



2017  
Corporate Governance  
Statement



# Corporate Governance Statement FY17

The Corporate Governance Statement sets out the corporate governance practice for the financial year ending 30 June 2017 ('FY17') for Ansell Limited ('Ansell' or 'the Company') and including its group companies ('Ansell Group') and is divided into four main sections:

- (a) optimising 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 FY17. 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. 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 the Ansell Group in place during the year ended 30 June 2017. The Board believes that the Company's corporate governance policies and practices have complied in all respects with the ASX Principles. A checklist summarising the Company's compliance with the ASX Principles is set out in Section 5 of this Report.

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

### 1.1 Ansell 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 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 FY17 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 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>
<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 Ansell 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 Leadership 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 has eight Directors, one of whom is an Executive Director (being the Chief Executive Officer and 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 2017
Mr Glenn L L Barnes – Chairman of Board and Chair of Governance Committee	Eleven years and nine months as a Director Four years and eight months as Chairman
Mr Magnus R Nicolin – CEO and Managing Director	Seven years and three months
Mr John A Bevan – Deputy Chairman of Board	Four years and ten months
Mr Ronald J S Bell – Chair Risk Committee	Eleven years and ten months
Mr L Dale Crandall	Fourteen years and seven months
Mr W Peter Day – Chair Audit and Compliance Committee	Nine years and ten months
Mrs Leslie A Desjardins	One year and seven months
Mrs Marissa Peterson – Chair Human Resources Committee	Ten 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 or her 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.

### 1.2.2 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 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 the Ansell Group 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.

## 1.2.3 Board Succession

As some of the Company's Non-Executive Directors near the end of their tenure, the Board recently approved a succession plan 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.

After nearly fifteen years' service, Mr Dale Crandall will retire from the Board at the 2017 Annual General Meeting. Mr Crandall was appointed as a Non-Executive Director in 2002 at a time when the Company required strong and courageous leadership from the Board as it worked through the legacy issues inherited from the restructuring of the troubled Pacific Dunlop Limited Group. He has provided insightful guidance, sound counsel and unwavering support to the Company throughout the journey to the profitable and stable Ansell of today. The Board and the Management of Ansell Limited wish to acknowledge the extraordinary contribution that Mr Crandall has made to Ansell during his tenure.

With Mr Crandall's retirement, Mr William Reilly will seek election to the Board at the 2017 Annual General Meeting. Mr Reilly will bring his 35+ years' experience as an in-house lawyer, 17 years' of which were with Ansell, to the Board in his new role as a Non-Executive Director. Mr Reilly was appointed as General Counsel of Ansell Healthcare in 2000 when it was a division of Pacific Dunlop Limited, subsequently becoming General Counsel of Ansell Limited in 2002. Mr Reilly has served with three Chief Executive Officers and has played pivotal roles leading many of Ansell's corporate strategic and legal initiatives, including mergers and acquisitions, litigation and the successful intellectual property strategy. He has also overseen the Global Compliance and Risk functions, acted as interim head of Human Resources, leader of the Regulatory function and joint Company Secretary. The Board looks forward to continued access to Mr Reilly's extensive knowledge of the business and thoughtful counsel as a Director of Ansell.

Mr Ronald Bell has also indicated his plan to retire from the Board at the 2018 AGM, after nearly 13 years' service on the Board. The Board therefore considered it prudent to nominate an additional Non-Executive Director, to ensure a smooth and effective transition.

Mrs Christina Stercken will, therefore, also seek election to the Board as an independent Non-Executive Director. Mrs Stercken is currently partner at EAC – Euro Asia Consulting PartG, a management consultancy firm specialising in internationalisation strategies, M&A and operational excellence. Before joining EAC, Mrs Stercken served as Managing Director Corporate Finance M&A of Siemens AG. Among other management positions within Siemens AG, she was responsible for the Siemens Task Force China and Head of Public Sector Business Unit at Siemens Business Services. She started her career in Marketing with BMW Pvt Ltd, South Africa. Mrs Stercken will bring a broad range of competencies relevant to the Company's strategies, including mergers and acquisitions, supply chain optimisation and business building in developing markets.

