Ansell

FOCUSED ON PROTECTION

Ansell Limited
Notice of Annual General Meeting 2018

Notice is given that the Annual General Meeting of Ansell Limited will be held at the Sofitel Melbourne on Collins, 25 Collins Street, Melbourne, Victoria on Thursday 18 October 2018 at 1.30pm.

Notes

Important note regarding proxies:
Certain categories of persons (including Directors and the Chairman of the Meeting) are excluded from voting on resolutions relating to the remuneration of key management personnel, including as proxy, in some circumstances and such votes will be disregarded (as per the Voting Exclusion Statement)..

If you are appointing a proxy, to ensure that your vote counts, please read the instructions on the proxy form carefully.

1. On a poll, shareholders have one vote for every fully paid ordinary share held.
2. A member entitled to attend and vote is entitled to appoint not more than two proxies.
3. A proxy need not be a member of Ansell Limited (the **Company**).
4. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
   - the full name and title of the body corporate appointed as proxy; and
   - the full name or title of the individual representative of the body corporate to attend the Meeting.
5. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights and neither proxy is entitled to vote on a show of hands if more than one proxy attends. If it is desired to appoint two proxies, you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each proxy.
6. Proxy forms must be signed by a member or the member's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act 2001 (Cth) (Corporations Act) or signed by an authorised officer or agent.
7. Proxy forms (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be returned prior to 1.30pm (AEDT) on Tuesday 16 October 2018 using one of the methods below:
   - **In person**
     at the Registered Office – Ansell Limited: Level 3, 678 Victoria Street, Richmond, Victoria 3121 or the Share Registry – Computershare Investor Services Pty Ltd: Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067
   - **By mail**
     C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001
   - **By facsimile**
     on 1800 783 447 (within Australia) or (61 3) 9473 2555 (outside Australia)
   - **Online at**
     www.investorvote.com.au
   - **Online at**
     www.intermediaryonline.com (for Intermediary Online subscribers only)
8. The Board has determined, in accordance with the Company's Constitution and the Corporations Regulations 2001 (Cth), that a shareholder's voting entitlement at the Meeting will be taken to be the entitlement of that person shown in the register of members as at 7pm (AEDT) on Tuesday 16 October 2018.

Business

1. Financial Report

To receive and consider the financial report and the reports of the Directors and the Auditor of Ansell Limited for the year ended 30 June 2018.

2. Election of Directors

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(a) *"That Mr John Bevan, who retires in accordance with Rule 33(c) of the Company's Constitution, and being eligible for re-election, is re-elected as a Director."*

(b) *"That Mrs Marissa Peterson, who retires in accordance with Rule 33(c) of the Company's Constitution, and being eligible for re-election, is re-elected as a Director."*

Each will be voted on as a separate ordinary resolution.

3. Approve on-market buy-back of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of section 257C of the Corporations Act 2001 (Cth) and for all other purposes, shareholders authorise and approve the on-market buy-back of up to 28.456 million fully paid ordinary Shares in the Company (representing approximately 20% of the Company's issued Shares as at 31 July 2018 in the 12 month period following the approval of this Resolution, on the terms as described in the Explanatory Notes to this Notice of Meeting."

4. Grant of Performance Share Rights to the Chief Executive Officer

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval be given for the grant of 203,089 Performance Share Rights to the Managing Director and Chief Executive Officer of the Company, Mr Magnus Nicolin, under the rules of the Company's Long-Term Incentive Plan and on the terms summarised in the Explanatory Notes to this Notice of Meeting."

5. Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2018 be adopted."

The Remuneration Report is set out on pages 39 to 63 of the Company's Annual Report 2018.

Note: This Resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement – Resolutions 4 & 5

The Company will disregard:

- any votes cast in favour of Resolution 4 by:
  - Mr Nicolin or by his associates; or
  - a member of the Company's Key Management Personnel (**KMP**), or a closely related party of a KMP, as proxy where the person's appointment as proxy does not specify the way the proxy is to vote on the Resolution; and
- any votes cast on Resolution 5 by any KMP as disclosed in the Remuneration Report, or by a closely related party of such a KMP.

However, such restrictions do not apply if the vote is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form specifying how the proxy is to vote; or
- by the Chairman of the Meeting as proxy for a person who is entitled to vote where the Chairman has been expressly authorised to vote undecided proxies as he sees fit.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of all resolutions.

