



Orica Limited
ABN 24 004 145 868

ASX Announcement

2012 Notice of Meeting and Proxy Form

Please find attached the 2012 Notice of Meeting and Proxy Form that are being mailed today.

The 2012 Notice of Meeting and Proxy Form are also available online at www.orica.com.

Annette Cook
Company Secretary

12 December 2012

- **Analysts' Contact:** Anita James, Investor Relations Manager, +61 3 9665 7844
Mobile: +61 416 211 498
- **Media Contact:** Ben Wilson, Acting Communications Manager, +61 3 9665 7538
Mobile: +61 407 166 783
- **Web site:** www.orica.com

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Orica Limited will be held in The Auditorium, Level 2, Melbourne Exhibition Centre, 2 Clarendon Street, South Wharf, Vic, 3006 on Thursday, 31 January 2013 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 2012.

2 Re-election of Directors

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

- 2.1 That Michael Tilley, who retires by rotation in accordance with Rule 58.1 of the Company's Constitution, being eligible and offering himself for re-election, is re-elected as a Director until the next Annual General Meeting.
- 2.2 That Nora Scheinkestel, 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 persons seeking re-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 2012.

The Remuneration Report is set out on pages 24 to 45 of the Annual Report.

4 Grant of shares to Managing Director under the Long Term Equity Incentive Plan

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

That approval be given to the acquisition by or on behalf of the Managing Director, Mr Ian Smith, of up to 350,000 fully paid ordinary shares in Orica Limited under Orica's Long Term Equity Incentive Plan, on the terms summarised in the Explanatory Notes.

5 Grant of shares to Finance Director under the Long Term Equity Incentive Plan

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

That approval be given to the acquisition by or on behalf of the Finance Director, Mr Noel Meehan, of up to 82,000 fully paid shares in Orica Limited under Orica's Long Term Equity Incentive Plan, on the terms summarised in the Explanatory Notes.

Voting exclusion statement (ASX Listing Rules and Corporations Act) applicable to resolutions 3, 4 and 5:

The Corporations Act prohibits any votes being cast on resolution 3 (in any capacity) and resolutions 4 and 5 (as a proxy) by or on behalf of any of the Company's key management personnel (as named in the Remuneration Report) or their closely related parties. In addition, the Company will disregard any votes cast on resolutions 4 and 5 by Mr Smith and Mr Meehan and any of their associates in accordance with the ASX Listing Rules.

However, these restrictions will not apply where a vote is cast by:

- (a) a person if he or she does so as a proxy for a person who is permitted to vote, in accordance with a direction on the proxy form; or
- b) a person chairing the meeting as a proxy for a person who is permitted to vote, and the appointment expressly authorises the Chairman to exercise the undirected proxies.

By order of the Board
Annette Cook

Company Secretary
14 November 2012

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, 29 January 2013.

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 – Re-election of Directors

Profiles of the candidates for re-election as Directors are set out below.



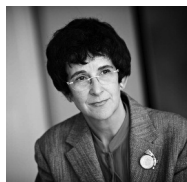
Michael Tilley Grad Dip BA FAICD

Non-executive Director since November 2003. Chairman of the Safety, Health and Environment Committee and member of the Audit and Risk Committee and the Corporate Governance and Nominations Committee.

Mr Tilley is an experienced financial industry Chief Executive and is well known throughout the investment community through his management and investment banking roles.

Former Managing Director and Chief Executive Officer of Challenger Financial Services Group Limited. Former member of the Takeovers Panel. Former non-executive Director of Incitec Ltd and former Chairman and Chief Executive Officer of Merrill Lynch Australasia.

In accordance with the Board’s guideline that a director generally serves on the Board for a maximum of 10 years, Mr Tilley, who was first appointed to the Board in November 2003, is seeking re-election for a one year term.



Nora Scheinkestel Ph D, LLB (Hons), FAICD, Centenary Medal

Non-executive Director since August 2006. Chairman of the Audit and Risk Committee and member of the Human Resources and Compensation Committee and the Corporate Governance and Nominations Committee.

Director of AMP Limited (2003 -), Pacific Brands Limited (2009 -) and Telstra Corporation Limited (2010 -).

Dr Scheinkestel is an experienced company director having served in a wide range of industry sectors and in the public, government and private spheres. Dr Scheinkestel is also an associate professor at the Melbourne Business School at Melbourne University and a member of Takeovers Panel.

Dr Scheinkestel's executive background is as a senior banking executive in international and project financing, responsible for the development and financing of major projects in Australasia and South East Asia. Her current consulting practice assists government, corporate and institutional clients in areas such as corporate governance, strategy and finance.

