



ANSELL LIMITED

NOMINATION, REMUNERATION & EVALUATION COMMITTEE

CHARTER

(Revised 16 April 2004)

1. **General Scope and Authority**

The Ansell Nomination, Remuneration & Evaluation Committee (the Committee) is a Committee of the Board of Ansell Limited established under Rule 46 of the Constitution of the Company (the Constitution).

Proceedings and meetings of the Committee will be governed by the provisions of the Constitution for regulating the meetings and proceedings of the Board of Ansell Limited in so far as they are applicable and not inconsistent with this Charter.

The Ansell Board is responsible to shareholders for ensuring that Ansell Limited, (or where inclusive of subsidiary companies as applicable, (the Group):

- has coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and Directors who will create value for shareholders;
- fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executive and the general remuneration environment; and
- complies with the ASX Listing Rules and Corporations Act 2001 (Cth) (as applicable).

The primary purpose of the Committee is to support and advise the Ansell Board in fulfilling these responsibilities to shareholders by:

- establishing processes for reviewing the performance of individual directors, the Board as a whole, and Board Committees;
- establishing processes for the identification of suitable candidates for appointment to the Board;
- determining executive remuneration policy;
- determining the remuneration of executive directors;
- reviewing and approving the remuneration of direct reports to the Managing Director, and as appropriate other senior executives; and
- reviewing and approving all equity based plans.

The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

2. Composition

The Committee shall comprise at least three non-executive Directors. It is intended a majority of the Committee being independent directors. An independent director will be appointed Chairman of the Committee by the Ansell Board.

In appointing the members, the Committee will have due regard to the Listing Rules and Corporations Act.

A quorum will comprise any two non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

The Committee may invite any members of executive management or other individuals to attend meetings of the Committee, as it considers appropriate.

The Company Secretary shall be the Secretary of the Committee.

The Senior Vice President Human Resources will be the principal liaison between executive management and the Committee on remuneration matters.

3. Meetings

The Committee shall meet as frequently as required but not less than two times a year. Any Committee member or the Secretary may call a meeting of the Committee.

A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all Board Members) at least seven working days prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

The Committee shall have access to professional advice from employees within the Group and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

The Chairman of the Committee, or delegate, shall report to the Ansell Board following each meeting.

Minutes of proceedings and resolutions of Committee meetings shall be kept by the Secretary. The Secretary shall distribute full minutes to all Committee members, non-executive Directors and the Chairman of the Board, after preliminary approval has been received from the Committee Chairman. Extracts of minutes and supporting schedules will be provided to management as required for action. Agendas and supporting papers will be made available to any Director upon request to the Secretary, providing no conflict of interest exists.

4. Duties and Responsibilities

In order to fulfil its responsibilities to the Ansell Board the Committee shall:

4.1 Board Structure and Appointments

- Periodically review the structure of the Board, having regard to the balance of skills, experience and expertise on the Board and the time

commitments of non-executive directors, and Board succession plans and recommend changes when necessary. It is noted that under the Board Charter, Non-executive Directors are required to consult with the Chairman, or the Board, and must inform the Committee prior to accepting any non-Ansell non-executive director appointment;

- Establish and review criteria for Board membership;
- Identify suitable candidates for appointment as Non-executive Directors. In identifying suitable candidates, the Committee will ordinarily ensure that:
 - a search is undertaken by an appropriately qualified independent third party acting in accordance with a brief identifying the skills sought as provided by the Committee; and
 - the search will be conducted in such countries that the Committee determines as appropriate having regard to the structure and spread of the Group's business activities.

4.2 Executive Remuneration Policy

- Review and approve the Company's policy for determining executive remuneration including, but not limited to, superannuation, pension and compensation payments, and any amendments to that policy proposed from time to time;
- Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs, including a review of the Company's recruitment, retention and termination policies and procedures for senior management;
- Consider whether to seek shareholder approval of the executive remuneration policy; and
- Oversee the implementation of this remuneration policy within the Group.

4.3 Executive Directors and Senior Management

- Consider and make recommendations to the Ansell Board on the entire specific remuneration for each Executive Director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy. The Committee will need to determine whether any shareholder approvals are required; and
- Review and approve the proposed remuneration arrangements (including incentive awards, equity awards and service contracts) for the direct reports of the Managing Director.

4.4 Executive Incentive Plans

- Review and approve the design of all executive incentive plans; and
- Review and approve the total proposed payments from each executive incentive plan.

4.5 Equity Based Plans

- Review and approve the design of all equity based plans;
- Keep all plans under review in the light of legislative, regulatory and market developments;
- For each equity based plan, determine each year whether awards will be made under that plan;
- Review and approve total proposed awards under each plan;
- In addition to considering awards to Executive Directors and direct reports to the Managing Director, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee; and
- Review, approve and keep under review performance hurdles for each equity-based plan.

4.6 Non-Executive Director Remuneration

- Require that remuneration of non-executive Directors be determined by the Ansell Board. The Committee may request management or external consultants to provide necessary information upon which the Board may make its determination.

4.7 Evaluation of Board and Committees

- Oversee the self-assessment by the Board and Board Committees, with a view to ensuring that the evaluation processes employed accord with best practice.

4.8 Other

- The Committee shall perform other duties and activities that it or the Ansell Board considers appropriate in the context of these terms of reference. These may include, but are not limited to, the following:
 - the Company's retirement plans; and
 - reviewing the operations of other executive benefit programs.

5. **Approvals**

The Committee must approve the following prior to implementation:

- changes to the remuneration or contract terms of Executive Directors and direct reports to the Managing Director;
- the design of new, or amendments to current, equity plans or executive cash-based incentive plans;
- total level of award proposed from equity plans or executive cash-base incentive plans; and
- termination payments to Executive Directors or direct reports to the Managing Director. Termination payments to other departing executive management team members should be reported to the Committee at its next meeting.

This Charter is subject to periodic review by the Ansell Board.