

Ansell



Safer. Smarter. Stronger.

Notice of Annual General Meeting 2019

Notice is given that the Annual General Meeting of Ansell Limited will be held at the Park Hyatt Melbourne, 1 Parliament Square, Melbourne, Victoria on Thursday 14 November 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 appointer'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 12 November 2019 using one of the methods below:

In person

at the Registered Office – Ansell Limited:
Level 3, 678 Victoria Street, Richmond, Victoria 3121 or at 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 7.00pm (AEDT) on Tuesday 12 November 2019.
9. A live webcast of the Annual General Meeting will be available via a link on our website at www.ansell.com.

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 2019.

2. Election of Directors

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

- (a) *"That Christine Yan, who was appointed as a Director on 1 April 2019 pursuant to Rule 33(a) of the Company's Constitution, and who retires in accordance with Rule 33(b) of the Company's Constitution, and being eligible, is elected as a Director."*
- (b) *"That Mr Peter Day, 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."*
- (c) *"That Mrs Leslie Desjardins, 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 26,395,607 fully paid ordinary Shares in the Company (representing approximately 20% of the Company's issued Shares as at 30 August 2019) 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 207,893 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 2019 be adopted."

The Remuneration Report is set out on pages 39 to 64 of the Company's Annual Report 2019.

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

Voting Exclusion Etatement – 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, 8 October 2019

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 2019 will be put before the Annual General Meeting. These reports are contained within the Company's Annual Report 2019.

Shareholders can access a copy of the Annual Report 2019 on the Company's website at: www.ansell.com. A printed copy of the Annual Report 2019 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 this Annual General 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(b) of the Company's Constitution provides that a Director appointed by the Directors only holds office until the conclusion of the next annual general meeting following his/her appointment.

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.

Ms Yan was appointed as a Director on 1 April 2019 pursuant to Rule 33(a) of the Company's Constitution and retires in accordance with Rule 33(b) of the Company's Constitution. Being eligible, Ms Yan offers herself for election as a Director.

Mr Day was last re-elected at the 2016 Annual General Meeting and retires in accordance with Rule 33(c) of the Constitution. Being eligible, Mr Day offers himself for re-election.

Mrs Desjardins was last elected at the 2016 Annual General Meeting and retires in accordance with Rule 33(c) of the Constitution. Being eligible, Mrs Desjardins offers herself for re-election.

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



Christine Y Yan
Non-Executive Director
BS (Mech. Eng) (Shandong),
MSc, (Mech. Eng) (Wayne State),
MBA (Michigan)

Appointed Non-Executive Director in April 2019.

Member of the Audit and Compliance Committee and the Human Resources Committee.

Current directorships: Non-Executive Director of ON Semiconductor Corporation (2018 to present), Non-Executive Director Modline Manufacturing Company Inc. (2014 to present), Non-Executive Director of Cabot Corporation (2019 to present).

Ms Yan is an experienced executive who has had a distinguished career at Stanley Black and Decker. Ms Yan has held senior management positions in both the US and China, including Vice President of Sales and Marketing for North America Automotive, President of the Global Automotive Division, President of Americas for the Engineered Fastening division, President of Stanley Storage and Workspace Systems and more recently, President of Asia and Vice President of Integration. Ms Yan brings a broad range of general management experience across different geographies, as well as experience in innovation, business development, sales, digital transformation and marketing in the business-to-business industry.

The Board considers Christine Yan to be an independent Director.



W Peter Day
Non-Executive Director
LLB (Hons), MBA (Monash),
FCPA, FCA, FAICD

Appointed Non-Executive Director in August 2007.

Chair of the CSR and Risk Committee and member of the Audit and Compliance Committee and the Governance Committee.

Current directorships: Chairman of Alumina Limited (2018 to present, Director since 2014), and Chairman of Australian Unity Investment Real Estate Limited (2015 to present).

Former directorships: Boart Longyear Limited (2014 to 2017), SAI Global Limited (2008 to 2016), Orbital Corporation Limited (2007 to 2014), Centro Retail and Federation Centres (2009 to 2014).