In February 2017, Mr John Bevan was appointed as Deputy Chairman of the Board, and it is intended that Mr Bevan will succeed the current Chairman, Mr Barnes, following the 2019 Annual General Meeting as the Company's Chairman.

The Board are confident that with this well-orchestrated succession plan, the Company will add new skills and experience while maintaining continuity and corporate knowledge.

This year the Company also took the unusual step of announcing CEO succession plans. The Board has identified potential candidates to make up the next generation senior team and our next CEO, reaffirming our strong commitment to developing internal talent.

# Corporate Governance Statement FY17 continued

## 1.2.4 Number of Directors

The Company is proposing at the 2017 Annual General Meeting that, in accordance with the Constitution, the maximum number of Directors permitted be permanently increased from eight to nine. This increase will:

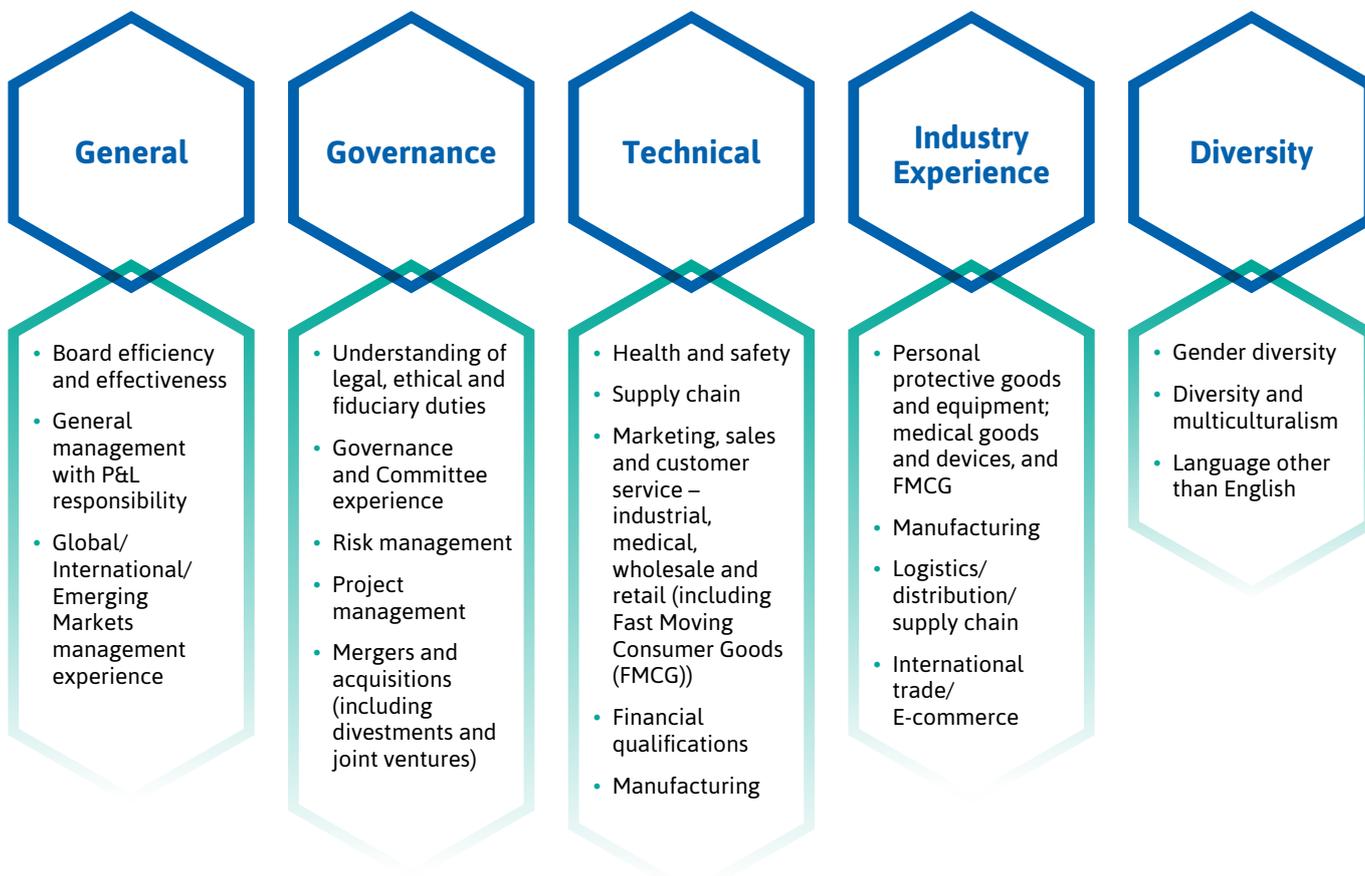
- accommodate the retirement of Dale Crandall and the appointments of William Reilly and Christina Stercken to the Board; and
- allow the Board to have the headroom needed to maintain flexibility for succession planning so as to be able to appoint additional Directors to enhance and complement the Board's skill set.

