



Audit and Compliance Committee Charter

Ansell Limited (ACN 004 085 330)

Adopted by the Board on 20 June 2019

1 Role and authority of the Committee

- (a) The Audit and Compliance Committee (**Committee**) is a committee of the board (**Board**) of Ansell Limited (**Ansell** or **Company**) established in accordance with clause 46 of Ansell's constitution (**Constitution**) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time. The Committee is accountable to the Board for its performance.
- (b) Proceedings and meetings of the Committee will be governed by the provisions of the Constitution for regulating the meetings and proceedings of the Board in so far as they are applicable and not inconsistent with this Charter.
- (c) The Committee assists the Board in fulfilling its corporate governance responsibilities including:
 - (i) overseeing all matters related to the financial accounting, financial reporting, internal control systems and financial and tax risk management practices of the Company;
 - (ii) monitoring the processes which are undertaken by management and both external and internal auditors; and
 - (iii) ensuring that the Company meets all its financial and corporate governance obligations and requirements.
- (d) In doing so the Committee has the responsibility to maintain free and open communication with the external auditor, the head of internal audit and the Company's management.
- (e) The Committee is empowered to investigate any matter as it determines necessary to carry out its duties, with full access to all books, records, company operations and employees of Ansell.
- (f) The Committee will refer to the CSR & Risk Committee or the Human Resources Committee any matters that have come to the attention of the Committee that are relevant for those other committees.
- (g) The Committee may, in its discretion, delegate some of its duties and responsibilities to a sub-committee or individual member of the Committee.

2 Membership

- (a) The Committee should to the extent practicable given the size and composition of the Board from time to time, comprise of:
 - (i) at least three members;
 - (ii) non-executive directors; and
 - (iii) a majority of directors who are independent.
- (b) Membership of the Committee is as approved by the Board.
- (c) The chair of the Committee (Committee **Chair**) should be nominated by the Board and be an independent director.

- (d) The Committee Chair should not be the same person as the Chairman of the Board or the Chair of the CSR & Risk Committee and the members of the Committee should not be exactly the same as the members of the CSR & Risk Committee.
 - (e) It is intended that all Committee members will have an understanding of the industry in which the Company operates and at least one member of the Committee will have expertise in financial accounting and reporting. It is intended that all Committee members should be financially literate (ie able to read and understand financial statements) and have a sufficient understanding of the Company's businesses and the industries in which it operates, for the purpose of discharging the role of the Committee effectively and assessing and questioning information presented by management, by internal and external auditors and in Committee meetings.
 - (f) Members will be appointed for a fixed period of no more than three years, with Committee members generally being eligible for re-appointment for so long as they meet the relevant criteria.
 - (g) The appointment and removal of Committee members is the responsibility of the Board.
 - (h) A Committee member may resign as a member of the Committee upon reasonable notice in writing to the Committee Chair.
 - (i) If a Committee member ceases to be a director of the Company their appointment as a member of the Committee is automatically terminated with immediate effect.
 - (j) Ansell's company secretary is secretary to the Committee (**Committee Secretary**).
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3 Meetings

- (a) The Committee will meet at least four times annually or as frequently as is required to undertake its role effectively. The Committee will disclose as at the end of each reporting period the number of times the Committee met throughout that period and the individual attendances of Committee members at those meetings.
- (b) Any Committee member may, and the Committee Secretary must upon request from any member, convene a meeting of the Committee.
- (c) A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all Board Members) at least seven days prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.
- (d) In addition to the members of the Committee, other independent directors of the Board are encouraged to attend Committee meetings and will receive copies of each notice of meeting and relevant supporting papers for the items to be discussed at the meeting upon request.
- (e) The Committee may invite any executive director, executive or other staff member to attend all or part of a meeting of the Committee. However, any such person attending a meeting of the Committee must not be present during discussions on matters in which they could have an interest or potential conflict of interest.
- (f) The proceedings of all meetings will be minuted by the Committee Secretary. The Committee Secretary shall distribute full minutes to all Committee members, non-executive directors and the Chairman of the Board, after preliminary approval has been received from the Committee Chair. Extracts of minutes and supporting schedules will be provided to management as required for action. Agendas and supporting papers will be made available to any director upon request to the Committee Secretary, provided that no conflict of interest exists.

- (g) A quorum for any meeting will be at least two Committee members, either in person or via telephone, video conference or any other technology as considered appropriate by the Committee Chair.
- (h) The Committee may, in its discretion, delegate some of its duties and responsibilities to a sub-committee or individual member of the Committee.