By order of the Board,

Catherine L E Stribley
Company Secretary
Ansell Limited
Melbourne, 30 August 2018

Explanatory Notes to Shareholders

Item 1 – Financial Report

In accordance with the Corporations Act, the Financial Report and the Directors' and Auditor's Reports for the year ended 30 June 2018 will be put before the Annual General Meeting. These reports are contained within the Company's Annual Report 2018.

Shareholders can access a copy of the Annual Report 2018 on the Company's website at: www.ansell.com. A printed copy of the Annual Report 2018 has been sent only to those shareholders who have elected to receive a printed copy.

There is no requirement for a formal resolution on this matter. Accordingly, there will be no formal resolution put to the Meeting.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to raise questions on these reports or make comments on Company matters.

Item 2 – Election of Directors

Rule 33(c) of the Company's Constitution provides that a Director cannot hold office beyond the third annual general meeting following the meeting at which the Director was elected or last re-elected.

Mr Bevan was last re-elected at the 2015 AGM and retires in accordance with rule 33(c) of the Constitution. Being eligible, Mr Bevan offers himself for re-election.

Mrs Peterson was last re-elected at the 2015 AGM and retires in accordance with rule 33(c) of the Constitution. Being eligible, Mrs Peterson offers herself for re-election.

The following are the backgrounds of the Directors who are seeking re-election:

John A Bevan

Deputy Chairman

BCom (UNSW)

Appointed Non-Executive Director in August 2012 and Deputy Chairman in February 2017.

Member of the Human Resources Committee, Governance Committee, Audit and Compliance Committee and Chair of the M&A Sub-Committee.

Current Directorships: Chairman of BlueScope Steel Limited (2014 to present), Non-Executive Director of Director of Humpty Dumpty Foundation (2017 to present) and Alumina Limited (2018 to present).

Former Directorships: Non-Executive Director of Nuplex Industries Limited (2015 – 2016), Executive Director of Alumina Limited (2008 – 2014).

Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and brings to the Board extensive international business experience. Prior to joining Alumina Limited, he had a long career with the BOC Group Plc where he was a member of the Board of Directors and held a variety of senior management positions in Australia, Korea, Thailand, Singapore and the United Kingdom.

The Board considers John Bevan to be an independent Director.

Marissa T Peterson

Non-Executive Director

BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)

Appointed Non-Executive Director in August 2006.

Chair of the Human Resources Committee and member of the Risk Committee.

Current Directorships: Chair of Oclaro Inc. (2011 to present) and Director of Humana Inc. (2008 to present).

Mrs Peterson currently runs Mission Peak Executive Consulting, an executive coaching and consulting firm specialising in helping develop, grow and scale leaders in the high technology space.

Mrs Peterson retired from full-time executive roles in 2006, having spent 18 years with Sun Microsystems with an unprecedented legacy of concurrently leading some of Sun's largest and most effective organisations: as Executive Vice President of Services, EVP of Worldwide Operations, and as Chief Customer Advocate.

She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development. Among her awards are Women Inc's Most Influential Corporate Director, Silicon Valley Tribute to Women in Industry, National Association of Corporate Directors Leadership Fellow, Filipinas Magazine Corporate Leader of the Year, National Co-op Hall of Fame, and the Excellence in Science and Engineering Award from the Philippine Development Forum.

The Board considers Marissa Peterson to be an independent Director.

Board Recommendation

As part of its ongoing performance review process, the Board has formally considered the contribution of Mr Bevan and Mrs Peterson to the Board and its Committees. The Board (with Mr Bevan and Mrs Peterson abstaining in respect of their re-election) unanimously supports the re-election of Mr Bevan and Mrs Peterson as Directors and recommends that shareholders vote in favour of these Resolutions.

Item 3 – Approve on-market buy-back of Shares

At the 2017 Annual General Meeting, Shareholders approved an on-market buy-back in respect of up to 20% of the Company's issued Shares as at 31 July 2017. This followed an announcement by the Company on 24 May 2017 that it intended to buy-back approximately 10% of its Shares over a 12 month period. Since the initial buy-back announcement in May 2017, the Company has bought-back 5,429,148 Shares.

Accretive acquisitions remain the priority for the deployment of excess capital, including the funds received from divestment of the Sexual Wellness business, however, in the absence of any appropriate opportunities the Board believes that continuing the buy-back provides the most beneficial use of the funds for shareholders. In order to allow the Board the flexibility to continue the buy-back program, the Board is seeking a 'refresh' of the Shareholder approval given at the 2017 Annual General Meeting, such that the Company may buy-back up to 20% of its Shares as at 31 July 2018 over the 12 months from the date on which Resolution 3 is approved. Shareholder approval is required under section 257C of the Corporations Act.

