



Ansell

**NOTICE OF ANNUAL
GENERAL MEETING 2016**

Notice is given that the Annual General Meeting of Ansell Limited will be held at the Park Hyatt, 1 Parliament Place, East Melbourne, Victoria on Wednesday 19 October 2016 at 1.30pm.

Notes

Important note regarding proxies:

Certain categories of persons (including Directors and the Chairman of the Meeting) are prohibited from voting on resolutions relating to the remuneration of Key Management Personnel, including as proxy, in some circumstances.

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 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 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 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 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)
- prior to 1.30pm (AEDT) on Monday 17 October 2016.
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 Monday 17 October 2016.

Business

1. Financial Report

To receive and consider the Financial Report and the Reports of the Directors and the Auditor of the Company for the year ended 30 June 2016.

2. Election of Directors

To re-elect or elect the following Directors:

- (a) Ronnie Bell who retires in accordance with Rule 33(c) of the Company's Constitution, and being eligible, offers himself for re-election as a Director.
- (b) W Peter Day who retires in accordance with Rule 33(c) of the Company's Constitution, and being eligible, offers himself for re-election as a Director.
- (c) Leslie Desjardins who was appointed as a Director on 30 November 2015 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, offers herself for election as a Director.

Each will be voted on as a separate ordinary resolution.

3. 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 approval be given for the grant of 296,834 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.'

4. Renewal of Partial Takeover Provision in Constitution

To consider and, if thought fit, pass the following resolution as a special resolution:

'That Rule 70 of the Company's Constitution be renewed for a period of three years with effect from the date of this meeting and that Rule 70(d) be amended accordingly.'

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 2016 be adopted.'

The Remuneration Report is set out on pages 50 to 84 of the Company's Annual Report 2016.

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

6. Spill Meeting (conditional)

If required, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

'That, subject to and conditional on at least 25 per cent of the votes cast on resolution 5 being cast against the adoption of the Remuneration Report for the year ended 30 June 2016:

- (1) a general meeting of the Company (the 'Spill Meeting') be held within 90 days of the passing of this resolution;
- (2) all of the Non-executive Directors in office when the resolution to make the Directors' report for the financial year ended 30 June 2016 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (3) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.

Voting Exclusion Statement – Resolutions 3, 5 and 6

The Company will disregard:

- any votes cast on resolution 3 by:
 - Mr Nicolin or by his associates; or
 - as proxy by a member of the Company's Key Management Personnel (KMP), or a closely related party of a KMP, if 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 or resolution 6 by a 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 received express authority 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 other than resolution 6 which the Chairman intends to vote any undirected proxies against the resolution.

By order of the Board,



Alistair I Grant
Company Secretary
Ansell Limited
Melbourne, 26 August 2016

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 2016 will be put before the Annual General Meeting. These Reports are contained within the Company's Annual Report 2016.

Shareholders can access a copy of the Annual Report 2016 on the Company's website at: www.ansell.com. A printed copy of the Annual Report 2016 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

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



Mr Ronnie Bell BA (Strathclyde)

Appointed Non-executive Director in August 2005.

Chairman of the Human Resources Committee and member of the Governance Committee.

Mr Bell is an experienced international consumer industry executive with a background of over 30 years

in highly competitive global branded products. He is a former President of Kraft Foods, Europe and served as Executive Vice President of Kraft Foods Inc. and brings to the Board broad general management and marketing skills particularly in the European and North American markets.

The Board considers Ronald Bell to be an independent Director.



Mr W Peter Day LLB (Hons), MBA (Monash), FCPA, FCA, FAICD

Appointed Non-executive Director in August 2007.

Chairman of the Audit and Compliance Committee and member of the Risk Committee.

Current Directorships:

Alumina Limited, Australian Unity Investment Real Estate Limited, Boart Longyear Limited and SAI Global Limited.

Mr Day was formerly a Chairman and Director of Orbital Corporation, Chairman of Centro Retail Trust and a Director of Federation Centres. He was 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 in 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.



Mrs Leslie Desjardins Bachelor Industrial Administration, Finance (Kettering), MS Management (MIT Sloan)

Appointed Non-executive Director in November 2015.

Member of the Audit and Compliance Committee and the Risk Committee.

Mrs Desjardins is an experienced international finance executive with a focus on business performance and growth. Mrs Desjardins was formerly a Director of AptarGroup and Chief Financial Officer for Amcor Limited. Mrs Desjardins held various executive roles at General Motors Corporation, including Chief Financial Officer, General Motors Holden, and Controller for General Motors North America. She has extensive experience in finance, strategy, government relations and global operations. Mrs Desjardins currently serves on the Terry Fox Cancer Foundation Audit Committee.

