

2015  
Corporate  
Governance

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# Corporate Governance Statement

The Corporate Governance Statement sets out the corporate governance practice for the year ending 30 June 2015 for Ansell Limited ('Ansell' or 'the Company') and including its group companies ('Ansell Group') and is divided into four main sections:

- (a) Optimizing the structure of the Board and Committees;
- (b) Effective oversight, governance and ethical leadership;
- (c) Appropriate management structure, remuneration and performance management; and
- (d) Dealing with material risks

In addition, Ansell's Annual Report provides some key highlights of the corporate governance activities of the Company in the 2015 financial year. The Annual Report, together with information about Ansell and its governance, can be found at [www.ansell.com](http://www.ansell.com)

## Introduction

In accordance with the Company's Constitution and the *Corporations Act 2001* (Cth), the Company operates through its Board of Directors and management. Corporate governance refers to the effective interaction of the Board and Ansell's management team, with the Board's objective to provide effective oversight of the Ansell Group. In order to ensure this, the Board works under a set of well-established corporate governance policies and charters. These policies are publicly available on the Company's website, [www.ansell.com](http://www.ansell.com)

The Board regularly reviews the Ansell Group'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. As part of the review, the Board also assesses its compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition ('ASX Principles').

This Corporate Governance Statement outlines the key components of the corporate governance framework of Ansell in place during the year ended 30 June 2015. The Board believes that the Company's corporate governance policies and practices have complied in all substantial respects with the ASX Principles. A checklist summarizing the Company's compliance with the ASX Principles is set out in Section 5 of this Report.

## 1. Optimizing the Structure of the Board and Committees

### 1.1 Ansell Limited Board Charter

The Board has ultimate responsibility for setting policy regarding the business and affairs of the Ansell Group for the benefit of the shareholders and other stakeholders, and is accountable to shareholders for the performance of the Ansell Group.

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

- strategy, planning and monitoring;
- shareholder communication and compliance; and
- risk management and internal controls.

# Corporate Governance Statement continued

	<b>Strategy, planning and monitoring</b>	<b>Shareholder communication and compliance</b>	<b>Risk management and internal controls</b>
<b>Approving</b>	<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 Executives</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>
<b>Reviewing and monitoring</b>	<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 the Group</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>
<b>Evaluating</b>	<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>

In carrying out its duties, the Board meets formally at least six 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.

The Board delegates management of the Company's resources to the Executive Leadership Team, under the leadership of the Managing Director and Chief Executive Officer, to deliver the strategic direction and achieve the goals determined by the Board. Any powers not specifically reserved for the Board have been delegated to the executive team.

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.

## 1.2 Board Composition and Planning for Success

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.

### 1.2.1 Board Composition

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 Chief Executive Officer, 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.

The Company currently has eight Directors, one of whom is an Executive Director (being the Chief Executive Officer, who is also the Managing Director). Each Director is appointed pursuant to a written agreement. All of the Non-executive Directors, including the Chairman, are considered to be independent. The length of service is as follows:

Director	Length of Service at 30 June 2015
Mr Glenn L L Barnes – Chairman of Board and Chairman of Governance Committee	Nine years and nine months as a Director Two years and eight months as Chairman
Mr Magnus R Nicolin – CEO and Managing Director	Five years and three months
Mr Ronald J S Bell – Chairman Human Resources Committee	Nine years and ten months
Mr John A Bevan	Two years and ten months
Mr L Dale Crandall	Twelve years and seven months
Mr W Peter Day – Chairman Audit and Compliance Committee	Seven years and ten months
Ms Annie H Lo	Two years and six months
Ms Marissa Peterson – Chair Risk Committee	Eight years and ten months

Each member of the Executive Leadership Team is also appointed pursuant to a written agreement and the Company Secretary is directly accountable to the Board through his direct reporting line to the Chairman.

In order to ensure that Directors are able to fully discharge their duties to the Company, all Directors must consult with the Chairman of the Board and advise the Governance Committee prior to accepting a position as a Non-executive Director of another company.

### Board Structure

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. 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. 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, however, continue to assess the application of this policy to each Director having regard to the mix of experience, skills and knowledge then on the Board.

