

Corporate Governance  
Statement 2019

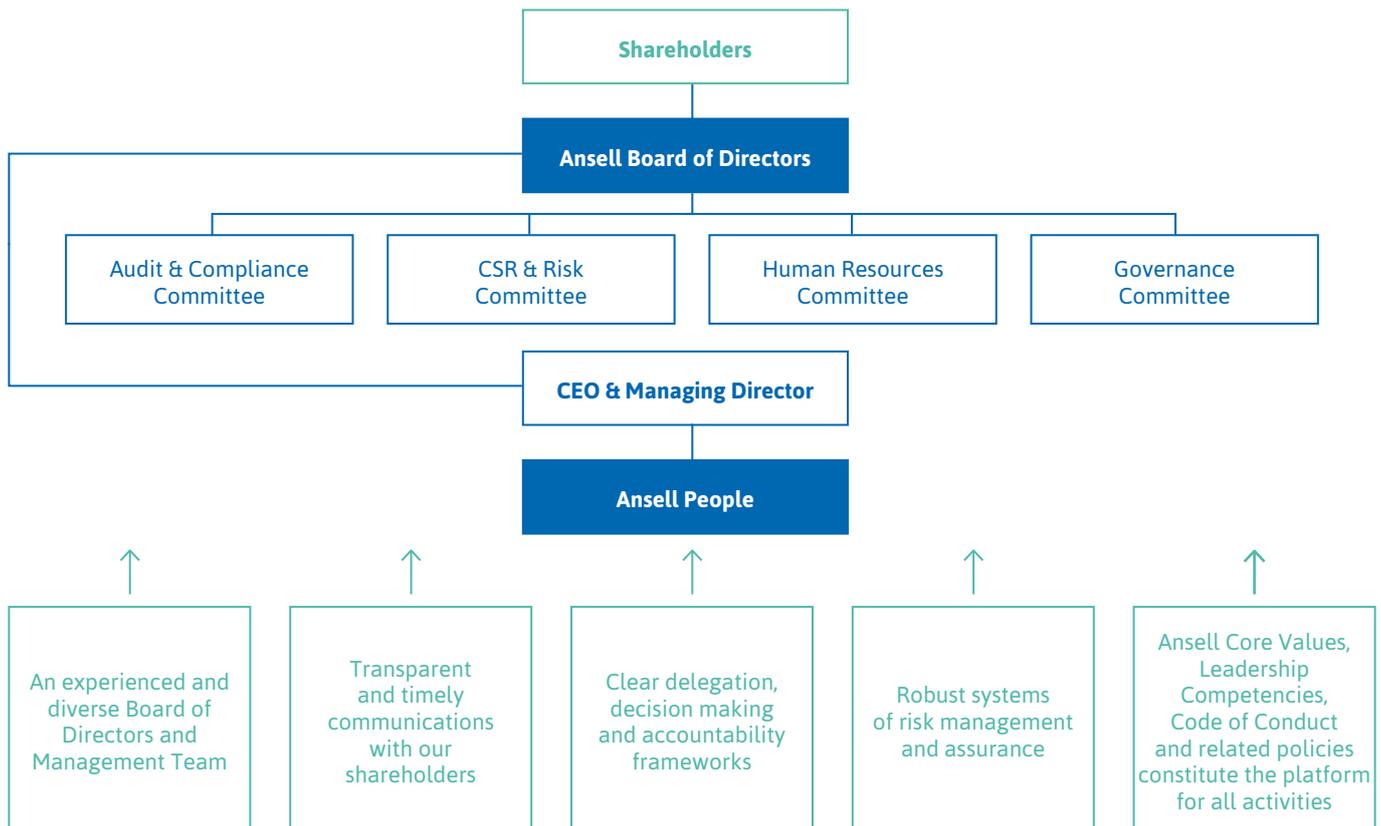
**Safer. Smarter. Stronger.**

# Corporate Governance Statement FY19

## 1. Overview

Ansell is committed to effective corporate governance. By putting in place the right governance framework, the Ansell Limited Board of Directors (**Board**) and management have set a culture of integrity, transparency and accountability that permeates throughout the Company.

### Our Governance Framework



This Corporate Governance Statement describes the key corporate governance policies and practices of Ansell Limited and its group companies (**Ansell or the Company**) during the financial year ending 30 June 2019 (**FY19**). It was approved by the Board on 12 August 2019.

Ansell works to embrace the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**). Ansell currently complies with each of the ASX Principles (3rd edition). A checklist summarising the Company's compliance with the ASX Principles is set out at the end of this statement. Ansell acknowledges the release of the ASX Principles 4th edition and is committed to compliance with the new ASX Principles for the financial year beginning 1 July 2020.

The Board regularly reviews Ansell's corporate governance framework, policies and practices to ensure at a minimum that they meet the expectations of our shareholders and evolve in line with global best practice in corporate governance and our own internal processes and practices.

Further information about Ansell's corporate governance practices and copies of key governance documents, including Board and Committee Charters, referred to in this statement are available on the Company's website at [www.ansell.com](http://www.ansell.com).

# Corporate Governance Statement FY19 continued

## 2. Board Areas of Focus

This year the Board and its Committees have undertaken key strategic, governance and oversight activities. The key areas of focus for the Board during FY19 were:

Company strategy & performance	Oversight of the Transformation Program	Board & management succession	Oversight of capital management initiatives	Risk management, governance & compliance	Corporate social responsibility & sustainability	External review of Board performance
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## 3. Board of Directors



**Glenn L L Barnes**  
Chairman



**Magnus R Nicolin**  
Managing Director  
And Chief Executive  
Officer



**John A Bevan**  
Deputy Chairman



**Marissa T Peterson**  
Non-executive  
Director



**Leslie A Desjardins**  
Non-executive  
Director



**W Peter Day**  
Non-executive  
Director



**Christina M Stercken**  
Non-executive  
Director



**William G Reilly**  
Non-executive  
Director



**Christine Y Yan**  
Non-executive  
Director

# Corporate Governance Statement FY19 continued

## 3.1 Members of the Board

The Company currently has nine Directors, one of whom is an Executive Director (being the Chief Executive Officer (**CEO**) and Managing Director). Each Director is appointed pursuant to a written agreement.

