



Company	Ansell Limited
Code	ANN
Meeting	AGM
Date	Thursday 18 October 2018
Venue	Sofitel Melbourne on Collins, Melbourne
Monitor	John Whittington assisted by Mike Robey (pre-AGM) and Hans Ha (AGM)

Number attendees at meeting	90 shareholders and proxies plus 45 visitors
Number of holdings represented by ASA	187
Value of proxies	\$6.5m
Number of shares represented by ASA	279,271 (equivalent to 20th largest holder)
Market capitalisation	\$3,362m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chairman Glenn Barnes and Deputy Chairman John Bevan

Strong support for 125-year-old company performing solidly and reaping benefits from transformation

The meeting was well attended with show bags of Ansell products given out to shareholders.

The Chairman opened the meeting highlighting Ansell's 125th anniversary and described the year as one of significant change. The transformation program underway has seen the divestment of the Sexual Wellness business, the reduction in business units to two – healthcare and industrial – and further changes targeting US\$30m in savings. They are planning US\$75-80m investment in manufacturing and R&D in 2019. He also spoke at length about Corporate Social Responsibility & Sustainability and Board & CEO Succession.

The CEO highlighted that Ansell was not a glove company but a safety company and described the performance and positioning of the various divisions and brands. Looking forward he highlighted that there is pressure in some markets – the European Union automotive industry is down 20% since June – and that Ansell was less dependent on China than most competitors. He summed up that the Company is well positioned, working hard this year on transformation, is reaping benefits from transformation, is working hard within the turbulent global environment.

In the formal part of the meeting the AMWU and ACTU each asked a question regarding union workers laid off in Sri Lanka, and a shareholder asked some detailed questions about environmental and sustainability issues.

The ASA asked for more information about the trade and tariff risks of the current escalating trade war and the Chair responded that he was very worried and to mitigate the company is looking at ensuring backup (ie non-Chinese) supplies. We also asked about diversity within executive leadership and lower management. The Chair indicated that the problem was that many women build their skills then fall out of executive ranks over long periods due to family; the CEO outlined programmes that try to mitigate these issues.

Following this question one of the shareholders asked why there is not more diversity in the ASA monitoring ranks!

The ASA asked for more disclosure of auditor length of service and tendering. They will disclose more in the future and the Chair of the Audit Committee gave a detailed response about the service, selection, and evaluation of the auditor. We also asked for the company to webcast next year's AGM and the Chair indicated that he would need to see evidence of shareholder demand before doing so.

When it came to the re-election of Directors, the ASA highlighted that there would not be a majority of independent directors following the AGM as two had served for more than 12 years. Whilst we believed both directors up for election were capable we did not support the re-election of one as she had already served for 12 years.

The ASA also expressed its concern that large incentives could be paid if shareholder returns were negative and that long-term incentives were not at risk for long enough. The Chairman does not believe in TSR as a hurdle however did indicate that the board has discretion to reduce awards and that it is reviewing compensation schemes at the moment. He also believes that Ansell's market leading KMP shareholding policy means that, like shareholders, they would be heavily impacted by share price decreases.

We finally complemented them for probably the most understandable remuneration report this monitor has ever read with excellent layout, descriptions, and, with one exception that they have pledged to fix, transparency.

Both proxies and voting strongly supported all motions with all passed with over 96% shares voted in favour.