AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

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Increase in Profit and Revenue frustrated by major write-downs

Company/ASX Code	**Orica Ltd / ORI**
AGM time and date	**11.00am, Tuesday 16 December 2025**
Location	RACV Club 501 Bourke St, Melbourne
Registry	MUFG Corporate Markets
Type of meeting	Hybrid
Monitor	Peter Aird
Pre-AGM Meeting	Yes, with Chair Malcolm Broomhead, NED Vik Bansal and Delphine Cassidy Chief Communications Officer

Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2a	**Election of Mr Vik Bansal as a Director**	For
2b	**Re-Election of Ms Karen Moses as a Director**	For
2c	**Re-Election of Mr Gordon Naylor as a Director**	For
3	**Adoption of Remuneration report**	For
4	**Grant of Performance Rights to MD & CEO Mr Sanjeev Gandhi**	For
5	**Proportional Takeover Bids**	

2. Summary of Issues and Voting Intentions for AGM

- Highest financial earning for 11 years with EBIT $992m and EPS up 29.4%.
- Lowest ever serious injury case rate and no fatalities.
- Integration of Cyanco and Terra Insights completed after purchase in 2024.
- Substantial impairments including from Latin America operations $329m.
- Mr Bansal's workload.

3. Matters Considered

Accounts and reports

Despite sales up 6% to $8,144m and Underlying NPAT up 32% to $541.1m, statutory profit was reduced by substantial write-offs and legal costs, which were treated as impairments. Dividend was also up by 10c/share.

Financial performance:

(As at FYE)	2025	2024	2023	2022	2021
NPAT ($m)	162.3	524.6	295.7	60	(173.8)
UPAT ($m)	541.1	409.4	369.0	317.0	208.4
Share price ($)	21.14	18.55	15.59	13.22	13.79
Dividend (cents)	57.0	47.0	43.0	35.0	24.0
Simple TSR[1] (%)	17.0	22.0	21.1	(14.94)	(9.0)
EPS (cents)	111.8	86.4	65.1	14.5	(42.7)
CEO total remuneration, actual ($m)	8.75	4.15	4.76	3.04	1.4

[1]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 provides clear reporting on Governance issues with reports on Tax Transparency, Modern Slavery and ESG data in addition to their Corporate Governance report. The latter provides clear guiding principles on safety, respect, collaboration, integrity and excellence. In addition, principles under which the Board of Directors and its Committees operate, Senior Executives are employed, corporate reporting, risk management and diversity are defined.

It has been a good year for the safety of employees with no fatalities and the lowest ever injury rate (measured by serious injury case rate). It is noted that this measure does not allow ready comparison to other businesses in the industry and that no comparative data is provided.

A change in focus in their safety training to emphasise transport related issues has been implemented.

Key events

Apart from the increase in underlying profit and highest EBIT in 13 years, Orica has concentrated on delivering its strategy and ensuring that the recently purchased Cyanco and Terra Insights are fully integrated.

Key Board or senior management changes

Board Chair Mr Broomhead had indicated in 2024 that he would step down from the Board at the end of the 2025 AGM. Mr Vik Bansal was appointed a Director of Orica on 15 Augus 2025 and is the Chair Elect.

Unusually, the Executive Committee is not disclosed in the Annual Report, except for the 4 Executive KMP's. Of the Committee's 14 members, 5 were appointed in 2025, but there were no changes in the KMP's. The members of the Executive Committee are disclosed on the company web site.

Sustainability/ESG

There was no Climate Action report published in 2025, but a new ESG Data and Framework pack was published (spreadsheet). This is comprehensive and includes a scorecard of key issues of Safety, Climate and Natural Environment, Community and relationships and People and capabilities. Orica still has some work to do to meet Gender diversity targets by 2028, including 40% women on the Board.

Current financial auditors KPMG will undertake the statutory ESG reporting for FY2026. A dry run in FY2025 was considered satisfactory.

ASA focus issues:

Although Orica have no plans for a capital raising and believe that with their strong cash flow and low debt, there is unlikely to be a need, I flagged ASA's preferred method and noted that fairness to retail shareholders was a top priority.

