

Notice of 2017 Annual General Meeting

The 3rd Annual General Meeting of Asaleo Care Limited will be held at the **new** offices of Pricewaterhouse Coopers, 2 Riverside Quay, Southbank 3006, Level 19, Melbourne at 10:00am (AEST) on Tuesday 2 May 2017.



Notice of 2017 Annual General Meeting

Asaleo Care Limited

Business

1. Financial and Other Reports

To receive the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2016.

2. Re-election and election of Directors

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

- (a) To re-elect as a Director JoAnne Stephenson who retires by rotation in accordance with clause Rule 68 of the Company's Constitution and, being eligible, offers herself for re-election.
- (b) To re-elect as a Director Harry Boon who retires by rotation in accordance with clause 68 of the Company's Constitution and, being eligible, offers himself for re-election.

3. Adoption of Remuneration Report

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

To adopt the Remuneration Report for the financial year ended 31 December 2016.

Note: the vote on this resolution is a non-binding advisory vote only.

Voting exclusion for Item 3

The Company will disregard any votes cast on Item 3 by, or on behalf of:

- a member of the Company's Key Management Personnel (KMP) named in the Remuneration Report, or that KMP's closely related parties, in any capacity, or
- by a person who, at the date of the Meeting, is a member of the Company's KMP, or that KMP's closely related party, acting as proxy,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form, or
- by the Chairperson of the Meeting as proxy for a person entitled to vote, pursuant to an express authority to vote undirected proxies as the Chairperson sees fit.

4. Renewal of Proportional Takeover Provisions in the Company's Constitution

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

That the Company renews its proportional takeover rules, as set out in clause 105 of the Company's Constitution, for three years from the date of the 2017 Annual General Meeting.

The Chairperson will call a poll for all proposed resolutions. Please refer to the explanatory notes for information on the proposed resolutions and applicable voting exclusions.

The Chairperson intends to vote all available proxies in favour of each resolution.

By order of the Board



James Orr
Company Secretary
Asaleo Care Limited
8 March 2017

Information for Shareholders

Attendance at the Meeting and questions in advance

If you are planning to attend the Meeting, please bring the Proxy Form with you to facilitate registration.

At the Meeting, the Chairperson will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company and the subject matter of the resolutions. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, PricewaterhouseCoopers, questions about the content of its report, and the conduct of its audit of the Company for the past financial year.

Shareholders are also invited to submit questions in advance of the Meeting. They may be submitted through the Contact Us enquiry form on the Company's website at www.asaleocare.com. Questions received will be addressed during the Meeting.

Voting

Shareholders may vote by attending the Meeting in person, by proxy or by power of attorney. A body corporate shareholder may appoint a corporate representative to exercise its vote.

The vote on each resolution will be decided by a poll, to enable all votes to be taken into account. Shareholders have one vote for each fully paid ordinary share held.

Items 2 and 3 are ordinary resolutions, meaning a simple majority (50%) is required for each resolution to pass. Item 4 is a special resolution, meaning a special majority (75%) is required for this resolution to pass.

Voting entitlement

For the purpose of voting at the Meeting, those persons who are the registered holders of ordinary shares in the Company at 10.00am (AEST) on 30 April 2017 will be treated as shareholders of the Company.

Lodgement of Proxy Form

A Proxy Form for appointment of a proxy accompanies this Notice of Annual General Meeting.

To be effective, the Proxy Form, and any authority under which it is signed, must be received by the Company's Share Registrar Link Market Services, (Link), prior to 10:00am (AEST) on 30 April 2017. Proxy Forms must be returned:

- by mail in the enclosed envelope provided or by hand to Link Market Services, Locked Bag A14, Sydney South, NSW 1235;
- by fax, to Link on 61 (2) 9287 0309; or
- electronically, via the electronic proxy lodgement platform at www.linkmarketservices.com.au by following the instructions provided.

Custodians: Please lodge your vote via the Link Nominee Portal at miraql.com. If you have not registered for this service please contact us at

vote@linkmarketservices.com.au to enable your voting for this Annual General Meeting.

Link's contact telephone number is 1300 554 474 (within Australia) and +61 1300 554 474 (outside Australia) should you need to contact them.

Appointment of proxies

A shareholder entitled to attend and vote at the Meeting is entitled to appoint any person to attend the Meeting and vote as their proxy. A proxy need not be a shareholder.

If you wish to appoint a proxy you will need to complete a Proxy Form.

Where a shareholder wishes to appoint two proxies, an additional Proxy Form may be obtained by contacting Link. A shareholder appointing two proxies may specify the percentage of votes or proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and does not specify the percentage of votes each proxy may exercise, each proxy may exercise 50 per cent of the votes. Fractions of votes are to be disregarded.