The Board considers Leslie Desjardins to be an independent Director.

Board recommendation

As part of its ongoing performance review process, the Board has formally considered the contribution of Mr Bell, Mr Day and Mrs Desjardins to the Board and its Committees. The Board (Mr Bell, Mr Day and Mrs Desjardins abstaining) unanimously supports the re-election of Mr Bell and Mr Day and the election of Mrs Desjardins as Directors and recommends that shareholders vote in favour of these resolutions.

Item 3 – 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 would, subject to the satisfaction of various performance conditions detailed below, entitle 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 296,834 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 section 200B 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 CEO may also earn a right to receive shares in Ansell Limited through our short term incentive program. This is detailed in our 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.

Key LTIP changes for FY17

As foreshadowed in our letter to shareholders on 20 May 2016 and detailed in section 1.2 of the Remuneration Report, following a review of our incentive arrangements and a broad engagement with stakeholders, we have made a number of important changes to the operation of our LTIP for FY17:

- in order to better align with our strategies and our internal targets, in addition to an 'Earnings Per Share' (EPS) performance measure, we have introduced two additional performance measures to the LTIP for FY17, namely, 'Organic Growth', which measures revenue growth (excluding the effects of acquisitions and divestments), and 'Return on Capital Employed' (ROCE), which measures growth in earnings relative to the capital we have employed in the business;
- accordingly, the total Rights granted will be divided into three tranches. One-third of the Rights will be subject to the EPS growth measure, one-third subject to the Organic Growth measure and one-third subject to the ROCE measure. Each measure will be assessed over a three year period. A gateway will still apply to the EPS measure (see below);
- the measures we have set for Organic Growth and ROCE over the LTIP performance period have regard to our internal long term targets and require improved performance compared to recent historical trends;
- the new EPS vesting range requires significant EPS growth over three years although at a moderately lower rate compared to the prior plan. The new range was set after taking into account various matters including the increased challenges that a plan requiring performance on three measures creates. As with the Organic Growth and ROCE targets, the new range is consistent with the Company's strategic objectives and is considered appropriately demanding in the ongoing low growth economic environment in which the Company operates;
- in setting these targets, the Board has been mindful to focus management on outperformance. Historically we provided for 25 per cent of maximum opportunity vesting for the CEO once the EPS growth condition threshold was achieved. While management may continue to earn some of their LTIP at the lower end of the vesting schedule, it will now be a significantly lower percentage than they would have earned historically. This is a significant change; and
- we have changed the gateway applicable to our EPS performance measure, from Return on Equity (which did not take into account levels of debt) to ROCE. Ansell considers this better aligns with our internal measures and takes into account that growth can be both equity and debt funded. If Ansell does not achieve the threshold for the ROCE performance measure, there will be no vesting of Rights pursuant to the EPS measure nor will the ROCE measure vest.

Explanatory Notes to Shareholders continued

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 296,834 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 11 August 2016.</p> <p>As part of our review of remuneration this year, Mr Nicolin's maximum remuneration under the LTIP was reduced from 400 per cent of his fixed annual reward (FAR) to 360 per cent of FAR. 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 the meeting, but in any event no later than 12 months after the meeting.</p>								
Performance conditions	<p>98,945 Rights will be subject to the EPS Growth vesting condition. These Rights are also subject to the ROCE gateway condition.</p> <p>98,945 Rights will be subject to the Organic Growth vesting condition.</p> <p>98,944 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.</p> <p>For the EPS and Organic Growth measures:</p> <ul style="list-style-type: none"> • performance is 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 5 of the 2016 Annual Report. <p>Further information on the meanings and definitions of EPS Growth, Organic 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 98,945 Rights.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">EPS Growth during Three Year Award Period</th> <th style="text-align: left;">Rights subject to this condition that vest (per cent)</th> </tr> </thead> <tbody> <tr> <td>Up to 12.5 per cent</td> <td>0 per cent</td> </tr> <tr> <td>Between 12.5 per cent and 33.1 per cent</td> <td>Sliding scale from 0 per cent to 100 per cent (being one-third of overall maximum award)</td> </tr> <tr> <td>33.1 per cent and above</td> <td>100 per cent (being one-third of overall maximum award)</td> </tr> </tbody> </table> <p>The performance condition on EPS Growth will be measured against the FY16 EPS of 105.1 cents subject to constant currency adjustments over the three-year period.</p> <p>The gateway condition to the EPS performance condition requires that Ansell's ROCE as at 30 June 2019 must be at least 15 per cent 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>	EPS Growth during Three Year Award Period	Rights subject to this condition that vest (per cent)	Up to 12.5 per cent	0 per cent	Between 12.5 per cent and 33.1 per cent	Sliding scale from 0 per cent to 100 per cent (being one-third of overall maximum award)	33.1 per cent and above	100 per cent (being one-third of overall maximum award)
EPS Growth during Three Year Award Period	Rights subject to this condition that vest (per cent)								
Up to 12.5 per cent	0 per cent								
Between 12.5 per cent and 33.1 per cent	Sliding scale from 0 per cent to 100 per cent (being one-third of overall maximum award)								
33.1 per cent and above	100 per cent (being one-third of overall maximum award)								