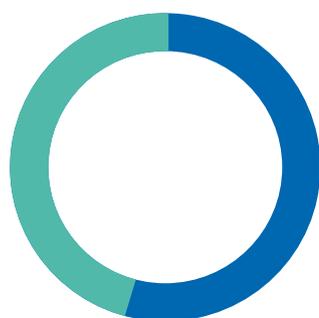
The roles of the Chairman of the Board (**Chairman**) and the CEO are separate. Glenn Barnes has been Chairman since 2012. Magnus Nicolin has been CEO since 2010. As CEO, Mr Nicolin is not required to seek re-election by shareholders every three years.

The name of each Ansell Director, together with their appointment information, is set out below:

	Appointed to the Board	Length of service at 30 June 2019	Last election/re-election date
<b>Non-Executive Directors</b>			
Glenn Barnes (Chairman)*	2005	13 years and 9 months	2017
John Bevan	2012	6 years and 10 months	2018
Peter Day	2007	11 years and 10 months	2016
Leslie Desjardins	2015	3 years and 7 months	2016
Marissa Peterson	2006	12 years and 10 months	2018
William Reilly	2017	1 year and 10 months	2017
Christina Stercken	2017	1 year and 10 months	2017
Christine Yan	2019	3 months	2019
<b>Executive Director</b>			
Magnus Nicolin	2010	9 years and 3 months	N/A

\* Glenn Barnes will retire from the Board at the 2019 Annual General Meeting.

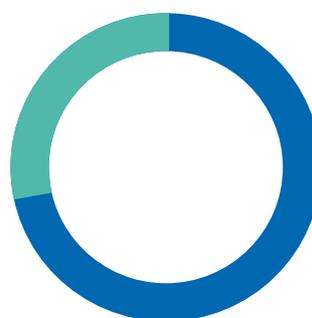
Details of the qualifications and experience of our Directors are set out in Ansell's 2019 Annual Report and on Ansell's website at [www.ansell.com](http://www.ansell.com).



### Board gender diversity

- Male 56%
- Female 44%

\* Upon the retirement of Mr Barnes in November 2019, the Board will have 50/50 gender balance.



### Board Independence

- Independent 78%
- Not Independent 22%

## 3.2 Role and Responsibilities of the Board and Management

The Board's role is to represent the Company's shareholders, taking into consideration the interests of the broad range of Ansell's stakeholders. The Board leads and oversees the management of the Company and is accountable to shareholders for creating and delivering shareholder value. The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board.

The Board is ultimately responsible for the oversight and review of the management, administration and overall governance of the Company.

The table following summarises the Board's main responsibilities and functions, which have been grouped into three areas:

- (a) strategy, planning and monitoring;
- (b) shareholder communication and compliance; and
- (c) risk management and internal controls.

# Corporate Governance Statement FY19 continued

	Strategy, planning and monitoring	Shareholder communication and compliance	Risk management and internal controls
Approving	<ul style="list-style-type: none"> <li>corporate strategies, budgets, plans and policies</li> <li>appointment of the Chief Executive Officer and other members of the senior management team including the Company Secretary</li> <li>remuneration of the Chief Executive Officer, the Non-Executive Directors (within shareholder approved limits) and the policy for remunerating senior management</li> </ul>	<ul style="list-style-type: none"> <li>procedures to ensure compliance with applicable laws, regulations, accounting standards, ethical standards and business practices</li> <li>shareholder communication strategies</li> <li>material and other market announcements</li> </ul>	<ul style="list-style-type: none"> <li>the Company's risk management framework and internal control systems</li> </ul>
Reviewing and monitoring	<ul style="list-style-type: none"> <li>implementation of corporate strategies, budgets, plans and policies</li> <li>financial and business results (including the audit process) in order to understand the financial position of Ansell</li> </ul>	<ul style="list-style-type: none"> <li>implementation of compliance procedures</li> <li>timeliness and accuracy of information provided to shareholders and the financial market</li> </ul>	<ul style="list-style-type: none"> <li>implementation of risk management framework and internal control systems</li> <li>the Company's wider risk management profile</li> <li>internal processes for determining, monitoring and assessing key risk areas</li> </ul>
Evaluating	<ul style="list-style-type: none"> <li>performance against corporate strategies, budgets, plans and policies</li> <li>the performance of the Chief Executive Officer and reviewing the performance evaluation of other members of the senior management team</li> </ul>	<ul style="list-style-type: none"> <li>the effectiveness of reporting procedures and mechanisms</li> <li>whether adequate, accurate and timely information is provided to shareholders and the financial market</li> </ul>	<ul style="list-style-type: none"> <li>the process for assessing the effectiveness of risk management practices</li> </ul>

The Board delegates day to day management of the Company to the CEO, to deliver the strategic direction and achieve the goals determined by the Board. Ansell's Delegation of Authority Policy sets out the powers that are reserved to the Board and those that are delegated to the CEO. The CEO must report to the Board on key management and operational issues.

The Board is free to alter the matters reserved for its decision, subject to the limitations imposed by the Company's Constitution and the law.

### 3.3 Board Composition and Skills

Ansell is committed to ensuring that the composition of the Board continues to comprise Directors who bring an optimal mix of skills, experience, expertise and diversity (including gender diversity) to Board decision-making. The Governance Committee reviews the Board composition regularly.

As a Company with diverse international operations, the Board considers it important that it has members with experience in the major jurisdictions in which Ansell operates. The Governance Committee considers this fact when considering the nature of the Company's operations, geographic priorities and the strategic direction of the Company against the skills currently represented on the Board.

#### Board Skills Matrix

Recommendation 2.2 of the ASX Principles (3rd edition) recommends that 'a listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Accordingly, the Board has created the following matrix, which captures the key skills and diversity attributes of Board members which it believes are critical to succeeding in its objectives. The Board presently possesses this blend of skills and diversity attributes.