Voting by proxy

The Company encourages you to actively direct your proxy how to vote for each resolution by marking the appropriate box (for, against, abstain) in Step 2 on the Proxy Form.

If you do not mark a box on the Proxy Form, your proxy may vote as they choose on that item. If you intend to appoint a member of the Company's KMP or a Director (other than Chairperson) as your proxy, please ensure that you direct them how to vote on items otherwise they may not be able to vote your shares on certain items.

If the Chairperson of the Meeting is your proxy (or he becomes your proxy by default), you will be taken to have expressly authorised him to exercise your proxy in relation to item 3 (Adoption of Remuneration Report) even though the Chairperson is, and that item is connected directly or indirectly with the remuneration of, a member of the KMP for Asaleo Care.

Default to Chairperson

As the vote on each resolution will be decided on a poll, if:

- a. a member has appointed a proxy (other than the Chairperson); and
- b. that member's proxy is either not recorded as having attended the Meeting or does not vote on the resolution,

the Chairperson of the Meeting will, before voting on each resolution closes, be taken to have been appointed as the proxy for the member for the purposes of voting on that resolution. If the appointment of the proxy specifies the way the proxy is to vote on the resolution the Chairperson will vote in accordance with that direction. If the appointment of the proxy does not specify the way the

proxy is to vote, subject to the comments above, the Chairperson will vote in favour of each resolution.

Voting by attorney

A shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by Link at the address listed above for the receipt of proxy appointments by no later than 10:00am (AEST) on 30 April 2017.

Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act 2001.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Explanatory Notes

The Explanatory Notes accompanying this Notice of Annual General Meeting should be read together with, and form part of, this Notice.

Share Registry

Link Market Services
Level 12, 680 George Street, Sydney, NSW 2000
Locked Bag A14, Sydney South, NSW 1235
Telephone: 1300 554 474 (within Australia)
and +61 1300 554 474 (outside Australia)
Facsimile: +61 (0) 2 9287 0309
Website: www.linkmarketservices.com.au

Explanatory Notes



ITEM 1: FINANCIAL AND OTHER REPORTS

The Corporations Act 2001 (Cth) requires the Financial Report, Directors' Report and Auditor's Report for the prior financial year to be laid before the Meeting. These Reports for 2016 are included in the Company's 2016 Annual Report which is available on the Company's website at www.asaleocare.com. As there is no requirement for shareholders to vote on, approve or adopt these Reports no resolution will be put. Shareholders will however be given an opportunity to comment on and ask questions with respect to these Reports. The Company's auditor PricewaterhouseCoopers will be present at the meeting to answer questions on its audit.

ITEM 2 (a) & (b): RE-ELECTION OF DIRECTORS

Clause 68 of the Company's Constitution requires that Directors, other than the Managing Director, may not hold office for a continuous period in excess of 3 years or until the third Annual General Meeting following their appointment or election, whichever is the longer, without submitting themselves for re-election. In addition Listing Rule 14.5 requires the Company to hold an election of Directors each year.

JoAnne Stephenson is retiring and Harry Boon is voluntarily retiring and offering themselves for re-election. Set out below is their relevant experience and background.

Director	Experience
<p data-bbox="151 1048 400 1077">JoAnne Stephenson</p> 	<ul style="list-style-type: none"> <li data-bbox="459 1055 1350 1122">■ JoAnne was appointed as a Director on 30 May 2014 and is Chair of the Company's Audit and Risk Committee. <li data-bbox="459 1137 1350 1317">■ JoAnne has over 26 years' experience and is currently a Non-Executive Director of Challenger Ltd, Japara Healthcare Limited and Myer Holdings Ltd. She is Chair of the Victorian Major Transport Infrastructure Board, the Audit and Risk Committee of the Victorian Department of Health and Human Services and the Melbourne Chamber Orchestra. <li data-bbox="459 1332 1350 1400">■ Previously, she worked at KPMG International as Senior Client Partner in the Advisory division. <li data-bbox="459 1415 1350 1547">■ JoAnne holds a Bachelor of Commerce and Bachelor of Laws (Honours) from The University of Queensland. She is a member of both the Australian Institute of Company Directors and The Institute of Chartered Accountants in Australia.
<p data-bbox="151 1556 389 1585">Harry Boon</p> 	<ul style="list-style-type: none"> <li data-bbox="459 1570 1350 1637">■ Harry was appointed as a Director on 30 May 2014 and is the Chairman of the Board. <li data-bbox="459 1653 1350 1749">■ Harry has over 40 years' broad industry experience including global marketing and sales, manufacturing and product development. He is also currently Chairman of ASX listed Tatts Group Limited. <li data-bbox="459 1765 1350 1906">■ Previously, he was Chief Executive Officer and Managing Director of Ansell Limited, until he retired in 2004. During his 28 years with Ansell, he lived and worked in senior management positions in Australia, Europe and North America. <li data-bbox="459 1921 1350 1989">■ Within the past three years he has been a Director of ASX listed Toll Holdings Limited. <li data-bbox="459 2004 1350 2054">■ Harry holds a Bachelor of Laws (Honours) and a Bachelor of Commerce from The University of Melbourne.

