

# Notice of Meeting

2022 Annual General Meeting

# Chair's message

I am pleased to invite you to join the 2022 Annual General Meeting of the Commonwealth Bank of Australia which will take place on Wednesday, 12 October 2022, at 9:30am (Melbourne time) at the Melbourne Cricket Ground (MCG).

## Dear Shareholder,

This year we will be returning to a face-to-face Annual General Meeting (AGM) after two years of virtual meetings. I am looking forward to being in Melbourne for this year's meeting and seeing everyone in person.

It will be my first AGM as Chair. It is a privilege to have been appointed Chair of the Commonwealth Bank of Australia (CBA or the Bank), a more than century old institution whose purpose is to build a brighter future for all Australians.

CBA plays a meaningful role in the lives of our customers and in Australia's national interest, helping to lead in supporting Australia's economic agenda and its transition to both a sustainable and a digital economy. I am looking forward to helping lead this organisation through its next strategic growth phase, as we continue to strive to provide positive outcomes for our customers.

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The Board, with the support of CEO Matt Comyn and the leadership team, is committed to helping CBA build on the strong progress achieved over recent years and continuing to create more value for our customers.

## Strategy

We continue to make marked progress on our strategy, with particular focus on key priorities.

These include:

- Supporting customers and the community through changing economic conditions including rising cost of living, inflation and interest rates as well as continuing disruption caused by the COVID-19 pandemic and natural disasters.
- Helping customers reduce their environmental footprint. The Bank has stepped up its efforts to embed sustainability further into our strategy with new products and services aimed at helping retail customers to reduce their carbon emissions and limit their broader impact on the environment.
- Extending the Bank's leadership in technology and innovation by delivering reimagined products and services that help our customers reach their financial goals with increased personalisation, ease and convenience.
- Divesting non-core businesses. Last financial year we completed the divestment of a 55% shareholding in our superannuation business, Colonial First State, to KKR, and sold a 10% shareholding in the Bank of Hangzhou in China.
- Supporting our people with better policies, systems and processes to enable operational excellence

and reduce complexity allowing us to better serve our customers.

## Business performance

The Bank has delivered a strong financial result this year. The Bank reported a cash net profit after tax of \$9.595 billion, which is 11% higher than the previous year, as a result of operational performance, volume growth in core businesses and loan impairment benefits.

This enabled the Bank to deliver a total dividend for the year of \$3.85 per share, fully franked.

In total, the Bank is returning to shareholders \$6.6 billion in dividends with a further \$6.5 billion return of capital.

## Commitment to sustainable practices

Australia's transition to a net zero emissions economy by 2050 presents a significant opportunity for CBA to play our part in creating a more sustainable future. As Australia's largest bank, our ambition is to support the transition to a more modern, resilient and sustainable economy.

This year we have undertaken a range of initiatives to expand our work in this area, including:

- Aligning our temperature ambition to 1.5°C, which informs our sector-level financed emissions targets, and joined the Net-Zero Banking Alliance.
- Setting sector-level 2030 targets for reducing our financed emissions in power generation, thermal coal mining, upstream oil extraction and upstream gas extraction.



- Strengthening our measurement and reporting on financed emissions to align with the Partnership for Carbon Accounting Financials (PCAF) standard, covering 80% of our 2020 lending portfolio.
- Completing climate scenario analysis covering 74% of our exposures. The findings from this analysis will help inform and evolve our strategy, lending decisions and product and services development.
- Partnering with the Commonwealth Scientific and Industrial Research Organisation (CSIRO). Through this partnership we will set additional science-based targets using Australia-specific transition pathways to help CBA and other organisations, their customers and communities, navigate a course to a low-carbon economy.

More information about these initiatives is available in the Bank's 2022 Climate Report, which details how CBA's work is aligning to the 11 recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD).

As Chair, I welcome the opportunity to continue the Bank's focus on playing our part in reducing emissions and supporting communities through the transition. There has been much written and spoken about the economic impacts of the transition but I believe the social impacts need to be considered with the same gravity.

The provision of support for communities that will be most affected is vital to ensuring a safe and orderly transition.

CBA can help bring stakeholders together and contribute insights

that will accelerate progress through the transition.

## Remedial Action Plan completion

Over the past four years, CBA has been focused on transforming the Group through the Remedial Action Plan (RAP), implemented in response to the APRA Prudential Inquiry.

We have completed the RAP. All milestones have been assessed as complete and effective. We now move forward with a stronger culture of accountability firmly embedded in the organisation, with a view to continuously improve on the foundation established through the RAP.

## Board movements

We acknowledge the retirement of our former Chairman, Catherine Livingstone AO, whose extraordinary contribution for more than six years has enabled the Bank to navigate some of the most significant challenges in its history and undertake a profound transformation in CBA's culture, putting the customer at the centre of everything we do.

We acknowledge and thank Shirish Apte who will retire from the Board at the conclusion of this year's AGM. Shirish joined the Board in June 2014 and has been central to the Board's decision making on strategy and operational risk. He has served shareholders with distinction.

Effective 1 October 2022 Lyn Cobley will join the Board as an independent non-executive director. Lyn brings to the Board more than 30 years' experience in banking and financial services. Lyn has

previously served as the Chief Executive Officer of Westpac Institutional Bank, Chair of Westpac's Asia Advisory Board and as a Trustee Board member of the Westpac Foundation which oversees the Westpac Buckland Fund and the Westpac Community Trust. Ms Cobley is also a former Group Treasurer of the Commonwealth Bank of Australia.

Simon Moutter has been appointed Chair of the People & Remuneration Committee and Julie Galbo joins the Audit Committee and the Risk & Compliance Committee as a member.

## Items of business

The Notice of Meeting for the AGM commences on page 6 of this document and outlines the items of business that we will put to shareholders for consideration. Background information on these items is contained in the Explanatory Memorandum on pages 12 to 20, which forms part of the Notice of Meeting.

If you are unable to attend the AGM, we invite and encourage you to watch a live webcast online at [www.commbank.com.au/agm](http://www.commbank.com.au/agm).

