

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 seven Independent non-executive directors, including the Chair and one managing director, the Chief Executive Officer & President.

- A majority of the Board must be Independent (within the meaning set out in the Nomination Committee Terms of Reference) non-executive directors.
- The Chair must be an Independent non-executive director.
- The roles of the Chair and Chief Executive Officer & President must not be exercised by the same individual.

Responsibilities of the Board

The matters reserved to the Board are:

- Oversight of Cochlear, including its control and accountability systems.
- Appointing and removing the Chair.
- Appointing, removing and evaluating the performance of the CEO & President.
- Appointing and removing the Company Secretary.
- Ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer.
- Demonstrating leadership, defining Cochlear's purpose and setting Cochlear's strategic direction.
- Providing input into Management's development of corporate strategy and performance objectives and approving the corporate strategy.
- Overseeing the development of an appropriate corporate culture including approving Cochlear's statement of values and Global Code of Conduct. Satisfying itself that Cochlear's organisational culture reflects Cochlear's purpose and values and promotes high standards of legal, ethical and responsible behaviour, aligned with achieving long term strategic goals.
- Reviewing, ratifying and monitoring the effectiveness of Cochlear's systems of governance, risk management and internal compliance and control, legal compliance, codes of conduct and other corporate governance policies and practices.
- Satisfying itself that Cochlear has in place an appropriate Risk Management Framework (for both financial and non-financial risk) and setting the risk appetite within which the Board expects the CEO & President and the Executive Team to operate.
- Overseeing Management in its implementation of Cochlear's strategic objectives and business performance, instilling of Cochlear's values and ensuring the appropriate resources are available.
- Approving and monitoring the progress of major capital expenditure, capital management, operational budgets, acquisitions, divestments and dividend policy.
- Approving Cochlear's interim and annual reports and financial statements and overseeing the integrity of Cochlear's accounting and corporate reporting systems, including the external audit.

- Overseeing Cochlear’s process for making timely and balanced disclosure of all material information concerning Cochlear that a reasonable person would expect to have a material effect on the price or value of Cochlear’s securities.
- Satisfying itself that an appropriate framework exists for relevant information to be reported by Management to the Board.
- Whenever required, challenging Management and holding it to account.
- Overseeing the integration of ESG into business strategy and operations. Approving ESG goals, strategies and policies, and overseeing programs to achieve these goals.
- Satisfying itself that Cochlear’s remuneration policies are aligned with Cochlear’s purpose, values, strategic objectives and risk appetite. Reviewing and approving recommendations made by the People & Culture Committee on remuneration of Chair, non-executive directors, executive directors, CEO & President and senior executives.
- Planning for Board and CEO & President succession and overseeing Executive succession.
- Reviewing annually the composition of the Board against the desired current and future composition.
- Reviewing annually the performance of the Board, its Committees and individual directors.

Role of Chair

Cochlear’s Chair is responsible for leading the Board in the performance of its duties, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between Cochlear’s Board and Management. Cochlear’s Chair is also responsible for setting the Board’s agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.

Role of Company Secretary

The Company Secretary supports the effectiveness of the Board and its Committees including in relation to governance matters, policy and procedures, preparation and dispatch of papers, minute taking and induction and professional development of directors.

The Company Secretary is accountable directly to the Board through the Chair on all matters to do with the proper functioning of the Board.

Relationship with CEO & President and the Executive Team

The CEO & President is responsible for the setting and implementation of Cochlear’s strategic objectives and operating within the values, Global Code of Conduct, budget and risk appetite set by the Board. The CEO & President is responsible for all other aspects of the day to day running of Cochlear.

The CEO & President is assisted by the Executive Team. The CEO & President and the Executive Team are responsible for providing the Board with accurate, timely and clear information on Cochlear’s operations to enable the Board to perform its responsibilities.

The Board will regularly review the division of functions between the Board and the CEO & President and the Executive Team to ensure that it continues to be appropriate to Cochlear’s needs. Directors may seek independent professional advice at the expense of Cochlear whenever they judge such advice necessary for them to discharge their responsibilities as directors.

Board Committees

The Board operates through Committees that are responsible for particular areas of the business. The five existing Committees are the Audit and Risk Committee, the People and Culture Committee, the Product and Services 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
- Global Code of Conduct
- Whistleblower Protection Policy
- Travel Policy
- Continuous Disclosure Policy and Procedures
- Risk Management Policy
- Diversity & Inclusion Policy
- Share Ownership Policy

The Board is also ultimately responsible for ensuring compliance of Cochlear officers, employees and consultants with access to Cochlear systems with Cochlear policies, including:

- Global Code of Conduct
- Business Relationship Policies
- Whistleblower Protection Policy
- Continuous Disclosure Policy and Procedures
- EEO and Workplace Behaviour Policy
- Work Health and Safety Policy
- Quality Policy
- Cochlear Privacy Standard

Review of Board Performance

The Chair evaluates the performance of individual directors annually, in accordance with a process agreed with the members of the Nomination Committee. The performance of the Board is externally/independently reviewed regularly.

Board Charter Review

The Board is responsible for reviewing this Charter every two years or as required after a Board performance evaluation.

Current Board Membership

Non-Executive Chair:	Ms Alison Deans
Non-Executive Directors:	Mr Glen Boreham, AM
	Ms Caroline Clarke
	Sir Michael Daniell, KNZM
	Mr Michael del Prado
	Ms Christine McLoughlin, AM
	Ms Karen Penrose
	Prof Bruce Robinson, AC
Managing Director:	Mr Dig Howitt
Company Secretaries:	Ms Kristy Jo
	Mr Rob McGrory

Last Updated: 2 September 2024