# Corporate Governance Statement FY19 continued

General	Governance	Technical	Industry Experience	Diversity
Board efficiency and effectiveness	Understanding of legal, ethical and fiduciary duties	Health and Safety	Personal Protective Goods and Equipment; Medical Goods and Devices, FMCG	Gender diversity
General management with P&L responsibility	Governance Committee experience	Supply Chain	Manufacturing	Diversity and multiculturalism
Global/international/emerging markets management experience	Risk management	Marketing, Sales and Customer Service – Industrial, Medical, Wholesale and Retail (including Fast Moving Consumer Goods)	Logistics/Distribution/Supply Chain	Language other than English
	Project management	Financial qualifications	International Trade/E Commerce	
	Mergers & Acquisitions (including divestments & joint ventures)	Manufacturing	Services	
		Digital		

## Independence

The Board Charter requires that a majority of the Board are independent Non-Executive Directors and the Constitution mandates that there are at least twice as many Non-Executive Directors as Executive Directors. To further entrench independence, there is separation of the roles of the Chairman and the CEO, with the Chairman required to be an independent Non-Executive Director. This structure ensures that all Board discussions or decisions have the benefit of predominantly outside views and experiences, and that the majority of Directors are free from interests and influences that may create a conflict with their duty to the Company.

Ansell's criteria for independence is set out in the Board Charter and is reviewed regularly. To be judged independent, a Director must, in the opinion of the Board (with the assistance of the Governance Committee), be free of any interest, position, affiliation or relationship that might influence, or reasonably be perceived to influence, their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

The Board has determined that each director, other than William Reilly and Magnus Nicolin, was independent throughout the reporting period. As a recently retired executive, Mr Reilly was not considered an independent director in FY19. The Board regularly reviews the independence of Directors and formally assesses director independence annually.

## Outside Commitments of Non-Executive Directors

All Non-Executive Directors are required to notify the Chairman before accepting any new outside appointment. The Chairman reviews the proposed new appointment and considers the issue on an individual basis. If applicable, the Chairman also considers the issue of more than one Director serving on the same outside board or other body.

## 3.4 Board Succession

As some of the Company's Non-Executive Directors near the end of their tenure, the Company has approved a succession plan with respect to the Board that it believes facilitates the optimal injection of new skills and thinking while retaining the wealth of corporate knowledge to support the long-term strategic direction of the Company. As part of this plan, Christine Yan was appointed to the Board as a Non-Executive Director in April 2019. Ms Yan brings considerable skill and experience to the Board, adding to its balance and diversity.

At this year's Annual General Meeting, the Chairman, Glenn Barnes retires after 14 years of service on the Ansell Board. The Board and management wish to acknowledge and thank Mr Barnes for his significant contribution made to the Company over his tenure. Deputy Chairman, John Bevan, will become the Chairman of the Company upon Mr Barnes' retirement.

# Corporate Governance Statement FY19 continued

The Governance Committee will continue to consider the forward skill and experience requirements of the Board within the context of the succession timetable.

With the commitment of Ansell's CEO to remain in his role until the end of the 2021 financial year, the Board continues the process of challenging and assessing the pool of internal CEO contenders to allow the identification of the best candidate. In March 2019, the Board announced an important step in this managed leadership transition and added to the team two senior leaders with impressive capabilities well suited to driving the future success of Ansell.

## 3.5 Director Appointment, Election and Tenure

The Board considers it important that it has a mix of Directors with a level of history with the Company, and newer appointments to bring a fresh perspective to discussions.

### Appointment

As part of the Governance Committee's oversight of Board succession planning, it is also responsible for identifying suitable candidates to fill Board vacancies as and when they arise, or to identify candidates to complement the existing Board, and to make recommendations to the Board on their appointment.

When appointing new Directors, the Board and the Governance Committee look to ensure that an appropriate balance of skills, knowledge, experience, independence and diversity is maintained. Appropriate background checks are conducted prior to appointing any new Director to ensure that all material information is provided to shareholders prior to presenting the candidate for election as a Director, and external consultants are engaged to assist with the selection process as necessary. In addition, each Board member has the opportunity to meet with the nominated Director.

Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment.

### Election and Re-election

New Directors are nominated by the Board, and then stand for election at the next Annual General Meeting in order to be confirmed into office. The Board has an Induction Policy to assist with the onboarding of new Directors.

All current Directors, other than the Managing Director, must submit for re-election every three years. The performance of Directors seeking re-election is considered by the Governance Committee and a recommendation is made to the Board. Upon review, the Board then makes a recommendation to shareholders in respect to the Director's re-election.

### Tenure

The Board has a general policy that Non-Executive Directors should not serve for a period exceeding 15 years, and that the Chairman should not serve in that role for more than 10 years. However, the Board does not consider this length of tenure would necessarily compromise independence or interfere in a material way with a Director's ability to act in the best interests of the Company. The Board will continue to assess the application of this policy to each Director having regard to the mix of experience, skills and knowledge on the Board.

### Induction and Continuing Development of Directors

A formal induction program is available to new Directors to ensure they have a working knowledge of Ansell and the industries in which it operates. Directors have open access to all relevant information, including site visits and discussions with management and subject matter experts.

All Directors are expected to maintain the skills required to discharge their obligations to the Company. Directors participate in continuing education, training and development programs. There is a mixture of internal and external training designed to improve the Board's and individual Directors' insight into the business.

### Australian-resident directors

The *Corporations Act 2001* (Cth) requires a public company to have at least two directors ordinarily resident in Australia (Australian resident directors). At any time, there may be only two Australian resident directors appointed to the Ansell Limited Board. To ensure compliance with the minimum Australian resident director requirement, the Board has established a small pool of appropriate individuals who would be available, on short notice, to act as an Australian resident director of the Company on a temporary basis should either one of the existing Australian resident directors be no longer able, or not willing, to continue as a director. It is intended that the relevant individual called upon would act as a temporary Australian resident director until the Board has found a suitable, long term non-executive Australian resident director to fill the vacant position.

# Corporate Governance Statement FY19 continued

## 3.6 Board Performance

The Governance Committee is responsible for establishing processes for reviewing the performance of individual Directors, the Board as a whole and Board Committees, and reviewing and finalizing the matrix of skills, experience and characteristics required to be collectively met by the Board and each of the Committees.