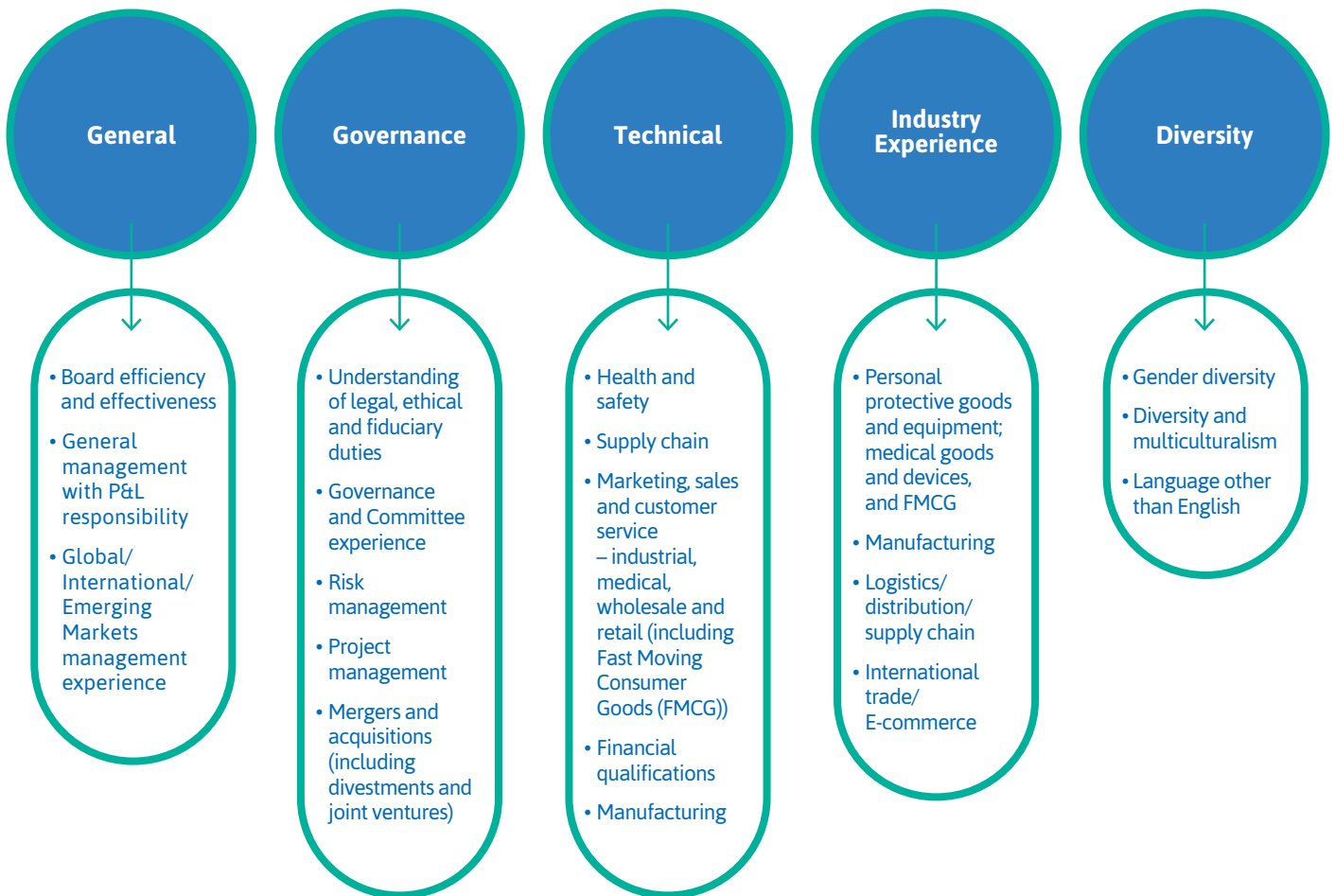
As a Company with diverse international operations, the Board considers it important that it has members with experience in the major jurisdictions in which we operate. The Governance Committee considers this fact when having regard to the nature of the Company's operations, geographic priorities and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

# Corporate Governance Statement continued

## Board Skills Matrix

The Board of Ansell is ultimately responsible for the oversight and review of the management, administration and overall governance of Ansell. Accordingly, the Board has created the following matrix which captures the key skills and diversity attributes of the Board members which it believes are critical to succeeding in its objectives. The Board presently possesses this blend of skills and diversity attributes.

