



# ANSELL PROTECTS

## Notice of Annual General Meeting 2013

Notice is given that the Annual General Meeting of Ansell Limited will be held at the RACV Club, Level 17, 501 Bourke Street, Melbourne, Victoria on Thursday 17 October 2013 at 2.00pm.

**Ansell**

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# 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, ordinary 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, then an additional proxy form can be obtained from the Ansell Limited Share Registry by telephoning 1300 850 505 (within Australia) or (613) 9415 4000 (outside Australia).
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 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 (613) 9473 2555 (outside Australia)
  - **Online at**  
[www.investorvote.com.au](http://www.investorvote.com.au)
  - **Online at**  
[www.intermediaryonline.com](http://www.intermediaryonline.com)  
(for Intermediary Online subscribers only)prior to 2.00pm (AEDT) on Tuesday, 15 October 2013.
8. The Board has determined, in accordance with the Company's Constitution and the Corporations Regulations, 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, 15 October 2013.

# 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 2013.

## 2. Re-election and Election of Directors

To re-elect or elect the following Directors:

- (a) Ronald J S 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) Annie H Lo who was appointed a Director on 1 January 2013 pursuant to Rule 33(a) of the Company's Constitution, retires in accordance with Rule 33(b) of the Company's Constitution, and being eligible offers herself for election as a Director.

Each re-election or election 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 216,070 Performance Share Rights to the Managing Director and Chief Executive Officer of the Company, Mr Magnus Nicolin, in accordance with the rules of the Company's long-term incentive plan on the terms summarised in the Explanatory Notes to this Notice of Meeting."*

## 4. Increase in the maximum aggregate remuneration of Non-executive Directors

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

*"That the maximum aggregate amount of remuneration which may be paid to Non-executive Directors for their services as Directors in any year for the purposes of Rule 35(a) of the Company's Constitution be increased by an amount of \$200,000 to \$1,450,000 per annum."*

## 5. Remuneration Report (non-binding advisory note)

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

*"To receive and adopt the Remuneration Report for the year ended 30 June 2013."*

The Remuneration Report is set out on pages 64 to 79 of the Company's Annual Report 2013.

## Voting exclusion statement – resolutions 3, 4 and 5

In accordance with ASX Listing Rules, the Company will disregard:

- any votes cast on resolution 3 by Mr Nicolin or by his associates; and
- any votes cast on resolution 4 by any Director or their associates.

In addition, the Corporations Act provides that a member of the Company's key management personnel (KMP) as disclosed in the Remuneration Report (which includes the Directors and the Chairman) or a closely related party of that KMP, cannot cast a vote on resolution 3 (as a proxy) or on resolutions 4 and 5 (in any capacity). 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 in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board,

Craig M Cameron  
Company Secretary  
Ansell Limited  
Melbourne, 9 September 2013



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# Explanatory Notes to Shareholders

## Item 1 – Financial Report

In accordance with the Corporations Act, the Financial Report, Directors' and Auditor's Reports for the year ended 30 June 2013 will be put before the Annual General Meeting. These reports are contained within the Company's Annual Report 2013.

Shareholders can access a copy of the Annual Report on the Company's website at: [www.ansell.com](http://www.ansell.com)

A printed copy of the Annual Report 2013 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 – Re-election and Election of Directors

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



**Ronald J S Bell**  
**BA (Strathclyde)**

Ronald Bell was appointed a Non-executive Director in August 2005. He is Chairman of the Nomination, Remuneration and Evaluation Committee.

Current Directorships: Director of The Edrington Group.

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.

Mr Bell resides in the UK.



**W Peter Day**  
**LLB (Manchester), MBA**  
**(Monash), FCPA, FCA, FAICD**

Peter Day was appointed a Non-executive Director in August 2007. He is Chairman of the Audit and Compliance Committee and a Member of the Risk Committee.

Current Directorships: Director of Federation Centres Limited, Orbital Corporation Limited and SAI Global Limited.

Mr Day was formerly Chief Financial Officer for Amcor Limited for seven years and has also held senior executive positions with Bonlac Foods, the Australian Securities & Investments Commission, Rio Tinto, CRA and Comalco. He has a background in finance and general management across diverse industries.

Mr Day resides in Australia.