The Board annually reviews the performance of the Board and each Committee, as well as individual Directors and the Chairman, using a comprehensive and structured self-assessment approach based on the individual input and responses of Directors. This includes consideration of the effectiveness of the Board and its performance against the requirements of its Charter as well as an assessment of the effectiveness of the structure and the composition of the Board.

Every three years, the Board engages external consultants to undertake a review of the effectiveness and structure of the Board, comparing it to peer and competitor companies and advising on the skills, attributes and experience that the Board might collectively need to hold to ensure that the evolving strategic goals of Ansell continue to be met in the future.

In FY19, the Board engaged a third party consultant to review the Board and its performance and to identify the major areas of opportunity for the Board to sharpen its focus on long-term sustainable economic profit within the confines of the Company's business purpose and consistent with the various obligation to stakeholders. The Board is reviewing the report findings and determining the optimal focus for the business moving forward.

Since the date of the last report, the Board has also formally assessed the performance of the Chief Executive Officer, and the Human Resources Committee has overseen the performance of Ansell's Executive Leadership Team, as led by the Chief Executive Officer.

## 3.7 Remuneration

Full details of the remuneration policies and practices of the Company and of the amounts paid to Non-Executive and Executive Directors and the Company's Key Management Personnel are set out in the Remuneration Report. The Remuneration Report is found in Ansell's Annual Report, which is available online at [www.ansell.com](http://www.ansell.com).

## 3.8 Board Meetings

In carrying out its duties, the Board meets formally at least five times a year, with additional meetings held as required to address specific issues. All Directors are expected to attend the Audit and Compliance Committee meetings and Directors may participate in meetings of the other Board Committees, which assist the full Board in examining particular areas or issues. It is the Board's practice that the Non-Executive Directors meet periodically without the presence of management.

Details of meeting attendance in FY19, as well as the number of Board meetings held during the 2019 financial year, are set out in the Report by the Directors contained in the Ansell 2019 Annual Report found on the Ansell website at [www.ansell.com](http://www.ansell.com).

## 3.9 Board and Committee Charters

The Charter of the Board and each of its principal Committees can be found on Ansell's website at [www.ansell.com](http://www.ansell.com). The Board Charter and all Committee Charters were reviewed and updated in FY19.

## 3.10 Board Access to Management and Independent Advice

Each Director has the right (with the prior approval of the Chairman) to seek independent professional advice at the Company's expense in the furtherance of his or her duties. If this occurs, the Chairman must notify the other Directors of the approach, with any resulting advice received to be generally circulated to all Directors.

Directors have unrestricted access to the Senior Executive Team and other employees of Ansell through the Chairman, CEO and the Company Secretary. Directors may seek briefings from Senior Executives on specific matters.

## 3.11 Conflicts of Interest

Over and above the issue of independence, each Director has a continuing responsibility to determine whether he or she has a potential, or actual, conflict of interest in relation to any material matter that relates to the affairs of Ansell.

To ensure that any personal interests of a Director in a particular matter to be considered by the Board are brought to the attention of the Board, the Company has developed protocols that require each Director to disclose any contracts, offices held, interests in transactions and other directorships that may involve any potential conflict. Appropriate procedures have been adopted to ensure that, where the possibility of a material conflict arises, relevant information is not provided to the Director, and the Director does not participate in discussion on the particular issue or vote in respect of the matter at the meeting where the matter is considered. The Board has reviewed and is comfortable with the veracity of these protocols.

# Corporate Governance Statement FY19 continued

## 3.12 Company Secretary

The Board is responsible for appointing the Company's Company Secretary. The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

The details of the Ansell Company Secretary can be found in the Report by the Directors contained in the 2019 Annual Report.

## 4. Committees

The Board has four standing Committees that play an important role in assisting the Board in performing its role and discharging its responsibilities:

- Audit & Compliance Committee;
- CSR & Risk Committee\*;
- Human Resources Committee; and
- Governance Committee.

\* Formerly the Risk Committee. In 2018, the Board widened the brief for the Board's Risk Committee and renamed it the CSR & Risk Committee.

Each Committee operates under a specific Charter, which is reviewed periodically by the Board. Each Committee aims for consistent improvement in the corporate governance environment. The Committee will recommend to the Board the formal adoption of any revised Charter. All Committee Charters were reviewed and updated in FY19.

The Board also delegates specific functions to ad hoc Committees of Directors on an 'as needs' basis. The powers delegated to these Committees are set out in Board resolutions.

The Committees may engage independent professional advisers to assist with the effective discharge of their duties.

Each Committee is required to comprise a majority of independent Non-Executive Directors (minimum of 3 required). In respect to the Audit & Compliance Committee, the Committee members are required to be financially literate and possess an understanding of the industries in which Ansell operates. In respect to the CSR & Risk Committee, the Committee members are required to possess the business experience, skills and acumen to be effective in the role.

Every year, the Board (with the assistance of the Governance Committee) reviews each Committee's composition and membership.

Details of the qualifications, experience and meeting attendances of each Committee member, as well as the number of Committee meetings held during the 2019 financial year, are set out in the Report by the Directors contained in the Ansell 2019 Annual Report, found on the Ansell website at [www.ansell.com](http://www.ansell.com).

Full details of the role and responsibilities of each Committee are set out in the relevant Committee's Charter which can be found in the corporate governance section of the Ansell website at [www.ansell.com](http://www.ansell.com).

### Ansell Board Committee Memberships

	Committees			
	Audit & Compliance	CSR & Risk	Human Resources	Governance
Glenn Barnes			✓	✓ C
John Bevan			✓	✓
Peter Day	✓	✓ C		✓
Leslie Desjardins	✓ C	✓		
Marissa Peterson	✓		✓ C	
William Reilly		✓	✓	✓
Christina Stercken	✓	✓		
Christine Yan	✓		✓	

C denotes Chair.

In June 2016, the Board resolved to form a sub-committee of the Board to review M&A and divestment opportunities – including related business transformation. This sub-committee is currently led by John Bevan and comprised of Glenn Barnes, Leslie Desjardins and Christina Stercken.

In May 2017, the Board resolved to form a sub-committee of the Board to make recommendations on share buy-backs and the Dividend Policy. This sub-committee is currently led by Glenn Barnes and comprised of John Bevan and Peter Day.