Shareholders should note that this is a permissive Resolution and does not oblige or require the Company to buy-back Shares. The size and timing of any Share buy-backs will be determined by the Board.

The relevant features of the buy-back (should it proceed) are as follows:

Number of shares to be bought back	Up to 28.456 million fully paid ordinary shares in Ansell (**Shares**) (representing 20% of the Company's issued shares as at 31 July 2018). The number and percentage of Shares to be bought back will be determined based on the share price, market conditions and alternative capital deployment opportunities over the period of the buy-back.
Number of shares currently on issue	142,280,089 as at 31 July 2018.
Offer price	The price to be paid by the Company for Shares purchased under the buy-back will be the then prevailing market price on the ASX. However, the purchase price will not be more than 5% above the volume weighted average market price of the Company's Shares over the last five days on which sales in the Company's Shares were recorded before the day on which the purchase under the buy-back was made.
Current price	To provide an indication of the recent market price of the Company's Shares, the closing price on 31 July 2018 was A$28.81. The highest and lowest market sale prices for the Company's Shares on the ASX during the previous 3 months were as follows:

Month	Low	High
July 2018	A$26.75	A$29.64
June 2018	A$26.02	A$28.31
May 2018	A$25.73	A$27.44

Time frame	Over the 12 months from 18 October 2018.
Particulars of the terms of the buy-back	The usual rules for settlement of transactions which occur on-market on the ASX will apply in respect of the Shares acquired under the buy-back. All Shares which are bought back will be cancelled immediately upon settlement of the trade.
Reasons for the buy-back	Ansell generates substantial amounts of cash annually. In addition, a sizeable balance still remains from the proceeds of the sale of the Sexual Wellness Global Business Unit in 2017. Investing in the future growth of Ansell's continuing business, whether through capital expenditure or accretive acquisitions, remains the priority going forward. It is likely that the company will be able to fund its growth needs while still having surplus cash available that it can return to shareholders and so continuing to pursue a share buy-back is considered of benefit to shareholders.
Financial effect of the buy-back on the company	Any on-market share buy-back will be funded by the Company's surplus cash and will reduce the Company's cash balance by the aggregate amount paid to buy-back shares on-market. No adverse tax consequences are expected to arise for the Company and the Company's balance sheet is expected to remain strong.
Source of funds	Any increase in the buy-back will be funded by the proceeds of the sale of the Company's Sexual Wellness business and/or cash flows from the Company's operations.

Explanatory Notes to Shareholders continued

Advantages and disadvantages of the buy-back	On-market buy-backs have the following advantages: (i) Purchasing shares at lower than their intrinsic value creates shareholder value (ii) Improves EPS (iii) Returns excess funds to shareholders (iv) Reduces excess cash holdings Disadvantages can be: (i) The possibility of paying too high a price for shares (ii) Artificially supporting the share price
Director interests and participation in the buy-back	As at 30 June 2018, the following Directors had the following interests in ordinary shares of Ansell (directly and indirectly): G L L Barnes 68,116 J A Bevan 26,017 R J S Bell 19,847 W P Day 29,707 L A Desjardins 6,711 M T Peterson 23,647 M R Nicolin 266,239 W G Reilly 40,202 C M Stercken 860 Directors will be eligible to participate in the buy-back subject to complying with the Company's share trading policy.

The Board is not aware of any other information that is material to shareholders' decision on how to vote on this Resolution.

The Board unanimously recommends that shareholders vote in favour of this Resolution

Item 4 – Grant of Performance Share Rights to the Chief Executive Officer

The Long-Term Incentive Plan (LTIP) award for the Managing Director and Chief Executive Officer operates by way of a grant of performance share rights (Rights) which, subject to the satisfaction of various performance conditions detailed below, entitles the Managing Director and Chief Executive Officer to the grant of one ordinary share in Ansell Limited per Right.

Accordingly, shareholder approval is sought for the issue of 203,089 Rights to the Managing Director and Chief Executive Officer, Mr Magnus Nicolin, under the LTIP in accordance with ASX Listing Rule 10.14.

Approval is also sought under sections 200B and 200E of the Corporations Act to allow for the Board to determine pro rata vesting of the Rights in the event of cessation of Mr Nicolin's employment in certain 'good leaver' circumstances (which would otherwise be deemed, and treated as, a termination benefit). The Board does not intend to exercise this discretion should Mr Nicolin resign or be terminated for cause, in which event all unvested Rights would immediately lapse.

