



CHARTER OF THE BOARD OF DIRECTORS

CSL'S PURPOSE - DRIVEN BY OUR PROMISE

We develop and deliver innovative biotherapies and influenza vaccines that save lives and help people with life-threatening medical conditions live full lives. We are driven by our deep passion to serve hundreds of thousands of patients and other stakeholders around the world.

CSL'S VALUES

Our Values are the core of how CSL employees interact, make decisions and solve problems. They are:

- **Patient Focus**
- **Innovation**
- **Integrity**
- **Collaboration**
- **Superior Performance**

In this Charter:

“**CSL**” means CSL Limited

“**GLG**” means CSL’s Global Leadership Group

“**Management Team**” means CSL’s team of executive and managers

“**MD & CEO**” means CSL’s Managing Director & CEO

1. BOARD ROLES AND RESPONSIBILITIES

1.1 Role Of The Board

The Board’s role is to represent and serve the interests of CSL’s shareholders and stakeholders by providing leadership and strategic guidance for CSL in the delivery of CSL’s purpose.

1.2 Responsibilities Of The Board

The Board’s key responsibilities are to:

- (a) set CSL’s strategic objectives and the risk appetite within which the Board expects CSL’s Management Team to operate;
- (b) model and monitor the Values and culture of CSL;



- (c) act to protect and enhance the performance and reputation of CSL and to build sustainable value for shareholders;
- (d) select, appoint, remove and evaluate the performance of, determine the remuneration of, and plan succession of, the MD & CEO; and
- (e) oversee the management, performance, and corporate governance frameworks of CSL, including ensuring that mechanisms are in place for making timely and balanced disclosure to shareholders and the market regarding CSL's performance and major developments affecting its state of affairs.

In fulfilling these responsibilities, the Board will have regard to the interests of CSL's patients, donors, employees, shareholders, and the global community in which CSL operates.

The Board will also oversee that CSL operates in accordance with its Constitution, its governance framework, all applicable legal and regulatory requirements, and policies.

2. DELEGATION

2.1 Matters Reserved To The Board

In addition to the matters required by law and by CSL's Constitution to be performed by the Board, the Board has reserved the following matters for its action and decision:

- (a) approving CSL's Purpose, and CSL's Code of Responsible Business Practice;
- (b) approving, with input from the Management Team, CSL's strategic, business and financial plans to be implemented by the Management Team;
- (c) appointing and removing the Chair of the Board and the MD & CEO, appointing the Chief Financial Officer, the Head of Research and Development and the Company Secretary and determining the terms of appointment for these positions;
- (d) monitoring the performance of the MD & CEO and of CSL, including against CSL's strategic objectives, the risk appetite and Values;
- (e) satisfying itself that CSL's remuneration framework is aligned with CSL's Values and Purpose, strategic objectives and risk appetite;
- (f) approving variable remuneration performance targets for the MD & CEO and reviewing performance against those targets and approving remuneration outcomes;
- (g) succession planning for the Board, Chair of the Board, MD & CEO and GLG members;

- (h) establishing Board Committees, their membership, Charters and delegated authorities;
- (i) approving statutory financial reports, the Directors' report (including the remuneration report), and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- (j) approving any earnings guidance to shareholders;
- (k) approving the dividend policy and determining dividends;
- (l) approving any changes to CSL's capital structure and funding arrangements;
- (m) reviewing CSL's corporate governance framework, including significant policies and related public documents;
- (n) approving CSL's risk appetite statement and approving CSL's risk framework and policies for identifying and managing current and emerging financial and non-financial risk;
- (o) overseeing, with input from the Audit and Risk Management Committee, that CSL's risk management framework, compliance system and internal control framework is operating effectively and continues to be sound;
- (p) approving the Company's annual budget and capital expenditure for investments and divestments and operational expenditure that are greater than the amounts delegated to the MD & CEO;
- (q) approving delegations of authority to the MD & CEO;
- (r) approving the appointment, removal and remuneration of the External Auditor;
- (s) calling meetings of shareholders;
- (t) setting the remuneration of Non-Executive Directors within the aggregate fee pool approved by shareholders;
- (u) approving CSL's Diversity and Inclusion Policy, and setting, and annually assessing, measurable objectives in relation to diversity and progress against achieving them;
- (v) evaluating the structure and adequacy of CSL's business continuity plans;
and
- (w) monitoring the social, ethical and environmental impact of CSL's operations and approving corporate responsibility and climate related disclosures.



2.2 Delegation To Committees

The Board may and has delegated certain matters to Board Committees in fulfilling its responsibilities, as set out in each Committee Charter. The permanent standing Committees of the Board are:

- a) The Audit & Risk Management Committee;
- b) The Human Resources & Remuneration Committee;
- c) The Innovation & Development Committee; and
- d) The Corporate Governance & Nomination Committee.

The Committees will have access to sufficient resources to carry out their activities effectively.

The Board will determine each Committee's Charter and outline the Committee's role, authority, composition and responsibilities.

The Board may also convene ad hoc Board Committees as required.

2.3 Delegation To The MD & CEO

While the Board retains overall responsibility for the culture, strategy, and performance of CSL, the day-to-day operation of CSL is conducted by, or under the supervision of, the MD & CEO as directed by the Board. The MD & CEO is responsible for instilling a culture that aligns with the Company's Values.

The MD & CEO (and other members of the Management Team) are responsible for providing the Board with accurate information in a form, timeframe and quality that enables the Board to discharge its duties effectively. This will include information on matters pertaining to risk management, internal controls and reports of material incidents under CSL's Speak Up Policy.