# Corporate Governance Statement FY19 continued

Audit & Compliance Committee	CSR & Risk Committee	Human Resources Committee	Governance Committee
<b>Responsibilities</b>			
<p>Reviewing:</p> <ul style="list-style-type: none"> <li>Financial statements</li> <li>Adequacy of financial controls</li> <li>Annual audit arrangements (internal and external)</li> <li>Activities of internal and external auditors</li> <li>Independence and remuneration of external auditor</li> <li>Processes for identifying, managing and reporting on financial risk</li> </ul> <p>Monitoring:</p> <ul style="list-style-type: none"> <li>Internal controls and financial reporting systems</li> <li>The adequacy of financial reporting and control policies</li> <li>The performance and independence of the external auditor</li> <li>The progress of the internal audit</li> </ul>	<p>Reviewing, annually, to satisfy itself that Ansell's risk management framework is sound:</p> <ul style="list-style-type: none"> <li>The design and implementation of the Company's risk management strategy</li> <li>Active business and material business risks</li> <li>Current risk management</li> <li>The status of risk mitigation action plans</li> <li>The Company's insurance strategy and insurance arrangements</li> </ul> <p>Informing the Board on the:</p> <ul style="list-style-type: none"> <li>Approval, review and recommendations to principles, policies and strategies for the management of the Company's risks</li> <li>Approval or recommended changes to the Company's risk appetite and risk tolerance levels</li> </ul>	<p>Reviewing:</p> <ul style="list-style-type: none"> <li>The remuneration and benefit structures of Directors and management</li> <li>The performance of management</li> </ul> <p>Recommending and approving:</p> <ul style="list-style-type: none"> <li>The Company's policy on executive remuneration and executive benefit programs</li> <li>The design and operation of the Company's Short Term and Long Term Incentive Plans</li> </ul>	<ul style="list-style-type: none"> <li>Establishing processes for reviewing the performance of individual Directors, the Board as a whole, and Board Committees</li> <li>Establishing processes and criteria for the identification of suitable candidates for appointment to the Board</li> <li>Undertaking background checks on new candidates and presenting them for approval by the shareholders at any general meeting</li> <li>Reviewing and finalising the matrix of skills, experience and characteristics required to be collectively met by the Board and each of the Committees</li> </ul>
<p>Advising the Board on:</p> <ul style="list-style-type: none"> <li>Appointment, removal, independence and remuneration of the external auditor</li> <li>Meeting all its financial and corporate governance obligations and requirements</li> <li>The adoption of financial risk oversight policies</li> <li>National and international accounting standards</li> <li>Applicable Company policies, regulatory and statutory requirements</li> </ul> <p>Receiving, prior to lodging the financial statements, a written declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>Advising the Board on:</p> <ul style="list-style-type: none"> <li>Implementation and effectiveness of systems for identifying all areas of business risk</li> <li>Design of adequate policies to manage risks</li> <li>Appropriate action to bring the identified risks within tolerance levels</li> </ul> <p>Establishing appropriate corporate responsibility standards, policies and programs.</p> <p>Monitoring and reviewing the operation and effectiveness of Ansell's corporate social responsibility policies and programs.</p> <p>Reviewing and monitoring appropriate corporate social responsibility objectives, targets and strategies.</p> <p>Reviewing the annual Corporate Social Responsibility Report.</p> <p>Overseeing management's reporting and disclosure with respect to corporate social responsibility matters.</p>	<p>Advising the Board on:</p> <ul style="list-style-type: none"> <li>Senior Executive remuneration policy (including incentive plans, equity awards and service contracts)</li> <li>Remuneration of Chief Executive Officer and the Non-Executive Directors</li> </ul>	
<b>Consultation</b>			
<p>Non-Committee members, members of management and the principal external audit partner are invited to attend Audit &amp; Compliance Committee meetings to provide reports and/or guidance where appropriate.</p>	<p>Non-Committee members and members of management are invited to attend the CSR &amp; Risk Committee meetings to provide reports and/or guidance where appropriate.</p>	<p>Non-Committee members and members of management are invited to attend Human Resources Committee meetings to provide reports and/or guidance where appropriate.</p>	<p>The Committee may request non-Committee members and members of management to attend meetings and/or provide information where appropriate.</p>

## 5. Acting Ethically and Responsibly

### 5.1 Our Values

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**Integrity** – we value doing what is right and ethical.

**Trustworthiness** – we value acting with respect, fairness and dependability.

**Agility** – we value responsiveness to customers and each other, openness to change and flexibility.

**Creativity** – we value inventiveness, innovation and new and divergent ways of thinking.

**Passion** – we value energy and excitement, commitment, drive and dedication.

**Involvement** – we value our team members' input, influence and initiative.

**Teamwork** – we value collaboration and a sense of partnership, sharing and caring.

**Excellence** – we value a tenacious focus on results, accountability and goal achievement.

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### 5.2 Corporate Responsibility

Ansell is committed to sound corporate governance to underpin its sustainability practices. Its Core Values, Code of Conduct and related policies constitute the governance framework for its activities, an important part of which are its corporate social responsibility and sustainability activities.

Ansell is currently reviewing its corporate social responsibility strategy and is considering external reporting standards with a view to reporting against such a standard in the future. A key part of that review relates to our approach to climate change, building upon the progress already made in FY19. Refer the the 2019 Annual Report and the CSR & Sustainability Report for further details.

### 5.3 Code of Conduct

The Company is committed to upholding the highest legal, moral and ethical standards in all of its corporate activities and has adopted a Global Code of Conduct consisting of Guiding Principles and Policies on Business Conduct, which aims to strengthen its ethical climate and provide guidelines for situations in which ethical issues arise. The Code of Conduct is available on the Company's website, [www.ansell.com](http://www.ansell.com).

The Code of Conduct applies to Directors, executives, management and employees, sets high standards for ethical behaviour and business practice beyond complying with the law, and is based on the following guiding principles, whereby the Company:

- (a) strives to uphold high ethical standards in all corporate activities;
- (b) is committed to competing lawfully, fairly and ethically in the market-place, consistent with its aim of providing quality products to its customers;
- (c) is committed to pursuing sound growth and earnings goals by operating in the best interests of the Company and shareholders;
- (d) strives to treat all employees with fairness, honesty and respect;
- (e) expects all employees to work together for the common good and to avoid placing themselves in a position that is in conflict with the interests of the Company;
- (f) is committed to good corporate citizenship and participating actively in, and improving, the communities in which the Company does business; and
- (g) expects all employees to conduct themselves in accordance with the guiding principles.

