

CSL Limited

Charter of the Human Resources and Remuneration Committee

1. Formation

The Board has a Human Resources and Remuneration Committee (HRRC) and has delegated to it the responsibilities set out in this Charter.

2. Membership

2.1 Appointment

The members of the HRRC will be determined by the Board. The Board will seek to stagger the appointment and retirement/removal of members in a manner so as to maintain a degree of continuity whilst offering the opportunity to access different perspectives through the appointment of new members.

2.2 Number and independence

The HRRC should consist of at least 3 members, all of whom are non-executive Directors. A majority of members of the HRRC will be independent (as determined by the Board).

2.3 Absence of committee member

If a member of the HRRC is unable to act due to absence, illness or any other cause, the Board, or in urgent circumstances the Chairperson of the Board, may appoint another non-executive director of the Company to serve as an alternate member of the HRRC having regard to maintaining the desired number of independent directors.

3. Chairperson

The Board will appoint the Chairperson of the HRRC, who must be an independent director. In the absence of the appointed Chairperson, the remaining members present will elect one of their number, who must be an independent director, to chair the meeting.

4. Meetings

4.1 Quorum

The quorum required for a meeting of the HRRC is 2.

4.2 Frequency of meetings

The HRRC will meet at least four times a year, including:

- (a) prior to completion of each financial year to agree the process for the remuneration reviews of the Managing Director and the senior executives who report to the Managing Director;

- (b) prior to preparation of the Directors' Report to review the content of the Remuneration Report;
- (c) after the conclusion of each financial year to review the outcomes of the performance management process for the Managing Director and the senior executives reporting to the Managing Director and to review nominations for long term incentives;
- (d) early in the financial year to review the workplans of the Managing Director and the senior executives reporting to the Managing Director and to review the outcomes of the succession planning process;
- (e) from time to time as required to discharge its responsibilities or as required by the HRRC Chairperson.

4.3 Calling of meetings

If requested to do so by an HRRC member, the HRRC Chairperson will consider and decide whether it is appropriate to call a meeting. Meetings of the HRRC will be convened by the HRRC secretary.

4.4 Attendance by the Board Chairperson or other Directors

The Board Chairperson or other directors may attend any meeting of the HRRC in an *ex officio* capacity.

4.5 Attendance by Managing Director and executives

The Managing Director and senior executives of the Company may attend or address HRRC meetings on invitation from the HRRC Chairperson.

4.6 Attendance by professional advisers

Professional advisers retained by the HRRC may attend and speak at meetings if invited by the HRRC Chairperson with or without any management being present.

4.7 Secretary

The Vice President – Remuneration and Benefits or his or her nominee will act as the secretary of the HRRC unless otherwise determined.

4.8 Minutes

The secretary will prepare minutes of all HRRC meetings, including the names of those present. A copy of the minutes, as approved by the HRRC Chairperson, will be distributed to all members of the Board.

4.9 Resolutions by circular

In cases where circumstances make it impractical to convene and hold a meeting, the HRRC may pass resolutions by each member signing a circular resolution.

5. Responsibilities

The HRRC is responsible for approving human resources initiatives of the CSL Group generally. The HRRC's responsibilities include:

- (a) recommending to the Board a framework or policy for setting the remuneration of the Managing Director and the CSL Group's executives. The policy should aim to set remuneration outcomes which:
 - (i) are competitive, equitable and designed to attract and retain high quality executives;
 - (ii) motivate executives to pursue the long-term growth of the CSL Group; and
 - (iii) establish a clear relationship between executive performance and remuneration;
- (b) reviewing and recommending to the Board the design of any share, performance option, performance rights, retention and deferred cash incentive plans including performance measures and any amendments to such schemes or plans;
- (c) reviewing and recommending to the Board the framework for allocations under employee share, performance option, performance rights, retention and deferred cash incentive plans;
- (d) approve amendments to the rules of any share, performance option, performance rights, retention and deferred cash incentive plans in accordance the terms of the relevant plan and consistent with any approved framework, except where local legal or tax jurisdictions require Board approval;
- (e) approving any awards to executives (other than the Managing Director and other senior executives who report to the Managing Director) and other employees that are exceptions to any approved framework for allocations under any employee share, performance option, performance rights, retention and deferred cash incentive plans (with approving of award to executives (other than the Managing Director and other senior executives who report to the Managing Director) and other employees under any approved framework being delegated to the Managing Director);
- (f) reviewing, approving and monitoring the implementation of the Company's Human Resources Strategic Plan, and Performance Management Systems;
- (g) reviewing and recommending to the Board the total individual remuneration package of the Managing Director and of all senior executives who report to the Managing Director;
- (h) reviewing the CSL Group's executive succession plan;
- (i) reviewing and recommending to the Board the remuneration and other benefits of the non-executive Directors;
- (j) engaging on behalf of the Company and interacting directly with any remuneration consultant required to assist the HRRC in matters related to the design of the CSL Group's key management personnel remuneration system and the implementation of appropriate remuneration levels within the agreed system;

- (k) overseeing the establishment of and regular review of the CSL Group's diversity policy and reviewing and recommending to the Board measurable objectives for achieving gender diversity;
- (l) reviewing and reporting to the Board at least annually on the relative proportion of women and men within the CSL Group and of the remuneration by gender of CSL Group employees at all levels; and
- (m) reporting to the Board the findings and recommendations of the HRRC after each meeting.

6. Board Powers

Despite the responsibilities in Section 5 above, the Board retains responsibility for:

- (a) approving any framework or policy for setting the remuneration of the Managing Director and the CSL Group's executives;
- (b) appointing and, where appropriate, removing the Managing Director, approving other key executive appointments, and planning for executive succession;
- (c) overseeing and evaluating the performance of the Managing Director and other senior executives who report to the Managing Director in the context of the company's strategies and objectives;
- (d) reviewing and approving the remuneration of the Managing Director and those senior executives who report to the Managing Director, inclusive of fixed pay and short and long term incentive components (subject to any approval of shareholders in General Meeting for executive directors to acquire securities under an employee incentive scheme);
- (e) approving the establishment of or, subject to 5(d), any amendment to employee share, performance option, performance rights, retention or deferred cash incentive plans;
- (f) reviewing and approving remuneration and other benefits to be paid to non-executive directors (subject to any maximum sum for remuneration of non-executive directors approved by shareholders in General Meeting);
- (g) on an annual basis, approving measurable objectives for achieving gender diversity and assessing progress towards achieving them; and
- (h) Board succession planning to ensure an appropriate mix of skills experience, expertise and diversity (subject to the power of shareholders in General Meeting to elect or re-elect directors).

7. Authority

The HRRC is authorised by the Board to:

- (a) obtain any information it requires from any employee of the Company or any subsidiary of the Company; and
- (b) obtain or retain any independent professional advice it considers necessary, including advice from remuneration and human resources consultants.

8. Review

This Charter is to be reviewed by the HRRC at three year intervals or at such shorter intervals as the HRRC or the Board determines.

This document represents the charter of the HRRC as adopted by the Board on 14 April 2015.