Mr Day was formerly Chief Financial Officer of Amcor Limited for seven years, and Chief Financial Officer and Executive Director Finance of Bonlac Foods Limited. He also has held senior office and executive positions in the Australian Securities and Investments Commission (Deputy Chair), Rio Tinto, CRA and Comalco. He is also involved with disability services and education initiatives. He has a background in finance and general management across diverse and international industries.

The Board considers Peter Day to be an independent Director.



Leslie A Desjardins
Non-Executive Director
B. Industrial Admin, Finance (Kettering),
MS. Management (MIT)

Appointed Non-Executive Director in November 2015.

Chair of the Audit and Compliance Committee and member of the CSR and Risk Committee and the M&A Sub-Committee.

Current directorships: Director and Audit Committee Chair of Terry Fox Cancer Foundation (2018 to present).

Former directorships: Director of Aptar Group (2012 to 2015).

Mrs Desjardins is a former international finance executive with experience in business performance and growth. Mrs Desjardins was formerly the Chief Financial Officer of Amcor Limited. Prior to Amcor, she held executive roles at General Motors Corporation, in Canada, the United States and Australia, including Chief Financial Officer GM Holden, Controller for GM North America, and Finance Director for GM's manufacturing facilities in North America. Mrs Desjardins has extensive experience in finance, M&A, strategy, government relations and global operations.

The Board considers Leslie Desjardins to be an independent Director.

Board Recommendation

The Board has considered the skills and experience of Ms Yan. As part of its ongoing performance review process, the Board has also formally considered the contributions of Mr Day and Mrs Desjardins to the Board and its Committees. The Board (with Ms Yan, Mr Day and Mrs Desjardins abstaining in respect of their election/re-election) unanimously supports the election of Ms Yan and the re-election of Mr Day and Mrs Desjardins as Directors, and recommends that shareholders vote in favour of these Resolutions.

Explanatory Notes to Shareholders continued

Item 3 – Approve On-market Buy-back of Shares

At the 2017 and 2018 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 and 31 July 2018 respectively. 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 15,819,072 Shares as at 30 August 2019.

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 2018 Annual General Meeting, such that the Company may buy-back up to 20% of its Shares as at 30 August 2019 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 26,395,607 fully paid ordinary shares in Ansell (Shares) (representing 20% of the Company's issued Shares as at 30 August 2019).		
	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	131,978,039 fully paid ordinary Shares as at closing on the 30 August 2019.		
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 30 August 2019 was A\$27.25.. The highest and lowest market sale prices for the Company's Shares on the ASX during the previous three months were as follows:		
	Month	Low	High
	August 2019	A\$25.52	A\$28.10
	July 2019	A\$26.46	A\$28.14
	June 2019	A\$24.34	A\$27.27
Time frame	Over the 12 months from 14 November 2019.		
Particulars of the terms of the buy-back	The usual rules for settlement of transactions that occur on-market on the ASX will apply in respect of the Shares acquired under the buy-back. All Shares that 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.																		
Advantages and disadvantages of the buy-back	<p>On-market buy-backs have the following advantages:</p> <ul style="list-style-type: none"> (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. <p>Disadvantages can be:</p> <ul style="list-style-type: none"> (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	<p>As at 30 June 2019, the following Directors had the following interests in ordinary Shares of Ansell (directly and indirectly):</p> <table> <tr> <td>G L L Barnes</td><td>72,113</td></tr> <tr> <td>J A Bevan</td><td>27,061</td></tr> <tr> <td>W P Day</td><td>30,193</td></tr> <tr> <td>L A Desjardins</td><td>11,667</td></tr> <tr> <td>M R Nicolin</td><td>265,930</td></tr> <tr> <td>M T Peterson</td><td>23,647</td></tr> <tr> <td>W G Reilly</td><td>49,296</td></tr> <tr> <td>C M Stercken</td><td>3,216</td></tr> <tr> <td>C Y Yan</td><td>629</td></tr> </table> <p>Directors will be eligible to participate in the buy-back subject to complying with the Company's Securities Trading Policy.</p>	G L L Barnes	72,113	J A Bevan	27,061	W P Day	30,193	L A Desjardins	11,667	M R Nicolin	265,930	M T Peterson	23,647	W G Reilly	49,296	C M Stercken	3,216	C Y Yan	629
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W G Reilly	49,296																		
C M Stercken	3,216																		
C Y Yan	629																		