The Board considers JoAnne to be an Independent Director.

The Board considers Harry to be an Independent Director.

The Directors (other than the relevant Director in relation to their own re-election) unanimously recommend that shareholders vote in favour of resolution 2(a) and 2(b).

ITEM 3: ADOPTION OF REMUNERATION REPORT

The Company's 2016 Remuneration Report is set out in, and forms part of, the Directors' Report. This is included in the 2016 Annual Report which is available on the Company's website at www.asaleocare.com.

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

The vote on resolution 3 is advisory only, and does not bind the Directors or the Company. The vote will however be taken into consideration in determining future remuneration policy.

The Directors unanimously recommend that shareholders vote in favour of resolution 3.

ITEM 4: Renewal of Proportional Takeover Provisions in the Company's Constitution

Effect of rules proposed to be renewed:

A proportional takeover bid is a bid for only a proportion, rather than all, of each shareholder's shares. This could result in a bidder acquiring control of a company without shareholders having the chance to sell all their shares, (leaving them as part of a minority interest) and without payment of an adequate premium for control.

The Company's Constitution prohibits the registration of a transfer of shares under a proportional takeover bid, unless and until a resolution to approve the bid is passed at a General Meeting by a majority of shareholders, excluding the bidder and its associates, in accordance with clause 105 of the Company's Constitution. If the resolution is rejected, all offers under the bid are taken to be withdrawn and each takeover contract for the bid is rescinded.

Section 648G of the Corporations Act sets out that proportional takeover provisions cease to apply after 3 years unless renewed. Accordingly the proportional takeover rules in the Company's Constitution will cease to have effect on June 27, 2017 unless renewed by special resolution of shareholders.

Directors are of the view that proportional takeover rules are in the interests of shareholders as they assist shareholders in gaining appropriate value for their shares if a proportional takeover is made.

No awareness of any proposal to acquire or to increase the extent of a substantial interest in the Company:

As at the date of this notice, no director is aware of any proposal by any person to acquire, or increase the extent of, a substantial interest in the Company.

It is noted that by not participating in the Company's on-market share buy-back SCA's interest in the Company will increase. This has no impact on the decision to propose the renewal of the proportional takeover rules.

Potential advantages and disadvantages of the proportional takeover approval rules:

The potential advantages of the rules for shareholders include:

- shareholders have a say in determining whether a proportional takeover bid should be allowed to proceed, which may assist in ensuring that any proportional takeover bid is attractive to a majority of shareholders;
- they may help shareholders avoid being locked in as a minority and avoid the bidder acquiring control of the Company without paying an adequate control premium;
- they increase shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- 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 of the rules for shareholders include:

- the inclusion of the rules may reduce the likelihood of a proportional takeover bid being successful and may accordingly discourage the making of a proportional takeover bid; and
- shareholders may lose an opportunity to sell some of their shares at a premium.

Review of advantages and disadvantages of the proportional takeover approval rules:

There have been no takeover bids for the Company, either proportional or full, while the proportional takeover approval rules have been in effect. Accordingly, there is no example against which the advantages or disadvantages of the rules may be assessed. However, the directors consider that there have been no disadvantages to the Company arising from the rules being in place.

Directors believe that the advantages of the proportional takeover rules operating for the next three years outweigh the disadvantages.

Reasons for renewing provisions:

Directors are of the view that shareholders should have the right to vote on any proportional takeover bid for the Company. A proportional takeover bid may enable control of the Company to pass without holders having an opportunity to sell all of their securities to the bidder. Accordingly shareholders may be exposed to being left as a minority in the Company and of the bidder being able to acquire control of the Company without payment of an adequate premium for all of their securities. Takeover approval rules lessen these risks as they allow shareholders to decide whether a proportional takeover bid is acceptable and should be allowed to proceed.

The Directors unanimously recommend that shareholders vote in favour of resolution 4.

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