Board of directors

Rick Holliday-Smith
Chairman

Dig Howitt
CEO & President

Prof Ed Byrne, AC
Director

Yasmin Allen
Director

Glen Boreham, AM
Director

Alison Deans
Director

Donal O’Dwyer
Director

Andy Denver
Director

Prof Bruce Robinson, AM
Director

40th anniversary of the first multi-channel cochlear implant surgery
Healthy hearing for healthy ageing

Growing understanding of the link between healthy hearing and healthy ageing

- **Cognitive decline**: Hearing loss associated with accelerated cognitive decline and dementia in older adults.
- **Depression**: Significant association between hearing impairment and moderate to severe depression.
- **Falls**: Higher risk of dizziness causing falling.
- **Social isolation**: Hearing loss linked to withdrawal from social interactions, which can have a significant impact on psychological well-being and physical health.
- **Ability to work**: Hearing loss can affect the ability to work or stay in the workforce.
- **Loss of independence**: Seniors with hearing loss lost ability to be able to self-care.

Cochlear Limited
2018 Annual General Meeting

Dig Howitt CEO & President
Our mission

We help people hear and be heard.

We empower people to connect with others and live a full life.

We transform the way people understand and treat hearing loss.

We innovate and bring to market a range of implantable hearing solutions that deliver a lifetime of hearing outcomes.

Hearing loss is prevalent and under-treated

>460 million
people globally with a disabling hearing loss.¹

1 in 3
people over the age of 65 affected by disabling hearing loss.²

>15,000,000
people could benefit from a cochlear or bone conduction implant.³

<5%
market penetration of implantable hearing solutions.⁴
Strategic priorities

Retain market leadership
Market-leading technology | World-class customer experience

Grow the hearing implant market
Awareness | Market access | Clinical evidence

Deliver consistent revenue and earnings growth
Invest to grow | Operational improvement | Strong financial position

Market-leading products driving demand

Cochlear® Nucleus® 9 Pro with Slim Modular Extender (C9032)
Cochlear® Nucleus® 9 Sound Processor (CP900)
Cochlear® Nucleus® 7 Sound Processor (CP7000)
Cochlear® Nucleus® Smart App

Cochlear® Baha® 5, Baha® 5 Power and Baha® 5 SuperPower
Cochlear® Baha® SoundProcessor
Cochlear® Baha® Smart App
Cochlear® Contour® System
Grow the hearing implant market

Strategies to improve awareness and access vary by segment

**Adults and seniors**
- **Developed markets**
  - Biggest market potential and the most challenging to penetrate
  - Current penetration: ~3%

**Children**
- **Developed markets**
  - Cochlear implants have been established as the standard of care for newborns across many developed markets
  - Current penetration: ~60%

**Children**
- **Emerging markets**
  - Long term growth potential as wealth increases
  - Current penetration: ~10%

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**Adults and seniors – developed markets**

**Biggest market potential and the most challenging to penetrate**

**Current penetration** ~3%

**Key priorities: building awareness and access for adults and seniors**

- Support cochlear implants becoming the standard of care for adults and seniors with severe to profound hearing loss by demonstrating
  - Hearing is an essential part of healthy ageing
  - Effectiveness of implantable solutions relative to hearing aids
  - Treating age related hearing loss creates economic value
- Increase referrals via direct-to-consumer marketing activities and through the hearing aid channel
- Expand indications and reimbursement in some markets
Services strategy – growing advocacy through improved experience

- More active volunteers/advocates
- Increased customer satisfaction
- Greater uptake of new technologies
World class customer experience

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Marsha Cooke Mundy
August 26 at 9:45 AM

I left my remote on the table in ponderosa yesterday. My husband got a call from cochlear to let him know the restaurant had it. They called cochlear, gave them the serial number and cochlear tracked us down. That is remarkable customer service from both parties!

9 Comments

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Cochlear Limited
2018 Annual General Meeting

Rick Holliday-Smith Chairman
Resolution 1.1

Financial and other reports

To receive and consider the Company’s Financial Report, the Directors’ Report and the Auditor’s Report in respect of the financial year ended 30 June 2018 and to consider and, if thought fit, to pass the following resolution:

1.1 “THAT the Company’s Financial Report, the Directors’ Report and the Auditor’s Report in respect of the financial year ended 30 June 2018 be received.”

Resolution 1.1

Financial and other reports

Proxies and direct votes have been received in respect of this resolution as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of shares</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>For</td>
<td>37,251,451</td>
<td>98.9</td>
</tr>
<tr>
<td>Undirected</td>
<td>262,517</td>
<td>0.7</td>
</tr>
<tr>
<td>Against</td>
<td>152,298</td>
<td>0.4</td>
</tr>
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</table>
Resolution 2.1

Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution:

2.1 “THAT the Company’s Remuneration Report in respect of the financial year ended 30 June 2018 be adopted.”