The Board is not aware of any other information that is material to shareholders' decisions on how to vote on this Resolution. The Board unanimously recommends that shareholders vote in favour of this Resolution.

Explanatory Notes to Shareholders continued

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 207,893 Rights to the Managing Director and Chief Executive Officer, Mr Magnus Nicolin, under the LTIP in accordance with ASX Listing Rule 10.14.

It is currently intended that Mr Nicolin will retire on 30 June 2021. It is the Board's intention that all of Mr Nicolin's unvested LTI awards will remain on foot following his retirement (to ensure the Company's and shareholders' long term interests and Mr Nicolin's continue to be aligned in the lead up to his retirement) and be

tested against the applicable performance conditions at the end of the relevant performance period. Accordingly, approval is also sought under sections 200B and 200E of the Corporations Act to provide the Board with the flexibility to determine the treatment of the Rights on his retirement in accordance with the terms of the LTIP award (including discretions under such terms), where to do so would constitute the giving of a termination benefit to Mr. Nicolin. The Board does not intend to exercise this discretion should Mr Nicolin 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	<p>Subject to shareholder approval, Mr Nicolin will be granted 207,893 Rights. Each Right entitles Mr Nicolin, upon vesting, to one newly issued fully paid ordinary share in the Company.</p> <p>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 7 August 2019, this being A\$26.45. The Board has not incorporated any discount to that average share price (e.g. the expected dividend yield or any other factors) for the purposes of determining the number of Rights granted to Mr Nicolin. The Board intends for the allocation of Mr Nicolin's LTI grants now and going forward to be calculated by way of a purely 'face value' methodology.</p> <p>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.</p>								
Date of grant of Rights	<p>If shareholder approval is obtained, the Rights will be granted to Mr Nicolin shortly after this meeting, but in any event no later than 12 months after this meeting.</p>								
Performance conditions	<p>69,298 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.</p> <p>69,298 Rights will be subject to the Organic Revenue Growth vesting condition.</p> <p>69,297 Rights will be subject to the ROCE vesting condition.</p> <p>For vesting to occur under each condition, a minimum level of performance must be achieved over the three-year period of the LTIP (FY20–FY22).</p> <p>The EPS and Organic Revenue Growth measures:</p> <ul style="list-style-type: none">• 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 page 3 of the Annual Report 2019. <p>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.</p>								
Earnings Per Share performance condition	<p>The following EPS growth targets will apply for the grant of 69,298 Rights (being one-third of overall maximum award).</p> <table><tr><th>EPS Growth during Three Year Award Period</th><th>Rights subject to this condition that vest (%)</th></tr><tr><td>Up to 12.5%</td><td>0%</td></tr><tr><td>Between 12.5% and 33.1%</td><td>Sliding scale from 0% to 100%</td></tr><tr><td>33.1% and above</td><td>100%</td></tr></table>	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%	33.1% and above	100%
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%								
33.1% and above	100%								