Yours sincerely,

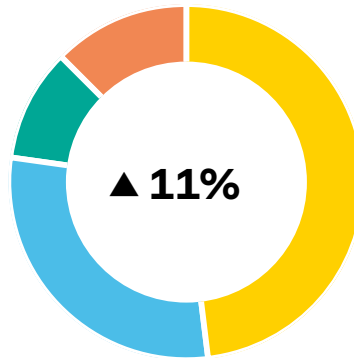
**Paul O'Malley**  
Chair

# 2022 highlights

## Financial highlights

### Group

Cash NPAT by business unit



Retail Banking Services

**\$4,929m**

Business Banking

**\$3,001m**

Institutional Banking and Markets

**\$1,050m**

New Zealand

**\$1,265m**

Statutory net profit after tax (NPAT)

**\$9,673m**

▲ 9%

Cash net profit after tax (NPAT)

**\$9,595m**

▲ 11%

Operating income

**\$24,896m**

▲ 3%

Cost-to-income ratio

**46.7%**

▼ 30 basis points

Capital ratio

**11.5%**

CET1 (APRA, Level 2)

▼ 160 basis points

# Value we create



## Customer

### Our targets

#1 Net Promoter Score (NPS) in consumer and business banking of major banks

### Our progress

**#1** mobile app NPS

**#2** consumer NPS

**#1** business NPS

**16m+**

customers served

**\$170bn**

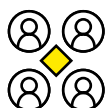
of lending for Australian home buyers

**1m+**

business transaction accounts

**\$280bn+**

funding raised for Australian clients



## Community

### Our targets

Top quartile among peer companies for reputation improvement

### RepTrak reputation score

**63.3**

Average of peer companies: 67.2

**\$4bn**

tax expense – one of Australia's largest taxpayers

**\$30.0m**

cash contributions

**\$2.8m**

raised in donations and dollar matching for CanGive Flood Appeal

**\$30.6bn**

sustainability funding



## Our people

### Our targets

Top 10% amongst global companies in our people engagement score

### People engagement

**80%**

Global 90th percentile score: 83%

**90%**

of employees are proud to work at the Bank

**\$6.5bn**

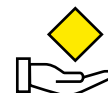
paid to our people in salaries and superannuation

**#1**

LinkedIn Top Company in Australia

**43.1%**

women in Executive Manager and above roles



## Shareholders

### Our targets

Top quartile TSR outperformance relative to peers

### Total shareholder return (TSR)

**180%** 10-year

**38%** 5-year

**-6%** 1-year

**870,000+**

shareholders, 77% Australian owned

**\$3.85**

dividend per share, fully franked

**\$13bn**

returned to shareholders through dividends and share buy-backs

**\$3,030**

dividend amount received by the average retail shareholder

# Notice of Meeting

The 2022 Annual General Meeting (the AGM or Meeting) of the Commonwealth Bank of Australia (the Company or CBA) will be held on **Wednesday, 12 October 2022**. The AGM will be held in the Members Dining Room of the Melbourne Cricket Ground (MCG), Brunton Avenue, Richmond, Victoria and accessed via Gate 2. The Meeting will commence at **9:30am** (Melbourne time) with registration commencing at **8:00am** (Melbourne time).

We are pleased to be able to host the AGM in person after two years of virtual meetings. Shareholders are invited to attend the AGM in person at the MCG, and those who are unable to attend can view the Meeting via live webcast. There are a number of ways that shareholders who cannot attend the Meeting can express their views and ask questions. Questions may be submitted in advance of the Meeting and shareholders can vote directly or appoint a proxy in advance of the Meeting.

If it becomes necessary or appropriate to make alternative arrangements for the holding, or conduct, of the Meeting (including changing the venue, implementing capacity limits or moving to online participation) we will announce this on the CBA AGM website at [commbank.com.au/agm](http://commbank.com.au/agm) and the Australian Securities Exchange (ASX) market announcements platform.

Shareholders who cannot attend the AGM in person are encouraged to appoint a proxy or submit a direct vote via [vote.linkmarketservices.com/cba](http://vote.linkmarketservices.com/cba). All proxy appointments and direct votes, whether submitted online or in hard copy, must be lodged before 9:30am (Melbourne time) on Monday, 10 October 2022 (as described on pages 10 and 11).



## How to attend the Meeting

Shareholders who wish to attend the Meeting should follow any Government requirements and recommendations regarding COVID-19. At the Meeting, CBA will be following COVID-19 safety guidance from the relevant government and health authorities to safeguard the health and wellbeing of our shareholders, employees and the broader community. This may include wearing a mask during the Meeting. If you, or someone you have been in contact with, becomes unwell or experiences any cold or flu like symptoms, please view the Meeting online via the live webcast and do not attend in person. For this reason, we encourage you to vote directly or appoint a proxy in advance of the Meeting. Hand sanitiser and masks will be available at the venue. If you would like to wear a mask, please feel comfortable to do so.

For guidance on attending the Meeting at the MCG, see "How to get to the MCG" below and on page 7.

If you will not be in Melbourne on Wednesday, 12 October 2022 or have any concerns about attending or travelling to the MCG, we invite and encourage you to vote directly or lodge a directed proxy and ask questions in advance, and view the live webcast as described on page 8.

## How to get to the MCG

For those who wish to attend the Meeting, the AGM will be held in the Members Dining Room of the Melbourne Cricket Ground, Brunton Avenue, Richmond, Victoria. The only access will be via Gate 2 of the MCG. The Meeting will commence at 9:30am (Melbourne time), and in person registration and security checks will open at 8:00am (Melbourne time). Please allow time for shareholder registration and security checks. Large bags and other items will need to be checked into the cloakroom.

Timetables and further transport information are available at <https://www.ptv.vic.gov.au/> and <https://www.mcc.org.au/mcc-reserve/getting-to-the-mcg>.



### By Train

Jolimont Station (also known as MCG Station) is approximately a 5 minute walk to Gate 2. Exit the station and walk through Yarra Park towards Gate 2 of the MCG.

Richmond Station is approximately a 10 minute walk to Gate 2. Exit the station, cross Punt Road, walk past the Punt Road Oval, and follow AFL Walk past the Shane Warne Stand towards the northern side of the MCG, and then towards Gate 2.