4 Education

The Company will assist the Committee in maintaining appropriate financial literacy by providing Committee members with appropriate educational opportunities and resources relating to accounting principles and procedures, current accounting topics and other financial matters pertinent to the Company, and any other resources, as reasonably requested by the Committee.

5 Duties and responsibilities

The Committee's key responsibilities and functions are to assist the Board in discharging its responsibilities in relation to Ansell's corporate governance responsibilities as set out below:

- (a) reviewing, prior to its release, publicly issued corporate reports, adequacy of financial controls and the annual audit arrangements and any other material public documents;
- (b) reviewing the Company's significant financial/tax risks and financial/tax risk appetite (this may be done in conjunction with the CSR & Risk Committee, in which case all Committee members would be expected to attend the applicable CSR & Risk Committee meeting);
- (c) monitoring internal controls and financial reporting systems, and assessing and monitoring the adequacy of the Company's policies relating to financial reporting and controls, including compliance with national and international accounting standards, and other regulatory or statutory requirements;
- (d) liaising with the Company's internal and external auditors, reviewing the scope of their activities, reviewing the external auditor's remuneration and independence and advising the Board for their approval on their appointment and removal. The lead audit partner and review partner are not permitted to serve for more than 5 consecutive years (unless otherwise approved by the Board);
- (e) reviewing the policies, processes and procedures in place for the identification, management and reporting of financial risk, and reviews the findings reported
- (f) reviewing reports from management concerning the Company's financial risk management principles and practices and providing recommendations to the Board in respect to the adoption of policies and procedures on financial risk oversight and management so as to establish an effective and efficient system for:
 - i. identifying, assessing, monitoring and managing financial risk;
 - ii. ensuring accountability at a senior management level for financial risk oversight and management; and
 - iii. ensuring appropriate disclosure.

Specific actions the Committee will undertake to meet its responsibilities include the following:

- (g) approving in advance all audit and non-audit services, which may be provided by the external auditors. Non-audit services that are perceived to be materially in conflict with the role of auditor should not be provided by the external auditor. Such services include investigations and consulting advice and subcontracting of operational activities normally undertaken by management and where the external auditor may ultimately be required to express an opinion on its own work;

- (h) reviewing and approving of external and internal audit plans;
- (i) consulting with internal and external auditors, in the absence of management where necessary, to ensure that the Committee understands not only the acceptability of accounting practices in the Company and its subsidiaries and affiliates (**Group**), but also the quality of these practices. This is so that the Committee can form an opinion on the quality of the reported earnings and balance sheet values, not merely their compliance with accounting standards and law;
- (j) discussing with management and external auditors on all aspects which will affect the level of internal controls within the Group, reviewing the corporate governance self-assessment checklists, the CEO and CFO internal control certification and the reports of auditors. This is so that the Committee can understand the level of accounting risk prevailing in the Group, allowing it to consider actions necessary to minimise fraud or other inappropriate behaviour and assess the effectiveness of the internal control environment within the Group;
- (k) approving procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters, and procedures for the confidential, anonymous submission of concerns by employees regarding accounting and auditing matters;
- (l) assessing, through observation, discussion and external reference, the calibre and quality of senior financial management of the Group and similar assessment of both internal and external auditors, as well as determining whether they are appropriately objective and independent. This is so that the Committee can advise the full Board, as the shareholders' representative, of any actions that might be necessary to ensure that the company is properly resourced and served in order to meet its fiduciary duties;
- (m) reviewing of periodic financial statements or periodic corporate reports and any other financial disclosures necessitated by statute or continuous disclosure rules, as delegated by the full Board;
- (n) undertaking annual review of the debt profile of the Company;
- (o) reviewing any M&A accounting, including PPA and provisioning (if required);
- (p) receiving a post-audit of major capital investments (over \$2 million) (if applicable);
- (q) undertaking annual review of the methodology and outcomes of the use of constant currency reporting;
- (r) providing confirmation to the Human Resources Committee of the methodology and outcomes of any recommended adjustments to remuneration outcomes for the Short-Term Incentive and Long-Term Incentive plans;
- (s) communicating, to the full Board, of determinations made in the conduct of the Committee's activities;
- (t) investigating any matter, which the Committee wishes to pursue further, with access to outside counsel or financial expertise if necessary;
- (u) reviewing the Company's annual assessment of the effectiveness of its internal controls over financial reporting and financial risk management;
- (v) reviewing the adequacy of the Company's internal controls over financial reporting and financial risk management;
- (w) monitoring management's responsiveness to significant internal control and other recommendations made by the internal audit function and the external auditors;

