Australian Shareholders' Association Limited
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Overhang from Covid ends – Second half returned to growth

Company/ASX Code	Ansell/ANN
AGM time and date	9.00am AEDT Tuesday, 29 October 2024
Location	InterContinental, 495 Collins St., Melbourne
Registry	Computershare
Type of meeting	Hybrid
Monitor	Peter Aird
Pre-AGM Meeting	Yes, with Nigel Garrard (Chair), and executives Michael Evans (Senior Director, Investor Relations), and Catherine Stribley (Company Secretary).

Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2	Re-election of Mr Morten Falkenberg as a Director	For
3	Renewal of Proportional Takeover Bid Provisions	For
4	Grant of Performance Share Rights to Mr Neil Salmon	For
5	Remuneration Report	For

2. Summary of Issues and Voting Intentions for AGM

- Adjusted Earnings per Share in line with Guidance.
- Purchase of Kimberley Clark's Personal Protective Equipment business.
- Major Re-Organisation of Executive Management
- Revised Executive LTI now includes Total Shareholder Return.

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3. Matters Considered

Accounts and reports

Whilst the Healthcare Segment customer destocking and impact of FY23 price reductions offset growth in the Industrial Segment, Ansell's key performance measure of Earning per Share, after adjustment for one off costs, was within the guidance provided at the beginning of the financial year,

Financial performance

(As at FYE)	**2024**	**2023**	**2022**	**2021**	**2020**
NPAT ($USm)	77	148	159	247	159
UPAT ($USm)	132	145	176	247	159
Share price ($A)	26.55	26.73	22.24	43.51	36.70
Dividend (US cents)	38.4	45.9	55.45	76.8	50
Simple TSR (%)	1.8	23.5	-47.0	21.0	39.2
EPS (US cents)	59	118	125	192	122
CEO total remuneration, actual ($USm)	1.818	1.390	1.636	11.131	5.084

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

Ansell provides extensive information on their Governance and Culture, seeking to be a leading manufacturer in its chosen products. This is demonstrated by their commitments to zero carbon, lower water use, ILO 60 Core Conventions and Employee Safety performance.

Key events

Significant re-organisation of Executive structure

Substantial capital raised to purchase Kimberley Clark's Personal Protective Equipment business, identified as "one of our most attractive acquisition opportunities"

Implemented "Accelerated Productivity Investment Program" to facilitate greater flexibility in output through mechanising bottlenecks such as packaging.

Key board or senior management changes

Whilst no new directors have been appointed (following the retirement of John Bevan), Ansell is actively seeking a new appointment with emphasis on the lower director skill areas of Industry and Digital experience. They use external recruitment agencies.

The executive structure was substantially re-organised in late 2023, reducing the number in the Executive Leadership Team from 14 to 9 as announced at the 2023 AGM. This team is functionally based, removing business focused executives and eliminating two layers of management. The new Team is now strongly market focused, with customers providing positive feedback.

Mr Rob Hughes has joined the Executive Team after the purchase of the Kimberley Clark business. His remuneration includes a 12 month retention bonus whilst the business is embedded within Ansell's structure.

Sustainability/ESG

Ansell provide comprehensive information on Sustainability/ESG through their Sustainability report and information in their Annual Report. Of note this year was a decision to delay their water use reduction target by 2 years after their Reverse Osmosis processes have proved more difficult to implement than expected. The Head of Operations has been held accountable and lost individual STI awards as a result of the delay.

Whilst R&D spend dropped a little in FY24, there is still strong focus on discovering way to recycle their products or make them biodegradable.

ASA focus issues

Ansell had a major capital raising to fund the purchase of the Kimberley Clark business. This involved an Institutional Placement ($A400m) and a Share Purchase plan ($A65M) for small shareholders. Questioned on this decision in preference to a PAITREO, the Chair indicated that this choice was made to assure Kimberley Clark that the funds would be raised successfully, noting that the offer was made at only a 6% discount to the share price at the time. Both institutional and retail shareholder demand was high, with the latter being increased to $75m, but still well below the demand valued at $170m. Scale back of retail shareholder placement was done on the basis of existing share holdings. Although less than 30% of smaller shareholders applied for shares, the company said it was "quite pleased" with the shareholder response.

Ansell's AGM will be a full Hybrid meeting.

4. Rationale for Voting Intentions

Resolution 2: Re-election of Mr Morten Falkenberg as a Director

Mr Falkenberg was elected to the Board in 2021. He is based in Denmark and has extensive international experience in businesses supplying the consumer market. He is Chair of Cloetta AB and an NED of Duni AB. He is a member of the Audit & Compliance and the Sustainability & Risk committees. The Board has formally considered his contribution to the Board and recommends shareholders vote in favour of his re-election. ASA supported his election on 2021 and will do so again in 2024.

Resolution 3: Renewal of Proportional Takeover Bid provisions

This is a renewal of provisions in the Constitution approved by shareholders in 2021 which must be reviewed every 3 years, requiring a shareholder vote to approve any takeover bid prior to the bids expiry. As in 2021, ASA does not see any issues with these proposals, which are clearly outlined in the Notice of Meeting, and intends to support the resolution.