The Board considers that the appropriate mix of skills and experience required for the Board is as follows:



## 2. Effective Oversight and Governance

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 aim 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)

### 2.1 Code of Conduct

The Code of Conduct applies to Directors, executives, management and employees; sets high standards for ethical behavior 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 and applicants 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.

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. During FY15, compliance training was provided across the organization covering areas such as anti-corruption, trade sanctions compliance and export controls and the Code of Conduct.

### 2.2 Conflicts of interest

In order to ensure that any 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 to require each Director to disclose any contracts, offices held, interests in transactions, contracts and other directorships which 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.

### 2.3 External advice

Any Director can seek independent professional advice at the Company's expense in the furtherance of his or her duties, subject to prior discussion with the Chairman. 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.

## 2.4 Other Key Governance Policies

### 2.4.1 Dealing in Shares

The Directors and senior management of Ansell may only buy or sell Ansell shares in the period immediately following the half-year and full year results and the Annual General Meeting except where they are in possession of market sensitive information. All Directors, senior management and employees are prohibited from buying and selling securities during the four weeks prior to the release of half and full year results and at all times when they are in possession of market sensitive information.

Additionally, in order to assist the Directors and the Executive Leadership Team to meet their shareholding targets under the Share Purchasing Policy, a facility was established in FY15 to allow the Directors and senior managers to purchase shares on a monthly basis. The plan operates by the participants nominating a fixed value of shares for a 12 month period. The value of the shares to be purchased on a monthly basis cannot be altered (either increased or decreased) for that 12 month period. The shares are acquired by a trustee company on behalf of the participants and allocated to the participants once the trade has settled.

At other times, Directors dealing in Ansell shares must obtain prior approval from the Chairman, and senior managers must obtain approval from the CEO.

It is the Company's policy that executives who participate in the Ansell Short Term Incentive Plan and the Long Term Incentive Plan or any other incentive plans are prohibited from entering into hedging arrangements in respect of any unvested performance rights.

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.

### 2.4.2 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 Annual Report.

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 their 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.

