, financial, organisational and individual goals and targets. The Managing Director & CEO then sets targets for each member of the Executive Committee that are aligned to the overall targets for the Company.</p> <p>Each senior Executive's performance is assessed against the goals and targets outlined in his or her performance agreement, including contribution to specific business plans and performance against agreed Key Performance Indicators.</p> <p>In 2015, the Managing Director & CEO's performance was assessed by the Board, and the performance of Executive Committee members was reviewed by the Managing Director & CEO in consultation with the Board.</p>	✓

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation	Orica Limited's Compliance with Recommendation	
2.1 Nominations Committee	<p>The Corporate Governance and Nominations Committee comprises all Non-executive Directors. The Committee is chaired by the Board Chairman, who is an independent Director.</p> <p>Details of the number of meetings held and Directors' attendance at those meetings are set out in the Directors' Report on page 26 of the Annual Report.</p> <p>The Terms of Reference governing the conduct of the Corporate Governance and Nominations Committee is reviewed annually, and is available in the <i>Board, Executive and Committee</i> section of the Company's website, www.orica.com.</p>	✓

2.1 Board skills matrix	<p>In 2015, the Board undertook a thorough review of the skills, experience and diversity characteristics it is seeking to achieve in its membership. The Orica Limited Board currently possesses the skills, types of experience and diversity characteristics that enable it to work effectively with Management to optimise shareholder value. The most critical skills, experience and diversity characteristics are:</p> <p>Leadership</p> <ul style="list-style-type: none"> • Listed company Board experience • CEO or senior executive experience <p>Governance</p> <ul style="list-style-type: none"> • Understanding of corporate governance <p>Industry/commercial</p> <ul style="list-style-type: none"> • Mining experience • International/global business • Government • Technology/trends <p>Technical/professional</p> <ul style="list-style-type: none"> • Operations • Finance, audit, risk • Marketing • Supply chain/logistics • M&A • Regulatory and public policy <p>Diversity</p> <ul style="list-style-type: none"> • Gender • International (substantial business experience outside Australia) • Demographic • Ethnicity • Language other than English <p>An overview of the skills, experience and brief career histories of each Director are included on page 22 of the Annual Report.</p>	✓
2.3 Independence and tenure	<p>The Board recognises the important responsibility of Non-executive Directors for monitoring and overseeing the work of Executive Management and the importance of independent thought and judgement.</p> <p>The Chairman and all Non-executive Directors are independent of Executive Management and free of any business or other relationship that could materially interfere with the exercise of unfettered and independent judgement or compromise their ability to act in the best interests of the Company. The independence of each Director is considered on a case-by-case basis from the perspective of both the Company and the</p>	✓

	<p>Director. Materiality is assessed by reference to each Director's individual circumstances, rather than by applying general materiality thresholds. Each Director is obliged to immediately inform the Company of any fact or circumstance which may affect the Director's independence.</p> <p>If a significant conflict of interest arises, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company.</p> <p>Non-executive Directors are subject to shareholder re-election at least every three years, and normally do not serve more than 10 years.</p> <p>The names of the Directors considered by the Board to be independent Directors are included on page 22 of the Annual Report. Each Director's length of service is outlined on page 22 of the Annual Report.</p>	
2.4 Majority of Directors Independent	<p>The majority of Directors are independent. The only non-independent Director is the Managing Director & CEO, who is not considered independent as he is employed in an executive capacity by the Company.</p> <p>Board meetings include regular time where the Non-executive Directors meet without the Managing Director & CEO or other senior Executives present to discuss Board matters.</p>	✓
2.5 Chairman Independent	<p>The Chairman of the Board is an independent Non-executive Director. Another Director performs the role of Managing Director & CEO.</p> <p>Further details of both Chairman and Managing Director & CEO are included on page 22 of the Annual Report.</p>	✓
2.6 Induction and Professional Development	<p>Orica has an induction and on-boarding program for new Directors. This program is designed to build the Director's understanding of Orica's business, operations and key policies, processes, systems and controls, and to provide an understanding of the Company's strategy and risk management framework. The purpose of the program is to enable a high level of active engagement and contribution of new Directors early in their tenure. The program is continuously reviewed to ensure it takes account of relevant developments.</p> <p>Orica also provides on-going opportunities for all Directors to deepen their understanding of the business. The professional development program is delivered through site visits, business briefings and education sessions at Board and Committee level, and one-on-one discussions with Management. The site visit program is designed to provide Directors the opportunity to</p>	✓