Earnings Per Share performance condition continued	<p>The performance condition on EPS Growth will be measured against the FY19 adjusted continuing operations EPS of 111.5 cents subject to constant currency adjustment and other Board approved adjustments over the three-year period (FY20–FY22).</p> <p>The gateway condition to the EPS performance condition requires that Ansell's ROCE as at 30 June 2022 must be at least 13.5% 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.</p>								
Organic Growth performance condition	<p>The following Organic Growth targets will apply for the grant of 69,298 Rights (being one-third of overall maximum award).</p> <table> <tr> <th>Organic Growth during Three Year Award Period</th><th>Rights subject to this condition that vest (%)</th></tr> <tr> <td>Up to 6.1%</td><td>0%</td></tr> <tr> <td>Between 6.1% and 15.8%</td><td>Sliding scale from 0% to 100%</td></tr> <tr> <td>15.8% and above</td><td>100%</td></tr> </table> <p>The performance condition on Organic Revenue Growth will be measured against the FY19 sales of US\$1,499.0 million for continuing operations based on constant currency organic growth over the three-year period.</p>	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%	15.8% and above	100%
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%								
15.8% and above	100%								
Return on Capital Employed performance condition	<p>The following ROCE targets will apply for the grant of 69,297 Rights (being one-third of overall maximum award).</p> <table> <tr> <th>ROCE during Three Year Award</th><th>Rights subject to this condition that vest (%)</th></tr> <tr> <td>Up to 14.0%</td><td>0%</td></tr> <tr> <td>Between 14.0% and 15.5%</td><td>Sliding scale from 0% to 100%</td></tr> <tr> <td>15.5% and above</td><td>100%</td></tr> </table> <p>The performance condition on ROCE will be measured as the amount of Earnings Before Interest and Tax (EBIT) returned as a percentage of the average funds that are employed (both equity and debt used in the business). ROCE for remuneration outcomes is adjusted for acquisitions.</p>	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%	15.5% and above	100%
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%								
15.5% and above	100%								
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 Securities Trading Policy).								
Cessation of employment	The Board has a general discretion to treat awards as it sees fit on cessation of employment. As previously advised, it is currently intended that Mr Nicolin will retire on 30 June 2021. It is the Board's intention that all of Mr Nicolin's unvested LTI awards will remain on foot following his retirement and be tested against the applicable performance conditions at the end of the relevant performance period. This will ensure that leading up to Mr Nicolin's retirement the Company's and shareholders' long term interests and Mr Nicolin's continue to be aligned. The Board does not intend to exercise this discretion should Mr Nicolin be terminated for cause, in which event all unvested Rights would immediately lapse.								
Board discretion	<p>The Board has retained its discretion to make adjustments in calculating the applicable performance conditions to:</p> <ul style="list-style-type: none"> • 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)	<p>Mr Nicolin is the only Director of the Company entitled to participate in the FY20 LTIP.</p> <p>The value of any of the Rights that may vest on ceasing employment cannot currently be ascertained. The maximum number of Rights that may vest under this FY20 LTI plan is 207,893.</p> <p>Shareholder approval was obtained at the 2018 Annual General Meeting for a grant of 203,089 Rights to Mr Nicolin. These Rights were allocated at the Board meeting following the 2018 Annual General Meeting.</p> <p>No loans are being provided to Mr Nicolin under the FY20 LTIP.</p>								

Explanatory Notes to Shareholders continued

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 2019. The Remuneration Report is set out on pages 39 to 64 of the Company's Annual Report 2019.

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 2019 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 FY19:

- The STI award for FY19 varied between 38% to 51% of maximum reflecting generally good Company results. 70% of the award is driven by sales growth and EBIT targets, with working capital, Profit Attributable and personal objectives driving the remainder. The FY19 STI outcomes benefited from strong EBIT, operating cash flow and Profit Attributable outcomes, while below target sales and inventory outcomes drove overall achievement down. Inventory levels were elevated, partly as a safety measure in the lead-up to the manufacturing transformation program, and a combination of this and slowing global growth resulted in the inventory turn metric being missed. Despite this, operating cash flows remained strong, while interest savings and tax planning initiatives helped deliver a strong Profit Attributable outcome.
- The LTI performance against the FY17–19 plan reflected the strong sustained performance over that period. EPS was well above target, organic growth below target and ROCE, impacted by inventory, was also below target (but above the ROCE gateway). All targets were normalised to reflect the FY18 divestiture of the Sexual Wellness business as per the FY17 and FY18 Remuneration Reports. Overall, the outcome of 48% of maximum was consistent with the STI overall achievement described above.

Board Recommendation

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

Notes

[illegible]

Ansell