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

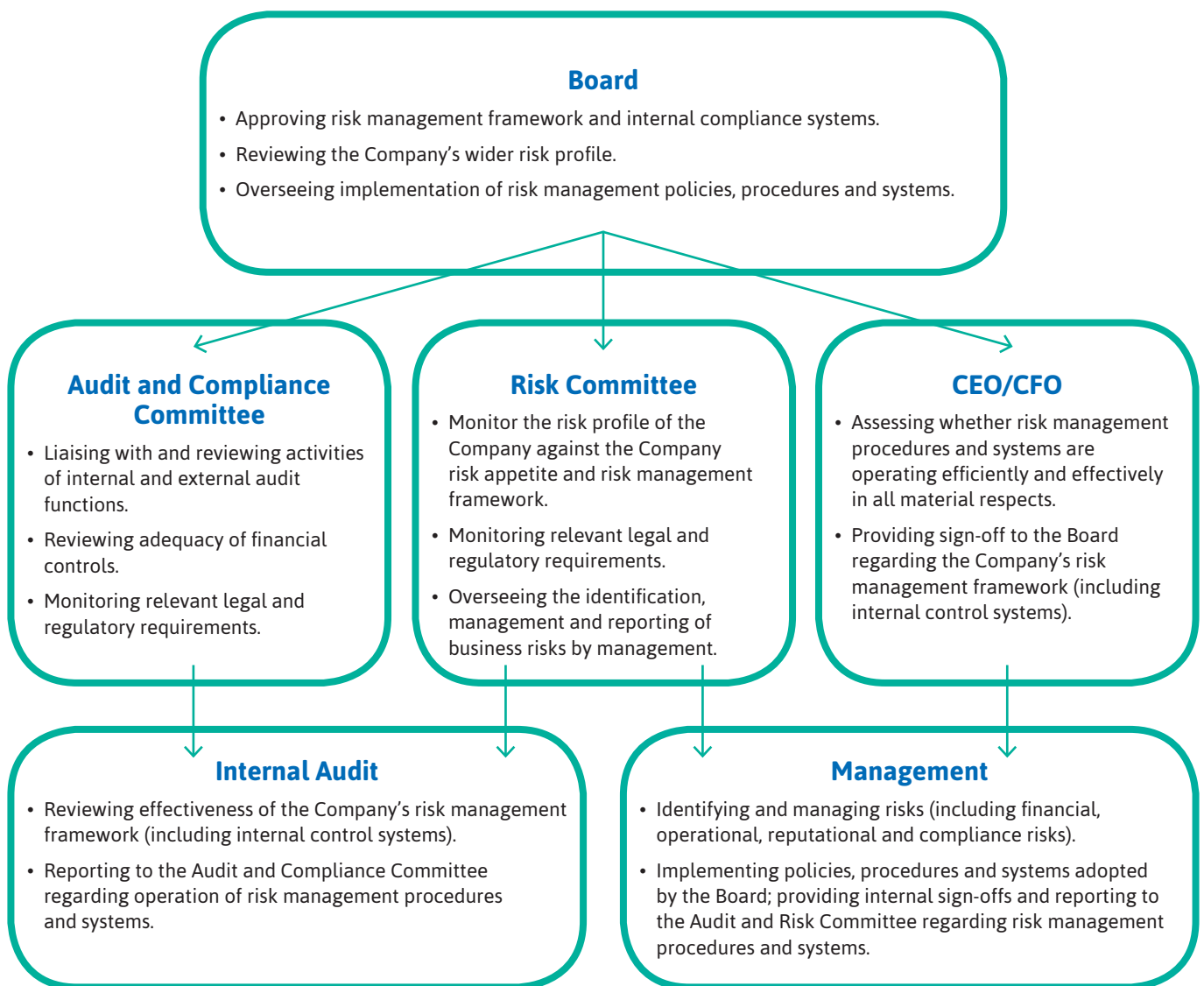
### 2.4.3 Risk Management

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 the Group's activities and the maintenance of a specific framework that prioritizes and monitors the mitigation of those risks; and
- regular reporting to the Audit and Compliance Committee or Risk Committee, as appropriate, and the Board.

The diagram below sets out division of risk management functions and responsibilities within the Company.





# Corporate Governance Statement continued

## 2.4.4 Risk Management

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 2015 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.

## 2.5 Disclosure to investors

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 Board encourages full participation of shareholders at the Annual General Meeting to ensure a high-level of accountability and discussion of the Group's strategy and goals. The external auditor attends the Annual General Meeting 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.

## 2.6 Board Committees

The Board now has standing Committees, being the:

- Audit and Compliance Committee;
- Risk Committee;
- Human Resources Committee; and
- Governance Committee

By circular resolution of the Board dated 20 May 2015, the Nomination, Remuneration and Evaluation Committee was split into two new committees, namely, the Human Resources Committee and the Governance Committee. Each Committee operates under a specific Charter, which is reviewed periodically by the Board. 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.

	<b>Audit and Compliance Committee</b>	<b>Risk Committee</b>
<b>Members and Qualifications</b>	W P Day (Chair) LLB, MBA (Monash), FCPA, FCA, GAICD L D Crandall CPA, MBA (UC Berkeley) A H Lo BSc (BusAdm), MBA (Eastern Michigan) M T Peterson BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT)	M T Peterson (Chair) W P Day A H Lo L D Crandall
<b>Composition</b>	Committee members are required to: <ul style="list-style-type: none"> <li>• be independent, Non-executive Directors (minimum of three required)</li> <li>• be financially literate (minimum one required)</li> <li>• possess an understanding of the industry in which Ansell operates</li> </ul>	The Committee is required to: <ul style="list-style-type: none"> <li>• comprise a majority of independent, Non-executive Directors (minimum of three required)</li> <li>• possess the business experience, skills and acumen to be effective in the role</li> </ul>

