

# **Orica Limited**

ABN 24 004 145 868

## **Guidelines for dealing in securities**

**Approved 16 June 2008**

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## 1 Introduction

This policy replaces the previous Orica Limited Insider Trading Policy.

The purpose of this policy is to:

- (a) explain the type of conduct that is prohibited under the Corporations Act, which is applicable to all employees of Orica; and
- (b) establish a best practice procedure relating to buying and selling securities that provides protection to both the Company and employees against the misuse of unpublished information which could materially affect the value of securities.

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## 2 Dealing in securities

### 2.1 Summary of Prohibited conduct

Under the Corporations Act, a person is prohibited from dealing in *securities* where:

- the person possesses information which is not generally available; and
- that information may have a *material effect* on the price of Orica Limited shares; and
- the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the share price.

### 2.2 Policy for dealing in securities

This policy applies to all directors, employees and their associates (collectively **Employees**).

(a) *Window Period*

Employees may deal in Orica securities:

- (1) in the period of 28 days commencing 1 day after the announcement of Orica's half-yearly results;
- (2) the period commencing 1 day after announcement of Orica's annual results to 31 January,

EXCEPT where the Employee is in possession of price sensitive information. The Company may during the "window" set out above, notify you that you may not deal in Orica securities during all or part of any such period.

If you are not sure whether you should buy or sell shares during this time please consult with your manager.

(b) *During Other periods*

Outside of the "window" period, an Employee or a director, provided they are not in possession of price sensitive information, must

receive clearance for any proposed dealing in Orica securities as follows:

- (1) a **director** of Orica Limited must inform and receive acknowledgment from the Chairman;
- (2) all other **employees** must inform and receive acknowledgment from the Company Secretary.

Clearance outside the window is entirely discretionary and may only be considered in rare and exceptional circumstances.

It is intended that any request would be answered within 48 hours.

(c) *Short Term Dealing and Short Term Derivative Arrangements*

Employees may not deal in Orica securities on a short-term basis at any time.

Employees may not enter into short term (ie less than 3 months) derivative arrangements in any circumstances.

(d) *Exercise of options*

Options held pursuant to the Orica Executive Share Option Plan (**Plan**) may be exercised at any time in accordance with the rules of the Plan unless the Employee is in possession of price sensitive information.

In addition, any sale of Orica's shares acquired upon exercise of options must only occur:

- (1) during a window period as set out in paragraph 2.2(a), provided the Employee is not in possession of any price sensitive information; or
- (2) with clearance obtained under paragraph 2.2(b).

(e) *Derivatives over shares*

(1) Prohibited conduct

Employees may not create a derivative over or enter into a derivative arrangement in relation to securities which are unvested, held "at risk" or held subject to restrictions under an Orica employee, executive or director plan, including without limitation, securities held subject to a loan under the Long Term Equity Incentive Plan (LTEIP).

(2) Permitted conduct

An Employee may create a derivative or enter into a derivative arrangement in relation to Orica securities where:

- (A) paragraph 2.2(e)(1) above does not apply to the relevant Orica securities (for example, the relevant Orica securities are not held subject to the LTEIP or any other Orica Group long term incentive arrangements implemented from time to time); and

- (B) the derivative arrangement would not be considered a short term derivative arrangement under paragraph 2.2(c); and
  - (C) the Company Secretary is notified of the following:
    - (i) the parties to the derivative arrangement;
    - (ii) the period of the derivative arrangement; and
    - (iii) the number of securities the subject of the derivative arrangement.
- (f) *Restriction after ceasing to be an employee*

Any employee who is the CEO, or a director of Orica Limited or Group Executive Members and their direct reports, and who ceases to be an employee or a director must not deal in any Orica securities, including any shares or securities held subject to the Orica Group's long term incentive arrangements, until the commencement of the next "window" period under the Company's guidelines for dealing in securities.

Any clearance to deal prior to the next "window" may be considered in accordance with paragraph 2.2(b).

- (g) *Margin Loan Arrangements*

This paragraph applies to all Directors and any Employee who is a participant in the LTEIP or any other Orica Group long term incentive arrangements implemented from time to time (Relevant Employees).

- (1) Prohibited conduct

Relevant Employees may not enter into or otherwise deal in securities via a margin loan arrangement in relation to securities which are unvested, held "at risk" or held subject to restrictions under an Orica employee, executive or director plan, including without limitation, securities held subject to a loan under the LTEIP.

- (2) Permitted conduct

A Relevant Employee may enter into or otherwise deal in securities via a margin loan arrangement in relation to their Orica securities where:

- (A) the requirements of these Guidelines regarding approval and notification generally are complied with;
- (B) the margin lending arrangement does not, of itself, trigger a transfer in the legal or beneficial ownership of the underlying securities (prior to enforcement of the loan);
- (C) paragraph 2.2(g)(1) does not apply to the relevant securities; and

- (D) the Company Secretary is notified of the information contained in paragraph 2.2(g)(3) below.