For completeness, shareholders should note that the Managing Director and Chief Executive Officer may also earn a right to receive shares in Ansell Limited through the Company's short term incentive program. This is detailed in the Company's Remuneration Report. Any such shares are intended to be acquired on-market and, therefore, shareholder approval is not required. Any such shares may not be sold or otherwise disposed of for two years subject to limited exceptions.

An overview of the details of the proposed grant is set out below.

Number of Rights	Subject to shareholder approval, Mr Nicolin will be granted 203,089 Rights. Each Right entitles Mr Nicolin, upon vesting, to one newly issued fully paid ordinary share in the Company. The number of Rights granted was calculated by reference to the average price of Ansell Limited shares on the ASX over a 90-day period to 14 August 2018. Mr Nicolin's maximum opportunity under the LTIP is 360% of his base salary. The full amount of the award will only vest if the specified maximum thresholds for each of the three performance measures are achieved or surpassed.
Date of grant of Rights	If shareholder approval is obtained, the Rights will be granted to Mr Nicolin shortly after the Meeting, but in any event no later than 12 months after the Meeting.
Performance conditions	67,697 Rights will be subject to the Earnings per Share (EPS) Growth vesting condition. These Rights are also subject to the Return on Capital Employed (ROCE) gateway condition. 67,696 Rights will be subject to the Organic Revenue Growth vesting condition. 67,696 Rights will be subject to the ROCE vesting condition. For vesting to occur under each condition, a minimum level of performance must be achieved over the three-year period of the LTIP (FY19–FY21). The EPS and Organic Revenue Growth measures: • will be assessed based on total growth over the three-year period of the LTIP. Once the relevant minimum level of performance is met (as described below), the vesting schedule will be a straight line from zero to maximum; and • will be tested on a constant currency basis (to remove foreign exchange fluctuations which may either favour or penalise management). For more information about the manner in which Ansell uses constant currency measurements, please refer to pages 4 of the 2018 Annual Report. Further information on the meanings and definitions of EPS Growth, Organic Revenue Growth and ROCE measures and calculation of constant currency are included in the Remuneration Report.

Earnings Per Share Performance Condition

The following EPS growth targets will apply for the grant of 67,697 Rights.

EPS Growth during Three Year Award Period	Rights subject to this condition that vest (%)
Up to 12.5%	0%
Between 12.5% and 33.1%	Sliding scale from 0% to 100% (being one-third of overall maximum award)
33.1% and above	100% (being one-third of overall maximum award)

The performance condition on EPS Growth will be measured against the FY18 adjusted continuing operations EPS of 102.0 cents subject to constant currency adjustments over the three-year period (FY19-FY21).

The gateway condition to the EPS performance condition requires that Ansell's ROCE as at 30 June 2021 must be at least 14.0% at the end of the three-year period of the LTIP. If the gateway condition is not satisfied, these Rights will lapse regardless of the EPS growth achieved.

Organic Growth Performance Condition

The following Organic Growth targets will apply for the grant of 67,696 Rights.

Organic Growth during Three Year Award Period	Rights subject to this condition that vest (%)
Up to 6.1%	0%
Between 6.1% and 15.8%	Sliding scale from 0% to 100% (being one-third of overall maximum award)
15.8% and above	100% (being one-third of overall maximum award)

The performance condition on Organic Revenue Growth will be measured against the FY18 sales of US$1,489.8 million for continuing operations subject to constant currency adjustments over the three-year period.

Explanatory Notes to Shareholders continued

Return on Capital Employed Performance Condition	The following ROCE targets will apply for the grant of 67,969 Rights.

ROCE during Three Year Award	Rights subject to this condition that vest (%)
Up to 14.0%	0%
Between 14.0% and 15.5%	Sliding scale from 0% to 100% (being one-third of overall maximum award)
15.5% and above	100% (being one-third of the overall maximum award)

Price payable on grant or vesting

No amount will be payable in respect of the grant or upon vesting of the Rights.

No dividends and voting rights on unvested awards

There are no voting rights or entitlements to dividends on unvested Rights under the LTIP.

Trading restrictions

Shares allocated under the LTIP on vesting of Rights will not be subject to additional trading restrictions (aside from complying with the Company's Share Trading Policy).

Cessation of employment

In general, should Mr Nicolin cease employment before the Rights vest, the Rights will lapse subject to Board discretion.

