

HUMAN RESOURCES & COMPENSATION COMMITTEE

TERMS OF REFERENCE

PURPOSE

The Human Resources & Compensation Committee (“the Committee”) is a committee of the Orica Limited Board created to advise and assist the Board in the effective discharge of its responsibilities for oversight of management process and performance in the provision of human resources necessary to effectively execute the Company’s strategy over the long term.

MEMBERSHIP

The Committee will consist of at least three non-executive Directors.

The Chairman, members and term of appointment of each member shall be determined by the Board. Any non-executive Directors who are not members may also attend meetings of the Committee.

The Committee may seek input from individuals on remuneration policies but no individual may be directly involved in considering his or her remuneration.

MEETINGS

The Committee meets at least four times annually or more frequently as required.

The Chairman or the Secretary may call a meeting.

Two non-executive Directors shall constitute a quorum.

The Managing Director and Executive Directors may attend by invitation.

The Chairman of the Committee will report to the Board following each Committee meeting and annually report back against the Committee’s objectives and activities.

The Committee’s Terms of Reference shall be reviewed annually and updated as required.

RESPONSIBILITIES

To review and approve matters concerning:

- a) the allocation of shares under the Long Term Equity Incentive Plan and General Equity Employee Share Plan
- b) the allocation of awards under the Long Term Incentive Rights Plan.

To review and make recommendations to the Board concerning:

- a) The company's recruitment, organisational and people development, retention, employee relations, succession and termination policies.
- b) The company's workplace capability, eg balance of skills, diversity, culture, experience and internationalisation.
- c) The capability of candidates considered for succession to Managing Director and Group Executive positions.
- d) Policy and structure for senior executive remuneration, including short term and long term incentive plans.
- e) The company's disclosure obligations in respect of the remuneration matters as required under the ASX Listing Rules and the Corporations Act.
- f) Amendments to Share Plan Rules.

Notes: Remuneration arrangements and termination payments for the Managing Director, executive directors and executives reporting to the Managing Director, including short term incentive payments, performance targets and bonus payments, remain matters for all non-executive directors.

Review of the performance of the Managing Director will be undertaken by all non-executive directors.

AUTHORITY

In carrying out its duties the Committee shall have the authority to discuss directly with management and any relevant advisers any issue within its remit and to request reports, explanations and information of any of the activities, procedures or accounts of the Orica Group.

The Committee is authorised by the Board to obtain outside legal or other professional advice if it considers this necessary.

Approved by the Human Resources & Compensation Committee on 2 November 2011 and the Orica Limited Board on 15 December 2011.