

All going well, bar the share price

Company/ASX Code	CSL Limited/CSL
AGM time and date	10am on Tuesday, 28 October 2025
Location	RACV City Club, Bourke Street, Melbourne
Registry	Computershare
Type of meeting	Hybrid
Monitor	Mike Robey, assisted by Frank Hong and Stephen Mabb
Pre-AGM Meeting	Yes, with Megan Clarke (NED), Fiona Mead (coSec), Cameron Price (NED), Adrian Porter (VP Global Rewards!), OS Smyth (HR)

Monitor Shareholding: The individual/s (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2a	That Dr Brian Daniels, who retires as a Director in accordance with CSL's Constitution and, being eligible, be elected as a Non-executive Director	For
2b	That Mr Cameron Price, who retires as a Director in accordance with CSL's Constitution and, being eligible, be elected as a Non-executive Director.	For
3	That the Remuneration Report for the year ended 30 June 2025 as set out in the Directors' Report of the Annual Report be adopted	For
4	That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of Performance Share Units to the Chief Executive Officer and Managing Director, Dr Paul McKenzie, as his annual long-term incentive for the year ended 30 June 2026 as set out in the Explanatory Notes to this Notice of Meeting	For
5	A board spill resolution conditional on at least 25% or more of the votes validly cast on the resolution in Item 3 (Adopting the Remuneration Report for the year ended 30 June 2025) being cast against that resolution.	Against

2. Summary of Issues and Voting Intentions for AGM/EGM

- CSL received a first remuneration strike in FY 2024, even after modifying its remuneration structure, after a near first strike in 2023. The Proxy Adviser feedback was that it was too generous on both structure and downward revision by the board after the Vifor business underperformance. In response, it made further changes this year by reducing the payout at threshold for one of the two LTI targets, the ROIC, from 50% to 33% of maximum, thereby increasing the performance required for the equivalent payout.
- Inadequate board skills matrix. The CSL table of skills is of kindergarten grade for a business in which proven commercialisation skills are essential.
- Proving the ambitious business case for the expensive and ROIC-dilutive Vifor business

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

CSL had a very good financial set of results this year with all indicators substantially improved, with the notable exception of the share price which fell continuously over the year, in part due to uncertainties over Trump tariffs, the planned demerger of its vaccine business Seqirus and in part due to underperforming market expectations amid reduced US demands for vaccines. The steepness of the fall has taken investors by surprise but appears to be due to several factors; the under-performance of the Vifor iron-deficiency product development, the dampened post-Covid performance of the core Behring business which have weighed on the return-on-invested-capital (ROIC).

The newly acquired Vifor iron deficiency business has improved but has remaining substantial hurdles in receiving regulatory approval and is suffering from claims of anti-competitive behaviour in Europe, as well as commercial challenges.

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (US\$m)	3002	2642	2194	2255	2375
UPAT (US\$m)	3219	2907	2610	2381	
Share price (AUD\$)	239.5	293	277	269	285
Dividend (US\$)	2.92	2.64	2.36	2.22	2.95
Simple TSR* (%)	-17.3	7	4	-4	0
EPS (US\$)	6.20	5.47	4.55	4.81	5.22
CEO total remuneration, actual (\$USm)	6.06	5.9	6.0	12.7	45.4

* Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

In most respects CSL is a well-managed global pharmaceutical company with robust systems. In the past year though, the chairman, Mr McNamee has strongly singled out the culture and effectiveness of R&D in the newly minted Melbourne biotech hub, for being hampered by the Victorian State's work-from-home culture and their inability to turn research into commercial biotech products.

CSL has announced a significant cutback of staff globally following a failure at the phase trials of one of its flagship new developments, CSL112. Although the outburst by the chairman was possibly born of frustration of what is common in pharmaceutical research, namely the failure of the next big pharma thing at the phase 3 gate, it clearly indicates a deep concern with the research and business support environment in Victoria. In context, the Labor government in Victoria has moved to legislate employee rights to work from home for two days a week.

The company will consolidate the global R&D centres as part of a wide-ranging program to raise productivity.

The board now comprises 60% women and 40% men, but KMP ranks are top heavy in men, who are 9 of the 13.

Key events

CSL has announced the demerger of Seqirus, the vaccine business which comprises about 14% of revenues, for the other two streams of blood plasma (CSL Behring, 72% of revenue) and rare disease businesses (CSL Vifor, 14%). The process will take place in FY2026.