Dr Scheinkestel is seeking re-election for another term of three years.

The Board has considered the performance of each of the retiring directors standing for re-election and the Corporate Governance and Nominations Committee has reviewed the skills, knowledge, experience and diversity represented on the Board.

The Board recommends to shareholders the re-election of Mr Tilley and Dr Scheinkestel.

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 2012.

The 2012 Remuneration Report highlights:

- that the remuneration policy adopted by the Board 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 accrued over the past 5 years;
- the elements of remuneration of the non-executive Directors, the executive Directors and those senior executives required to be disclosed for the 2012 financial year; and
- the past and current performance conditions that must be met for Executives to derive value from the 'at risk' components of their remuneration.

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.

As a result of amendments to the Corporations Act, known generally as the "two strikes rule", the Board wishes to draw to the attention of shareholders that the result of the vote on this item may affect next year's Annual General Meeting. Notwithstanding that this resolution only requires a 50% majority of those voting to be passed, if 25% or more of the votes cast on this resolution are "against", and if this is repeated at the next meeting a resolution to spill the Board will be put to shareholders as required by the Corporations Act.

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

Items 4 and 5 – Grant of shares to Managing Director and Finance Director under LTEIP

The Board's remuneration policy for senior executives incorporates a strong element of remuneration being directly linked to company performance. For the most senior executives (Executive Committee), long term component of remuneration is provided in the form of an allocation of fully paid ordinary shares in Orica financed by way of a non-recourse loan.

This form of incentive delivers immediate share ownership for the members of the Executive Committee, linking a significant portion of remuneration to Orica's share price and returns generated for shareholders. As the outstanding balance of the loan must be repaid at the end of the 3 year performance period, the plan operates much like an option plan. The Plan incorporates a further performance based reward in the form of partial loan forgiveness should executives satisfy the applicable performance conditions.

Under ASX Listing Rule 10.14, shareholder approval is required in order for a director to be issued securities under an employee incentive scheme. As the Board expects to acquire on market the shares to be allocated under the plan, shareholder approval is not required. However, Orica has determined that shareholder approval will be sought for the 2012 LTEIP grant for both the Managing Director and the Finance Director.

Further details of Messrs Smith and Meehan's remuneration packages, and the operation of the LTEIP, are set out in the Remuneration Report on pages 24 to 45 of the Annual Report.

Date of allocation	If shareholder approval is obtained, it is expected that loans will be made and shares will be allocated in February 2013, but in any event no later than 30 days after the AGM.
Number of shares	Shareholders are asked to approve the grant of up to 350,000 shares in Orica to Mr Smith and the grant of up to 82,000 shares in Orica to Mr Meehan. The actual number of shares to be allocated to each will be determined by dividing the amount of the LTEIP loan made to each of the Executive Directors by the volume weighted average price (VWAP) of Orica shares during the 5 days immediately following the annual general meeting. No shares will be allocated in excess of the maximum number approved by shareholders. Further details of the working of the LTEIP are set out in the Company's Remuneration Report contained in the Annual Report.
Key terms of the loan	Orica or another Group company will make a loan to Messrs Smith and Meehan in the amount required to acquire the LTEIP shares, on the following terms: • The LTEIP loan is advanced for the sole purpose of acquiring shares in the Company. Whilst there is no interest charge to the executive on the loan, an interest component is taken into account in determining the level of performance-based debt forgiveness that may be awarded.

- During the loan period, 51.5% of any dividend paid on the shares is applied in part repayment of the loan. The balance of the dividend is paid directly to the executives to fund their tax liability on the dividends received.
- Part of the loan (to a maximum of 35% of the loan) may be forgiven at the end of the performance period subject to satisfaction of the performance conditions described below.
- The loan may not be otherwise repaid during the 3 year performance period. The shares are held as security for the loan.
- Following the end of the performance period, the executives must repay the then outstanding loan balance. If the value of the shares is less than the outstanding loan balance at the end of the performance period, the shares may be surrendered in full settlement of the loan.

Performance conditions (for loan forgiveness)

The performance based reward available to participants is in the form of forgiveness of a part of the loan. The level of forgiveness to be granted is determined by performance against two independent conditions.

The first condition requires the compound annual growth in Orica's earnings per share (**EPS**) over the 3 year performance period to exceed 5% per annum. Loan forgiveness is then granted according to the schedule below.

