

Ansell



PROTECTION REIMAGINED



2017 Notice of Annual General Meeting

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 Friday 20 October 2017 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 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 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 Wednesday 18 October 2017.
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 Wednesday 18 October 2017.

Business

1. Financial Report

To receive and consider the financial report and the reports of the Directors and the Auditor of Ansell Limited (the Company) for the year ended 30 June 2017.

2. Increase Number of Directors

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

“That, in accordance with Rule 32 of the Company’s Constitution, the maximum number of Directors of the Company be increased to nine (9) with immediate effect.”

3. Election of Directors

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

- (a) “That Glenn Barnes, 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 Christina Stercken, being eligible for election, is elected as a Director.”
- (c) “That William Reilly, being eligible for election, is elected as a Director.”

Note: Each election will be voted on as a separate ordinary resolution. In the event that Resolution 2 is not passed but Resolution 3(a) is passed, then only one of Christina Stercken or William Reilly may be elected as a Director at the Meeting. Further details are set out in the Explanatory Notes to this Notice of Meeting.

4. 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 29.465 million fully paid ordinary Shares in the Company (representing approximately 20% of the Company’s issued Shares as at 31 July 2017) 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.”

5. 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 233,601 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.”

6. 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 2017 be adopted.”

The Remuneration Report is set out on pages 55 to 88 of the Company’s Annual Report 2017.

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

Voting exclusion statement – Resolutions 5 and 6

The Company will disregard:

- any votes cast on Resolution 5 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 6 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, 24 August 2017

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 2017 will be put before the Annual General Meeting. These reports are contained within the Company's Annual Report 2017.

Shareholders can access a copy of the Annual Report 2017 on the Company's website at: www.ansell.com. A printed copy of the Annual Report 2017 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 – Increase Number of Directors

Rule 32(b) of the Company's Constitution limits the number of Directors of the Company to eight Directors, unless the Company in general meeting resolves otherwise.

The Board currently comprises eight Directors.

It is proposed that, in accordance with Rule 32(b) of the Constitution, the maximum number of Directors permitted be increased from eight to nine in order to:

- accommodate the retirement of Dale Crandall and the appointments of William Reilly and Christina Stercken to the Board (subject to the result of Resolutions 3(b) and (c)); and
- allow the Board to have the headroom needed to maintain flexibility for succession planning so as to be able to appoint additional directors to enhance and complement the Board's skill set.

It is intended that Ronald Bell will retire at the 2018 AGM and that Glenn Barnes will retire at the 2019 AGM. It is presently expected that there will be capacity for at least 1 additional Director following the 2018 AGM.

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

Item 3 – 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 Barnes was last re-elected at the 2014 AGM and retires in accordance with rule 33(c) of the Constitution. Being eligible, Mr Barnes offers himself for re-election.

Resolutions 3(b) and (c) relate to the election of William Reilly and Christina Stercken (respectively) as Directors. If Resolution 2 is not passed then the maximum number of Directors will remain at eight. In this event, the re-election of Mr Barnes pursuant to Resolution 3(a) would result in there only being one vacant position on the Board, meaning only one of Mr Reilly or Mrs Stercken may be elected as a Director at the Meeting. Should these circumstances arise, the Board shall determine in its absolute discretion which one of Mr Reilly or Mrs Stercken is to be elected as a Director at the Meeting (subject to the outcome of Resolutions 3(b) and (c)).

The following are the backgrounds of the Directors who are seeking re-election or election (as the case may be):



Mr Glenn L L Barnes
B Ag Sc (Melb), CPM, FAMI,
FAICD, SF Fin, FRSA

Appointed Non-Executive Director in September 2005 and Chairman in October 2012.

Chair of the Governance Committee and a member of the Human Resources Committee and M&A Sub-Committee.

Current Directorships: Non-Executive Director at Sydney Children's Hospital Foundation, Stronghold Pty Ltd, Barnes Investments Pty Ltd.

Former Directorships: Chairman of Australian Unity Limited (2012 – 2016).

Mr Barnes has over 20 years of governance experience in banking and financial services, business information, consumer goods and the not-for-profit sector. He was involved in the packaged goods, banking and financial services sectors for over thirty years, as an executive, business leader and Director in Australia, New Zealand, the United Kingdom, United States of America, Republic of Ireland, Japan and China.

The Board considers Glenn Barnes to be an Independent Director.



Mrs Christina Stercken
Bachelor Economics & Business Administration (University of Bonn, Technical University Berlin), Master of Economics (University of Bonn), Executive MBA (Duke University)

Upon election, Mrs Stercken will be a member of the Audit & Compliance Committee and the Risk Committee.

Current Directorships: Non-Executive Director of Ascom Holding AG, Non-Executive Director of Landis & Gyr Group AG, Vice Chairman of the Myanmar Foundation.

Mrs Stercken is currently partner at EAC – Euro Asia Consulting PartG, a management consultancy firm specialising in internationalisation strategies, M&A and operational excellence. Before joining EAC, Mrs Stercken served as Managing Director Corporate Finance M&A of Siemens AG. Among other management positions within Siemens AG, she was responsible for the Siemens Task Force China and Head of Public Sector Business Unit at Siemens Business Services. She started her career in Marketing with BMW Pvt Ltd, South Africa.

The Board considers Christina Stercken to be an Independent Director.



Mr William G Reilly
BA (Fairfield), J.D (Seton Hall)

Upon election, Mr Reilly will be a member of the Risk Committee.