### By Tram

Tram routes No. 48 (Docklands/City-North Balwyn) and No. 75 (City-Vermont South) stop at Jolimont Station-MCG/Wellington Parade, and No. 70 (Waterfront Dockland/Wattle Park) stops at Rod Laver Arena/MCG Gates, which are approximately a 5 minute walk through the park towards Gate 2 of the MCG.

### By Bus

The bus route 246, run by National Bus Company, stops at Punt Road/Rowena Parade. Walk through Yarra Park, towards the Olympic Stand, and then towards Gate 2 of the MCG.

### By Car

On non-match days, there is no car parking available at the MCG. However, metered car parking is available around Fitzroy Gardens, the Botanical Gardens and along the Yarra River. Public car parking is also available at the Eastern Plaza Carpark of Melbourne and Olympic Parks, via Entrance D (Olympic Boulevard).

### By Taxi

The closest taxi drop off and pick up point to Gate 2 is located at Jolimont Street and Jolimont Terrace.

### By Foot

The MCG is approximately a 20 minute walk from the city. From Flinders Street Station, the William Barak Bridge provides walking access to the MCG passing through Federation Square and Birrarung Marr. At the end of the pedestrian bridge, continue walking parallel to Jolimont Street, towards Gate 2 of the MCG.



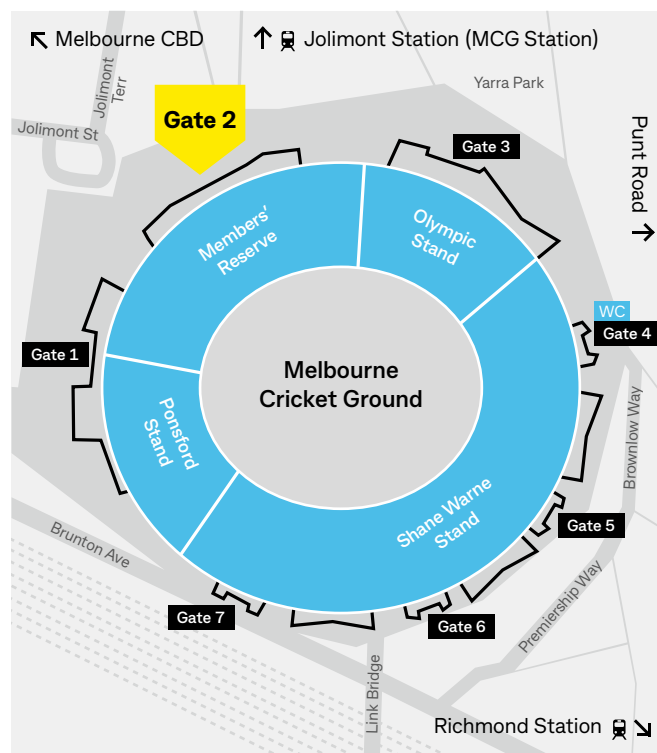
## How to register at the Meeting

When you arrive at the MCG, you will need to register to gain access to the Meeting. Registration will also enable you to ask questions and to vote in person.

To help with the registration process, you're encouraged to bring your shareholder details (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)). You can find your SRN/HIN on the Welcome Letter or other documentation you received when you first became a CBA shareholder.

If you are unable to locate your SRN/HIN, the registration team will be able to look up your shareholder details when you arrive at the MCG. Alternatively, you may also contact Link Market Services (CBA's Share Registry) on +61 1800 022 440 or at [cba@linkmarketservices.com.au](mailto:cba@linkmarketservices.com.au) well in advance of the Meeting so that your SRN/HIN can be mailed to you. For security reasons, your SRN/HIN can only be sent by post to your registered postal address and cannot be provided on the day of the Meeting. Your SRN/HIN cannot be provided by email or phone. Shareholders who need a copy of their SRN/HIN are strongly encouraged to contact Link Market Services as soon as possible, to avoid any delivery delays.

If you are appointed as a proxy, please identify yourself to the registration team.





## Voting options for the AGM

Shareholders have the option to vote on resolutions considered at the AGM by:

- lodging a direct vote with the Share Registry by **9:30am** (Melbourne time) on **Monday, 10 October 2022**;
- appointing a proxy to vote on your behalf at the AGM by **9:30am** (Melbourne time) on **Monday, 10 October 2022**; or
- voting in person at the MCG during the AGM.

✦ Further information about each of these options is included on pages 10 and 11 of this Notice of Meeting.



## How to view the Meeting webcast online

- Before the Meeting commences at **9:30am** (Melbourne time) on Wednesday, 12 October 2022 visit [commbank.com.au/agm](http://commbank.com.au/agm) from a desktop, mobile or tablet device with internet access, and click the 'View the 2022 AGM' link.
- If you have previously registered to view the AGM webcast, select the 'Sign in' option, and use your previously registered email address and password to view the Meeting.
- If you haven't previously registered to view the AGM webcast, complete the registration form by entering your name, email address and creating a password.

✦ Shareholders can also watch a recording of the Meeting (from the day after the AGM) at [commbank.com.au/agm](http://commbank.com.au/agm)

## Shareholder questions

Shareholders can ask questions of the Company and of the Company's external auditor, PricewaterhouseCoopers (see page 12 for further information on auditor questions).

Shareholders are encouraged to submit written questions online in advance of the AGM via the Shareholder Questions Form, which is available at [vote.linkmarketservices.com/CBA](http://vote.linkmarketservices.com/CBA). Questions submitted in advance must be received by the Share Registry by 5:00pm (Melbourne time) on Wednesday, 5 October 2022. Please note that individual responses will not be sent to shareholders.

During the Meeting:

- the Chairman of the Meeting will endeavour to address as many of the themes raised in pre-submitted shareholder questions as possible;
- shareholders who attend the Meeting will have a reasonable opportunity to ask questions and make comments, including an opportunity to ask questions of the Company's external auditor, PricewaterhouseCoopers; and
- time may not allow for all questions to be answered.

## Moderation of questions

The Chairman of the Meeting will explain the protocols for asking questions at the start of the Meeting.