Organic growth performance condition	The following Organic Growth targets will apply for the grant of 98,945 Rights.	
	Organic Growth during Three Year Award Period	Rights subject to this condition that vest (per cent)
	Up to 6.1 per cent	0 per cent
	Between 6.1 per cent and 15.8 per cent	Sliding scale from 0 per cent to 100 per cent (being one-third of overall maximum award)
	15.8 per cent and above	100 per cent (being one-third of overall maximum award)
	The performance condition on Organic Growth will be measured against the FY16 organic sales of US\$1,573 million subject to constant currency adjustments over the three-year period.	
Return on capital employed performance condition	The following ROCE targets will apply for the grant of 98,944 Rights.	
	ROCE during Three Year Award Period	Rights subject to this condition that vest (per cent)
	Up to 15 per cent	0 per cent
	Between 15 per cent and 16.5 per cent	Sliding scale from 0 per cent to 100 per cent (being one-third of overall maximum award)
	16.5 per cent and above	100 per cent (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.	

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 Chief Executive Officer with value creation for shareholders, the Chief Executive Officer and Senior Executives are required to build and maintain a minimum shareholding of Ansell shares. From FY16, the Chief Executive Officer is required to build and maintain a shareholding equivalent to three times base salary within a 10 year period.

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 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 our 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 LTIP to the Chief Executive Officer.

Explanatory Notes to Shareholders continued

Item 4 – Renewal of Partial Takeover Provision in the Constitution

The Corporations Act permits a Company to include a provision in its Constitution that enables it to refuse to register shares acquired under a proportional takeover bid unless shareholders approve the bid.

This provision must be renewed by shareholders every three years if it is to continue in effect. The proportional takeover approval provisions do not apply to full takeover bids and will only apply for three years after the date on which resolution 4 is passed unless renewed by shareholders.

Proportional Takeover Bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares (i.e. less than 100 per cent).

Effect of a Proportional Takeover Bid Provision

If a proportional takeover bid is made, the Directors must ensure that a meeting is held, more than 14 days before the last day of the bid period, at which shareholders will consider a resolution to approve the takeover bid.

Each shareholder has one vote for each fully paid share held. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, no transfer will be registered as a result of the takeover bid and the offer will be taken to have been withdrawn. If the resolution is not voted on, the bid is taken to have been approved. If the bid is approved (or taken to have been approved) all valid transfers must be registered.

Knowledge of any Acquisition Proposals

As at the date this Notice of Meeting was prepared, the Directors are unaware of any proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

Reasons for and Potential Advantages and Disadvantages of Rule 70

The reasons for and potential advantages of Rule 70 for shareholders include:

- (a) shareholders have the right to decide by majority vote whether to allow a proportional takeover bid to proceed;
- (b) it may help shareholders avoid being locked in as a minority and avoid the bidder acquiring control of Ansell without paying an adequate control premium (i.e. paying for all of their shares);
- (c) it increases shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) knowing the view of the majority of shareholders may help each individual shareholder to form an opinion on whether to accept or reject an offer under the bid.

The potential disadvantages for shareholders of Rule 70 include:

- (a) proportional takeover bids for shares in the Company may be discouraged;
- (b) shareholders may lose an opportunity to sell some of their shares at a premium; and
- (c) the likelihood of a proportional takeover succeeding may be reduced.

The Directors consider that the proportional takeover approval provisions have no particular potential advantages or disadvantages for them (other than the above advantages and disadvantages in their capacity as shareholders of the Company).

While the existing proportional takeover provision has been in effect there have been no takeover bids for the Company. The Directors are not aware of any potential bid that was discouraged by Rule 70. The Directors believe the possible advantages outweigh the disadvantages of the proportional takeover provisions operating for the next three years.

Board recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

Item 5 – Remuneration Report (Non-binding Advisory Vote)

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2016. The Remuneration Report is set out on pages 50 to 84 of the Company's Annual Report 2016.