	gain an understanding of the operations of the business across a range of different geographies and cultural contexts.	
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PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation	Orica Limited's Compliance with Recommendation	
3.1 Code of conduct	<p>Orica acknowledges the need for Directors, Executives, employees and contractors to observe the highest ethical standards of behaviour, and has established a Code of Conduct which applies in all countries in which Orica operates.</p> <p>The Code of Conduct sets out the standards of business conduct required of all employees and contractors of the Company. Its purpose is to ensure that the Company maintains its good reputation and that its business is conducted with integrity and in an environment of transparency.</p> <p>The Code of Conduct is periodically reviewed by the Corporate Governance and Nominations Committee and approved by the Board. Processes are in place to promote and communicate the Code of Conduct to all employees and contractors. An Integrity Hotline in several languages (the 'Speak Up' line) has been established to enable employees to anonymously report any breaches of the Code of Conduct. Reports of breaches can also be made via email and through an associated website.</p> <p>The Code of Conduct has been translated into a range of languages, reflecting the diversity of Orica's workforce. It is entitled <i>Your Guide To How We Do Business</i>, and is available in the <i>Governance</i> section of Orica's website, www.orica.com.</p>	✓

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation	Orica Limited's Compliance with Recommendation	
4.1 Audit Committee	<p>The Board Audit and Risk Committee comprises at least four independent Non-executive Directors (five as at the date of this report) with relevant experience and financial literacy. The qualifications and experience of Committee members are set out on page 22 of the Annual Report. An independent Non-Executive Director who is not the Board Chairman chairs the Board Audit and Risk Committee.</p> <p>The Board Chairman, Managing Director & CEO, Chief Financial Officer and Company Secretary attend the Board</p>	✓

	<p>Audit and Risk Committee meetings by standing invitation. The Committee meets at least four times per year. The number of meetings held and the attendances by each member of the Board Audit and Risk Committee during the financial year are outlined on page 26 of the Annual Report.</p> <p>The role and responsibilities of the Committee are outlined in the Board Audit and Risk Committee Terms of Reference, which is available in the <i>Governance</i> section of the Company's website, www.orica.com. The Terms of Reference are reviewed annually.</p>	
4.2 CEO and CFO Certification of Financial Statements	<p>Orica has controls in place that are designed to safeguard the Company's interests and the integrity of its reporting. At each reporting period, both the Managing Director & CEO and the Chief Financial Officer are required under section 295A of the Corporations Act to state in writing to the Board that:</p> <ul style="list-style-type: none"> • The Company's financial statements and associated notes give a true and fair view of the Group's financial position and performance and are in accordance with relevant accounting standards; and • These statements are founded on a sound system of risk management and internal control and that these systems are operating effectively. 	✓
4.3 External auditor at AGM	<p>The Company's financial statements are subject to an annual audit by an independent, professional auditor who also reviews the Company's half-year statements. Orica's external audit function is performed by KPMG.</p> <p>Representatives of KPMG attend the Annual General Meeting and are available to answer questions from shareholders in relation to the audit and the content of the auditor's report.</p> <p>The Board Audit and Risk Committee oversees this process on behalf of the Board.</p>	✓

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation	Orica Limited's Compliance with Recommendation	
5.1 Continuous disclosure policy	<p>Orica seeks to provide relevant and timely information to its shareholders and is committed to fulfilling its obligations to the broader market for continuous disclosure and enabling equal access to material information about the Company.</p> <p>The Board has established a continuous disclosure policy so that the procedures for identifying and disclosing price sensitive information in accordance with the Corporations Act and ASX</p>	✓