**Annie H Lo**  
**BSc (BusAdm), MBA (Eastern Michigan)**

Annie Lo was appointed a Non-executive Director in January 2013. She is a Member of the Audit and Compliance Committee and the Risk Committee.

Mrs Lo was formerly the Chief Financial Officer of Johnson & Johnson's Worldwide Consumer and Personal Care Group. She retired from that role in late 2011, having spent over 20 years in executive roles with Johnson & Johnson.

Mrs Lo has significant experience in directing business expansion across the Asia Pacific region and globally, as well as in managing healthcare business challenges and regulatory processes.

Mrs Lo resides in the US.

**Board Recommendation**

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

The Board considers Mr Bell, Mr Day and Mrs Lo to be independent Directors.

**Item 3 - Grant of Performance Share Rights to the Chief Executive Officer**

As shareholders are aware, in 2012 changes were made to the structure of the Company's Long Term Incentive Plan (LTIP) in order to more closely align senior executive 'at risk' remuneration with the creation of long-term shareholder value. The new LTIP for the Managing Director and Chief Executive Officer operates by way of a grant of performance share rights (Rights).

Accordingly, shareholder approval is sought for the grant of 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 would not exercise this discretion should Mr Nicolin resign or be terminated for cause, in which event all unvested Rights would immediately lapse.

## Explanatory Notes to Shareholders continued

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

<b>Number of Rights</b>	<p>Subject to shareholder approval, Mr Nicolin will be granted 216,070 Rights. Each Right entitles Mr Nicolin, upon vesting, to one fully paid ordinary share in the Company.</p> <p>The number of Rights granted was calculated by reference to the volume weighted average price of Ansell Limited shares on the ASX over a 90 day period to 16 August 2013.</p>												
<b>Date of grant of Rights</b>	<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>												
<b>Gateway and performance condition</b>	<p>The Plan includes both a 'gateway' condition, which must be satisfied before any Rights may vest, and a 'performance' condition, which will determine the level of vesting of the Rights.</p> <p>If either the 'gateway' condition or the threshold level of the performance condition is not satisfied, the Rights will lapse.</p> <p>The 'gateway' condition to the LTI plan requires that Ansell's return on equity (ROE) as at 30 June 2016 must be at least 1.5 times the Company's Weighted Average Cost of Capital (WACC). ROE was chosen as a measure of the efficiency and productivity with which we use the capital entrusted to us by shareholders.</p> <p>The Board also confirmed the following earnings per share (EPS) growth targets (CAGR - Compound Annual Growth Rate) for this grant. These EPS growth targets are unchanged from those that applied last year:</p> <table border="1"> <thead> <tr> <th>EPS growth</th> <th>Rights that vest (%)</th> </tr> </thead> <tbody> <tr> <td>Threshold (7% per annum CAGR)</td> <td>25</td> </tr> <tr> <td>Between threshold and target</td> <td>Sliding scale from 25 to 50</td> </tr> <tr> <td>Target (8% per annum CAGR)</td> <td>50</td> </tr> <tr> <td>Between target and stretch</td> <td>Sliding scale from 50 to 100</td> </tr> <tr> <td>Stretch or above (12% per annum CAGR)</td> <td>100</td> </tr> </tbody> </table>	EPS growth	Rights that vest (%)	Threshold (7% per annum CAGR)	25	Between threshold and target	Sliding scale from 25 to 50	Target (8% per annum CAGR)	50	Between target and stretch	Sliding scale from 50 to 100	Stretch or above (12% per annum CAGR)	100
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Target (8% per annum CAGR)	50												
Between target and stretch	Sliding scale from 50 to 100												
Stretch or above (12% per annum CAGR)	100												
<b>Price payable on grant or vesting</b>	<p>No amount will be payable in respect of the grant or upon vesting of the Rights.</p>												
<b>Trading restrictions</b>	<p>Shares allocated on vesting of Rights will not be subject to additional trading restrictions (aside from complying with the Company's Share Trading Policy).</p>												
<b>Cessation of employment</b>	<p>In general, should Mr Nicolin cease employment before the Rights vest as a result of his resignation or termination in circumstances the Board determines as related to his performance, the Rights will lapse.</p> <p>In limited circumstances, including death, disability or termination by the Company for convenience, the Board may 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 the performance condition for that year.</p>												
<b>Other information (including for the purposes of section 200E of the Corporations Act)</b>	<p>Mr Nicolin is the only Director of the Company entitled to participate in the LTIP. Shareholder approval was obtained at the 2012 Annual General Meeting for a grant of 259,080 Performance Share Rights to Mr Nicolin. The rights were allocated at the Board meeting following the 2012 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 fraction of the 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 condition at the time employment ceases.</p>												