It is presently expected that there will be capacity for at least 1 additional Director following the 2018 Annual General Meeting.

Refer to the Company's Notice of Annual General Meeting 2017 for more details.

## 1.2.5 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.



## 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 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).

### 2.1 Code of Conduct

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.

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 FY17 compliance training was provided across the organisation covering areas such as anti-corruption and internet security training.

### 2.2 Conflicts of Interest

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 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.

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 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.

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

# Corporate Governance Statement FY17 continued

## 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 Ansell Group'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 Risk Committee, as appropriate, and the Board.



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 2017 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.

# Corporate Governance Statement FY17 continued

## 2.4.4 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 Ansell 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.

## 2.5 Board Committees

The Board has the following standing Committees:

- Audit and Compliance Committee;
- Risk Committee;
- Human Resources Committee; and
- 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, FAICD J Bevan BCom (UNSW) L D Crandall CPA, MBA (UC Berkeley) L A Desjardins B. Industrial Admin (Kettering), MS (MIT) R J S Bell BA (Strathclyde) <sup>1</sup>  1. Mr Bell replaced Mrs Peterson as a member of the Audit and Compliance Committee in February 2017.	R J S Bell (Chair) <sup>1</sup> M T Peterson BSc (MECH), MBA (Harvard), Hon Doctorate (MGMT) W P Day L D Crandall  1. Mr Bell replaced Mrs Peterson as the Chair of the Risk Committee in February 2017. 2. Mrs Desjardins was a member of the Risk Committee until February 2017.
<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 of 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>

# Corporate Governance Statement FY17 continued

Functions	Audit and Compliance Committee	Risk Committee
	<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>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, 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>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 FY17 continued

	<b>Audit and Compliance Committee</b>	<b>Risk Committee</b>
<b>Key activities during 2017</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 its 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, and 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> </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 was formerly the CFO of Amcor Limited and Bonlac Foods limited and has also held senior office and executive positions at Australian Securities and Investments Commission (ASIC) (Deputy Chair), Rio Tinto, CRA and Comalco.</p> <p>Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and is now the Chairman of BlueScope Steel Ltd and brings to the Board extensive international business experience.</p> <p>Mr Bell is an experienced international consumer industry executive with a background of over 30 years in highly competitive global branded products. He is a former President of Kraft Foods, Europe and served as Executive Vice President of Kraft Foods Inc. and brings to the Board broad general management and marketing skills particularly in the European and North American markets.</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 Desjardins is an experienced international finance executive with a focus on business performance and growth. Mrs Desjardins was formerly a Director of AptarGroup and Chief Financial Officer for Amcor Limited.</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 each met four times in FY17.</p> <p>All members attended each meeting.</p> <p>The Committees meet at least once a year for review and to make sure they are adhering to their specific charters. Each Committee aims for consistent improvement in the corporate governance environment. The Committees will recommend to the Board the formal adoption of any revised charter.</p>	

