



# ASX Announcement

**For immediate release**

28 June 2013

## **Terms of Departure of Managing Director and CEO**

CSL Limited (ASX:CSL) has previously announced that Dr Brian McNamee will be succeeded by Mr Paul Perreault as Managing Director and Chief Executive Officer of CSL from 1 July 2013.

“Dr McNamee’s leadership, drive and strategic vision over his 23 years as Managing Director and Chief Executive Officer were instrumental in building the Company into the exceptional global biopharmaceutical enterprise it is today. During this time, the Company has delivered exceptional growth in shareholder value. On behalf of the Board and all employees of CSL, I would like to thank Dr McNamee and to wish him every success in the future”, said CSL’s Chairman, Professor John Shine, AO.

Dr McNamee has worked collaboratively with the Board and his successor Mr Perreault over an extended period to ensure a smooth transition in the best interests of the Company. This includes Dr McNamee’s agreement to remain available to the Company during the period 1 July to 15 October 2013.

The details of Dr McNamee’s benefits in connection with the cessation of his employment with the Company are set out in the Attachment.

While most aspects of Dr McNamee’s benefits have already been approved by the Board, the Board intends to seek shareholder approval at the 2013 Annual General Meeting for the provision of certain termination related benefits, which relate to certain long term incentives previously granted to Dr McNamee.

***For more information about CSL Limited, visit [www.csl.com.au](http://www.csl.com.au)***

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**Attachment****Dr Brian McNamee  
Benefits upon Cessation of Employment****Fixed remuneration during the period 1<sup>st</sup> July to 15<sup>th</sup> October 2013.**

Dr McNamee will continue to receive his current fixed base salary of \$2,882,744 pa for the period in which he will continue to be employed by the Company. However, other than for a period of ten days which has been mutually agreed between Dr McNamee and the Board, during this period of employment Dr McNamee will be on long service leave and therefore payment will be drawn from his existing accrued long service leave entitlement.

As at Dr McNamee's cessation of employment with the Company on 15 October 2013, he will be entitled to the following payments or benefits:

**Annual and long service leave**

Dr McNamee will receive a cash payment in lieu of accrued but untaken annual leave and long service leave entitlements. These amounts are estimated to be \$1,136,670 (or 102.50 days) for annual leave, and \$959,738 (or 86.55 days) for long service leave.

**Short term incentive**

As Dr McNamee will have served as Managing Director and Chief Executive Officer for the whole of the 2013 financial year, he will be considered for a short term incentive award. The amount of any award will be determined by the Board after the year end following an assessment of the Company's and his personal performance. In accordance with existing arrangements, one third of any award will be deferred for 3 years. The details will be reported in the Remuneration Report that will be published in August 2013.

Although he will continue serving as an employee for a quarter of the 2014 financial year he will not receive any short term incentive for that year.

Dr McNamee will be entitled to receive payments in future related to the outstanding deferred component of his short term incentive earned in respect of the financial years ended 30 June in each of 2011, 2012 and 2013. The conditions relating to the deferred components have been disclosed in the relevant Remuneration Reports.

The Board does not propose to reduce the 3 year deferral period, and accordingly those deferred components, which are already fully earned based on past performance, will be

paid shortly after the end of the financial years ended 30 June in each of 2014, 2015 and 2016.

### Severance payment

Dr McNamee will receive a severance payment equal to the average annual fixed remuneration received by Dr McNamee from the Company during the last 3 years of his employment with the Company. This is expected to be an amount of A\$2,819,880.33.

### Long term incentive

Dr McNamee will remain a participant in the Company's Performance Rights Plan (the *PRP*) and will receive benefits upon any future vesting of outstanding unvested performance rights (*Rights*) and performance options (*Options*) in respect of grants awarded between 2009 and 2012. The number of those Rights and Options which will be retained is discussed in more detail below. For further details please refer to CSL's Remuneration Report, which forms part of CSL's 2012 Annual Report, and is available on CSL's website [www.csl.com.au](http://www.csl.com.au).