Mr Reilly has over 35 years' experience as an in-house lawyer. Mr Reilly was appointed as General Counsel of Ansell Healthcare in 2000 when it was a division of Pacific Dunlop Limited, subsequently becoming General Counsel of Ansell Limited in 2002. Mr Reilly has served with three Chief Executive Officers and has played pivotal roles leading many of Ansell's corporate strategic and legal initiatives, including mergers and acquisitions, litigation and the successful intellectual property strategy. He has also overseen the Global Compliance and Risk functions, acted as interim head of Human Resources, leader of the Regulatory function and joint Company Secretary.

Prior to joining Ansell, Mr Reilly held senior legal positions at C. R. Bard, Inc., The Hertz Corporation and McKesson Corporation.

In 2016, Mr Reilly was named in the Financial Times Global GC 30 List.

As a recently retired executive, Mr Reilly will not be an Independent Director.

Board Recommendation

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

Item 4 – Approve On-market Buy-back of Shares

As announced on 24 May 2017, Ansell intends to complete a new on-market buy-back program over 12 months of approximately US\$265m (A\$356m) (based on the closing share price at the time of the announcement), being approximately 10% of the shares of Ansell.

The buy-back has been made possible by the Company's ongoing strong cash flow generation and the expected proceeds from the sale of the Company's Sexual Wellness business. While Ansell maintains a preference for value accretive M&A that can generate attractive returns, it also recognises the value of dividends and share buy-backs in a balanced capital deployment strategy that will remain consistent with the Company's commitment to an investment grade credit rating.

In order to allow the Board the flexibility to consider expanding the size of the buy-back, the Board is seeking shareholder approval for the buy-back of up to 20% of the voting shares of Ansell over the 12 months from the date of any such approval. Such approval is required under section 257C of the Corporations Act.

Shareholders should be aware that this is a permissive Resolution and does not necessarily indicate a commitment to buy-back more than US\$265 million in the coming 12 months. The size and timing of any share buy-backs will be determined by the Board.

Explanatory Notes to Shareholders continued

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

Number of shares to be bought back	Up to 29.465 million fully paid ordinary shares in Ansell (Shares) (representing 20% of the Company's issued shares as at 31 July 2017). 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	147,328,462 as at 31 July 2017.												
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 2017 was A\$21.97. The highest and lowest market sale prices for the Company's Shares on the ASX during the previous 3 months were as follows: <table border="1" data-bbox="379 815 1482 965"> <thead> <tr> <th>Month</th> <th>Low</th> <th>High</th> </tr> </thead> <tbody> <tr> <td>May, 2017</td> <td>A\$23.08</td> <td>A\$25.18</td> </tr> <tr> <td>June, 2017</td> <td>A\$22.95</td> <td>A\$24.45</td> </tr> <tr> <td>July, 2017</td> <td>A\$21.97</td> <td>A\$23.23</td> </tr> </tbody> </table>	Month	Low	High	May, 2017	A\$23.08	A\$25.18	June, 2017	A\$22.95	A\$24.45	July, 2017	A\$21.97	A\$23.23
Month	Low	High											
May, 2017	A\$23.08	A\$25.18											
June, 2017	A\$22.95	A\$24.45											
July, 2017	A\$21.97	A\$23.23											
Time frame	Over the 12 months from 20 October 2017.												
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. The sale of the Sexual Wellness Global Business Unit will add US\$600m to cash on deposit. After determining funds required to pay taxes and transaction costs on the divestment and for daily operations including dividends and capital expenditure, a very substantial balance remains. Accretive acquisitions remain the priority going forward however in their absence it is felt a share buy-back provides the most 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	On market buy-backs have the following advantages: <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) Gives shareholders the choice of participating (v) 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 As at 30 June 2017, the following Directors had the following interests in ordinary shares of Ansell (directly and indirectly):

G L L Barnes	63,478
J A Bevan	18,728
R J S Bell	18,740
L D Crandall	22,077
W P Day	28,838
L A Desjardins	4,230
M T Peterson	23,647
M R Nicolin	251,783

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 5 – 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 233,601 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 233,601 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 8 August 2017.

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.

Explanatory Notes to Shareholders continued

Performance conditions 77,867 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.

77,867 Rights will be subject to the Organic Revenue Growth vesting condition.

77,867 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.

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 7 and 87 of the 2017 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 77,867 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 FY17 continuing operations EPS of 81.0 cents subject to constant currency adjustments over the three-year period.

The gateway condition to the EPS performance condition requires that Ansell's ROCE as at 30 June 2020 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 Revenue Growth Performance Condition The following Organic Revenue Growth targets will apply for the grant of 77,867 Rights.

Organic Revenue 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 FY17 sales of US\$1.375 million for continuing operations (excluding SW) 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 77,867 Rights.	
	ROCE in Third Year of 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	<p>In general, should Mr Nicolin cease employment before the Rights vest, the Rights will lapse subject to Board discretion.</p> <p>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. 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.</p>	
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 LTIP. Shareholder approval was obtained at the 2016 AGM for a grant of 296,834 Rights to Mr Nicolin. These Rights were allocated at the Board meeting following the 2016 AGM.</p> <p>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.</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 LTIP to the Managing Director and Chief Executive Officer.

Item 6 – Remuneration Report (non-binding advisory vote)

Shareholders are asked to adopt the Company's Remuneration Report for the year ended 30 June 2017. The Remuneration Report is set out on pages 55 to 88 of the Company's Annual Report 2017.

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 6 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 2017 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 FY17:

- Recognising that the proceeds from selling the Sexual Wellness business will not be recognised until the 2018 financial year and in order to not unfairly penalize management, transaction costs related to this sale incurred in 2017 have been excluded from the financial measures (as applicable) used to determine the STI outcomes this year.
- Disappointingly, because the Company's earnings per share growth over the past three years did not meet the threshold of the 2015 LTIP grant target, the awards made pursuant to that grant did not vest.

Board Recommendation

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

Ansell