	<b>Audit and Compliance Committee</b>	<b>Risk Committee</b>
<b>Functions</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>Monitors:</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>Advising Board on:</p> <ul style="list-style-type: none"> <li>• appointment, removal, independence and remuneration of external auditor</li> <li>• meeting all its financial and corporate governance obligations and requirement</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:</p> <ul style="list-style-type: none"> <li>• 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</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 Board on the:</p> <ul style="list-style-type: none"> <li>• approval, review and recommendations to principles, policies and strategies for the management of risks the Company</li> <li>• approval or recommended changes to the Company's risk appetite and risk tolerance levels</li> </ul> <p>Advising 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>

# Corporate Governance Statement continued

	<b>Audit and Compliance Committee</b>	<b>Risk Committee</b>
<b>Key activities during 2015</b>	<ul style="list-style-type: none"> <li>• agreed an annual calendar of activities for oversight</li> <li>• ongoing review of the performance of the internal audit function</li> <li>• consideration of risk areas identified and incorporation into the audit plan</li> <li>• consider and review the Company's effectiveness of internal controls over financial reporting and financial risk management</li> <li>• review of key findings of the external auditor and implement any planned changes in their audit plan</li> <li>• reviewing and overseeing of the Company's half and full year financial reporting and associated audit</li> <li>• reviewing the effectiveness and independence of the external auditor</li> </ul>	<ul style="list-style-type: none"> <li>• agreed an annual calendar of activities for oversight</li> <li>• considered the operations risk management systems, health and safety, environment, product stewardship and property protection practices as well as the appropriate metrics to measure and levels to accept of each risk identified</li> <li>• reviewed the Company's compliance with policies, procedures and programs, including the Global Code of Conduct including accepting and reviewing reports on the progress of the Company's internal compliance program</li> <li>• reviewed anticipated changes to Ansell's operating environment, and how this may impact future strategy and capital requirements of the Company</li> <li>• oversee the implementation of Company's dual Enterprise Resource Plan (ERP) strategy</li> </ul>
<b>Consultation</b>	Other Directors, members of management and the principal external audit partner are invited to attend Committee meetings to provide reports and/or guidance where appropriate.	Other Directors and members of management are invited to attend Committee meetings to provide reports and/or guidance where appropriate.  The Committee may engage legal and financial advisers to assist with the effective discharge of its duties
<b>Experience of Committee Members</b>	<p>Mr Day has held senior financial positions in a diverse number of international industries.</p> <p>Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and brings to the Board extensive international business experience.</p> <p>Mr Crandall has a background in accounting and finance and is a former Group Managing Partner for Southern California for Price Waterhouse.</p> <p>Mrs Lo was formerly the Chief Financial Officer of Johnson &amp; Johnson's Worldwide Consumer and Personal Care Group.</p> <p>Mrs Peterson retired from full-time executive roles in 2006, having spent 18 years with Sun Microsystems in Senior Executive positions. She has extensive experience in supply chain management, manufacturing and quality, logistics, information technologies, customer advocacy and leadership development.</p>	
<b>Ongoing review</b>	<p>The Audit and Compliance Committee and the Risk Committee met four times in the 2015 financial year. All members attended each meeting.</p> <p>Committees will meet at least once a year for review and to make sure they are adhering to their specific charters. Each Committee maintains the need for involvement in regards to the consistent improvement in the corporate governance environment. The Committees will recommend to the Board the formal adoption of any revised charter.</p>	

