



# CHARTER OF THE INNOVATION AND DEVELOPMENT COMMITTEE

## 1. FORMATION

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

## 2. ROLE

2.1 The role of the IDC is to assist and advise the Board in discharging its responsibilities in relation to its oversight of the Company's strategy related to research, product development programs and technical capabilities, which includes potential acquisitions, partnerships or joint ventures.

2.2 The IDC acts primarily as an advisory body to the Board. In making recommendations to the Board, the IDC does not, of itself, have the power or authority of the Board in dealing with the matter on which it advises except where certain powers are set out in this charter or are otherwise delegated by the Board.

## 3. RESPONSIBILITIES

3.1 The IDC will review and assist the Board in its oversight of the sustainability and long term viability of CSL's Research and Development (**R&D**) portfolio and its contribution to CSL's long term growth and success, including but not limited to:

- strategic issues and priorities arising in the R&D portfolio and in each therapeutic area;
- material changes to the R&D portfolio;
- significant development milestones across each therapeutic area, both internal and external;
- major R&D investment decisions both internal and external arising outside of the approved budget or strategic plan;
- the technical aspects of business development and merger and acquisition opportunities;

- an annual review and assessment of the pharmacovigilance and clinical safety framework, including the framework risks and the risk management plans; and
- any specific technical issue that Board requests the Committee to consider.

3.2 The IDC will evaluate its performance on a regular basis, using either internal or external resourcing, and having regard to the principles and responsibilities set out in this charter.

#### **4. REPORTING TO THE BOARD**

4.1 The IDC Chair, or a delegate, will report to the Board following each meeting of the IDC

4.2 The report to the Board will be a comprehensive report in order to:

- ensure the Board as a whole has insight into the key issues discussed by the IDC, including those discussions leading to the IDC making a recommendation to the Board within IDC's responsibilities;
- facilitate Board awareness on matters falling within the scope of IDC's responsibilities; and
- assist in the periodic review of the Committee's performance.

#### **5. MEMBERSHIP**

5.1 The members of the IDC will be determined by the Board.

5.2 The IDC shall comprise at least three members, being at least two independent non-executive directors and the CEO and Managing Director.

5.3 The Board will appoint one member of the IDC to be Chair. In the absence of the Chair, the remaining members present will elect one of their members, to chair the meeting.

5.4 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.



- 5.5 Directors who are not members of the IDC have a standing invitation to attend each IDC meeting.
- 5.6 The Chief Scientific Officer, the Executive Vice President of Research and Development and the Executive Vice President Strategy & Business Development (or their nominees) will attend each meeting.

## **6. SECRETARIAL AND MEETINGS**

- 6.1 The Committee will appoint a Secretary who will work with the Company Secretarial team to facilitate the Committee's functions.
- 6.2 The IDC will meet as often as it considers necessary to discharge its responsibilities. However, it is intended that the IDC will generally hold at least 3 regular meetings each year. Meetings may be held in person or remotely, or by a combination of both.
- 6.3 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.
- 6.4 Any employee or other external professional advisor may attend IDC meetings if invited by the Chair of the IDC.
- 6.5 The quorum for a meeting will be two members of the IDC.
- 6.6 The secretary of the IDC will ensure that minutes of all IDC meetings are prepared. A copy of the minutes as approved by the Chair of the IDC will be distributed to all members of the Board.
- 6.7 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.



## **7. AUTHORITY**

- 7.1 The IDC is authorised by the Board to obtain any information it requires from any employee of the Company, or its controlled entities.
- 7.2 The IDC is authorised by the Board to appoint and instruct independent or expert advisors within its scope of meeting its responsibilities set out in this Charter. The IDC may meet with independent or expert advisors without management being present.

## **8. REVIEW**

This Charter will be reviewed by the IDC every three years, or earlier as the IDC or Board determines.

**This document represents the Charter of the IDC as adopted by the Board on 18 June 2020.**