The Board believes that an equity based long-term incentive, in the form of performance share 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. To further strengthen the alignment

of the interests of the Chief Executive Officer with value creation for shareholders the Board introduced share ownership guidelines in August 2013 that require the Chief Executive Officer and Senior Executives to build and maintain a minimum shareholding of Ansell shares. The Chief Executive Officer is required to build and

maintain a shareholding equivalent to four times base salary within a 10 year period.

The approval being sought from shareholders relates to the fact that Ansell has elected to provide the long-term incentive in the form 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, there are issues associated with the competitiveness of his total remuneration package, alignment of rewards with other senior executives and Ansell's contractual obligations to our Managing Director and Chief Executive Officer. In these circumstances, the Board would provide Mr Nicolin with an equivalent long-term cash incentive subject to the same performance conditions and performance period as described above.

#### **Board Recommendation**

The Board, other than Mr Nicolin, unanimously recommends that shareholders vote in favour of this resolution.

#### **Item 4 – Increase in the maximum aggregate remuneration of Non-executive Directors**

Shareholder approval is being sought to increase the maximum aggregate amount of remuneration that may be paid to Non-executive Directors in any year under Rule 35(a) of the Company's Constitution by an amount of \$200,000 to \$1,450,000.

The current maximum aggregate remuneration for Non-executive Directors is \$1,250,000 per annum, which was approved by shareholders at the 2010 Annual General Meeting. The Directors' fees (including the Chairman's fee), fees for sitting on the Committees of the Board, superannuation contributions on behalf of Directors and the Directors' travel allowance must all be accommodated within this maximum aggregate amount.

The Board now comprises seven Non-executive Directors (including the Chairman).

Notwithstanding that the base director's fee has not been increased since 1 November 2008, as the size of the Board has increased following the appointment of Mrs Annie Lo in January 2013 and we have introduced the practice of compensating our Directors to reflect their travel commitment in discharging their

duties, the total remuneration payable to directors is starting to approach the previously approved maximum. Based on the current fee structure the total remuneration for Non-executive Directors for the 2014 financial year will be approximately \$1,150,000.

The Board has received independent advice that concluded that a revision of the fee structure is required to be made to bring Ansell's fee structure into line with the Non-executive Director fee structure of comparable companies and to keep the fee structure market competitive to enable Ansell to continue to attract and retain high calibre Directors able to appropriately contribute to a high-performing Board. The independent advice received by the Board recommended that changes should be made to the Board fees for both the Chairman and the other Non-executive Directors that would increase the total remuneration for Non-executive Directors to approximately \$1,300,000 per annum.

The Board asks for shareholder approval to increase the maximum aggregate amount of remuneration in order to:

- respond to the level of fees paid by comparable companies by allowing for adjustments in the annual fees payable to Non-executive Directors (within the shareholder approved amount) and to enable the Company to continue to attract and retain the calibre of Director able to appropriately contribute to a high-performing Board; and
- provide the Board with flexibility to manage, as part of our on-going succession planning, any future changes in its membership and composition.

Details of the amounts paid to each Non-executive Director for the year ended 30 June 2013 are set out in the Remuneration Report on page 69 of the Company's Annual Report 2013.

The Board has also amended the shareholding ownership requirements under the Non-executive Director Share Plan to align them with the new share ownership guidelines introduced for the Chief Executive Officer and Senior Executives. Non-executive Directors will continue to invest the

equivalent of at least 10 per cent of gross annual fees to acquire Ansell shares at market value to build and maintain a shareholding equivalent to two times the base Director's fee within a 10 year period.

#### **Board Recommendation**

The Board unanimously recommends 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 2013. The Remuneration Report is set out on pages 64 to 79 of the Company's Annual Report 2013.

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.