- (x) in conjunction with the CSR & Risk Committee:
 - (i) receive and review the litigation report to ascertain any implications for internal controls and reporting obligations;
 - (ii) review and discuss with management, the internal auditors, and the external auditors, the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, conflicts of interest and related party transactions, the compliance with the Company's values and related behaviours and the global Code of Conduct; and
 - (iii) reviewing the adequacy of the Company's policies and practices for detecting, reporting and preventing fraud and serious breaches of business conduct and the Company's whistleblowing procedures and reporting to the Committee,within the domain the Committee's financial accounting, financial reporting and auditing responsibilities.
 - (iv) The CSR & Risk Committee has responsibility for oversight of the risk management framework, risk appetite and risk tolerance levels of the Company by monitoring and advising on the management of all material business risks. The Committee will refer to the CSR & Risk Committee any matters that come to its attention that are the domain of the or relevant to the CSR & Risk Committee.
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6 Reporting

- (a) The Committee will:
 - (i) regularly report to the Board on all matters relevant to the Committee's role and responsibilities; and
 - (ii) report and, as appropriate, make recommendations to the Board after each Committee meeting on matters dealt with by the Committee; and
 - (iii) advise the Board in a timely manner of any matters or recommendations requiring the attention of the Board, including audit, financial reporting, internal control, financial and tax risk management and compliance matters, and will ensure that the Board is made promptly aware of any matters brought to the attention of the Committee that may significantly impact the Company; and
 - (iv) as and when appropriate, seek direction and guidance from the Board on audit, financial and tax risk management and compliance matters.
 - (b) Minutes of Committee meetings and/or reports of the actions of the Committee (as appropriate) will be included in the papers for the next Committee meeting.
 - (c) All Committee papers and minutes of Committee meetings will be available for inspection by any director of the Company on request.
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7 Communication

The Committee has established procedures for dealing with complaints received by the Company (including receipt, retention, and effective treatment of these complaints) regarding accounting, internal accounting controls, or auditing matters, and submissions by employees of the Company (including anonymous submissions) of concerns regarding questionable accounting or auditing matters.

8 Access to information and independent advice

- (a) The Committee may seek any information or advice it considers necessary to fulfil its responsibilities.
- (b) The Committee has access to:
 - (i) the Company's management, to seek explanations and information from them; and
 - (ii) the external auditor and head of internal audit to seek explanations and information, with or without the Company's management being present.
- (c) The Chief Financial Officer and Committee Secretary of the Company shall have access to the Committee as the Chief Financial Officer or the Committee Secretary requires.
- (d) Each Committee member may obtain independent professional advice at the Company's expense on matters arising in the course of their Committee duties, provided such advice is necessary or appropriate, after obtaining the Committee Chair's approval (or where the Committee member seeking such advice is the Committee Chair, after obtaining the approval of the Chairman of the Board). The Committee Chair will consider the request for independent professional advice in consultation with the Chairman of the Board and the CEO/Managing Director. Whenever practicable, the advice must be commissioned in the joint names of the Committee member and the Company, and a copy of any such advice should be provided to the entire Committee. The other Committee members must be advised if the Committee Chair's approval (or approval of the chair of the Board, as applicable) is withheld.
- (e) The Committee has authority to reasonably require management or others to attend Committee meetings and to provide any information or advice that the Committee requires.

9 Reviews, changes to and publication of Charter

- (a) The Committee will review this Charter and activities of the Committee as often as it considers necessary (but at least every year) to ensure it remains effective, relevant to the current needs of the Company, and complies with changes in the corporate governance environment. The Committee will recommend any amendments to the Board for formal adoption.
- (b) The Board may change this Charter (including the responsibilities of the Committee) from time to time by resolution.
- (c) The Charter will be made available on the Company's website.

10 Review and Committee performance

- (a) The Board will, at least once in each year, review the membership of the Committee and the Committee may make recommendations to the Board in relation to the Committee's membership, responsibilities, functions or otherwise.
- (b) The Committee shall make an evaluation of its performance at least once every year to determine whether it is functioning effectively by reference to current best practice. The Governance Committee shall oversee this assessment, with a view to ensuring that the evaluation processes accord with best practice. Such evaluation will have regard to, amongst other matters, the extent to which the Committee has met its responsibilities in this Charter.