Compound EPS growth per annum	Loan forgiveness
Less than 5%	0%
5% (Threshold performance)	5%
10% (Target performance)	10%
15% (Stretch performance)	15% (maximum loan forgiveness)

EPS growth will be rounded to 1 decimal place and straight line debt forgiveness will be granted between 5% and 15% CAGR (for example, EPS growth of 12.1% will result in 12.1% loan forgiveness). No loan forgiveness will be granted should CAGR in EPS not equal or exceed 5% over the 3 year performance period.

The second condition is based upon Orica's relative total shareholder return (**TSR**) when ranked against the ASX 100 (with no exclusions) over the performance period. Loan forgiveness is then granted according to the schedule below.

TSR percentile ranking	Loan forgiveness
Below 50th	0%
50th (Target Performance)	10%
75th or above (Stretch performance)	20% (maximum loan forgiveness)

	Straight line debt forgiveness will be granted for performance between the 50th and 75th percentile ranking (rounded to one decimal place). For example, TSR performance at the 59th percentile will result in 13.6% loan forgiveness. No loan forgiveness will be granted should TSR ranking be below the 50th percentile over the performance period.
Cessation of employment	If a participant resigns from the Group or is terminated for cause during the loan period, in general, the shares are forfeited and surrendered to the Group (in full settlement of the loan) and the individual has no further interest in the shares. The Board retains discretion to determine otherwise in appropriate circumstances. This may include allowing a participant to repay the loan and retain the capital appreciation or, where performance warrants, grant partial loan forgiveness on a pro rata basis. The Board may also determine to leave the loan in place for the remainder of the performance period and test the loan forgiveness provisions at the end of the performance period in appropriate circumstances.
Other required information – ASX Listing Rules	Messrs Smith and Meehan are the only current directors of Orica entitled to participate in the LTEIP scheme. During the 2011 financial year, Mr Smith was allocated 305,302 shares under LTEIP at the time of his appointment as Managing Director at a price of \$26.30 and Mr Liebelt, the previous Managing Director, and Mr Meehan were allocated 297,983 shares and 62,289 shares respectively under the LTEIP grant to senior executives in December 2011. Those shares were allocated at a price of \$25.18 per share.

The Board believes that an equity based long-term incentive is important to ensure an appropriate part of the executive's reward is linked to generating long term returns for shareholders. The approval being sought voluntarily from shareholders relates to the fact that the Board would prefer to provide the LTI in the form of Orica shares rather than an alternative such as cash. If shareholders do not approve the long term incentive grant for the executive directors, there are issues associated with the competitiveness of their total remuneration package, alignment of rewards for the executive directors with other senior executives and Orica's contractual obligations to our executive directors. In these circumstances, the Board would provide Messrs Smith and Meehan with an equivalent long term cash incentive subject to the same performance conditions and performance period as described above.

The Board, other than Messrs Smith and Meehan who have an interest in resolutions 4 and 5, respectively, recommends that shareholders vote in favour of resolutions 4 and 5.

Arriving by taxi: Drop off point 2 Clarendon Street, South Wharf at entrance of the Melbourne Exhibition Centre