(3) Notification

The Relevant Employee must notify the Company Secretary by submitting a Margin Loan Form.

The Company Secretary may, where appropriate, disclose to the ASX the fact and nature of the margin loan arrangement as specified by the Relevant Employee on the Margin Loan Form.

(4) Dealing in securities under margin loan arrangements

Any dealing in securities under a margin loan arrangement must be conducted in accordance with this policy (Refer 2.2 (a), (b) and (c)). Such dealing includes:

- (A) entering into a margin loan arrangement in respect of Orica securities;
- (B) transferring shares in the Company into an existing margin loan account; and
- (C) selling shares in the Company to satisfy a call pursuant to a margin loan.

### 2.3 Securities in other companies

The prohibited conduct under the Corporations Act includes dealings in securities of Orica as well as of other companies with which Orica may be dealing (this would include dealings relating to Orica's listed subsidiary Orica's customers or joint venture partners) where an Employee possesses "inside information" in relation to that other company. For example, where you are aware that Orica is about to sign a major agreement with another company, you should not buy shares in either Orica or the other company.

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## 3 Relevant Terms

### 3.1 Securities

Securities include:

- ordinary shares;
- preference shares;
- derivatives; and
- options.

### 3.2 Derivative

A derivative includes, without limitation, any hedging or similar arrangement which operates to limit the economic risk of Orica securities.

While it is not possible to list all definitively the types of financial products which are covered by this definition, they include financial instruments that mimic or are economic proxies for Orica securities, eg. equity swaps and contracts for differences.

### **3.3 Dealing in Securities**

Dealing in securities is a broad concept and covers more than simply buying or selling shares. It extends to exercising options over shares and entering agreements to buy or sell securities.

That is, under this policy and the law, the prohibition on dealing means that you are not permitted to:

- buy or sell (excludes participation in dividend reinvestment plan);
- subscribe for new shares (eg in a float);
- enter into an agreement to subscribe for, buy or sell, securities;
- create a derivative over shares; or
- enter into a margin loan arrangement and any subsequent actions resulting from this arrangement,

where you or Orica possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If you possess price sensitive information that is not generally available, you are also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

For example you cannot ask or encourage family members to deal in securities when you possess price sensitive information and you should not communicate price sensitive information.

### **3.4 Adherence to rules of plan**

Employees holding shares or options under Orica incentive plans must adhere to the rules of the relevant incentive plan.

### **3.5 Information that is generally available**

Information is considered to be “generally available” if:

- (a) it consists of readily observable matter; or
- (b) it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed. That is it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed

after the information has been disseminated in one of these ways;  
or

- (c) it may be deduced, inferred or concluded from the above.

### **3.6 Material effect of the price of securities**

Information is considered by the Corporations Act to be likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of information that may be material, however, the following type of information would be likely to be considered to have a material effect on Orica's share price:

- information regarding a material increase or decrease in Orica's financial performance from previous results;
- a proposed material business or asset acquisition or sale;
- the damage or destruction of a material plant or operation of the Group;
- proposed material legal proceedings to be initiated by or against the Company;
- regulatory action or investigations undertaken by a Government authority;
- the launch of a new business or material new product;
- a proposal to undertake a new issue of shares or major change in financing.

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## **4 Penalties**

A person who commits a breach of the insider trading provisions could be subject to a maximum fine of \$220,000 or imprisonment for up to 5 years, or both. In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the conduct.

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## **5 Who to contact**

If you are in any doubt regarding your proposed dealing in securities you should contact the Company Secretary.

### Margin Loan Form

I, .....[insert name and position]  
propose to enter into or have entered into a margin loan arrangement in relation to  
..... [insert number] shares in Orica Limited.

The margin loan relates to (please tick):

- Orica Limited shares only.
- Orica Limited shares and my shareholdings in one or more other companies.

I acknowledge the terms of the Guidelines for Dealing in Securities. I also acknowledge that the information provided in this form, including the fact and nature of the margin loan arrangement, may be disclosed to ASX.

Signature.....  
 Name.....  
 Position.....  
 Date.....

Please submit to the Company Secretary.

### Derivative Arrangement

I, .....[insert name and position]  
propose to enter into or have entered into a derivate arrangement in relation to  
..... [insert number] shares in Orica Limited.

The parties to the derivative are:  
.....

The period of the derivative arrangement is .....

I acknowledge the terms of the Guidelines for Dealing in Securities.

Signature.....  
 Name.....  
 Position.....  
 Date.....

Please submit to the Company Secretary.