It is not uncommon for a number of shareholders to ask the same or very similar questions. To facilitate the orderly conduct of the Meeting, and ensure that shareholders who attend the Meeting have a reasonable opportunity to participate, a limit on the number of questions each shareholder may ask may be adopted. Given the large number of shareholders and questions expected to be received it is possible that not all questions will be answered. However, the Chairman of the Meeting will aim to address questions from a broad range of topics. Shareholders are encouraged to pre-submit their questions in advance of the Meeting to provide a greater opportunity for the Company to address the common questions and themes (including during the Chair's and CEO's addresses).

Questions or comments containing defamatory or offensive language or concepts will not be answered. Any questions or comments in the nature of customer queries (e.g. involving individual banking matters) will be referred to Group Customer Relations.

These guidelines are designed to ensure that as many shareholders as possible have the opportunity to ask questions at the Meeting on as many subjects as possible.



# Items of business

## 1 Consideration of Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2022.

## 2 Re-election and election of Directors

- To re-elect Paul O'Malley who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.
- To re-elect Genevieve Bell AO who retires in accordance with the Company's Constitution and, being eligible, offers herself for re-election.
- To re-elect Mary Padbury who retires in accordance with the Company's Constitution and, being eligible, offers herself for re-election.
- To elect Lyn Cobley who was appointed as a Director of the Company since the 2021 AGM and, being eligible, offers herself for election.

Information about the Directors seeking re-election and election under Item 2 appears on pages 12 to 14 in the Explanatory Memorandum (which forms part of this Notice of Meeting).

The Board (with Paul O'Malley, Genevieve Bell AO, Mary Padbury and Lyn Cobley abstaining from Items 2(a), 2(b), 2(c) and 2(d) respectively), recommends that shareholders vote in favour of Items 2(a), 2(b), 2(c) and 2(d).

## 3 Adoption of the 2022 Remuneration Report

To adopt the Remuneration Report of the Company for the financial year ended 30 June 2022.

The vote on this Item is advisory only and does not bind the Company, or its Directors.

The Board recommends that shareholders vote in favour of Item 3.

## 4 Grant of Securities to the CEO, Matt Comyn

To approve for all purposes, including ASX Listing Rule 10.14, the grant to Matt Comyn of: (i) 19,032 restricted share units as his 2023 financial year long-term alignment remuneration (LTAR) award, and (ii) 19,032 performance rights as his 2023 financial year long-term variable remuneration (LTVR) award, under the Company's Employee Equity Plan (EEP) as set out in the Explanatory Memorandum.

The Board (with Matt Comyn abstaining) recommends that shareholders vote in favour of Item 4.

## 5 Resolutions requisitioned by a group of shareholders

The following resolutions have been requisitioned under section 249N of the Corporations Act 2001 (Cth) (Corporations Act) by a group of shareholders, led by Market Forces, holding approximately 0.018% of the Company's ordinary shares on issue.

The resolutions in Items 5(a) and 5(b) are NOT SUPPORTED by the Board.

The Chairman of the Meeting intends to vote all available proxies AGAINST Items 5(a) and 5(b).

### 5(a) Amendment to the Constitution

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

Insert into the Constitution in clause 6 'General meetings' the following new sub-clause: *"The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. Such a resolution must relate to a material risk identified by the directors or the company and cannot advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."*

The Board recommends that shareholders vote AGAINST Item 5(a).

### 5(b) Climate Risk Safeguarding

Subject to and conditional upon the resolution in Item 5(a) (Amendment to the Constitution) being passed as a special resolution, pass the following resolution as an ordinary resolution:

*Shareholders recognise the substantial transitional and physical risks of climate change and their potential financial impacts on our company. We also note our company's support for the Paris climate change agreement and the goal of net-zero emissions by 2050. Shareholders therefore request the company disclose, in subsequent annual reporting, information demonstrating how the company's financing<sup>1</sup> will not be used for the purposes of new or expanded fossil fuel projects.*

The Board recommends that shareholders vote AGAINST Item 5(b).

<sup>1</sup> Financing defined as per the CBA Environmental & Social Framework (<https://www.commbank.com.au/content/dam/commbank/about-us/download-printed-forms/environment-and-social-framework.pdf>): The provision of direct corporate lending, project finance or trade finance to a Client.

# Items of business

## Voting Exclusion Statement for Item 3 (Adoption of the 2022 Remuneration Report)

The Company will disregard any votes cast on Item 3:

- by or on behalf of a member of the Company's Key Management Personnel (KMP) named in the Company's 2022 Remuneration Report, or any of their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP, at the date of the AGM, or their closely related parties.

However, votes will not be disregarded if they are cast on Item 3 by:

- a person as proxy for a shareholder entitled to vote on Item 3, in accordance with a direction given to the proxy or attorney to vote on Item 3 in that way; or
- the Chairman of the Meeting under an express authorisation in the proxy appointment to exercise the proxy even though Item 3 is connected with the remuneration of KMP.

## Voting Exclusion Statement for Item 4 (Grant of Securities to the CEO, Matt Comyn)

The Company will disregard any votes cast on Item 4:

- in favour of the resolution by or on behalf of Matt Comyn or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP, at the date of the AGM, or their closely related parties.

However, votes will not be disregarded if they are cast on Item 4 by:

- a person as proxy or attorney for a shareholder entitled to vote on Item 4, in accordance with a direction given to the proxy or attorney to vote on Item 4 in that way; or
- the Chairman of the Meeting as proxy for a shareholder entitled to vote on Item 4 under an express authorisation in the proxy appointment to exercise the proxy even though Item 4 is connected with the remuneration of a member of the Company's KMP; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Item 4; and
  - the holder votes on Item 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

## Determination of a Shareholder's Right to Vote

A shareholder's voting entitlement at the AGM will be the entitlement of that shareholder set out in the register of shareholders as at 7:00pm (Melbourne time) Monday, 10 October 2022. Share transfers registered after that time will not be able to be used to determine voting entitlements at the AGM.

## All Resolutions will be by a Poll

In accordance with the Corporations Act, good governance and CBA's usual practice, voting on each resolution set out in this Notice of Meeting will be conducted by a poll.

