

# Charter of the Innovation and Development Committee

## 1. FORMATION

The Board has resolved to establish an Innovation and Development Committee (the **IDC**) and has delegated to it the responsibilities set out in this Charter.

## 2. PRIMARY OBJECTIVES

The primary objectives of the IDC are to assist the directors of the Company to fulfil their obligations in regard to:

- (a) monitoring the strategic direction of the Company's research and product development programs and technical capabilities, including when these pertain to potential acquisitions, partnerships or joint ventures;
- (b) providing guidance on issues and priorities, additions to the research and development (**R&D**) pipeline, and significant development milestones; and
- (c) overseeing the identification and management of risks associated with specific R&D projects and the overall R&D portfolio.

## 3. MEMBERSHIP

- 3.1 The members of the IDC will be determined by the Board.
- 3.2 The IDC shall comprise at least three members, being at least two independent directors and the Managing Director.
- 3.3 The Board will appoint one member of the IDC to be Chair. The Chair must be an independent director. In the absence of the Chair, the remaining members present will elect one of their members, who must be an independent director, to chair the meeting.
- 3.4 All members of the IDC should have sufficient experience and training to be able to consider and contribute to the matters for which the IDC is responsible.
- 3.5 Directors who are not members of the IDC have a standing invitation to attend each IDC meeting.
- 3.6 The company's Chief Scientific Officer will be in attendance.

#### **4. SECRETARIAL AND MEETINGS**

- 4.1 The IDC will appoint a secretary who will act as the secretary of the IDC unless otherwise determined by the IDC.
- 4.2 The IDC will meet as often as it considers necessary to discharge its responsibilities. However, it is intended that the IDC will generally hold 4 regular meetings each year.
- 4.3 The Chair will call a meeting if formally requested to do so by any member of the IDC, the Managing Director or the Chair of the Board.
- 4.4 Any employee or other external professional advisor may attend IDC meetings if invited by the Chair of the IDC.
- 4.5 The quorum for a meeting will be two members of the IDC.
- 4.6 The secretary of the IDC will prepare minutes of all IDC Meetings, including the names of those present. A copy of the minutes as approved by the Chair of the IDC will be distributed to all members of the Board.
- 4.7 In cases where circumstances make it impractical to convene and hold a meeting, the IDC may pass resolutions by each member signing a Circular Resolution. The resolution may consist of several documents in the same form each signed by one or more of the members. A facsimile transmission or other document produced by mechanical or electronic means under the name of a member with the member's authority is considered a document in writing signed by the member and is deemed signed when received in legible form.

#### **5. RESPONSIBILITIES**

The IDC's central responsibility is to monitor the strategic direction of CSL's research and product development programmes and technical capabilities, including:

- (a) management issues and priorities;
- (b) additions to the R&D pipeline;
- (c) significant development milestones;
- (d) key R&D investment decisions both internal and external;
- (e) management of risk associated with R&D projects and the overall portfolio, including the application of compliance systems and the internal control framework; and
- (f) advice to the Board on the principal issues arising that require consideration by the full Board.

## **6. REPORTING TO THE BOARD**

The Chair of the IDC will report the findings and recommendations of the IDC to the Board after each IDC meeting. These reports will contain all matters relevant to IDC responsibilities, including any recommendations for Board approval of appropriate R&D ventures or investments.

## **7. AUTHORITY**

The IDC is authorised by the Board to:

- (a) obtain any information it requires from any employee of the Company or its controlled entities;  
and
- (b) obtain or retain any independent professional advice as it considers necessary.

## **8. REVIEW**

This Charter will be reviewed by the IDC at three year intervals or at such shorter intervals as the IDC or Board determines.

**This document represents the Charter of the IDC as adopted by the Board on 12 December 2017.**