Key board or senior management changes

Prof Maskell retired during the and Dr Daniels, who stands for election at this year's AGM, was appointed. Ms Borg was elected at last year's AGM.

Mr Cameron Price, formerly of the Future Fund will join the Board this year.

The EVP of CS Behring business unit, Mr Schmelz took carer's leave for 6 months and CFO, Ms Linton, served in the role in the interim.

Sustainability/ESG

CSL produces a comprehensive sustainability report which addresses all the themes in this area, with accountabilities driven down through the businesses. With the help of many internal staff and seven external stakeholders, they developed a prioritised material topics list in three broad areas; Healthier Communities, Healthier Environment and Governance. The data used in this report was audited by Deloitte.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

The only issue here is the lack of an independently audited, detailed board skills matrix, to give shareholders the insights into the selection process for board members. That said, this year's newly appointed board members appear (based on their self-assessment) to have exactly the skills required for the future growth of the company. We pointed out that proven M&A experience in the biotech area (which doesn't appear in their skills table and which was a key requirement for the Vifor acquisition) is a requirement for CSL, so it is

pleasing to see that there are processes for addressing skills needs even if they are invisible to shareholders. Our issue is visibility.

All other matters in the focus issues are covered well by CSL.

4. Rationale for Voting Intentions

Resolution 2a. That Dr Brian Daniels, who retires as a Director in accordance with CSL's Constitution and, being eligible, be elected as a Non-executive Director. **For**

Dr Daniel comes with 30 years relevant experience in pharma R&D and investment and direct experience with two large global pharmaceutical companies, Novo Nordisk and Bristol Myers Squibb. He is well suited to the CSL business and may help uncover the systemic causes for failure in commercialisation, which the chairman articulated.

Dr Daniel is a partner in 5am ventures, has a directorship of a small biotech company, Inipharm and is chair of Artiva Biotherapeutics, a small early-stage biotech company, which has just received FDA approval (its first) for a rheumatoid arthritis drug, so he is on the pulse with the latest in the industry but not overloaded. He has 20% of his fixed remuneration in performance rights, as per the CSL policy, so has an automated process for acquiring skin in the game. We see him as a good addition to the board and will vote for.

Resolution 2b. That Mr Cameron Price, who retires as a Director in accordance with CSL's Constitution and, being eligible, be elected as a Non-executive Director. **For**

Mr Price was the General Counsel & Chief Risk Officer at the Future Fund, Australia's sovereign wealth fund, which invests more than \$300 billion globally. His extensive legal background had M&A as a speciality, so will be of value to CSL, which has struggled in this area in recent times. He was appointed on October 1, 2025. We see him as a suitable appointment to the board and will vote for.

Resolution 3 That the Remuneration Report for the year ended 30 June 2025 as set out in the Directors' Report of the Annual Report be adopted. **For**

The remuneration report, as noted above met with a near strike in 2023, a first strike in 2024 and has undergone some modifications to improve it. The principal one was to reduce the payout at the threshold of the award of performance rights under the LTI plan to 33% of maximum and not the more generous 50% of the former two years. This LTI plan also has a holding lock of 12 months after the three-year performance period. The multiples for STI and LTI maxima are eye-wateringly large (240% and 425% respectively), but these are common in the pharmaceutical industry and CSL sets fixed pay, STI and LTI targets at or below the median of their peer pharma companies. STI is all cash, which is against our guidelines (50% deferred 12 months into shares) but again common in the industry. We think that CSL has taken heed of the stakeholder concerns of overly easy LTI hurdles, so will vote for the remuneration report.

Resolution 4. Grant of Performance Share Units to the Chief Executive Officer and Managing Director, Dr Paul McKenzie, as his annual long-term incentive. **For**

This follows the published guidelines for the remuneration schedule mentioned above, and the framework which appears in Appendix 1, so we will support it.

Resolution 5. A board spill resolution conditional on at least 25% or more of the votes validly cast against the resolution 3. **Against**

The ASA believes that a complete board spill is unnecessary except in extraordinary circumstances of poor performance, and this is clearly not the case here. We therefore will vote against this resolution.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY26	Target* \$USm	% of Total	Max. Opportunity \$USm	% of Total
Fixed Remuneration	1,930,883	26.2%	1,930,883	13.1%
STI - Cash	2,317,060	31.4%	4,634,119	31.4%
STI - Equity	0	0%	0	0%
LTI	3,126,582	42.4%	8,206,253	55.5%
Total	7,374,525	100.0%	14,771,255	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is taken at threshold remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.