## Direct Voting – prior to the AGM

If you wish to vote your shares directly prior to the AGM, please go to [vote.linkmarketservices.com/cba](http://vote.linkmarketservices.com/cba) or return a personalised hardcopy Voting/Proxy Form (which is available from Link Market Services on +61 1800 022 440 or at [cba@linkmarketservices.com.au](mailto:cba@linkmarketservices.com.au)). You should mark "For", "Against" or "Abstain" for each Item. Details of how to lodge your direct vote prior to the Meeting can be found on page 11 in the section entitled "Sending us your Direct Vote or Proxy Appointment".

If you vote on at least one Item, but leave other Item(s) blank, the vote on the Item(s) marked will be valid, but no vote will be counted for the Item(s) left blank.

If you leave the voting boxes blank for all Items, the Chairman of the Meeting will be deemed to be your appointed proxy for all Items. The voting intentions of the Chairman of the Meeting are set out on page 11 in the section entitled "Voting Intentions of the Chairman of the Meeting".

## Proxy Appointment

If you are a shareholder and unable to attend the AGM you are entitled to appoint a proxy to attend the AGM and to vote on your behalf (as an alternative to submitting a direct vote prior to the Meeting). A proxy need not be a shareholder, and may be an individual or a body corporate. If you are a shareholder entitled to cast two or more votes, you may appoint up to two proxies to attend the AGM and vote on a poll, and may specify the proportion of voting rights or the number of votes each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of your votes.

If your proxy is not a CBA shareholder or is a CBA shareholder but does not have an email address recorded on the CBA share register, please provide their email and telephone number to [cba@linkmarketservices.com.au](mailto:cba@linkmarketservices.com.au). Subject to applicable voting exclusions, if no voting directions are given, the proxy may vote as they see fit for each undirected resolution.

If a shareholder appoints a member of the Company's KMP (which includes each Director) or one of their closely related parties as a proxy, the person is not permitted to cast the shareholder's votes on Item 3 or 4, unless the shareholder directs the person how to vote or the Chairman of the Meeting is the shareholder's proxy.

### **Voting by attorney or body corporate representative**

A body corporate that is a shareholder or appointed proxy must appoint an individual as its corporate representative, if it wishes to attend and vote at the Meeting. If you are a corporate representative, you will need to provide evidence of your appointment as a corporate representative to Link Market Services in advance of the AGM or have previously provided such evidence.

If you appoint an attorney to attend and vote at the Meeting on your behalf, the power of attorney (or a certified copy) must be given to Link Market Services in advance of the AGM, unless it has previously been provided.

### **Sending us your Direct Vote or Proxy Appointment**

Your direct vote or proxy appointment must be received by the Company's Share Registry, by **9:30am** (Melbourne time) on **Monday, 10 October 2022** (Proxy Close). You may lodge your direct vote or proxy appointment:

- electronically, by visiting the Share Registry website, [vote.linkmarketservices.com/cba](http://vote.linkmarketservices.com/cba) and following the prompts and instructions. You will need your SRN or HIN. If you are unable to locate your SRN/HIN, please contact Link Market Services well in advance of Proxy Close; or
- by returning a Voting/Proxy Form by post to Link Market Services Limited, Locked Bag A14, Sydney South New South Wales 1235; or
- by returning a Voting/Proxy Form by facsimile to (02) 9287 0309 in Australia, or +61 2 9287 0309 if you are overseas.

If your Voting/Proxy Form is signed by an attorney, or in the case of a direct vote or proxy submitted electronically, authenticated by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by the Share Registry either by email to [cba@linkmarketservices.com.au](mailto:cba@linkmarketservices.com.au), or by post or facsimile to the address or number provided above, and it must be received prior to the Proxy Close on Monday, 10 October 2022.

### **Express authorisation of Chairman of the Meeting**

If a shareholder appoints the Chairman of the Meeting as their proxy, or the Chairman of the Meeting is appointed as the shareholder's proxy by default, and the shareholder does not mark a voting box for Items 3 or 4, then by submitting the appointment the shareholder expressly authorises the Chairman of the Meeting to exercise the proxy in respect of the relevant Item as they decide, even though the Item is connected with the remuneration of one or more of the Company's KMP.

Please note that if you do not name a proxy or your named proxy does not register to attend the AGM, the Chairman of the Meeting will become your proxy by default. If your named proxy registers to attend the AGM but does not vote on a poll in accordance with your instructions on an Item, the Chairman of the Meeting will become your proxy for that Item.

### **Voting Intentions of the Chairman of the Meeting**

The Chairman of the Meeting intends to vote all available proxies:

- in favour of Items 2(a), 2(b), 2(c), 2(d), 3 and 4; and
- against Items 5(a) and 5(b).

By order of the Board



**Vicki Clarkson**  
Group Company Secretary

8 September 2022

# Explanatory memorandum

Items 2(a), 2(b), 2(c), 2(d), 3 and 4 are ordinary resolutions and Item 3 is advisory only. Ordinary resolutions require a simple majority (50%) of votes cast by shareholders entitled to vote on the resolution. The Board recommends that shareholders vote IN FAVOUR of these resolutions.

Item 5(a) is a special resolution which requires a special majority of at least 75% of votes cast by shareholders entitled to vote on the resolution. Resolution 5(b) is contingent on resolution 5(a) being passed and is an ordinary resolution. The Board recommends that shareholders vote AGAINST these resolutions.

This Explanatory Memorandum, which forms part of the Notice of Meeting, is an important document and should be read carefully by all shareholders.

## Item 1

### Consideration of Financial Statements and Reports

The Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2022 (collectively the Reports) will be put before the AGM. The Reports are contained in the Company's Annual Report for the financial year ended 30 June 2022 (2022 Annual Report) which is available on our website.

This Item does not require a resolution to be put to the Meeting. Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Reports and management of the Company.

Shareholders may submit written questions to PricewaterhouseCoopers, the Company's external auditor, about the content of the Auditor's Report and the conduct of the audit via the Shareholder Questions Form available at [vote.linkmarketservices.com/CBA](http://vote.linkmarketservices.com/CBA). Questions to the auditor must be received by the Share Registry by 5:00pm (Melbourne time) on Wednesday, 5 October 2022. The auditor is not obliged to provide written answers. PricewaterhouseCoopers will attend the AGM and the Chairman of the Meeting will provide a reasonable opportunity for shareholders to ask questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

## Item 2

### Re-election and election of Directors

Item 2 relates to the re-election and election of Directors of the Company. Under Items 2(a), 2(b) and 2(c), Mr Paul O'Malley, Ms Genevieve Bell AO and Ms Mary Padbury, respectively, retire and offer themselves for re-election. Ms Lyn Cobley was appointed since the last AGM and offers herself for election under Item 2(d).