	<p>Listing Rules are clearly articulated. This policy sets out the obligations for employees and guidelines relating to the type of information that must be disclosed. The Board has delegated authority to the Company Secretary for communication with the ASX.</p> <p>The Continuous Disclosure Policy and guidelines for employees are available in the <i>Governance</i> section of the Orica Limited website, www.orica.com.</p>	
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PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation	Orica Limited's Compliance with Recommendation	
6.1 Information on the website	<p>Orica ensures that shareholders are kept informed of its corporate governance and financial performance via its website.</p> <p>The <i>Investors</i> section of Orica's website contains copies of the Annual Report, Company reports, ASX announcements, and publications, briefings and presentations given by Executives, including transcripts and webcasts.</p> <p>Shareholders can access general information about the Company's business on the Orica Limited website, www.orica.com.</p>	✓
6.2 Investor Relations Programs	<p>Clear communication and easy access to information are important objectives of Orica's shareholder communications strategy. Information is communicated to shareholders regularly through a range of forums, publications and on-line.</p> <p>Orica is committed to providing shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price.</p> <p>Further information about the way in which Orica engages with shareholders is included in the <i>Shareholder Communication Policy</i> in the <i>Investors</i> section of the Orica Limited website, www.orica.com.</p> <p>In order to facilitate effective two-way communication with investors, Orica has established an investor relations program which includes:</p> <ul style="list-style-type: none"> • Meetings such as the Annual General Meeting, investor and analyst days, roadshows and broker conferences • Market briefings, via group meetings or teleconference • Periodic meetings with investors <p>All presentation materials provided at these briefings are sent to the ASX prior to the commencement of the session, and are</p>	

	<p>subsequently posted on the Orica Limited website in the <i>Investors</i> section.</p> <p>In undertaking its investor relations program, Orica strictly adheres to rules concerning selective disclosure, equal treatment of shareholders and insider trading. Further details are available in the <i>Investor Relations Policy</i>, which can be viewed in the <i>Governance</i> section of the Orica website, www.orica.com.</p>	
6.3 Facilitate Participation of Security Holders	<p>The Board encourages participation of shareholders at the annual general meeting (AGM). Important issues are presented to shareholders as individual resolutions and shareholders are given the opportunity to address questions to the Board and Managing Director & CEO, and to the Company's auditor at the AGM.</p> <p>Technology, including webcasting of the AGM, is used to facilitate the participation of shareholders in meetings.</p>	✓
6.4 Facilitate Electronic Communications	<p>Orica gives shareholders the opportunity to receive information and communications from, and send communications to, the Company and its share registry electronically.</p> <p>Shareholders may elect to receive electronic notification of releases of information by the Company and receive their notice of meeting and proxy form by email.</p> <p>Electronic submission of proxy appointments and powers of attorney are also available to shareholders. Page 115 of the Annual Report contains details of how information provided to shareholders may be obtained.</p>	✓

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation	Orica Limited's Compliance with Recommendation	
7.1 Risk Committee	<p>A key responsibility of the Board Audit and Risk Committee is to assist the Board to oversee the process for identifying and managing material risks in the Company, in accordance with the Company's Risk Management Policy.</p> <p>The Risk Management Policy is available in the <i>Governance</i> section of the Orica Limited website, www.orica.com.</p> <p>The Board Audit and Risk Committee comprises five independent Non-executive Directors who possess sufficient understanding of the mining services industry and the necessary technical skills and experience for the effective oversight of risk. An independent Director chairs the Committee.</p>	✓

	<p>Further details regarding the Committee Terms of Reference are available in the <i>Board, Executive and Committees</i> section of the Orica Limited website, www.orica.com.</p> <p>Information regarding Committee membership, the number of meetings held during the financial year, and the individual attendances of the members at those meetings are included in page 26 of the Annual Report.</p>	
7.2 Annual Risk Review	<p>The Company undertakes an annual review of the risk management framework to ensure that the framework is sound, and is operating within the risk appetite of the Board.</p> <p>In 2015, a review of the framework was undertaken by the General Manager - Risk. The findings of the review were reported to the Board Audit and Risk Committee and then to the Board which confirmed that controls over risk management systems and processes were sound, adequate and effective.</p>	✓
7.3 Internal Audit	<p>The Company has an internal audit function, led by the Head of Internal Audit. This role has a direct reporting line to the Board Audit and Risk Committee, in order to ensure the independence and objectivity of the function and the recommendations it provides. As an Executive of the Company, the role also has a reporting line to the Chief Financial Officer for administrative purposes.</p> <p>The role of the internal audit function is to provide independent assurance that the Company's processes are designed and operating efficiently and effectively to support the delivery of strategic objectives. This assurance is provided through an assessment of the design of business processes and testing the effectiveness of key controls.</p>	✓
7.4 Sustainability Risks	<p>Each year, Orica publishes a Sustainability Report, which provides an overview of the Company's significant economic, environmental and social impacts, its approach to addressing these impacts, and an update on progress, including a Sustainability Performance Scorecard.</p> <p>The Sustainability Report is available in the <i>Sustainability</i> section of the Orica Limited website, www.orica.com.</p> <p>In addition, the Safety, Health & Environment (SHE) Committee assists the Board in the effective discharge of its responsibilities in relation to safety, health and environmental matters arising out of activities within the Company as they affect employees, contractors, customers, visitors and the communities in which Orica operates.</p> <p>The SHE Committee comprises at least three independent Non-executive Directors with relevant operational experience. An independent Director chairs the Committee.</p>	✓