It is the Company's policy to comply with the letter and spirit of all applicable laws, and no Director, executive or manager has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company. Assistance is available to clarify whether particular laws apply and how they may be interpreted.

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The Code of Conduct also sets out the Company's policies in respect of ethical issues such as conflicts of interest, social accountability and fair dealing.

The Company provides avenues for employees to report their concerns of suspected breaches and seek compliance advice, including anonymously to an independent hotline. Individuals who report their concerns in good faith are protected under the Company's policies from any form of retaliation.

Employees and Directors are required to participate in compliance training programs to ensure that they remain up to date regarding relevant legal and industry developments, as well as ethical practices. Ansell provides focus specific compliance training each year. In FY19, Ansell provided global competition law training, anti-trust training and patent policy and procedures training.

## 5.4 Human Rights Statement

As a responsible corporate citizen, Ansell has issued a human rights statement. The company reiterates this statement that it operates in accordance with the Universal Declaration of Human Rights (UDHR), the foundational document establishing human rights for all. Ansell also takes into account the United Nations Guiding Principles on Business and Human Rights and respects the core conventions of the ILO.

## 5.5 Modern Slavery Legislation

Ansell's Modern Slavery Statement has been published to demonstrate compliance with the UK Modern Slavery Act 2015. Modern Slavery laws took effect in Australia during FY19 and Ansell is reviewing its processes to ensure its Modern Slavery reporting also complies with this legislation.

## 5.6 Dealing in Shares Securities Trading Policy

The Securities Trading Policy (formerly the Share Trading Policy) reinforces the requirements of the Corporations Act 2001 in relation to the prohibition against insider trading. The policy restricts directors and senior executives (and their associates) from dealing in Ansell securities except during limited 'trading windows'. These windows generally include the thirty days after half-year and full year results and the Annual General Meeting. The policy prohibits dealing in Ansell shares when in possession of inside information as well as hedging, or otherwise limiting economic risk, in relation to unvested rights or shares acquired under any of the Group's employee incentive plans. Where a Director or senior manager holds Ansell shares under the terms of a margin lending arrangement, the Company will disclose details to the market where required by law or practice, having regard to the materiality of the arrangement.

The policy is available on the Ansell website.

## Share Purchasing Policy

To encourage alignment with shareholder interests, the Company adopted mandatory shareholding requirements, requiring Directors and executives to purchase a multiple of their fee/base salary in Ansell shares over a 10-year period. The current requirement is 3 x base salary for the CEO, 1 x base salary for the ELT and 2 x annual Director's fee for Non-Executive Directors.

Ansell has developed a mechanism to enable Directors and executives to regularly purchase Ansell shares, known as the Voluntary Share Purchase Plan (VSPP). While optional, the VSPP facilitates compliance with the Share Purchasing Policy, while complying with the Securities Trading Policy and ASX trading rules. Under the VSPP, a pre-agreed amount of Ansell shares (by value) are purchased on-market (at no discount) on behalf of the participants, but are subject to a restriction on dealing until the executive/Director ceases to hold office.

# Corporate Governance Statement FY19 continued

## 5.7 Continuous Disclosure

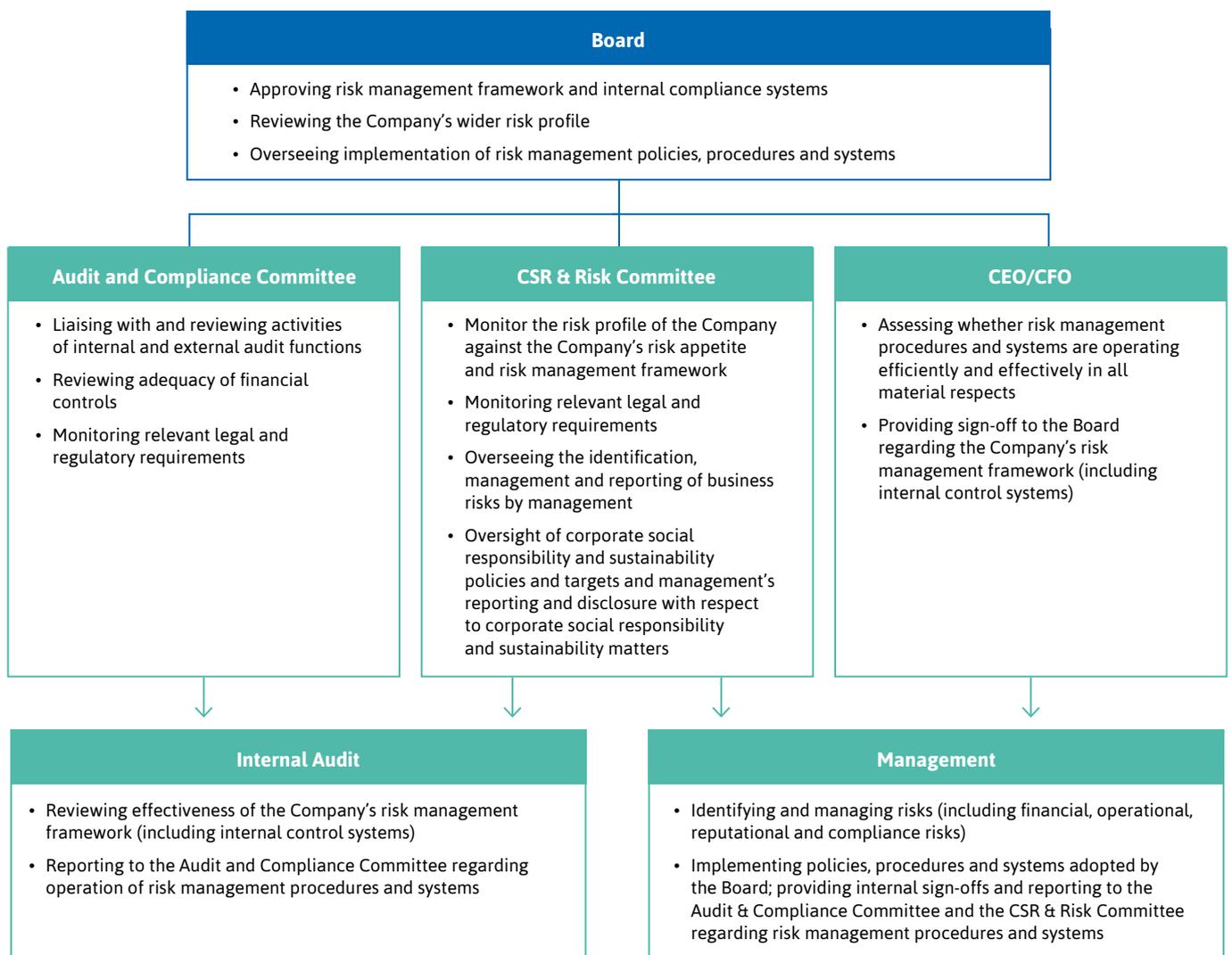
Ansell's practice is to release market-sensitive information to the ASX immediately as required under the ASX Listing Rules, then to the market and community generally through Ansell's media releases, website and other appropriate channels.