# Corporate Governance Statement FY17 continued

	Human Resources Committee	Governance Committee
<b>Members and qualifications</b>	<ul style="list-style-type: none"> <li>• M T Peterson (Chair)<sup>1</sup></li> <li>• G L L Barnes B Ag Sc (Melb), CPM, FAMI, FAICD, SF Fin, FRSA</li> <li>• J A Bevan</li> <li>• L A Desjardins<sup>2</sup></li> </ul> <p>1. Mrs Peterson replaced Mr Bell as the Chair of the Human Resources Committee in February 2017.</p> <p>2. Mrs Desjardins became a member of the Human Resources Committee in February 2017.</p>	<ul style="list-style-type: none"> <li>• G L L Barnes (Chair)</li> <li>• J A Bevan</li> <li>• L A Desjardins<sup>1</sup></li> </ul> <p>2. Mrs Desjardins replaced Mr Bell to become a member of the Governance Committee in February 2017.</p>
<b>Composition</b>	The Committee is required to comprise of a majority of independent Non-Executive Directors (minimum of three required).	The Committee is required to comprise of a majority of independent Non-Executive Directors (minimum of three required).
<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 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>	<p>Reviewing the structure and performance of the Board, the Committees and individual Directors (and to recommend changes where required).</p> <p>Establishing policies and criteria for Non-Executive Director selection, and identifying suitable candidates for appointment.</p> <p>Advising the Board on succession planning for both the Board and Senior Executives.</p>
<b>Key activities during 2017</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 FY17 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, including succession planning</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>

# Corporate Governance Statement FY17 continued

	Human Resources Committee	Governance Committee
<b>Experience of Committee Members</b>	<p>Mr Barnes has over twenty years of governance experience in banking and financial services, business information, consumer goods and the not-for-profit sector. He was involved in the packaged goods, banking and financial services sectors for over thirty years, as an executive, business leader and Director in Australia, New Zealand, the United Kingdom, United States of America, Republic of Ireland, Japan and China.</p> <p>Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited and is now the Chairman of BlueScope Steel Ltd and brings to the Board extensive international business experience.</p> <p>Mrs Desjardins is an experienced international finance executive with a focus on business performance and growth. Mrs Desjardins was formerly a Director of AptarGroup and Chief Financial Officer for Amcor Limited.</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>Committees meet at least once a year for review and to make sure they are adhering to their specific charters. Each Committee aims for consistent improvement in the corporate governance environment. The Committees will recommend to the Board the formal adoption of any revised charter.</p> <p>The Human Resources Committee met six times in FY17 and all members attended each meeting. The Governance Committee met twice in FY17 and all members attended each meeting.</p>	

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

### 3.1 Diversity

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 standardised our 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. 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 has since committed that Ansell would aim to have women comprising 50% of its Board by 2020. In addition, Ansell will also continue in 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.

# Corporate Governance Statement FY17 continued

In FY17, the proportion of our workforce currently represented by women is set out below:

<b>Board (Non-Executive Directors)</b>	29% (two female Non-Executive Directors out of seven <sup>1</sup> )
<b>Executive Leadership Team</b>	19.9%
<b>Manager Level and Above</b>	32.4%

1. Christina Stercken will seek election to the Board at the 2017 Annual General Meeting. Upon such appointment, the proportion of Non-Executive Directors represented by women will increase to 38%.

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 employees and reiterates the Ansell 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 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 finalising the matrix of skills, experience and characteristics required to be collectively met by the Board and each of the Committees.

In FY17, the Board 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. In FY15 a Professional Development Policy was also adopted to ensure that the skills and knowledge of the individual Directors is refreshed and updated periodically.

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 the Ansell 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 led 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 the 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 an Induction Policy to assist with the onboarding of new Directors.

## 4. Dealing with Material Risk

Ansell is a world-class manufacturer of personal protective equipment, ranging from protective suits to industrial gloves, sterile surgical gloves and condoms. Ansell has a committed workforce in excess of 15,000 employees spread across 55 countries dedicated to the manufacture, marketing and distribution of our products all around the world. In operating its business, it has recognised four main areas of risk:

- (a) Our People and Human Rights;
- (b) Engagement with the Community;
- (c) Environment and Sustainability; and
- (d) Governance

Further details of each of these risks together with other material business risks are outlined on pages 27 and 28 of the 2017 Annual Report which is published online at [www.ansell.com](http://www.ansell.com).

