

# **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.

It will meet at the request of the Chairman or at the request of one or more members of the Committee.

Two directors shall constitute a quorum.

The Managing Director and executive directors may attend by invitation.

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

### **RESPONSIBILITIES**

The Committee has no delegated authority, but will recommend to the Board inter alia on the following matters:

- 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.

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 Human Resources & Compensation Committee and by Orica Limited Board on 21 July 2009.**