

# BOARD CHARTER

## Board of Directors

Cochlear aims to have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.

The Board of Directors currently comprises six independent Non-Executive Directors, including the Chairperson and one Executive Director, the Chief Executive Officer/President.

- A majority of the Board must be independent Non-Executive Directors.
- The Chairperson must be an independent Non-Executive Director.
- The roles of the Chairperson and Chief Executive Officer/President must not be exercised by the same individual.

An independent director is a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with the independent exercise of their judgement.

## Responsibilities of the Board

- Oversight of the Company, including its control and accountability systems.
- Appointing and removing the Chief Executive Officer/President.
- Ratifying the appointment and, where appropriate, the removal of the CFO and the Company Secretary.
- Input into a final approval of management's development of corporate strategy and performance objectives.
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance.
- Monitoring senior management's performance and implementation of strategy and ensuring the appropriate sources are available.
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures and dividend policy.
- Approving and monitoring financial and other reporting.

## Relationship with Chief Executive Officer/President

The Board has delegated responsibility for day-to-day management of Cochlear to the Chief Executive Officer/President. However, the Chief Executive Officer/President must consult the Chairperson on matters that are sensitive, extraordinary or of a strategic nature.

## Board Committees

The Board operates through Committees that are responsible for particular areas of the business. The five existing Committees are the Audit Committee, the Remuneration Committee, the Technology and Innovation Committee, the Medical Science Committee and the Nomination Committee. Each Committee operates in accordance with a written charter or terms of reference.

These Committees enable a more detailed involvement of the Board with the business in line with the Committee Charter or terms of reference.

## **Internal Policies Applicable to Directors**

Cochlear has in place the following internal operating policies, which apply personally to Directors:

- Trading Policy
- Code of Business Conduct
- Travel and Entertainment Policy
- Continuous Disclosure Policy
- Non-Executive Directors and Executives Share Ownership Policy

The Board is also ultimately responsible for ensuring compliance of Cochlear officers and employees with other Company policies including:

- Code of Conduct
- Continuous Disclosure Policy
- Equal Employment Opportunity Policy
- Health and Safety Policy
- Regulatory Compliance Policy
- Privacy Policy

## CURRENT BOARD MEMBERSHIP

Non-Executive Chairperson: Mr Roderic Holliday-Smith

Non-Executive Directors:  
Mrs Yasmin Allen  
Mr Paul Bell  
Prof Edward Byrne  
Mr Andrew Denver  
Mr Roderic Holliday-Smith  
Mr Donal O'Dwyer

Executive Director: Dr Christopher Roberts

Company Secretary: Mr Neville Mitchell