	<p>Further details regarding the Committee Terms of Reference are available in the <i>Board, Executive and Committees</i> section of the Orica Limited website, www.orica.com.</p> <p>Information regarding Committee membership, the number of meetings held during the financial year, and the individual attendances of the members at those meetings are included on page 26 of the Annual Report.</p>	
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PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation	Orica Limited's Compliance with Recommendation	
8.1 Remuneration Committee	<p>The Human Resources and Compensation (HR&C) Committee has responsibility for establishing and recommending remuneration arrangements for senior Executives and for Directors of the Company.</p> <p>The HR&C Committee is comprised of at least three independent Non-executive Directors (four as at the date of this report). Details of the names and qualifications of Committee members are set out on page 22 of the Annual Report. The Chairman of the Committee ensures that the Managing Director & CEO is not involved in any discussions regarding the setting of his own remuneration, and is aware of potential conflicts of interest.</p> <p>The number of meetings held by the HR&C Committee during 2015 and attended by each member is included on page 26 of the Annual Report.</p> <p>The Terms of Reference for the HR&C Committee outlines the role and responsibilities of the Committee, and is reviewed annually. It is available in the <i>Governance</i> section of the Orica Limited website, www.orica.com.</p>	✓
8.2 Disclosure of Executive and Non-executive Director Remuneration Policy	<p>In its Remuneration Report, Orica clearly and separately outlines its remuneration policies and practices for Non-executive Directors and for Executive Directors/senior executives. The Remuneration Report is available on pages 31-49 of the Annual Report.</p> <p>In setting remuneration for senior Executives, including the Managing Director & CEO, the HR&C Committee accesses external professional advice and obtains independent market data for similar roles in peer or comparable organisations. The Committee also takes account of the Company's circumstances and the requirement to attract, retain and motivate high calibre management.</p>	✓

	<p>In order to encourage senior Executives to pursue strategies aimed at delivering both short and long-term growth and success of the business, Executive remuneration is structured to include a fixed component and a variable or performance-based component.</p> <p>Non-executive Director remuneration includes a fixed fee for performing the services outlined in the Company's constitution, and reflected in the Director's Letter of Appointment.</p> <p>In addition to the fixed Directors' Fee, remuneration also includes an additional fixed fee for Committee membership and chairing roles, and contributions made by the Company to a Director's superannuation fund.</p> <p>The Board has approved guidelines for dealing in securities. Directors and employees must not, either directly or indirectly, buy or sell the shares or other securities of Orica when in possession of price sensitive information which is not publicly available, which could materially affect the value of those securities. Subject to this restriction, Directors and employees may buy or sell Orica shares during specified trading windows.</p> <p>Further details are available in Orica's Remuneration Report on pages 31-49 of the Annual Report and its <i>Guidelines for Dealing in Securities</i>, which is available in the <i>Governance</i> section of the Orica Limited website, www.orica.com.</p>	
8.3 Policy on Hedging Equity Incentive	<p>Directors and employees must not create, enter into or deal in derivatives, a derivative arrangement or margin calls in relation to Orica securities at any time.</p> <p>Orica has established a policy for participants of its Long Term Equity Incentive Plan (LTEIP), aimed at preventing Executives from hedging or otherwise limiting the economic risk of participating in the scheme.</p>	✓