The Board:

- has in place Director appointment and independence criteria, and a Board Skills Matrix, to seek to ensure that the Board has the skills considered necessary to address existing and emerging business and governance matters that may be relevant to the Company, and the experience to discharge its responsibilities;
- assesses the skills and experience of any prospective Non-Executive Director against those criteria as part of the Board renewal process; and
- before appointing a new Director, undertakes comprehensive checks into a candidate's background, experience and suitability for the role.

In addition, the Board undertakes an annual review of its performance. This review includes an assessment of each Director's individual performance. The Board considers the review's results in determining whether to endorse individual Directors standing for re-election at the AGM.

The Board considers that Mr Paul O'Malley, Ms Genevieve Bell AO, Ms Mary Padbury and Ms Lyn Cobley are independent Non-Executive Directors.

## Mr Paul O'Malley

BCom, M.App Finance, ACA



**Appointed:** Non-Executive Director from 1 January 2019, Chair from 10 August 2022

**Board Committees:** Chair of Nominations, member of Audit, Risk & Compliance and People & Remuneration Committees

Paul has broad executive leadership and operational experience. He served as Managing Director and Chief Executive Officer of BlueScope Steel Ltd for 10 years, after joining the company as Chief Financial Officer. Previously, Paul was the Chief Executive Officer of TXU Energy, a subsidiary of TXU Corp based in Dallas, Texas. Paul also has a strong background in finance and accounting and worked in investment banking and audit. Paul is a former Director of the Worldsteel Association, Chair of its Nominating Committee, and Trustee of the Melbourne Cricket Ground Trust.

Paul is a Non-Executive Director of Coles Group Limited.

**Recommendation:** The Board considers that Mr Paul O'Malley continues to be a valuable addition to the Board in light of the particular skills, knowledge and experience that he brings to the Board and his leadership as Chair. The Board considers that Paul's extensive executive leadership experience, deep knowledge of both CBA (including over two and a half years' as CBA People & Remuneration Committee Chair) and the Australian business and economic landscape, and his high competency in financial acumen, strategy, stakeholder engagement, and people and culture matters support his re-election. **The Board (with Paul O'Malley abstaining) recommends that shareholders vote in favour of his re-election.**

## Ms Genevieve Bell AO

PhD, MA, MPhil, BA, FTSE, FAHA



**Appointed:** 1 January 2019

**Board Committees:** Member of Nominations and People & Remuneration Committees

Genevieve is a cultural anthropologist, technologist and futurist with deep knowledge and understanding of technology in society and business. She is adept at bringing together social science, design, computing and engineering to enhance customer experiences. Genevieve is also an experienced business executive, having spent 18 years working at Intel Corporation (Intel) in Silicon Valley, including as Vice President. She remains a Senior Fellow at Intel and is Vice President of Intel's Product Assurance and Security Group.

Genevieve is a Distinguished Professor, Director of the School of Cybernetics and Director of the 3A Institute (3Ai) at the College of Engineering and Computer Science at the Australian National University and is the University's inaugural Florence Violet McKenzie Chair. She is also a member of the National Science and Technology Council, and an Engelbart Distinguished Fellow of SRI International. In 2020, Genevieve was awarded the Order of Australia.

**Recommendation:** The Board considers that Ms Genevieve Bell AO continues to be a valuable addition to the Board in light of the particular skills, knowledge and experience that she brings to the Board and her contribution to Board discussions including by providing different perspectives from her cultural anthropology and social science background. The Board considers that Genevieve's deep digital and technology experience, knowledge of people and culture matters and understanding of customer needs support her re-election. **The Board (with Genevieve Bell AO abstaining) recommends that shareholders vote in favour of her re-election.**

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## Ms Mary Padbury

BA LLB (Hons), GAICD



**Appointed:** 14 June 2016

**Board Committees:** Member of Nominations and People & Remuneration Committees

Mary is an intellectual property and trade practices lawyer with over 35 years' international legal, governance and technology experience. Mary served as the Chairman of Ashurst Australia before its full merger with Ashurst LLP, and was the global Vice Chairman of the post-merger firm. She retired as a Partner of Ashurst at the end of April 2018.

Mary is Chairman of the Macfarlane Burnet Institute for Medical Research and Public Health Ltd, and a member of Chief Executive Women. Mary is also on the board of the Brandenburg Ensemble Limited which trades as the Australian Brandenburg Orchestra.

**Recommendation:** The Board considers that Ms Mary Padbury continues to be a valuable addition to the Board in light of the particular skills, knowledge and experience that she brings to the Board and her contribution to Board discussions including on legal and governance matters. The Board considers that Mary's extensive governance and regulatory experience, and knowledge of people and culture matters support her re-election. **The Board (with Mary Padbury abstaining) recommends that shareholders vote in favour of her re-election.**

## Ms Lyn Cobley

B.Ec, GAICD



**Appointed:** 1 October 2022

**Board Committees:** Nil

Lyn is a banking and financial services leader with over 30 years' experience in senior positions at Australian and global banks. Lyn has served as CEO of Westpac Institutional Bank, Chair of Westpac's Asia Advisory Board, Group Treasurer of CBA, and had roles at Barclays Capital and Citibank Limited. Lyn has strong experience in strategy and leadership, people and culture matters, transformation and technology and navigating complexity in regulated industries. She also has experience with sustainability and climate action in the financial services sector and was a Trustee Board member of the Westpac Foundation.

Lyn is an independent member of the Finance & Facilities Committee (FFC) and (from January 2023) Chair of FFC and member of the Macquarie University Council.

**Recommendation:** The Board considers that Ms Lyn Cobley is a valuable addition to the Board in light of the particular skills, knowledge and experience that she brings to the Board. The Board considers that Lyn's financial services and leadership experience and knowledge of people and culture matters support her election. **The Board (with Lyn Cobley abstaining) recommends that shareholders vote in favour of her election.**



## Item 3

### Adoption of the 2022 Remuneration Report

Section 250R of the Corporations Act requires a listed company to put a resolution to shareholders to adopt its Remuneration Report for the relevant financial year.