	<b>Human Resources Committee</b>	<b>Governance Committee</b>
<b>Members</b>	R J S Bell (Chair) G L L Barnes J A Bevan	G L L Barnes (Chair) R J S Bell J A Bevan
<b>Composition</b>	The Committee is required to: <ul style="list-style-type: none"> <li>comprise a majority of independent, Non-executive Directors (minimum of three required)</li> </ul>	The Committee is required to: <ul style="list-style-type: none"> <li>comprise a majority of independent, Non-executive Directors (minimum of three required)</li> </ul>
<b>Functions</b>	<p>Reviewing:</p> <ul style="list-style-type: none"> <li>the remuneration and benefit structures of Directors and management</li> <li>the performance of the 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> <p>Advising 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>	<p>Reviewing:</p> <ul style="list-style-type: none"> <li>the structure and performance of the Board, the Committees and individual Directors (and to recommend changes where required)</li> </ul> <p>Establishing:</p> <ul style="list-style-type: none"> <li>policies and criteria for Non-executive Director selection, and identifying suitable candidates for appointment</li> </ul> <p>Advising Board on:</p> <ul style="list-style-type: none"> <li>succession planning for both the Board and Senior Executives</li> </ul>
<b>Key activities during 2015</b>	<ul style="list-style-type: none"> <li>overseeing benchmarking review of Board, CEO and Key Management Personnel remuneration and recommending remuneration levels to the Board</li> <li>reviewing and recommending to the Board the level of fixed and incentive arrangements for the CEO and senior management leadership team</li> <li>reviewing changes to the ELT and obtaining independent advice on remuneration</li> <li>reviewing and recommending to the Board 2015 remuneration outcomes</li> </ul>	<ul style="list-style-type: none"> <li>reviewing CEO and Senior Executive succession planning</li> <li>considering the effectiveness of the current board structure and reviewing the optimal future board structure</li> </ul>
<b>Consultation</b>	As required, the Committee may engage independent professional advisers.	<p>As required, the Committee may engage independent professional advisers to:</p> <ul style="list-style-type: none"> <li>assist in identifying high-calibre Directors and executives</li> <li>advise on whether the Company's employment policies and practices, including terms and conditions, are competitive and consistent with those offered by comparable companies.</li> </ul> <p>The Committee may also request members of management to attend meetings and/or provide information where appropriate</p>
<b>Ongoing review</b>	<p>Committees will meet at least once a year for review and to make sure they are adhering to their specific charters. Each Committee maintains the need for involvement in regards to the consistent improvement in the corporate governance environment. The Committees will recommend to the Board the formal adoption of any revised charter.</p> <p>The Nomination, Remuneration and Evaluation Committees met four times in FY15 and all members attended each meeting. The Human Resources Committee met once in the FY15 and all members attended each meeting. The Governance Committee met once in the FY15 and all members attended each meeting.</p>	

## 3. Appropriate Management Structure, Remuneration and Performance Management

### 3.1 Diversity

Ansell recognises that effectively harnessing a talented and diverse global workforce is a key competitive advantage for our business and our success is a reflection of not only the quality and skills of our people, but our ability to channel their backgrounds, experiences, regional points of view and cultural and ethnic differences.

We actively value and embrace the diversity of our employees and are 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 our policy, we have reviewed and standardized our processes for recruitment to eliminate any barriers to diversity; implemented a global grading structure to ensure equity and fairness across the organization; developed a global learning and development curriculum to provide career opportunities for every employee; implemented succession planning and talent management processes across the organization to identify potential employees whose skills can be further developed. Ansell does not have measurable targets for achieving gender diversity and therefore does not annually assess progress. Ansell has chosen not to create such targets as it believes that its policy of eliminating barriers to diversity would, over time, achieve suitable gender diversity in the organization. The Company undertake regular reviews to ensure that it is adequately progressing towards acceptable gender diversity.

In keeping with our commitment to diversity, the proportion of our workforce currently represented by women is set out below:

	<b>Ansell Limited Group</b>
<b>Board</b>	25% (two female Board members out of eight)
<b>Executive Leadership Team and senior management</b>	20%
<b>Total workforce</b>	50%

The Company's Global 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, the consequences for any of our employees found to be harassing or discriminating against other of our employees and reiterates the Group'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.

### 3.2 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 the Annual Report which is available in hard copy and online at [www.ansell.com](http://www.ansell.com)

### 3.3 Performance and Evaluation

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.

In FY15, the Board has formally reviewed its performance using a comprehensive and structured self-assessment approach based on the individual input and responses of Directors. This included 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. A Professional Development Policy was also adopted in FY15 to ensure that the skills and knowledge of the individual Directors is refreshed and updated periodically.

The Board also engaged 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 the Group continue to be met in the future.

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 the Executive Leadership Team of the Company as conducted by the Chief Executive Officer.

### 3.4 Nominations

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 Governance Committee and recommended to the Board to enable the Board to make a recommendation to shareholders in relation to the Director's 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 in office. The Governance Committee has the responsibility to undertake background checks and to ensure that all material information is provided to shareholders prior to presenting the candidate for election as a Director.