### 4.1 Our People and Human Rights

Ansell operates with a fundamental respect for the people we employ, do business with, and interact with along our value chain and in accordance with local and country governance. In recent years, we have made progress on our sustainability journey on some important issues, most notably the adoption by the Board in FY16 of the Ansell Human Rights Statement in accordance with the UN Guiding Principles on Business and Human Rights.

Our people are central to our success. 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.

Further details of Ansell's commitment to its people, the community and a sustainable future can be found in the 2017 Annual Report.

### 4.2 Engagement with the Community

Ansell recognises 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 this and respond effectively by minimising any negative impacts arising from its operations.

The 2017 Annual Report outlines key initiatives that Ansell has taken in response to disaster relief or to provide community support or development in the communities in which it operates.

Ansell has also engaged Sedex (the Supplier Ethical Data Exchange) to create a continuous improvement process in responsible and ethical supply chain management, and has piloted self-assessment surveys at a majority of our manufacturing facilities – India, China, South Korea, Thailand (two sites), Lithuania, Portugal and Vietnam – as well as initiating assessments with top suppliers.

## 4.3 Environment and Stewardship

Ansell recognises and manages several key risks including disaster preparedness and prevention; employee health and safety; and resource efficiency.

### 4.3.1 Disaster Preparedness and Prevention

Ensuring that Ansell can continually supply its customers with high-quality products within the expected timeframe of the customer is critical. As part of its Crisis Management and Recovery plan, Ansell actively monitors and manages risks including the loss of a key supplier, the management of proprietary sourcing, the loss of a key warehouse or facility, and safety.

### 4.3.2 Employee Health and Safety

As a leader in protection solutions, the safety of our workers is of paramount importance. Ansell measures, benchmarks and reports its safety statistics and these are regularly monitored by the Risk Committee. Our safety statistics for FY17 are published in the 2017 Annual Report.

### 4.3.3 Resource Efficiency

Ansell is committed to conducting operations in an environmentally responsible manner while striving to sustain the goals of the Company. Ansell acknowledges that reducing unnecessary waste and minimising the consumption of scarce resources is consistent with ongoing financial sustainability in terms of meeting the expectations of our stakeholders, reducing costs and minimising 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. Further details are found in the 2017 Annual Report. These issues are also addressed in Ansell's Environmental Policy which is published on its website.

## 4.4 Governance

Good corporate governance is critical to delivering shareholder value.

The Board has adopted systems to identify and manage risks and have appropriate oversight and governance of risk. The Board and the Executive Leadership Team also lead by example to ensure that the highest standard of ethical behaviour is adopted throughout Ansell.

This report provides details of the types of governance measures which have been put in place to manage the risks of operating the Company.

## 4.5 Other Material Risks

There are other material risks to which the Company is exposed. These are found on pages 27 and 28 of the 2017 Annual Report.

# Corporate Governance Statement FY17 continued

## 5. ASX Corporate Governance Principles

The following checklist summarises the Company's compliance with the ASX Principles (as applicable to the Company for FY17), and provides reference to where the specific Principles are dealt with in this Report:

	Recommendation	Reference	Compliance
<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 1.1	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 3.4	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 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	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 3.1	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 3.3	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 3.3	Comply

# Corporate Governance Statement FY17 continued

	<b>Recommendation</b>	<b>Reference</b>	<b>Compliance</b>
<b>Principle 2</b>	<b>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 disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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 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 2.5	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 1.2.3	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 1.2.1	Comply
2.4	A majority of the board of a listed entity should be independent directors.	Section 1.2.1	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 1.2.1	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 3.3	Comply
<b>Principle 3</b>	<b>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 2.1	Comply

# Corporate Governance Statement FY17 continued

	<b>Recommendation</b>	<b>Reference</b>	<b>Compliance</b>
<b>Principle 4</b>	<b>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 disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) 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>(b) 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 2.5	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 2.5	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 2.4.2	Comply
<b>Principle 5</b>	<b>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 2.4	Comply
<b>Principle 6</b>	<b>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.	Introduction / Section 2.4.4	Comply
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Section 2.4.4	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 2.4.4	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 2.4.4	Comply

# Corporate Governance Statement FY17 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 disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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 2.5	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 2.5	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 2.4.3	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 4	Comply