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, which has been redesigned to assist with clarity and readability, 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.

Last year, the Company received a 'first strike' as more than 25 per cent of the votes cast on the resolution to adopt the 2015 Remuneration Report were cast against it (35 per cent of shareholder votes received were against the Remuneration Report). Under the 'two strikes rule', if the Company receives a second strike, it will be required to put resolution 6 to the meeting to determine whether all the Company's Non-executive Directors (who were in office at the time the 2016 Remuneration Report was considered) will need to stand for re-election at a special meeting to be held within 90 days of the AGM.

This year, the Remuneration Report includes the Board's response to the 'strike' received at the 2015 AGM. Following the 2015 AGM, the Board engaged broadly with our stakeholders to understand their views on remuneration best practice and considered these perspectives as we have developed and approved a number of changes to our remuneration arrangements which will be implemented in the 2017 financial year. Highlights of the proposed changes were sent to shareholders in a letter dated 20 May 2016 and are detailed further in section 1.2 of the Remuneration Report. We have not, however, changed our basic philosophy on remuneration which is to maintain a relatively high proportion of our compensation at risk, incentivise actions which we believe will drive long term shareholder value creation, while ensuring our remuneration practices are competitive in the international markets in which our executives are based.

Our financial results in FY16 were affected by the challenging economic environment globally, the impact of swings in global currencies affecting our US dollar reported results, a world economy that continues to grow at a slow and uneven rate and a significant increase in our global average tax rate. We communicated a revised performance range to the market earlier this year and are pleased to report that while lower than for FY15, our FY16 financial outcomes were within guidance.

In relation to our Short Term Incentive (STI) plan for FY16 we set performance targets with the challenging global economic environment in mind. After normalising for the anticipated currency and tax headwinds, the FY16 targets required significant underlying growth in key metrics. These targets were not achieved for Sales and Profit Attributable (PA). However, the constant currency growth in earnings before interest and tax (EBIT) of 8.5 per cent was above threshold and came close to the target and the strong cash flow improvement exceeded the target level. This level of financial performance has resulted in outcomes under our STI plan for Senior Executives that were in most cases moderately lower than those for FY15.

As the FY14 Long Term Incentive Plan (LTIP) was cancelled, no awards under the LTIP vested this year.

Explanatory Notes to Shareholders continued

The SIP is a one-off incentive program implemented for FY16. It was put in place following cancellation of the FY14 LTI plan for reasons given above. The SIP was put in place at half the opportunity level of remuneration outcomes originally available under the cancelled FY14 LTIP and was linked to two of the performance conditions set under the STI Plan, the revenue performance condition which was not met and the EBIT performance condition which was met around target. Accordingly, the SIP outcomes were significantly below the maximum opportunity available.

As there was no LTI available for vesting in FY16 and the STI and SIP outcomes were well below target levels, the total actual remuneration outcomes for executives in FY16 are materially below those for FY15.

We trust that the 2016 Remuneration Report better explains our remuneration strategy in the context of the markets in which we compete for our executive talent, how the elements of our remuneration are intended to underpin our long term strategies and how our Group performance dictates executive remuneration outcomes.

Board recommendation

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

Item 6 – Spill Meeting (conditional)

This resolution will only be put to the AGM if at least 25 per cent of the votes cast on the resolution to adopt the Remuneration Report (Item 5) are cast against it. If less than 25 per cent of the votes cast are cast against adopting the Remuneration Report, then there will be no second strike and Item 6 will not be put to the AGM.

If put to the AGM, this resolution will be considered as an ordinary resolution.

If this resolution is passed, and becomes effective based upon the results of the poll on Item 5, then it will be necessary for the Board to convene a further general meeting (Spill Meeting) of the Company within 90 days of the AGM in order to consider the composition of the Board.

If a Spill Meeting is held, each Director (other than the Managing Director and CEO) who:

- held office at the date when the resolution to make the Directors' Report for the financial year ended 30 June 2016 was passed;
- continues in office at the date of the Spill Meeting; and
- will automatically vacate office at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that Spill Meeting.






Accordingly, even if Mr Ronnie Bell, Mr W Peter Day and Mrs Leslie Desjardins are re-elected or elected (as the case may be) by shareholders at this year's AGM, they will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting. The other Directors who will cease to hold office if they are not re-elected at the Spill Meeting are Mr Glenn Barnes, Mr Dale Crandall, Mr John Bevan and Mrs Marissa Peterson.

Board recommendation

The Board unanimously recommends that shareholders vote against Item 6.



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Join the conversation:     

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