The Board has adopted an Induction Policy to assist with the on boarding of new Directors.

## 4. Dealing with Material Risk

Ansell is a global protection solutions leader with a committed workforce in excess of 14,000 employees spread across 35 countries dedicated to the manufacture, marketing and distribution of our products all around the world. In operating its business, it has recognized three main areas of risk:

- (a) Alignment with community values;
- (b) Environmental stewardship; and
- (c) Health and safety.

In addition, Ansell recognises other material business risks which are outlined in pages 36 to 37 of the 2015 Annual Report which is published on its website, [www.ansell.com](http://www.ansell.com)

### 4.1 Alignment with community values

Ansell recognizes that its business impacts the environment and the community in which it operates. Our belief is that it is good business practice to be aware of these impacts and respond to them effectively by minimizing any negative impacts arising from its operations.

Ansell understands that it is crucial for economic development needs to be aligned with the health and well-being of people, their communities and the environment. It is sound business management for Ansell to address its social and environmental obligations in striving to optimize its economic performance.

Ansell is also committed to procuring products and services in ways that are socially responsible, meet the community's expectations of us as a good corporate citizen and reflect our values. In evaluating and selecting suppliers, the Company assesses the environmental and social issues associated with their operations and seeks to ensure that they share the Company's environmental and social standards.

These issues are addressed in Ansell's Corporate Responsibility Policy which is published on its website.

# Corporate Governance Statement continued

## 4.2 Environmental Stewardship

Ansell is committed to conducting operations in an environmentally responsible manner while striving to sustain the goals of the Company. The Company will continually assess the impacts of its operations to protect and improve on the environment and promote environmental awareness with its employees.

Ansell acknowledges that reducing unnecessary waste and minimizing the consumption of scarce resources is consistent with ongoing financial sustainability in terms of meeting the expectations of our stakeholders, reducing costs and minimizing risks.

Through its operations, Ansell is committed to eliminating unnecessary waste, resource conservation, reducing energy consumption, water efficiency management, monitoring and reducing emissions of all pollutants and complying with relevant environmental regulations and standards.

These issues are addressed in Ansell's Environmental Policy which is published on its website.

## 4.3 Health and Safety

The well-being of Ansell employees is vital to growing its business for the benefit of customers, shareholders and the wider community. The Company is committed to providing a healthy, safe and engaging work environment.

Ansell strives to maintain a health and safety management system conforming to government standards and industry best practices – integrated with the profitable operation of the Company.

The Company's employment policies commit to:

- Providing a safe working environment through best practice in health and safety management in all its businesses.
- Being an equal opportunity employer, committed to developing a diverse workforce.
- Creating an environment where everyone is encouraged to give their best and raise their full potential, through the provision of learning and development opportunities.

These issues are addressed in Ansell's Safety and Loss Control Policy which is published on its website.

## 4.4 Other Material Risks

On pages 36 and 37 of the 2015 Annual Report (available on [www.ansell.com](http://www.ansell.com)), details are provided of the material business risks and steps taken to mitigate those risks.

Two material economic risks which are noted in the 2015 Ansell Annual Report are:

### (a) Emerging Market Instability

The Group is continuing to expand its presence in emerging markets. Instability in those markets is possible and could arise from geopolitical, regulatory or other factors beyond the Group's control. To mitigate this risk, continuous monitoring of the Group's overall exposure to emerging markets and to market conditions in those markets is undertaken.

### (b) Foreign Exchange Risk

With only around 50 per cent of the Group's revenues and costs denominated in our US\$ reporting currency, changes in FX rates can have a significant impact on US\$ earnings. Details of the Group's foreign exchange risks and strategies are detailed in Note 15 to the 2015 financial statements.