I expressed disappointment at the format of the AGM proposed, with all discussion and question left until the end of the meeting.

ASA do not consider the Board Skills Matrix published in the Governance report to be satisfactory and noted that many other companies were providing much more information. The Bluescope Steel Skills Matrix was an example of the improvement that could be achieved without extending to the details of identifying individual skills.

Board Diversity is an issue that the new Chair will have to address in the next few years. Currently 3 of 9 Directors are female with an objective of 40% by 2028. Whilst this requires an additional appointment, it is noted that Ms Moses will retire in FY2026 and Ms Gibson (the only US resident NED) would be expected to retire in FY2028. Currently only 2 of the 9 directors are resident outside Australia.

4. Rationale for Voting Intentions

Resolution 2a: Election of Mr Vik Bansal as a Director

Mr Bansal is an attractive appointment to the Board given his wide-ranging Executive experience both locally and internationally. He is currently CEO of Boral, although his retirement from that position has been announced for early 2026, a NED of Brambles, Washington H. Soul Pattinson and Chair of LGI Limited and will be appointed to the SGH Board (owners of Boral) once he retires as Boral CEO. Clearly his currently workload should be extreme.

When announcing his retirement from Boral (1 Jul 2025), SGH has indicated that they are "working closely with Mr Bansal on a structured succession" and have appointed a Chief Operating Officer from the current Boral Executives to facilitate the transition, but a CEO has yet to be announced. Given that 5 months have now passed, it is of concern that the "early 2026" has not been defined.

At our pre-AGM meeting, Mr Bansal responded to my questions regarding his appointments and workload, indicating that his Boral commitments were under control and he would reduce his other directorships during 2026.

Orica have made a big commitment to Mr Bansal, appointing him to the Board and as Chair-elect in spite of his lack of knowledge of the company. This suggests that none of the other NED's had the interest or support to become Chair. Given the high praise provided by SGH's Ryan Stokes for his time at Boral, hopefully Orica's confidence is justified. ASA should support his election.

Resolution 2b: Re-Election of Ms Karen Moses as a Director

Ms Moses was appointed to the Board in 2026 and is seeking a further 3-year term. Karen has extensive experience in the energy industry both locally and internationally. She is a Director of Charter Hall Group and Snowy Hydro Limited. Noting that this would exceed Orica's policy of a maximum term for Directors of 10 years (but not ASA's), the Chair indicated that Ms Moses would retire in the next year or so. Her earlier retirement would make Board diversity objectives more difficult and given that she is a well-regarded and experience Director, her re-election can be supported.

Resolution 2c: Re-Election of Mr Gordon Naylor as a Director

Mr Naylor was appointed in 2022 and has both technical and financial qualifications. He is Chair-elect of Seqirus, a part of the CSL Group and will join CSL as a Director in Dec 2025. He will retire as Chair of Medical Development International in Dec 2025. He "brings valuable insights to Orica's growth strategy, manufacturing network and broader operations" so can be supported for re-election.

Resolution 3: Adoption of Remuneration report

The Remuneration report is well set out, relatively easy to read, includes a section on Key Stakeholder questions and meets most of ASA's Guidelines, so can be supported.

Resolution 4: Grant of Performance Rights to MD & CEO Mr Sanjeev Gandhi

As in the past the Rights have a face value of 200% of the CEO's FAR and the number to be allocated determined by the VWAP of Orica shares during the five trading days following the announcement of the of the FY2025 results. Three measures are used, Relative TSR (40%) against constituents within the ASX100, with 50% of the Rights vesting at median and the balance to vest in a straight line to the 75th percentile, Return on Net Assets (40%) with a minimum of 13.5% (30% vest) and 100% vesting at 15.5%, and 20% against Business Sustainability measures. Whilst the quantum of the award is high, its measures align well with ASA's preferences, and the resolution can be supported.

Resolution 5: Proportional Takeover Bids

The Directors propose to reinsert the partial takeover provisions in the Company's Constitution last approved at the 2022 AGM. This will extend the provisions for a further 3 years and is not controversial.