Ansell has an established process to ensure that it complies with its continuous disclosure obligations at all times.

Ansell's Continuous Disclosure Policy is available on the website at [www.ansell.com](http://www.ansell.com).

## 5.8 Other Policies

In addition to the policies above, there are a range of policies that define the Company's commitment to good corporate governance and responsible business practices. These are available on the Company's website.



# Corporate Governance Statement FY19 continued

## 6. Risk Management and Assurance

Ansell places a high priority on risk identification and management throughout all its operations and has processes in place to review their adequacy.

The Company's risk management practices include:

- a comprehensive risk control program that includes property protection and health, safety and environmental audits using underwriters, self-audits, and engineering and professional advisers;
- processes to identify the business risks (both financial and non-financial) applicable to each area of Ansell's activities and the maintenance of a specific framework that prioritises and monitors the mitigation of those risks; and
- regular reporting to the Audit and Compliance Committee or CSR & Risk Committee, as appropriate, and the Board.

In FY19, Ansell adopted a new detailed and structured Risk Management Framework to ensure that risk management activities are an integral component of sound management practices and good governance. The Risk Management Framework has been adopted in recognition that the identification, evaluation and management of risk are central to achieving the Company's corporate purpose of creating long-term shareholder value. Risk is inherent in our business, and the effective management of risk is vital to the growth and success of the Company.

The Chief Executive Officer and Chief Financial Officer are required to make written assurances to the Board that, having made appropriate enquiries, they have formed the opinion that:

- the financial records of the Company and its subsidiaries are maintained in accordance with the Corporations Act;
- the financial statements for the year ended 30 June 2019 have been prepared in accordance with the relevant accounting standards, and give a true and fair view, in all material respects, of the financial position and performance of the Company and its subsidiaries; and
- the assurances given are based on a sound system of risk management and internal control, which in all material respects:
  - was consistent with the policies adopted and delegated by the Board;
  - was based on the risk management framework adopted by the Board; and
  - was operating effectively in relation to financial reporting risks.

### 6.1 Material Business Risks

A summary of Ansell's material business risks (including economic, environmental and social sustainability risks) and the mitigation plans are provided in Ansell 2019 Annual Report found on the website at [www.ansell.com](http://www.ansell.com).

### 6.2 External Audit

It is Board policy that the lead external audit partner and review partner are each rotated periodically. The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor that is based on the principle that work that may detract from the external auditor's independence and impartiality, or be perceived as doing so, should not be carried out by the external auditor.

Details of the amounts paid to the external auditor for non-audit services performed during the year are set out in the Report of the Directors in the Ansell 2019 Annual Report found on the Company's website at [www.ansell.com](http://www.ansell.com).

The Board is satisfied based on advice from the Audit and Compliance Committee that the provision of these non-audit services was not in conflict with the role of the external auditor or its independence. The Company's external auditor has also confirmed its independence to the Directors in accordance with applicable laws and standards as set out in the Report of the Directors, found in the Ansell 2019 Annual Report.

It is the policy of the Board that the auditor attends the Annual General Meeting and is available to answer questions from shareholders.

Our KPMG Lead Audit Partner, Ms. Suzanne Bell, has had a lead Audit role with Ansell for 5 years and, in line with the *Corporations Act 2001* (Cth), she will end her tenure with Ansell. Ms. Bell will be replaced by Ms. Penny Stragalinos as Ansell's new Lead Audit Partner for FY20.

### 6.3 Internal Audit

Ansell's internal audit function is an independent assurance function established by the Board and management. The role of internal audit is to provide impartial and objective assurance and consulting services designed to add value and improve the operations of the Company.

## 7. Diversity

Ansell actively values and embraces the diversity of its employees and is committed to creating an inclusive workplace where everyone is treated equally and fairly and where discrimination, harassment and inequity are not tolerated.

The Ansell Diversity and Inclusion Policy formalises our commitment to diversity. The policy is underpinned by certain key principles including:

- striving to leverage diversity in all its forms (including gender, skills, background and experience) to compete more effectively in the global marketplace and driving customer satisfaction, innovation and company performance;
- maintaining fair and equitable recruitment and compensation practices and fostering development and career progression based on performance and merit;
- fostering an inclusive culture that treats our workforce with fairness and respect; and
- monitoring and measuring our diversity performance and striving for continuous improvement.

To achieve the objectives set out in the policy, the Company has reviewed and standardised its processes for recruitment to eliminate any barriers to diversity, implemented a global grading structure to ensure equity and fairness across the organisation, developed a global learning and development curriculum to provide career opportunities for every employee, and implemented succession planning and talent management processes across the organisation to identify potential employees whose skills can be further developed. In FY16, the Board endorsed strategies designed to increase gender diversity and agreed on gender diversity objectives, as part of Ansell's broader commitment to diversity and inclusion. These objectives included that, over a three-year period, Ansell would aim to have women comprising 30% of its executive management and over 40% of its senior management.