## Section 5 – ASX Principles

The following checklist summarizes the Company's compliance with the ASX Principles (as applicable to the Company for the 2015 financial year), and provides reference to where the specific Principles are dealt with in this Report:

	ASX Principle	Reference	Compliance
<b>Principle 1: Lay solid foundations for management and oversight</b>			
1.1	Disclose a charter which sets out the respective roles and responsibilities of the Board, the chair and management which includes a description of those matters expressly reserved to the Board and those delegated to management	Section 1.1	Comply
1.2	Undertake appropriate checks before appointing a person and provide all material information to security holders when putting forward a candidate for election as a Director	Section 3.4	Comply
1.3	Have a written agreement with each Director and Senior Executive setting out the terms of their agreement	Section 1.2.1	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 1.2.1	Comply
1.5	Have a Diversity Policy including measurable targets for achieving gender diversity and annually assess progress. Disclose the measurable objectives and the information required under the Workplace Gender Equality Act	Section 3.1	Partly Comply
1.6	Have and disclose the process for performance evaluation of board, committees and individual Directors. Disclose whether an evaluation was undertaken in accordance with the policy.	Section 3.3	Comply
1.7	Have and disclose the process for performance evaluation its Senior Executives. Disclose whether an evaluation was undertaken in accordance with the policy.	Section 3.3	Comply
<b>Principle 2: Structure the Board to add value</b>			
2.1	Have a Nomination Committee with three members, the majority of which are independent and is chaired by an independent Directors. Disclose the charter and the members of the committee and how many times the committee met and the individual attendances of the Directors	Section 2.6	Comply
2.2	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 1.2.1	Comply
2.3	Disclose the names of the Directors considered to be independent Directors; any relevant interests of the type in Box 2.3 of the ASX Principles; and the length of service of each Director.	Section 1.2.1	Comply
2.4	A majority of the Board should be independent Directors	Section 1.2.1	Comply
2.5	The chair should be an independent Director and the roles of chair and Chief Executive Officer should not be exercised by the same individual	Section 1.2.1	Comply
2.6	Have a policy for induction and professional development	Section 3.3	Comply
<b>Principle 3: Promote ethical and responsible decision-making</b>			
3.1	Establish a Code of Conduct and disclose the code or a summary of the code	Section 2.1	Comply
<b>Principle 4: Safeguard integrity in financial reporting</b>			
4.1	The Board should establish an audit committee which is structured only of non-executive Directors, a majority of which are independent Directors and is chaired by an independent Director who is not the Chair of the Board. Disclose the charter of the committee, the relevant qualifications and experience of the members and the number of meetings and the individual attendances.	Section 2.6	Comply
4.2	The Board should receive a written statement from the CEO and CFO of the type set out in Principle 4.2 before approving the financial statements.	Section 2.6	Comply
4.3	Ensure that the external auditor attends the AGM and is available to answer questions from security-holders.	Section 2.4.2	Comply



# Corporate Governance Statement continued

<b>Principle 5: Make timely and balanced disclosure</b>			
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a Senior Executive level for that compliance and disclose those policies or a summary of those policies	Section 2.5	Comply
<b>Principle 6: Respect the rights of shareholders</b>			
6.1	Provide information about itself and its governance to investors via its website	Introduction/ Section 2.5	Comply
6.2	Design and implement an investor relations program to facilitate effective two-way communication with investors	Section 2.5	Comply
6.3	Disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders	Section 2.5	Comply
6.4	Give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Section 2.5	Comply
<b>Principle 7: Recognise and manage risk</b>			
7.1	Have a committee to oversee risk which is structured only of non-executive Directors, a majority of which are independent Directors. Disclose the charter of the committee and the number of meetings and the individual attendances.	Section 2.6	Comply
7.2	Annually, review the entity's risk management framework to satisfy itself that it is sound; and disclose whether such a review has taken place.	Section 2.6	Comply
7.3	Disclose whether the entity has an internal audit function and what role it performs.	Section 2.4.3	Comply
7.4	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.	Section 4	Comply
<b>Principle 8: Remunerate fairly and responsibly</b>			
8.1	The Board should establish a Remuneration Committee of three members, a majority of which are independent Directors and is chaired by an independent Director. Disclose the charter of the committee, the members of the committee and the number of meetings and the individual attendances at the end of the reporting period.	Section 2.6	Comply
8.2	Disclose policies and practices relating to remuneration of non-executive Directors and the remuneration of Executive Directors and other Senior Executives.	Section 3.2	Comply
8.3	For the equity-based remuneration scheme, have a policy on whether participants are permitted to enter transactions which limit the economic risk of participating in the scheme and disclose the policy or a summary of it.	Section 2.4.1	Comply