The Company's Remuneration Report for the financial year ended 30 June 2022 can be found at pages 86 to 112 of the 2022 Annual Report. It sets out information about the:

- remuneration policy and framework, including refinements made to support and embed our strategy and continue to meet the Australian Prudential Regulation Authority (APRA) remuneration regulatory standards;
- relationship between the remuneration framework and Company performance;
- governance framework for remuneration arrangements; and
- performance and remuneration details for the Company's KMP.

The vote on this Item is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the Company's future remuneration arrangements.

**The Board recommends that shareholders vote in favour of this Item.**

## Item 4

### Grant of Securities to the CEO, Matt Comyn

The Company is proposing to grant to Matt Comyn under the Company's EEP, 19,032 restricted share units as his 2023 financial year LTAR award, and 19,032 performance rights as his 2023 financial year LTVR award.

The number of restricted share units and performance rights to be granted to Matt Comyn has been determined by dividing the maximum value of the LTAR opportunity and the LTVR opportunity (\$1,750,000 and \$1,750,000 respectively) by the volume weighted average closing price (VWACP) of the Company's ordinary shares over the five trading days up to 1 July 2022 (being \$91.95).

The number of restricted share units and performance rights that ultimately vest will be

determined according to the terms and conditions of the respective awards, including in the case of LTAR, a pre-vest assessment (set out below) and in the case of LTVR, the satisfaction of performance measures.

Subject to shareholder approval, these LTAR and LTVR awards will be granted following the 2022 AGM under the EEP, and in any event no later than 12 months after the date of the 2022 AGM, and on the terms summarised below.

Matt Comyn's 2023 financial year Fixed Remuneration is \$2,500,000, maximum short-term variable remuneration (STVR) is \$2,343,750, maximum LTAR opportunity is \$1,750,000, and maximum LTVR opportunity is \$1,750,000. Fixed Remuneration includes base salary and mandatory employer superannuation contributions.

### ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval before issuing equity securities (including shares and rights to shares) to a director under an employee incentive scheme. ASX Listing Rule 10.14 does not apply to the grant of rights to directors under an employee incentive scheme where the shares to be acquired in satisfaction of the rights are required by the terms of the scheme to be purchased on-market. It also does not apply to the subsequent purchase of those securities on-market.

If new shares are issued in order to satisfy the LTAR and LTVR awards (if they vest), that issue falls within ASX Listing Rule 10.14 because Matt Comyn is a director of the Company, and therefore approval under ASX Listing Rule 10.14 is required. While it is currently intended that shares allocated on vesting of the awards will be acquired on-market as opposed to by issuing new shares, shareholder approval is being sought for the awards to preserve flexibility in the event that the Board ultimately considers it necessary or appropriate to issue shares rather than acquire them on-market.

If Item 4 is passed, the Company will be able to proceed with the 2023 financial year grant of 19,032 LTAR restricted share units and 19,032 LTVR performance rights to Matt Comyn.

If Item 4 is not passed, the Board may proceed with the LTAR and LTVR awards by requiring in the award terms that the awards will be satisfied by shares acquired on-market, or may consider alternative long-term deferred remuneration arrangements such as deferred cash. If deferred cash awards are granted, this may diminish the alignment of the CEO's interests with those of the rest of our senior leadership team and shareholders.

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Participants in the LTAR and LTVR awards for the financial year ending 30 June 2023 comprise Matt Comyn, the Company's Group Executives and the CEO ASB. Matt Comyn is the only CBA Director who is entitled to participate in the LTAR and LTVR awards.

## Grant of restricted share units and performance rights

The restricted share units and performance rights are rights to receive shares (or at the Board's discretion, a cash equivalent payment), subject to set vesting conditions as described below.

No amount is payable by Matt Comyn on issue or vesting of the restricted share units and performance rights. No loan is provided under the terms of grant. Restricted share units and performance rights are used for the LTAR and LTVR awards because they create share price alignment between Matt Comyn and shareholders but do not provide Matt with the full benefits of share ownership (such as voting rights and dividends) unless and until the restricted share units and performance rights vest and shares are allocated.

Further details of Matt Comyn's LTAR and LTVR awards are set out below.

## 2023 Financial Year (FY23) changes

In the 2020 financial year, the Board assessed CBA's executive remuneration framework and while it was found to be sound, the Board concluded that changes to the framework were required in light of the new APRA regulatory standards on remuneration and to support the Bank's future strategy. In FY22, following release of the final APRA Prudential Standard CPS 511 Remuneration (CPS 511), which comes into effect for CBA on 1 January 2023, the Board reviewed CBA's executive remuneration framework and in consultation with APRA, concluded that further enhancements to long-term remuneration were required to strengthen alignment with CPS 511's intent and facilitate CBA's compliance.

As a result, with effect from FY23 a reduction in the holding period (following the performance period) has been implemented for the LTVR award and a pre-vest assessment has been introduced for the LTAR award, both as set out below. These changes are designed to meet both the intent and requirements of the regulatory changes, retain an appropriate focus on both financial and non-financial outcomes and balance the interests of all our stakeholders.

## LTAR – Restricted Share Units

LTAR restricted share units will be granted in two tranches, with 50% of the restricted share units restricted for four years to 30 June 2026, and 50% restricted for five years to 30 June 2027 (Restriction Periods). The restricted share units are subject to a pre-grant assessment, service

condition and ongoing malus considerations by the Board. In addition, a pre-vest assessment has been introduced for all LTAR awards from FY23 onwards and will be applied to each tranche at the end of each Restriction Period prior to the award vesting. The Board will conduct a pre-vest assessment, taking into account the applicable LTAR restriction period, to determine whether any downward discretionary adjustment to LTAR vesting is required, having regard to any significant unexpected or unintended systemic failure in leadership or strategy with material adverse impact on CBA and the CEO's actions and/or response to any matters identified.

## LTVR – Performance Rights

The LTVR performance rights are subject to satisfaction of the two performance measures set out below over the four year period from 1 July 2022 to 30 June 2026 (Performance Period).

