

REMUNERATION & NOMINATION COMMITTEE TERMS OF REFERENCE

OBJECTIVES

1. The role of CSL's Remuneration & Nomination committee (the "RNC") is documented in a Corporate Governance Statement, which has been approved by the board (the "Board").
2. The main objectives of CSL's RNC are to:
 - 2.1. Give the Board advice regarding the size and composition of the Board, including the skills and experience of the directors; the selection criteria for nomination of candidates of directors and the time commitment and contribution required of the directors; and the succession planning for the directors.
 - 2.2. Give the Board additional assurance regarding the quality, integrity and suitability of Board of Director nominations and make recommendations on the final list of nominating members eligible for election to the Board.
 - 2.3. Assist in determining remuneration policies and practices for CSL as a whole, including those affecting the Board, Group CEO and Senior Executives and exclusively engage and receive recommendations from Remuneration Consultants in respect of the Board, Group CEO and Senior Executives.
 - 2.4. Although the Board is responsible for Group CEO Performance Management the RNC undertakes to make recommendations to the Board and review the Group CEO performance process, setting goals for the year and reviewing progress in achieving these goals.
 - 2.5. Give the Board advice with respect to management's design of the executive incentive plans and proposed payments or awards under such plans.
 - 2.6. Give the Board advice and assurance on aspects of CSL's corporate governance policies and framework involving the role and structure of the Board, the independence of non-executive directors, the Board Charter and the Corporate Governance Statement in the Annual Report.
 - 2.7. Make recommendations to the Board on the public reporting and disclosure of CSL's corporate governance policies as they relate to the matters set out in paras 2.3 and 2.6.
 - 2.8. Give to the Board advice on recent developments in Corporate Governance best practice as they relate to the matters set out in paras 2.3 and 2.6.
3. The RNC also acts as a communication means between the Board and the Management to ensure significant issues and information arising from the application of the Society's remuneration policies and practices are brought to the attention of the Board.

DUTIES AND RESPONSIBILITIES

4. The RNC reports to the Board on an exception basis except where it explicitly states that the decision rights lie with the whole Board and they are marked (BOARD REFERRAL).
5. The role of the RNC is to:
 - 5.1. Ensure the adequacy of election rules governing the appointment of Directors (BOARD REFERRAL) and provide general oversight of the Director Election process including approval of communication promoting participation in Member Director Elections as a nominee.
 - 5.2. Review, assess and assume the responsibility for compiling the final list of Director nominees after following a transparent vetting process (BOARD REFERRAL).
 - 5.3. Recommend to the Board policies and practices that are market competitive and will attract, motivate and retain high quality people. (BOARD REFERRAL)
 - 5.4. Assess the Company's competency needs for Directors. (BOARD REFERRAL)
 - 5.5. Review the Director development requirements and monitor.
 - 5.6. Ensure proper succession planning for the Board, the committees and key executives which will include identification of the key executives in consultation with the Group CEO.
 - 5.7. Seek external advice, whether in person or via a written report or submission, on Director, Group CEO and Senior Executive remuneration as required.
 - 5.8. Conduct reviews and make recommendations to the Board on remuneration packages and policies applicable to the Directors, Group CEO and the Senior Executives themselves, including professional indemnity and liability insurance policies. (BOARD REFERRAL)

- 5.9. Assist the Board to discharge its duty with regard to its employment responsibilities for the Group CEO including performance, remuneration and conditions of employment. (BOARD REFERRAL)
- 5.10. Conduct a review and ratification of the Group CEO's remuneration submission as it affects all personnel reporting to the Group CEO and ensure such submission has been supported by due process, performance evaluation and a review of empirical market evidence, and make recommendations to the Board. (BOARD REFERRAL)
- 5.11. Decide where to position the company relative to others in terms of remuneration levels and composition through independent review and empirical market evidence. (BOARD REFERRAL)
- 5.12. Review and monitor the benefits of the Directors, the Group CEO and Senior Executives.
- 5.13. Plan any Annual Corporate Governance Workshop for the Board.
- 5.14. Review and make recommendations on the aspects of CSL's corporate governance policies and framework involving the role and structure of the Board, the independence of non-executive directors, the Board Charter and the Corporate Governance Statement in the Annual Report (BOARD REFERRAL).
- 5.15. Make recommendations on the public reporting and disclosure of CSL's corporate governance policies and frameworks and issues as they relate to the matters set out in paras 5.7, 5.8 and 5.14 (BOARD REFERRAL).
- 5.16. Report to the Board on recent developments in Corporate Governance best practice as they relate to the matters set out in paras 5.7, 5.8 and 5.14 (BOARD REFERRAL).
- 5.17. Initiate and direct any special projects or investigations which the committee, in consultation with or at the request of the Board, are deemed necessary and make recommendations to the Board. (BOARD REFERRAL)
- 5.18. Report fully to the Board following each meeting (BOARD REFERRAL).

COMPOSITION

6. Annually the Board will reconsider the composition of the RNC.
7. The RNC should comprise at a minimum three Directors, one of which will be the Chairman.
8. The RNC shall comprise entirely of non-executive Directors at all times.

TERM OF MEMBERSHIP

9. Subject to Section 7, the Board will appoint members of the committee for one year.

ATTENDEES

10. Consultants or their representatives of an advisory firm may be appointed to assist the committee in fulfilling its duties, if deemed necessary.

INVITEES

11. The Group CEO will be invited for discussion on senior executives' performance and remuneration review submissions.
12. The RNC may require any other director, member of staff or person external to the Company (e.g. Consultants or their representatives) to attend part or whole of a committee meeting from time to time if their attendance is deemed necessary. The appointed Returning Officer for the Director Election process has a direct reporting relationship with the Chair of the RNC and all reports and submissions are made independently from other members of management.

MEETINGS

13. The committee will hold at least two regular meetings per year and any additional meetings that the Chairman decides are necessary. The Chairman shall call a meeting of the committee if requested to do so by any RNC member, Group CEO or Chairman of the CSL Board.
14. Management will provide the services of a Secretary to the committee who will be responsible for keeping the minutes of meetings of the committee and circulating them to committee members and other members of the Board.

15. The Secretary to the committee is also responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to RNC members and other members of the Board, prior to each meeting.
16. A quorum will be a committee of two, or more than half if the committee is more than three RNC members.
17. Decisions will be determined by a majority vote, but the Chairman will report the fact of any dissenting vote to the Board when reporting the decision to the Board.
18. The Chairman will have a casting vote.

ACCESS

19. The RNC will have unfettered access to the management of CSL and the ability to consult independent experts, after consultation with the Group CEO, where the RNC considers it necessary to carry out its duties. The RNC may after such consultation with the Group CEO engage expert advisors on remuneration issues directly and receive the advice of such expert advisors directly independent of management.
20. The RNC will exercise its right of access to management under this clause after notifying the Group CEO. Access will not be unreasonably refused.