Set out below in Tables 1 and 2 are details of Dr McNamee's outstanding unvested Rights and Options as at the date of this announcement.

**Table 1**

### Unvested Performance Rights

Grant Year & Tranche	Current Balance	Exercise Price per Right	First or next Test Date	Last Retest Date	Pro Rata	Non Pro Rata
Oct 2009 (T3)	10,664	Nil	Oct 2013	Oct 2014	10,664	Nil
Oct 2010 (T1)	30,510	Nil	Oct 2013	Oct 2014	30,510	Nil
Oct 2010 (T2)	30,510	Nil	Oct 2014	Oct 2015	22,882	7,628
Oct 2011 (T1)	36,220	Nil	Oct 2014	Oct 2015	24,146	12,074
Oct 2011 (T2)	36,220	Nil	Oct 2015	Oct 2016	18,110	18,110
Oct 2012 (T1)	32,850	Nil	Oct 2015	Oct 2016	10,949	21,901
Oct 2012 (T2)	32,850	Nil	Oct 2016	Oct 2017	8,212	24,638
<b>TOTAL</b>	<b>209,824</b>				<b>125,473</b>	<b>84,351</b>

**Table 2**

**Unvested Performance Options**

<b>Grant Year &amp; Tranche</b>	<b>Current Balance</b>	<b>Exercise Price per Option</b>	<b>First or next Test Date</b>	<b>Last Retest Date</b>	<b>Pro Rata</b>	<b>Non Pro Rata</b>
Oct 2009 (T1)	25,115	\$33.68	Oct 2013	Oct 2014	25,115	Nil
Oct 2009 (T2)	35,161	\$33.68	Oct 2013	Oct 2014	35,161	Nil
Oct 2009 (T3)	40,184	\$33.68	Oct 2013	Oct 2014	40,184	Nil
Oct 2010 (T1)	23,210	\$33.45	Oct 2013	Oct 2014	23,210	Nil
Oct 2010 (T2)	23,210	\$33.45	Oct 2014	Oct 2015	17,407	5,803
Oct 2011 (T1)	32,600	\$29.34	Oct 2014	Oct 2015	21,733	10,867
Oct 2011 (T2)	32,600	\$29.34	Oct 2015	Oct 2016	16,300	16,300
<b>TOTAL</b>	<b>212,080</b>				<b>179,110</b>	<b>32,970</b>

The applicable performance hurdles for these Rights and Options have been disclosed in Remuneration Reports in the relevant Annual Reports. In respect of those Rights and Options for which the first or next Test Date is October 2013, they will be tested against the applicable Total Shareholder Return or Earnings Per Share performance hurdles in early October 2013, and some or all of them may vest (and become exercisable) at that time.

In accordance with the rules of the PRP, and given Dr McNamee's "good leaver" circumstances, on cessation of Dr McNamee's employment with the Company he will automatically retain:

- any vested but unexercised Rights and Options at that time. There are currently none as at the date of this announcement but further vesting may occur in early October as noted above; and
- a pro rata portion of his unvested Rights and Options based on the proportion of the applicable performance period (up to the first Test Date) during which Dr McNamee was employed by the Company. The number of Rights and Options which will automatically be retained is indicated in the "Pro Rata" column in each of Tables 1 and 2 above.



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The Board does not propose to waive any applicable performance hurdles specifically for Dr McNamee, or bring forward any Test Date.

In view of Dr McNamee's outstanding contribution to the Company, the Board proposes to determine that, subject to shareholder approval at the 2013 AGM, his remaining unvested Rights and Options (awarded between 2010 to 2012 and indicated in the "Non Pro Rata" column in each of Tables 1 and 2 above) also be retained by Dr McNamee following cessation of employment. A resolution to enable this will be put to shareholders at the 2013 Annual General Meeting.