

ASX Announcement

27 August 2015

Orica announces new operating model

Melbourne: Orica (ASX: ORI) CEO and Managing Director Alberto Calderon today announced a new operating model to simplify operations, improve visibility of each area's performance, and enable the business to respond to customer needs more effectively.

The new model ensures the areas of the business closest to the customers – the operating regions – have accountability for end-to-end customer service delivery, operational and financial performance. The regions will be supported by Group functions, which will embed global processes and standards to ensure consistency of service and governance company-wide. The model will be effective from 1 October 2015.

The new executive structure will comprise the following divisions:

- Four regional businesses: Australia/Indonesia, North America, Latin America, and EMEA/Rest of World (Europe, Middle East, Africa and other Asian markets). EMEA and the Rest of World will initially report to the CEO separately, but will be amalgamated over time.
- Manufacturing and Supply, bringing decision making around 'make or buy' together to optimise capacity and performance.
- Strategic Marketing and Technology, to drive the customer proposition including research, product and solution development, commercialisation and global customer accounts.
- Finance and IT.
- Strategy, Planning and Mergers and Acquisitions.
- Transformation, including current transformation projects underway and the oversight of systems and processes to enable the new operating model.
- Company Secretariat and Corporate Services (including legal).
- Human Resources.

In addition, Ground Support will be managed as a global business, under the newly created role of President, Ground Support. Scott Alexander, currently General Manager, Mining Services, North America, has been appointed to this role, reporting into the Group Executive and President, North America, James Bonnor.

Mr Calderon said: "The challenging market conditions make it critical that Orica has the right model to build closer relationships with customers, maintaining resilience and embedding its market leadership.

“I have talked about establishing a culture of respect, collaboration and performance. The new operating model will facilitate performance excellence by better aligning accountability and responsibility with delegations of authority. This means that EBIT responsibility will now sit within the regions, providing them with greater control over their financial results,” he said.

The executive team includes experienced Orica executives and some new appointees who bring leadership experience from the broader mining industry. A global search is under way for the position of Group Executive and President Australia/Indonesia. In the meantime, Richard Wilson, currently Zone Executive, Mining Services, Australia/Asia, will act in this broader role.

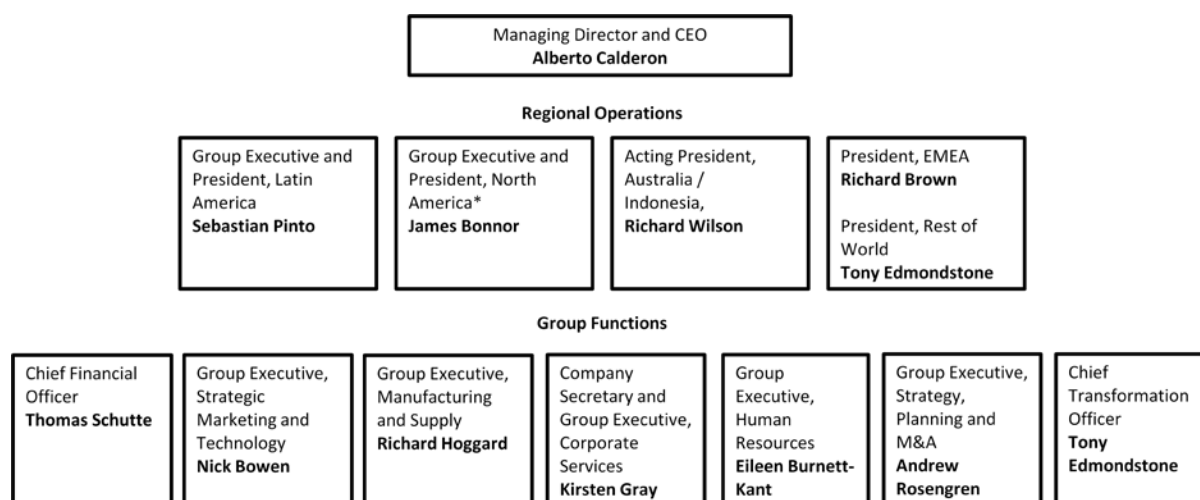
“We are building a world class team who will lead Orica as it advances and embeds its market leadership. I am excited about what the team will achieve for our customers, shareholders and our employees globally,” Mr Calderon said.

As a result of the new management structure, two current executives will leave the organisation. Ron Douglas, Executive Global Head Projects and Technology, will finish with Orica on 30 September 2015. Gavin Jackman, Executive Global Head Corporate Affairs & Social Responsibility, has agreed to continue to support Orica in an advisory capacity until February 2016.

“I would like to thank both Gavin and Ron for their significant contributions at Orica. Gavin successfully modernised Orica's approach to external relations and stakeholder engagement. Ron led improvements in Orica's capital discipline during his time. I wish them both all the best for the future,” Mr Calderon said.