The Board has a general discretion to vest the Rights on a pro rata basis having regard to that part of the performance period elapsed at the time of ceasing employment and the performance of the Company against each of the performance conditions to that time. This discretion would only be exercised in the event of cessation of Mr Nicolin's employment in certain 'good leaver' circumstances. The Board will not exercise this discretion in favour of Mr Nicolin should he be terminated for cause. The Board also does not intend to exercise this discretion where Mr Nicolin resigns of his own accord, although will consider such matter having regard to the circumstances at the time.

Board discretion

The Board has retained its discretion to make adjustments in calculating the applicable performance conditions to:

- exclude matters that are beyond the reasonable control or foresight of management; and
- include matters that management control or should reasonably have foreseen to ensure no unfair advantage or penalty in incentive outcomes when viewed in light of shareholder value creation.

Other information (including for the purposes of section 200E of the Corporations Act)

Mr Nicolin is the only Director of the Company entitled to participate in the FY19 LTIP. Shareholder approval was obtained at the 2017 AGM for a grant of 233,601 Rights to Mr Nicolin. These Rights were allocated at the Board meeting following the 2017 AGM.

The value of any of the Rights that may vest on ceasing employment cannot currently be ascertained. The circumstances which will affect the calculation of this value include the part of the 3-year performance period that has elapsed at the time employment ceases (as the number of Rights to vest is determined with reference to the elapsed part of the performance period at that time) and performance against the performance conditions at the time employment ceases.

Board Recommendation

The Board believes that an equity based LTIP, in the form of Rights over Ansell shares, is an important component of executive remuneration to ensure an appropriate part of reward is linked to generating long term returns for shareholders.

Separately, to further strengthen the alignment of the interests of the Managing Director and Chief Executive Officer with value creation for shareholders, the Managing Director and Chief Executive Officer is required to maintain a minimum shareholding of Ansell shares equivalent to three times base salary.

The approval being sought from shareholders arises as a result of Ansell electing to provide the LTIP through the issue of equity rather than as cash. If shareholders do not approve the grant of Rights as a long-term incentive for the Managing Director and Chief Executive Officer, his total remuneration package may not be competitive with the market, there may be misalignment of rewards with other senior executives and Ansell may be in breach of contractual obligations to the Managing Director and Chief Executive Officer. In these circumstances, the Board would provide Mr Nicolin with an equivalent cash incentive subject to the same performance conditions and performance period as described above.

The Board (Mr Nicolin abstaining) unanimously recommends that shareholders vote in favour of the awarding of the Rights to the Managing Director and Chief Executive Officer.

Item 5 – Remuneration Report (non-binding advisory vote)

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2018. The Remuneration Report is set out on pages 39 to 63 of the Company's Annual Report 2018.

Ansell's remuneration strategy is designed to provide a link between the achievement of the Company's strategic objectives and executive reward. It is designed to reward, motivate and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of the Company's businesses and the creation of shareholder value.

The Remuneration Report sets out, in detail, the Company's policy for determining remuneration for Directors and Senior Executives. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess the achievement of these performance conditions.

The vote on Resolution 5 is advisory only, and does not bind the Directors or the Company. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting. The Human Resources Committee will take into account the discussion on this Resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

Ansell trusts that the 2018 Remuneration Report explains its remuneration strategy in the context of the markets in which it competes for executive talent, how the elements of its remuneration are intended to underpin its long-term strategies and how Ansell's performance dictates executive remuneration outcomes.

Ansell notes the following executive remuneration outcomes from FY18:

- Performance under the STI plan was measured for continuing operations against targets set on a comparable basis. Incentive outcomes reflected continued good organic sales growth and moderate EBIT growth with higher raw material costs particularly in the early part of the year reducing EBIT achievement.
- Targets for LTI plans bridging the period before and after the divestment of Sexual Wellness, including the FY14 LTI plan vesting this year, were adjusted to neutralise the effect of the divestment as communicated in last year's remuneration report. In assessing FY18 performance, the Board decided to exclude a number of items from statutory EPS, the overall effect of which was to substantially lower the EPS against which incentive outcomes were assessed. The details of the adjustments are detailed in the remuneration report. EPS after these exclusions was then compared to the adjusted LTI targets resulting in a payment of 42.4% of maximum to LTI participants. As a reminder the LTI plan vesting in FY17 did not pay out as it failed the minimum performance condition, and the Board was pleased to see that the good results achieved in FY18 was sufficient to ensure plan participants will receive an LTI incentive payment for the FY14 plan.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of this non-binding Resolution.

Notes

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