Appendix 1
Remuneration framework detail

The CEO’s and other KMP Executives remuneration is clearly set out in the Annual Report, with a covering letter from the Chair of the Board People and Remuneration Committee outlining the key features and any changes that have occurred or are planned for FY26 (some changes to STI Safety and Sustainability metrics).

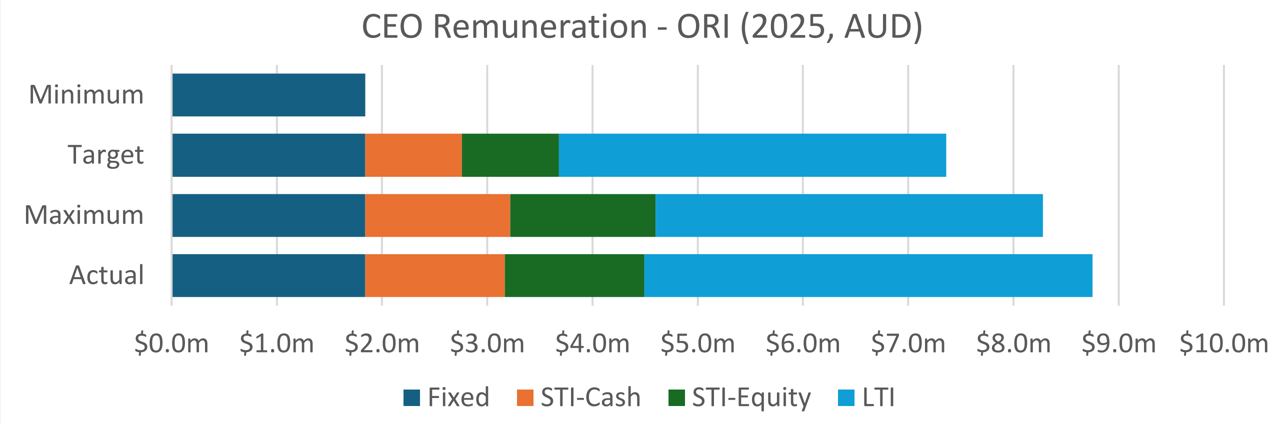
The major features of the Executive remuneration structure are:

- A Fixed Annual Remuneration based on external market data and a defined comparator group. The CEOs FAR was increased by 2.2% (April 2025) to $1.86m and is only the second adjustment since his appointment in 2021.
- A Short-Term Incentive of 100% of FAR at target and 150% of FAR at stretch, with half paid in cash and half paid as shares, with a one-year vesting period. Measures are divided into three groups, Safety, Environment and Decarbonisation (25%), Financial (EBIT and Cash Flows) (60%) and Operational Priorities (15%).
- A Long-Term Incentive with a maximum of 200% of FAR with a three-year performance period. Three measures are used, Return on Net Operating Assets (RONA, 40%), relative Total Shareholder Return (TSR, 40%) and Business Sustainability (20%). Vested Rights converted to shares at the end of the three-year period are restricted from dealing for a further two years after award.

The outcomes for the STI in FY2025 are clearly set out in the report with the CEO achieving 96.1% of the maximum. I was interested that Stretch amounts were awarded to the CEO for his Safety and Loss of Containment measures even though these were not zero. The Chair commented that the measures were very impressive and that zero injuries or spills was too much to expect.

The 2022-24 LTI outcome was tested after release of the FY24 results and resulted in 100% of both the RONA and rTSR vesting, the first time the LTI has vested in 5 years.

Full details of the Executive KMP’s actual remuneration are provided as is each KMP’s shareholding against minimum shareholding requirement at 30 September.



Source: Australian Shareholders' Association and company 2025 Annual Report, Actual Rem, STI from 2025, LTI from 2022-25

Note: Actual is slightly greater than Max as LTI Rights is reported at actual share price when awarded.

CEO rem. Framework for FY25	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1.840	25%	1.840	22%
STI - Cash	0.920	13%	1.380	17%
STI - Equity	0.920	13%	1.380	17%
LTI	3.680	50%	3.680	44%
Total	7.360	100.0%	8.280	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.