The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Where required, the Board will provide feedback to and challenge the MD & CEO and other members of the Management Team.

3. COMPOSITION OF THE BOARD

3.1 Board Composition

The Board determines the size and composition of the Board subject to CSL's Constitution. The Board will review the skills, experience, expertise and diversity (including gender, age, and social and ethnic backgrounds) represented by Directors on the Board and determine whether the composition is appropriate for the Board to deliver



its purpose address the existing and emerging business and governance issues relevant to CSL.

In accordance with Rule 57 of the Company's Constitution two-thirds of the Directors must be Australian citizens. An Australian citizen means the holder of an Australian passport.

A majority of Directors should be independent.

3.4 Independence

The Board will assess the independence of each Non-Executive Director at least annually.

The Board only considers a Director to be independent where he or she is free of any interest, position, or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of CSL as a whole rather than in the interests of an individual shareholder or other party.

The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (see Attachment 1).

3.5 Classification Of Directors – Significant Foreign Shareholders

If the Board becomes aware of a significant foreign shareholding in CSL, CSL's Constitution requires that Directors be designated as "O class Directors" and "A class Directors".

In this event, the Chair will be an O class Director, and the MD & CEO and any other Executive Directors will be A class Directors. Designation of other directors will be decided, preferably by agreement, but if agreement is not reached then in accordance with the default procedure set out in the Company's Constitution.

4. TERM OF OFFICE OF DIRECTORS

4.1 Maximum Term

It is generally expected that each Director will serve up to 9 years (three x 3-year terms) on the CSL Board.

Where it is in the best interests of CSL a Director may be invited by the Board to stand for a fourth term. In this case the Board shall ensure that a succession plan for that Director has been prepared and communicated to Shareholders and that an orderly exit of that Director occurs during their extended term in accordance with the succession plan.

4.2 Induction, Training and Development

CSL will make available resources to ensure that Directors maintain the skills, knowledge and familiarity with CSL necessary to fulfil their duties as Directors. In particular, Directors will be expected to participate in a program of induction, training and development.

5. CHAIR ROLES AND RESPONSIBILITIES

5.1 Independent Chair

The Board will appoint one of its members to be Chair. The Chair must be:

- (a) in accordance with Rule 76(a) of the Constitution, an Australian citizen; and
- (b) an independent Non-Executive Director.

5.2 Alternative Chair

In the event that the Chair is unable to act as Chair for any reason, the Board will nominate an independent Non-Executive Director (who is an Australian citizen) to act as Chair.

5.3 Responsibilities Of Chair

The Chair is responsible for leadership of the Board, for ensuring that the Board functions effectively, and for communicating the views of the Board to the public. In performing this role the Chair's responsibilities include:

- (a) setting, in consultation with the MD & CEO and the Company Secretary, the agenda of matters to be considered by the Board, ensuring that adequate time is available for open discussion and debate and prioritising the most significant items;
- (b) managing the conduct, frequency and length of Board meetings so as to take all reasonable steps to ensure that the Board fulfils its roles and responsibilities;
- (c) ensuring the Board is operating to the highest governance standards, including facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations;
- (d) facilitating open and constructive discussions between the MD & CEO and the Board; and
- (e) ensuring strategic issues and relevant stakeholder views are regularly reviewed and are clearly understood by the Board.

The Chair has authority to act and speak for the Board between its meetings, including engaging with, and overseeing the activities of the MD & CEO. The Chair will report to the Board and the Committee Chairs as appropriate on decisions and actions taken between meetings of the Board.



6. BOARD PROCESS

6.1 Meetings

CSL's Constitution governs the conduct of Board meetings and proceedings. The Board will meet regularly, at least 6 times per year, in person or using electronic means as appropriate.

6.2 Company Secretary

The Company Secretary is accountable to the Board through the Chair and the appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary will advise the Chair, and through the Chair, the Board and individual Directors on all matters of governance process.

The Company Secretary's advice and services will be available to all Directors and Committees.

The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair (or the Chair of the Audit & Risk Management Committee in the case of the Chair of the Board seeking professional advice).

Where appropriate, the Company Secretary will retain independent advisory services at the request of the Board, Committees or individual Directors as described above.

6.3 Board Evaluation

The Board, with the assistance of the CGNC, will conduct performance evaluations for the Board as a whole, its Committees, the Chair, individual Directors, the Company Secretary, and the governance processes which support the Board's work.

All evaluations will have regard to the collective nature of Board work, the balance of skills, experience, independence and knowledge of CSL on the Board, its diversity and culture and the operation of governance processes.

The Board will conduct evaluations of the performance of Directors retiring and seeking re-election to the Board. The evaluation of the Chair will be led by the Chair of the Corporate Governance & Nomination Committee.

This charter is to be reviewed by the Board as required and at least annually.

Adopted by the CSL Limited Board of Directors on 16 June 2021.



Attachment 1: Director Independence

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors.

In general, a Director will not be considered to be 'independent' if he/she:

- (a) is, or has been, employed in an executive capacity by the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (c) is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Group, or is an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder;
- (e) has close personal ties with any person who falls within any of the categories described above; or
- (f) has been a director of the Company for such a period that their independence from management and substantial shareholders may have been compromised.

Notwithstanding the above, the Board may determine that a Director is independent if the Board is of the view that the interest, position or relationship in question is not material and will not interfere with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of CSL as a whole rather than in the interests of an individual shareholder or other party.