The Board also sets clear targets for gender representation as part of Ansell's broader commitment to diversity and inclusion. Ansell has committed to have women constituting circa 50% of its Board by 2020 and beyond, acknowledging that this may fluctuate from time to time due to the effect of changes on a small group size. With the appointment of Christine Yan, women now make up 44% of the Board. Upon Glenn Barnes' retirement at the 2019 AGM, this will increase to 50%.

In addition, Ansell will also continue its policy of eliminating barriers to diversity, which will further encourage suitable gender diversity throughout the organisation. The Company undertakes regular reviews to ensure that it is adequately progressing towards acceptable gender diversity.

In FY19, the proportion of our workforce currently represented by women is set out below:

<b>Women in Leadership Percentages at Ansell</b>	<b>Roles</b>	<b>FY18 %</b>	<b>FY19 %</b>
Directors	Board of Directors	33.0	<b>44%</b>
Executive Leadership	Director level and above	22.0	<b>24%</b>
Management	Manager level through Associate Director	34.0	<b>35%</b>

The Company's Code of Conduct further supports our commitment to diversity within Ansell. It includes a dedicated section on the importance of a workplace free of harassment and discrimination, and reiterates Ansell's commitment that all employment decisions, whether in relation to recruitment, promotion or remuneration, will be based on merit.

Reflecting the extensive global reach of Ansell's businesses, the Board is committed to ensuring sufficient diversity in its composition, particularly in relation to having Directors with experience in our different markets, and will continue to review its Board succession plans to encourage further diversity.

Refer to the Ansell CSR & Sustainability Report for further information on diversity within the Company, which will be released in October 2019 and made available on [www.ansell.com](http://www.ansell.com).

## 8. Stakeholder Engagement

### 8.1 Communication

Ansell is committed to positive and meaningful stakeholder engagement. Ansell knows that it builds greater trust with stakeholders when the Company is transparent and accountable.

The Company has implemented procedures to ensure that it provides relevant and timely information to its shareholders and to the broader investment community, in accordance with its obligations under the ASX continuous disclosure regime.

In addition to the Company's obligations to disclose information to the ASX and to distribute information to shareholders, the Company publishes its annual reports, annual and half-year results presentations, media releases and other investor relations publications on its website. The Company also ensures that security holders have the option to receive communications from and send communications to the Company and its security registry electronically.

The Chairman and Deputy Chairman meet with proxy advisers and shareholders twice per year to discuss proposed developments and results. In October 2017, Ansell hosted its first Capital Markets Day (CMD) in Sydney, Australia. The forum provided attendees with greater appreciation of Ansell's business fundamentals, strategic direction and growth plans. Ansell was recognised by the Australian Investor Relations Association (AIRA) for holding one of the best Investor Days by an Australasian company in 2017. To connect with key stakeholders in Europe and the Americas, a smaller Ansell team subsequently presented a condensed CMD event in London and Toronto during November 2017. Ansell will be holding its next CMD in March 2020 in Sydney, Chicago and London.

### 8.2 Annual General Meeting

The Board encourages full participation of shareholders at the Annual General Meeting (**AGM**) to ensure a high level of accountability and discussion of Ansell's strategy and goals.

The Ansell Notice of Meeting 2019 for the AGM will be provided to all shareholders and made available on the Ansell website. During the AGM shareholders have the opportunity to submit questions to the Chairman. Shareholders have the right to vote on various resolutions related to Company matters.

The external auditor attends the AGM to answer shareholder questions about the conduct of the audit, and the preparation and content of the Auditor's Report. The Company also proactively uses the ASX platform to broadcast invitations to investor briefings.

# Corporate Governance Statement FY19 continued

## 9. ASX Corporate Governance Principles and Recommendations

The following checklist summarises the Company's compliance with the ASX Principles (as applicable to the Company for the financial year ended 30 June 2019), and provides reference to where the specific Principles are dealt with in this report:

	<b>Recommendation</b>	<b>Reference</b>	<b>Compliance</b>
<b>Principle 1</b>	<b>Lay solid foundations for management and oversight</b>		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Section 3.2	Comply
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Section 3.5	Comply
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Section 3.1	Comply
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Section 3.12	Comply
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Section 7	Comply
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Section 3.6	Comply
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Section 3.6	Comply

# Corporate Governance Statement FY19 continued

	<b>Recommendation</b>	<b>Reference</b>	<b>Compliance</b>
<b>Principle 2 Structure the Board to add value</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent director, and</p> <p>(b) disclose:</p> <p>(1) the charter of the committee;</p> <p>(2) the members of the committee; and</p> <p>(3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(c) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Section 3	Comply
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Section 3.3	Comply
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the board to be independent Directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Section 3.1/ Section 3.3	Comply
2.4	A majority of the board of a listed entity should be independent Directors.	Section 3.1	Comply
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Section 3.3	Comply
2.6	A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Section 3.5	Comply
<b>Principle 3 Act ethically and responsibly</b>			
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	Section 5.3	Comply

# Corporate Governance Statement FY19 continued

	<b>Recommendation</b>	<b>Reference</b>	<b>Compliance</b>
<b>Principle 4 Safeguard integrity in corporate reporting</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and</p> <p>(b) disclose:</p> <p>(1) the charter of the committee;</p> <p>(2) the relevant qualifications and experience of the members of the committee; and</p> <p>(3) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Section 3	Comply
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Section 3	Comply
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Section 6.2	Comply
<b>Principle 5 Make timely and balanced disclosure</b>			
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	Section 5.7	Comply
<b>Principle 6 Respect the rights of security holders</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Section 1/ Section 8	Comply
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Section 8.1	Comply
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Section 8.1	Comply
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Section 8.1	Comply

# Corporate Governance Statement FY19 continued

	<b>Recommendation</b>	<b>Reference</b>	<b>Compliance</b>
<b>Principle 7</b>	<b>Recognise and manage risk</b>		
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent director, and</p> <p>(b) disclose:</p> <p>(1) the charter of the committee;</p> <p>(2) the members of the committee; and</p> <p>(3) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Section 3	Comply
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Section 3	Comply
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Section 6.3	Comply
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Section 6	Comply