Resolution 4: Grant of Performance share rights to Mr Neil Salmon

The inclusion of Relative Total Shareholder Return and the continued use of Organic Sales Growth and Earnings per Share bring the LTI back to that preferred by ASA. Rights are valued at the Volume Weighted Average Price of the company shares around the release of the company's results for the previous year. Whilst it is noted that the CEO enjoys a relatively high multiple of his fixed remuneration at 300% for his maximum LTI value, it is accepted that this is a more common practice in Europe and the USA. On this basis, ASA will vote in favour of this resolution.

Resolution 5: Remuneration report

Ansell's Remuneration report is well set out, easy to read and understand, with both graphics and text used to provide comprehensive information. Minor changes have been made to Executive's Fixed remuneration (CEO up 4%) based on benchmarking, experience and performance. Mr Salmon's LTI maximum has increased from 280% of fixed to 300%, again based on benchmarking for executives in Europe. It is noted the Mr Salmon's employment was changed to a company structure in January 2024, so that he could continue to receive Belgium Government-based tax incentives. Ansell state that this arrangement has no impact on the company and that the company has a single shareholder and employee (Mr Salmon).

Given the structure of Executive remuneration, the improvement in the way the LTI is awarded and the modest changes to the value of the CEO's remuneration, ASA can support this resolution.

Appendix 1
Remuneration framework detail

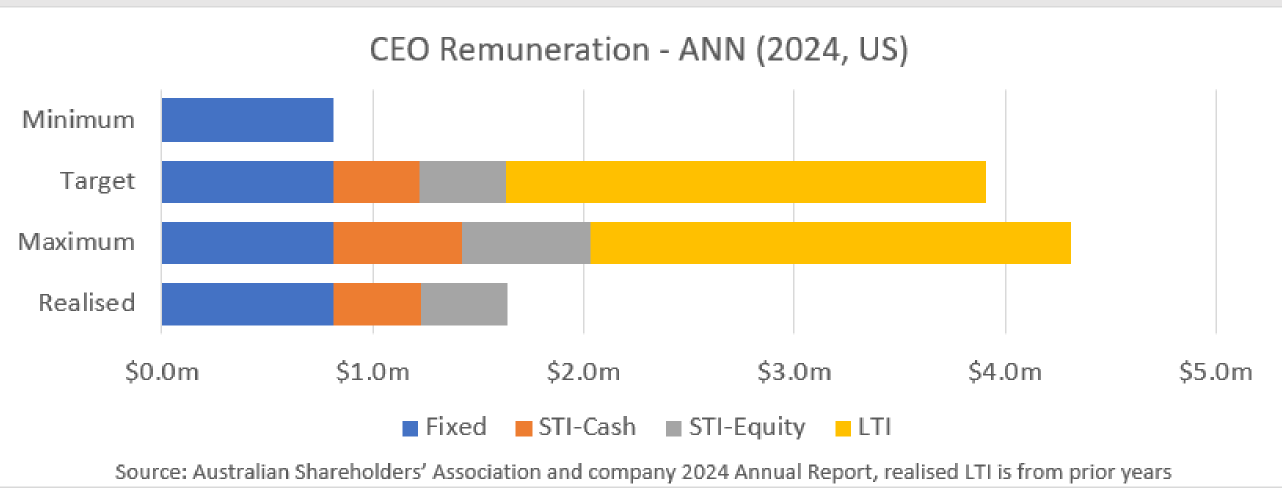
Ansell's Remuneration report is well set out, easy to read and understand. Mr Salmon is based in Belgium and paid in Euros with a fixed salary of €765,908, up 4% on 2023 reflecting performance and experience. It was noted that Mr Salmon's fixed salary is at the lower end of benchmarks for similar Executives in Europe.

The STI has a target of 100% of fixed, with a threshold of 40% and a maximum of 150% (unchanged). 50% is awarded in cash and 50% as equity, with a 2 year hold on the company shares awarded. Measures used were EBIT growth (56%), individual objectives (24%) and two one-time measures of Additive Group Sales and Inventory Reduction, each worth 10%.

The LTI plan for FY25-27 has been modified to include Relative Total Shareholder Return (RTSR, 30%), Earning per Share Growth (40%) and Organic Revenue Growth (30%). Maximum LTI award for the CEO is now 300% of fixed salary. The Award is made entirely of Performance Share rights, which are valued at the average share price over the 5 days before and after the release of the FY24 results (20 August 2024), which is A$28.09. Minimum requirements have been set for each measure, 50th percentile for RTSR, 17.1% for EPS growth and 6.3% for Organic Sales growth. Due to failure to reach the Gateway of Return on Capital Employed (ROCE), no LTI was paid in FY2024.

It is noted that the Board retain its discretion to make adjustments to calculation of performance conditions as set out in the Remuneration report and Notice of Meeting. LTI rights will vest on a Change in Control at target levels unless the Board determines otherwise.

All Directors and KMP's are required to build a significant portfolio of shares in the company, with the CEO needing shares to the value of 3 times his base salary over 6 years and directors 2 times their base fees over 10 years. It is noted that both targets are much higher than is typical for Australian companies. Compliance and progress to these objectives is clearly reported in the Annual Report.



The amounts in the graphic above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting.