



# ANSELL LIMITED

## BOARD CHARTER

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The Board of Ansell Limited (the Company) has adopted this Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, adopting principles of good corporate governance and practice that accord with applicable laws in the jurisdictions within which the Company operates, including, as a result of the Company's listing on Australian Stock Exchange (ASX) and its status as an Australian public company, the requirements of the Corporations Act and the ASX Listing Rules.

The Board has also adopted a protocol pursuant to this Charter that sets out the practices and procedures of the Board to ensure that its functions and duties are adequately discharged.

### 1 Background

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

- the protection of shareholders' interests;
- authorising policies and overseeing the strategic direction of the Company;
- establishing goals for management and monitoring the achievement of these goals; and
- engaging, reviewing and replacing the Chief Executive Officer.

### 2 Board Guarantee

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In carrying out its responsibilities and powers as set out in this Charter the Board will at all times recognise its overriding responsibility:

- to act honestly, fairly and diligently;
- to act in accordance with laws and regulations;
- to avoid or manage conflicts of interests;
- to support and be consistent with the Company's objective to be a good corporate citizen; and
- to achieve and maintain community respect.

## 3 Composition and Term of Office

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### 3.1 Composition

It is intended that the composition of the Board of the Company, be determined using the following principles:

- the Constitution provides for a minimum of four directors, which may be increased by the Board to a maximum of eight directors where the Board considers additional expertise is required or when an outstanding candidate is identified;
- the appointed chair of the Board should be an independent non-executive director. Of course, this does not stop another director chairing all or a part of a meeting in the absence of the chair;
- the appointed chair of the Board is the only official spokesperson for the Board, unless the Board determines otherwise; and
- the Constitution requires that the Board comprise a majority of non-executive directors. It is intended that at least half of the Board from time to time be independent non-executive directors.

The composition of the Board is reviewed on an annual basis by the Nomination, Remuneration & Evaluation Committee, to ensure that the Board has the appropriate mix of skills, expertise and experience necessary to fulfil its function effectively. The criteria for considering new candidates for the Board are set out in the Charter of the Nomination, Remuneration & Evaluation Committee.

### 3.2 Independence

The Board recognises that various principles and factors are relevant in determining independence, but considers that independence is a matter of judgment in the particular circumstances. The guidelines used by the Board in determining independence are outlined in the Board Protocol, which mirror the definition of independence set out in the Investment & Financial Services Association Limited (IFSA) Blue Book (October 2004). The Board regularly reviews the independence of each director in light of interests disclosed to the Board.

Whether the Board considers a non-executive director to be independent or not, and the reasons for the Board's opinion, are described in the corporate governance statement set out in the Company's annual report.

### 3.3 Commitment

Non-executive directors are expected to devote the necessary time to discharge their duties. It is Board policy that prior to their appointment, non-executive directors must provide the Chairman with details of other commitments and an indication of time involved and to acknowledge that they will have adequate time to meet what is expected of them. Further, they should consult with the Chairman, or the Board, and should inform the Nomination, Remuneration & Evaluation Committee prior to accepting any non-Ansell non-executive director appointment.

### 3.4 Term

All directors (except the Chief Executive Officer) are required to submit themselves for re-election at least once every three years. The Board undertakes an annual review process which includes a review of the performance of individual directors. The Board will endorse a retiring director for re-election only where his or her performance over the preceding year meets or exceeds the Board's expectations.

In order to ensure that composition of the Board will change over time, it is a general policy that:

- non-executive directors should not serve for a consecutive period exceeding 15 years;
- the Board, at its initiative, may exercise discretion to extend the term of a Director beyond 15 years where it considers that such an extension would benefit the Company. Such discretion will be exercised on an annual basis and the Director concerned will be required to stand for re-election annually; and
- the Chairman should not serve in that role for more than 10 years.

## 4 Role of the Board

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The Board has ultimate responsibility to set policy regarding the business and affairs of the Company and its subsidiaries for the benefit of the shareholders and other stakeholders of the Company. The Board is accountable to shareholders for the performance of the Group.

The Board has the following responsibilities and functions:

- (a) Strategy, planning and monitoring
- reviewing and approving corporate strategies, budgets, plans and policies developed by management and evaluating performance of the Group against those strategies and business plans in order to:
    - monitor the performance of functions delegated to the executive team, including the progress of major capital expenditure, capital management, acquisitions, divestitures and strategic commitments; and
    - assess the suitability of the Company's overall strategies, business plans and resource allocation;
  - monitoring financial and business results (including the audit process) to understand the financial position of the Group;
  - appointing and, where appropriate, removing the Chief Executive Officer;
  - appointing and, where appropriate, removing the Company Secretary;
  - regularly evaluating the performance of the Chief Executive Officer;
  - overseeing the evaluation of the performance of senior management;
  - reviewing and approving the remuneration package for the Chief Executive Officer and the remuneration policy for other senior executives of the Company; and
  - ensuring appropriate resources are available to senior management to enable them to carry out their duties.
- (b) Shareholder communication and compliance
- monitoring communications to shareholders and the ASX (including disclosures made under the ASX continuous disclosure requirements) to ensure that the

Company's shareholders and the market in general is kept well informed of all major developments affecting the state of affairs of the Company;

- approving and reviewing from time to time, the Company's internal compliance procedures; and
- implementing appropriate procedures to ensure compliance with all applicable laws, regulations, accounting standards, ethical standards and business practices.

(c) Risk management and internal controls

- approving the Company's risk management framework and internal compliance and controls systems relevant to both financial and non-financial risk;
- overseeing management's implementation of systems to monitor and address the financial, operational and business risk management policies; and
- reviewing the Company's wider risk profile, including issues of corporate social responsibility that may impact upon the Company's reputation with its customers, suppliers, employees or the communities in which it operates.

## 5 Delegation of Authority

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### 5.1 Delegation to management

As indicated above, the Board has retained ultimate responsibility for the strategic direction and control of the Company. The Board delegates management of the Company's resources to the executive team under the leadership of the Chief Executive Officer, to deliver the strategic direction and goals determined by the Board. A key function of the Board, which is conducted at Board meetings, is to monitor the performance of senior management in this function. In addition to the Board's oversight role, the Chief Executive Officer conducts a formal review at least once each year to assess the performance of senior management and reports back to the Board.

### 5.2 Delegation to committees

The Board from time to time establishes Committees to streamline the discharge of its responsibilities and, for each standing Committee, adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of such Committees. The Board has, at the date of this Charter, established the:

- (a) Audit and Compliance Committee;
- (b) Risk Committee; and
- (c) Nomination, Remuneration and Evaluation Committee.

The Board also delegates specific functions to ad hoc Committees on an "as needs" basis. The powers delegated to these Committees are set out in Board resolutions. The composition, role and performance of each Committee will be reviewed on an annual basis as part of the Board's performance assessment process.

## 6 Governance

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### 6.1 Code of Conduct

All directors are expected to comply with the Company's Code of Conduct and maintain the highest standard of ethical behaviour in discharging their duties with respect to the business of the Company.

### 6.2 Conflicts of interest

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflict of interests with the Company.

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 each director, the Company has developed protocols to 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.

### 6.3 Confidentiality

Each director has a duty to maintain the confidentiality of information he or she learns by virtue of his or her position as director.

### 6.4 Trading in Company's securities

Each director must comply with the Company's policy for trading in the Company's securities, as varied from time to time.

## 7 Administrative matters

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The Board determines a schedule of meetings at the beginning of each year. It is the Company's practice that one or more of these meetings coincide with site visits, in order to continue the education and information provided to directors regarding the Company's various businesses.

Additional meetings are held as required to address specific issues.

The Company Secretary attends meetings of the Board or a Committee as minute secretary. Senior executives will be invited to attend Board or Committee meetings (or parts of meetings) from time to time where the Board or Committee considers their involvement of assistance to the consideration of items of business before the meeting.

All minutes of the Board or a Committee are required to be signed by the Chairman as a true and correct record.

All directors and other attendees at Board or Committee meetings are, as officers and/or fiduciaries, required to keep all information presented to (whether written or oral) or discussed at Board meetings confidential.

## 8 Review

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The Board of the Company will, at least once in each year, review the membership and charter of the Board to determine their adequacy in the then current circumstances and to determine that the Board's processes are adequate to ensure it is able to carry out its functions in the most effective manner.

Reviewed and approved by the Ansell Limited Board – April 2015