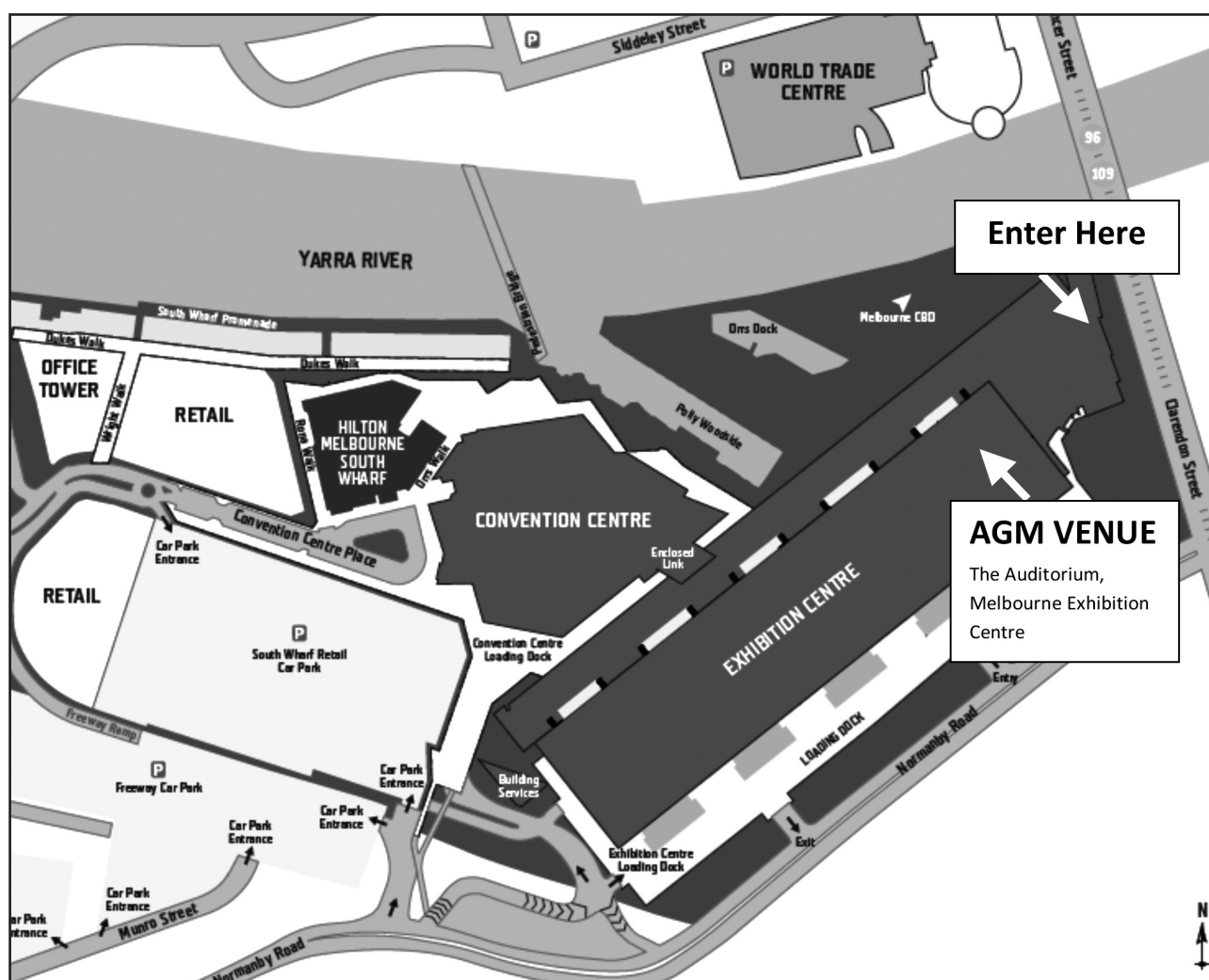
Arriving by tram: Tram numbers 96, 112 and 109 travel down Spencer/Clarendon Streets and stop opposite 2 Clarendon Street at entrance of the Melbourne Exhibition Centre

Tram numbers 48 and 70 stop at the end of Flinders Street. Walk towards the Yarra River, across the new pedestrian bridge

Arriving by train: Take the train to Southern Cross Station. Tram numbers 96, 109 and 112 travel past Southern Cross Station down Spencer/Clarendon Streets and stop opposite 2 Clarendon Street at entrance the Melbourne Exhibition Centre www.metlinkmelbourne.com.au

Arriving on foot: Pedestrian access is along Southbank or across the new pedestrian bridge

Parking: Parking is available at the Melbourne Exhibition Centre and adjacent car parks





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



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 301 253 Overseas: +61 2 8280 7111



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SHAREHOLDER VOTING FORM

I/We being a member(s) of ORICA Limited and entitled to attend and vote hereby appoint:

STEP 1

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 (excluding the registered shareholder) you are appointing as your proxy,

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:30am on **Thursday, 31 January 2013**, at The Auditorium, Level 2, Melbourne Exhibition Centre, 2 Clarendon Street, South Wharf, Vic, 3006 and at any adjournment or postponement of the meeting.

Where the Chairman of the Meeting is appointed as my/our proxy, or may be appointed by default, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Resolutions 3, 4 and 5 (except where I/we have given a different voting direction below) even though the resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 ☒.

STEP 2

VOTING DIRECTIONS

Resolution 2.1

Re-election of Michael Tilley
as a Director

For

☐

Against

☐

Abstain*

☐

Resolution 4

Grant of shares to Managing Director
under the Long Term Equity
Incentive Plan

For

☐

Against

☐

Abstain*

☐

Resolution 2.2

Re-election of Nora Scheinkestel
as a Director

☐
☐
☐

Resolution 5

Grant of shares to Finance Director
under the Long Term Equity
Incentive Plan

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☐
☐

Resolution 3

Adoption of the Remuneration Report

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☐
☐

* 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.

STEP 3

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).

ORI PRX201R



HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

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 in Step 2. 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, to the extent permitted by law. 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. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

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.
- (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.

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 Tuesday, on 29 January 2013**, 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/orica

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) or Holder Identification Number (HIN) as shown on the front of the proxy form).



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, or Level 1, 333 Collins Street, Melbourne VIC 3000.

**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.**