With the appointment of Kirsten Gray to the role of Company Secretary and Group Executive, Corporate Services, Chris Hansen will transition from the Company Secretary role to become Group General Counsel, effective 5 October 2015.

Executive Responsibilities (CEO direct reports)



* Includes global responsibility for Ground Support

Appendix: Executive biographies of new Executive Committee Members

James Bonnor, Group Executive and President, North America: James Bonnor's career at Orica spans 20 years. His most recent role has been Zone Executive Head, Americas, Orica Mining Services. In his time at Orica, Mr Bonnor has held a range of senior product commercialisation, sales, marketing, and customer relationship management roles, including as General Manager of the New Zealand chemicals business, Chemnet, General Manager of Adhesives and Resins, Senior Vice President of the Ammonium Nitrate and Explosives business (based in Denver), President of Orica Mining Services Latin America (Santiago) and General Manager Australia/Asia. He has worked with customers across a range of market segments, including open cut coal, open cut metal, underground mining, quarrying and construction.

Sebastian Pinto, Group Executive and President, Latin America: Sebastian Pinto joined Orica in 2010 as Marketing Vice President for Latin America, with responsibility for directing the regional business strategy, including price and product management, market intelligence and customer relationships. He was part of the regional management team as well as a member of the global marketing group. In October 2011 he was promoted to the Latin America General Manager role, his most recent assignment. Before joining Orica, Mr Pinto worked for Shell International Petroleum Company for 16 years, where he held a range of sales, marketing and strategy roles in Latin America, England and USA.

Thomas Schutte, Chief Financial Officer: Thomas Schutte's appointment was previously announced on 6 July 2015. Mr Schutte worked at global diversified mining company, BHP Billiton, from 1991 to 2014, where he held a range of leadership positions. This included four years as President and CEO of BHP Billiton's manganese joint venture with Anglo American, Samancor Manganese, based in South Africa. Prior to that, Mr Schutte was President of BHP Billiton's Global Marketing with responsibility for all sales, Group purchasing, market analytics and global freight. Mr Schutte is a Chartered Accountant.

Kirsten Gray, Company Secretary and Group Executive, Corporate Services: Kirsten Gray is a legal and governance executive with more than 25 years' exposure to major listed companies, the global resources industry, and Government and securities regulators. This includes 20 years with BHP Billiton in Australia and abroad. Ms Gray has deep experience in global mergers and acquisitions, corporate governance in Australia, the United Kingdom and the United States, and general commercial law. Most recently, she was Vice President Legal at BHP Billiton, where she was responsible for the company's corporate legal teams in Melbourne and London. During her time at BHP Billiton, she also led the legal teams in Global Supply, Information Technology and Marketing, Coal, Aluminium, Manganese, Nickel, Iron Ore, Uranium and Petroleum. More recently, she led the global legal team that delivered BHP Billiton's May 2015 demerger of South32 Limited.

Andrew Rosengren, Group Executive, Strategy, Planning and Mergers and Acquisitions: Andrew Rosengren joined Orica in 2012 as General Manager, Strategy and Planning, with responsibility for leading the development and refinement of the Orica corporate strategy, including working with divisional and geographic management team to guide execution; and developing Orica's annual strategic review with the Board, and its five year strategic plan. Mr Rosengren has more than 15 years' experience in the mining industry, including with Rio Tinto in Australia, the United States, and the United Kingdom in a range of mining operations, business development and corporate roles. He also spent seven years with Boral Limited, working in strategy, operational logistics management across the construction materials business, and managing the company's property portfolio.

Richard Brown, President, EMEA: Richard Brown joined the organisation in 1989 as a Mining Engineering graduate with ICI Explosives. In Mr Brown's more than 25 years with Orica, he has held a range of leadership and senior positions across Europe, the CIS, Africa, Australasia, North America and the Middle East. His most recent role was as Zone Executive, Orica Mining Services, with responsibility for the Mining Services business in Europe, Middle East, and Africa. Mr Brown has extensive experience in technical sales, export sales, business development, manufacturing, operations and general management, and has successfully developed new markets and business relationships in culturally diverse locations ranging from Scandinavia to West Africa and Central Asia.

Richard Wilson, Acting President, Australia/Indonesia: Richard Wilson has worked at Orica since 2005 in a number of senior executive roles. This includes five years as General Manager of the Asia Region, three years as General Manager of Strategic Partnership Development working with Orica's global customer group and most recently two years as the Zone Executive for the Australia and Asia. Prior to his time with Orica, Mr Wilson worked for a number of global industrial and agribusiness companies in senior commercial and strategic management roles. Mr Wilson holds Bachelor Degrees in Science and in Business.

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