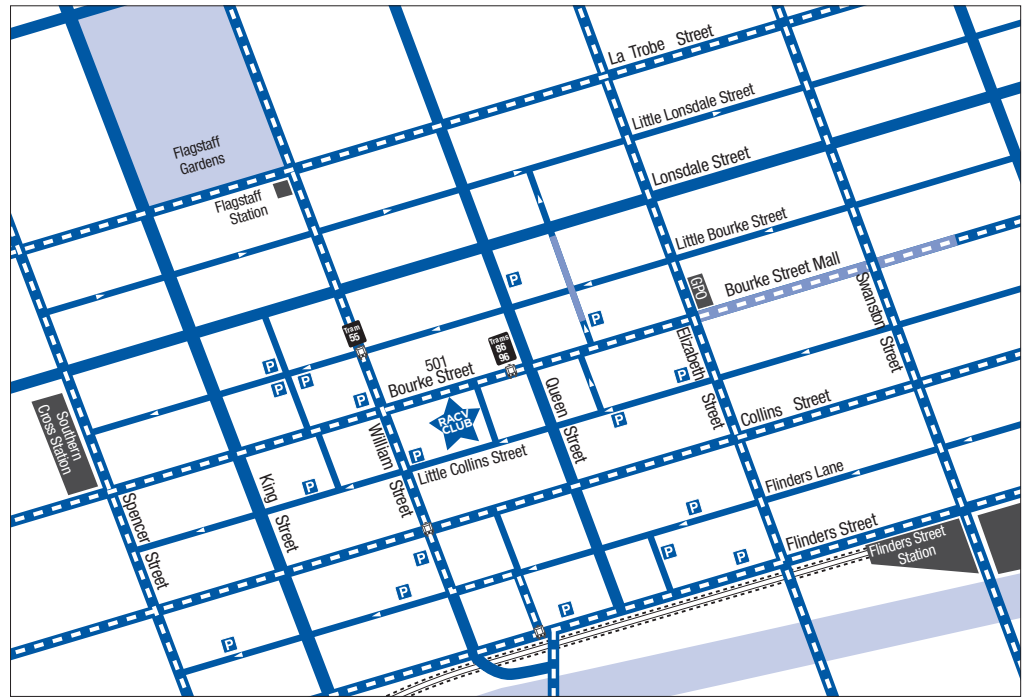
The Remuneration Report sets out, in detail, the Company's policy for determining remuneration for Directors and Senior Executives. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess the achievement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

The vote on resolution 5 is advisory only, and does not bind the Directors. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting. The Nomination, Remuneration and Evaluation 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.

#### **Board Recommendation**

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

Ansell Limited  
Annual General Meeting  
RACV Club  
Level 17, 501 Bourke Street  
Melbourne Victoria  
on Thursday 17 October 2013  
at 2.00pm







## Addendum to Notice of Annual General Meeting 2013

This addendum forms part of (and should be read in conjunction with) the Notice of Annual General Meeting of Ansell Limited which will be held at the RACV Club, Level 17, 501 Bourke Street, Melbourne, Victoria on Thursday 17 October 2013 at 2:00pm.

In addition to the resolution listed on the Notice of Annual General Meeting dated 9 September 2013, the following Item of Business will be considered:

### **6 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 3 years with effect from 31 December 2013 and that Rule 70(d) be amended accordingly.”*

By order of the Board,

**Craig M Cameron**  
Company Secretary  
Ansell Limited  
Melbourne, 13 September 2013

ANSELL LIMITED ABN 89 004 085 330  
REGISTERED OFFICE  
Level 3, 678 Victoria Street, Richmond, Victoria 3121  
GPO Box 772, Melbourne, Victoria 3001

## EXPLANATORY NOTES TO SHAREHOLDERS

### Item 6 – Renewal of Partial Takeover Provision in the Constitution

The Corporations Act permits a Company's 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. 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).

This provision must be renewed by shareholders every 3 years. Current Rule 70 of the Constitution ceases to have effect on 31 December 2013. The proportional takeover approval provisions do not apply to full takeover bids and will only apply until 31 December 2016 unless again 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%).

#### 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, no Director is aware 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.

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 do not believe the possible disadvantages outweigh the advantages of the proportional takeover provisions operating for the next three years.

#### Board Recommendation

The Directors consider these provisions have no potential advantages for them, and unanimously recommend that shareholders vote in favour of this resolution.