Proxies and direct votes have been received in respect of this resolution as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of shares</th>
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<tbody>
<tr>
<td>For</td>
<td>37,639,791</td>
<td>97.8</td>
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<tr>
<td>Undirected</td>
<td>262,783</td>
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<tr>
<td>Against</td>
<td>595,741</td>
<td>1.5</td>
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</table>
Resolution 3.1

Re-election of directors – Alison Deans

3.1 “THAT Ms Alison Deans, being a director who is retiring in accordance with the Company’s Constitution and who, being eligible, offers herself for re-election as a director of the Company, be re-elected as a director of the Company.”

Resolution 3.1

Re-election of directors – Alison Deans

Proxies and direct votes have been received in respect of this resolution as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of shares</th>
<th>%</th>
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<tbody>
<tr>
<td>For</td>
<td>38,289,357</td>
<td>97.9</td>
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<td>Undirected</td>
<td>264,392</td>
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<tr>
<td>Against</td>
<td>566,361</td>
<td>1.4</td>
</tr>
</tbody>
</table>
Resolution 3.2

Re-election of directors – Glen Boreham, AM

3.2 "THAT Mr Glen Boreham, AM, being a director who is retiring in accordance with the Company’s Constitution and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company."

Resolution 3.2

Re-election of directors – Glen Boreham, AM

Proxies and direct votes have been received in respect of this resolution as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of shares</th>
<th>%</th>
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<tbody>
<tr>
<td>For</td>
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<tr>
<td>Undirected</td>
<td>262,892</td>
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<tr>
<td>Against</td>
<td>661,043</td>
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</tr>
</tbody>
</table>
Resolution 4.1

Approval of securities to be granted to the CEO & President under the Cochlear Executive Incentive Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

4.1 “THAT approval be given to:

a) the grant to Mr Dig Howitt, the Company's CEO & President, of options and performance rights under the Cochlear Executive Incentive Plan calculated in accordance with the formula and on the terms summarised in the Explanatory Notes attached to the Notice of Annual General Meeting; and

b) the transfer to Mr Howitt of existing shares upon the exercise of any options and/or performance rights granted to Mr Howitt pursuant to (a) above.”

Resolution 4.1

Approval of securities to be granted to the CEO & President under the Cochlear Executive Incentive Plan

Proxies and direct votes have been received in respect of this resolution as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of shares</th>
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<td>Against</td>
<td>525,341</td>
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</table>
Resolution 5.1

Renewal of proportional takeover provisions

To consider and, if thought fit, to pass the following resolution as a special resolution:

5.1 “THAT the Company renew the proportional takeover provisions contained in Article 7.7 and Schedule 1 of the Company’s Constitution for a period of three (3) years from and including the date of this resolution.”

Resolution 5.1

Renewal of proportional takeover provisions

Proxies and direct votes have been received in respect of this resolution as follows:

<table>
<thead>
<tr>
<th></th>
<th>No. of shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>38,591,832</td>
<td>98.7</td>
</tr>
<tr>
<td>Undirected</td>
<td>262,892</td>
<td>0.7</td>
</tr>
<tr>
<td>Against</td>
<td>252,970</td>
<td>0.6</td>
</tr>
</tbody>
</table>
Notes

Forward looking statements
Cochlear advises that this document contains forward looking statements which may be subject to significant uncertainties outside of Cochlear’s control. No representation is made as to the accuracy or reliability of forward looking statements or the assumptions on which they are based. Actual future events may vary from these forward looking statements and it is cautioned that undue reliance not be placed on any forward looking statement.

Non-IFRS financial measures
Given the significance of exchange rate movements, the directors believe the presentation of the non-IFRS financial measure, constant currency, is useful for the users of this document as it reflects the underlying financial performance of the business. This non-IFRS financial measure has not been subject to review or audit. However, KPMG has separately undertaken a set of procedures to agree the non-IFRS financial measures disclosed to the books and records of the group.

Constant currency
Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance for Cochlear. This is done by converting the prior comparable period net profit of entities in the group that use currencies other than Australian dollars at the rates that were applicable to the current period (translation currency effect) and by adjusting for current year foreign currency gains and losses (foreign currency effect). The sum of the translation currency effect and foreign currency effect is the amount by which reported EBIT and net profit is adjusted to calculate the result at constant currency.
1. Disabling hearing loss refers to hearing loss greater than 40 decibels (dB) in the better hearing ear in adults and a hearing loss greater than 30 dB in the better hearing ear in children.


3. Cochlear internal data.

4. Market penetration estimates based on Cochlear sourced data.


6. Estimate based on information available to Cochlear.


