

## Orica Ltd Voting Intentions Report

<b>Company/ASX Code</b>	Orica/ORI
<b>AGM time and date</b>	10.30am AEDT on Tuesday, 17 December 2024
<b>Location</b>	Ballroom, Park Hyatt Melbourne, 1 Parliament Place, East Melbourne,
<b>Registry</b>	Link Market Services
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Adam Raymond, Peter Aird
<b>Pre-AGM Meeting</b>	With Chair Malcolm Broomhead

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention has no shareholding in this company.

### 1. How we intend to vote

No	Resolution description	
2	Re-election of Director - Denise Gibson	<b>For</b>
3	Adoption of Remuneration Report	<b>For</b>
4	Grant of performance rights to the MD&CEO under LTI Plan	<b>For</b>
5	Approval of potential leaving entitlements for Directors of Orica subsidiary entities (excl. KMP and Executive Committee members)	<b>For</b>

### 2. Summary of Issues and Voting Intentions for AGM

- Strong underlying profit, with overall positive significant items.
- Almost met target for Scope 2 emissions reduction, years early.
- 29% gain in the Digital Solutions group, showing growth from the long-term strategy
- The EBIT (earnings before interest and tax) from all regions achieved double digit growth

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

### 3. Matters Considered

#### Accounts and reports

##### Financial performance

(As at FYE)	2024	2023	2022	2021	2020
NPAT (\$m)	524.6	295.7	60	(173.8)	82.3
UPAT (\$m)	409.4	369.0	317.0	208.4	299.1
Share price (\$)	\$18.55	\$15.59	\$13.22	\$13.79	\$15.43
Dividend (cents)	47.0	43.0	35	24.0	33.0
Simple TSR (%)	22.0	21.1	(14.94)	(9)	(30)
EPS (cents)	86.4	65.1	14.5	(42.7)	20.8
CEO total remuneration, actual (\$m)	4.15	4.76	3.04	1.4	6.2

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking), by the share price at the start of the year.

#### Governance and culture

Orica experienced one fatality this financial year, which was from a rearend collision with a truck in India. This resulted in the loss of the safety component of short-term incentive (STI), despite a reduction in the serious injury rate.

#### Key events

Significant rearrangement of the divisions within the company, combined with another 2 purchases of external firms (Cyanco and Terra Insights), with the company now being 3 different divisions: Blasting Solutions, Speciality Mining Chemicals, and Digital Solutions. Two idle Melbourne based properties, at Deer Park and Yarraville were sold.

In addition, completion of the plant turnarounds for Kooragang Island, Yarwun, and Carseland manufacturing plants was completed successfully.

#### Key board or senior management changes

No significant changes occurred during the financial year, but the process for replacing the board chair position starting. The goal is to have next year's AGM be the final one for Mr Broomhead after 10 years as a director.

#### Sustainability/ESG

Another year of matching or exceeding the plan with regards to the greenhouse gas emissions. This only focusses on Scope 1 and 2 emissions so far, but there are plans for the execution of a

strategy to address scope 3 emissions. This is dependent on external factors such as the availability of renewable energy and green hydrogen. Scope 1 and 2 emissions are now 47% below the benchmark of 2019 values, with the 2030 target being a 45% reduction.

Loss of containment events also dropped compared to last year, showing a historically good rate.

#### **ASA focus issues (not discussed above or under remuneration report or re-election of directors)**

In line with ASA guidelines, the search has started to replace Mr Malcolm Broomhead as the chair of the Orica board, with the expectation that next year will be his last AGM as the chair. Mr Broomhead has been in the role of the chair since January 2016.

The overachievement of greenhouse gas reduction target has been audited for that performance by Ernst and Young.

## **4. Rationale for Voting Intentions**

### **Resolution 2 Re-election of Director - Denise Gibson (for)**

Ms Gibson's background in companies producing electronic equipment is directly relevant to the chosen direction of Orica's strategy to adapt to the increasingly complex and difficult blasting that is a necessity of mining, as ore bodies become more and more difficult to access. ASA supports the choice of her experience supporting this strategy.

### **Resolution 3 Adoption of Remuneration Report (for)**

While the long-term incentive awards have been significant for this financial year, the value being passed onto shareholders is also solid and is broadly linked to the success of the business. The structure of the plan is STI maximum of 100% of FAR, and LTI 200% of FAR. STI is split 50:50 in cash and deferred equity, and future LTI has two equally rated measures, namely rTSR and RONA (return on net assets). Performance was LTI at 88.3% of maximum and LTI from 2021 (just RONA) did not reach the target 11% and did not vest.

### **Resolution 4 Grant of performance rights to the Managing Director and Chief Executive Officer under the Long-Term Incentive Plan (for)**

As the ASA supports the modified remuneration structure which now contains equally weighted rTSR and RONA components, we support this motion.

### **Resolution 5 Approval of potential leaving entitlements for Directors of Orica subsidiary entities (excluding Key Management Personnel (KMP) and Executive Committee members) (for)**

As an international company, Orica requires a degree of flexibility around providing different remuneration options in the different countries that they operate in. While the implications of this are complex, the ASA trusts that this provision will be used for this stated purpose.

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## Appendix 1

### Remuneration framework detail

CEO rem. Framework for FY25	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.82	25%	1.82	22.2%
STI - Cash	0.91	12.5%	1.365	16.7%
STI - Equity	0.91	12.5%	1.365	16.7%
LTI	3.64	50%	3.64	44.4%
Total	7.28	100.0%	8.19	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

\*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.