1. **Total Shareholder Returns relative to a general ASX peer group:** 50% of the performance rights, 9,516 performance rights, will be subject to a performance measure that ranks the Company's Total Shareholder Return (TSR) relative to the TSR of a peer group comprising the 20 largest companies by market capitalisation listed on the ASX on 1 July 2022, excluding resources companies and CBA (with the next five largest companies by market capitalisation forming a reserve bench for the peer group).

The FY23 LTVR general ASX peer group comprises (in alphabetical order): Aristocrat Leisure Limited, ASX Limited, Australia and New Zealand Banking Group Limited, Brambles Limited, Coles Group Limited, Computershare Limited, CSL Limited, Goodman Group, James Hardie Industries PLC, Macquarie Group Limited, National Australia Bank Limited, QBE Insurance Group Limited, Ramsay Health Care Limited, REA Group Ltd, Sonic Healthcare Limited, Telstra Corporation Limited, Transurban Group, Wesfarmers Limited, Westpac Banking Corporation and Woolworths Group Limited. Where a peer group company ceases to be listed on the ASX as a result of an acquisition, merger or other relevant corporate action or delisting, the next company on the reserve bench will be substituted (in order of market capitalisation as at the beginning of the Performance Period) into the peer group. The reserve bench for the FY23 LTVR general ASX peer group comprises, in descending order of market capitalisation as at 1 July 2022: Suncorp Group Limited, Amcor PLC, Endeavour Group Limited, Scentre Group and APA Group.

2. **Total Shareholder Returns relative to a financial services peer group:** 50% of the performance rights, 9,516 performance rights, will be subject to a performance measure that ranks the Company's TSR relative to the TSR of a peer group comprising eight

financial services companies as determined by the Board (with no reserve bench).

The FY23 LTVR financial services TSR peer group comprises (in alphabetical order): AMP Limited, Australia and New Zealand Banking Group Limited, Bank of Queensland Limited, Bendigo and Adelaide Bank Limited, Macquarie Group Limited, National Australia Bank Limited, Suncorp Group Limited and Westpac Banking Corporation.

The companies comprising either peer group or reserve bench companies are subject to change at the Board's discretion.

Following the end of the Performance Period (after 30 June 2026), performance will be tested against the measures set out below, and the number of performance rights that will remain eligible for vesting will be determined. Any performance rights remaining on foot after the performance test will be subject to a further holding period of two years (to 30 June 2028) (Holding Period). Any performance rights that do not meet the performance assessment will lapse.

Performance rights are subject to malus considerations by the Board and will be eligible to vest at the end of the Holding Period.

The total number of performance rights that remain subject to the Holding Period will be determined according to the following framework for each performance measure separately:

Company's peer group ranking at 30 June 2026	Percent retained to be subject to the Holding Period
In the top quartile (i.e. 75 <sup>th</sup> percentile or higher)	100%
Between the median and 75 <sup>th</sup> percentile	Pro-rata from 50% to 100%
At the median	50%
Below the median	0%

### Board discretion

Under the terms of the EEP, the Board has discretion to adjust the terms of the EEP or any awards granted under it. If the Company makes a bonus issue, or rights issue, or undertakes a corporate action, or capital reconstruction, the Board may adjust the number or value of the restricted share units and performance rights granted to Matt Comyn to address any material advantage or disadvantage that may occur, subject to any ASX Listing Rule

requirements. Any such adjustments will be explained in the Company's next Annual Report issued following the adjustment. The Board also has discretion in connection with change of control events.

In addition, the LTAR and LTVR awards will be subject to malus considerations by the Board, and in relation to serious and material matters may be subject to a reduction adjustment (including to nil) prior to vesting, or clawback post vesting. This ensures that the outcomes, that would otherwise be delivered, appropriately consider risk, accountabilities and reputation outcomes.

The Board has discretion to determine that some or all of the award will lapse in certain circumstances, including where, in the opinion of the Board:

- the vesting of restricted share units and/or performance rights is not justified or supportable having regard to Matt Comyn's performance and/or conduct or the performance of the Company as a whole; or
- a significant failure of financial or non-financial risk management, breach of accountability, fitness and propriety or compliance obligations; or
- the vesting of restricted share units and/or performance rights will impact on the financial soundness of the Company; or
- the Company is required or entitled to reclaim remuneration or reduce Matt Comyn's remuneration outcome under law, regulation or Company policy; or
- a significant unexpected or unintended consequence or outcome has occurred which impacts the Company.

The Board also has discretion to require the recovery (i.e. clawback) of vested LTAR or LTVR awards for serious and material matters as determined by the Board, including in relation to responsibility for financial losses, material misstatement of financial statements, or other criteria on which the LTAR and LTVR grant or vesting was based; material breach of compliance obligations including in relation to misconduct risk; or failure of accountability or fitness and propriety.

### Voting rights and dividends

Restricted share units and performance rights do not carry any voting rights. Performance rights do not receive dividends (or dividend equivalent payments) in relation to the Performance Period.

For every restricted share unit or performance right that ultimately vests following the end of the respective Restriction Period or Holding Period (as applicable), Matt Comyn will receive a payment

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equal to dividends paid by CBA (not including the value of franking credits) over the relevant Restriction Period or Holding Period in relation to the vested units or rights.

Any shares allocated to Matt Comyn on vesting of the restricted share units and performance rights will carry the same rights (including with respect to voting and dividends) as other ordinary shares in the Company.

## **Treatment of restricted share units, performance rights and shares if Matt Comyn leaves the Company**

In general, if Matt Comyn ceases employment with the Company as a result of his resignation or in the case of termination of employment for cause during the Restriction Period or Performance Period (as applicable), any unvested restricted share units and performance rights will lapse, unless the Board determines otherwise. If Matt Comyn ceases employment for any other reason during the Restriction Period or Performance Period, the awards remain on foot unless the Board determines otherwise. If cessation occurs during the Holding Period (for all reasons except termination of employment for cause), performance rights that are subject to the Holding Period will remain on foot with dates unchanged unless the Board determines otherwise. In the case of termination of employment for cause during the Holding Period, the unvested performance rights will lapse unless the Board determines otherwise. For any awards which remain on foot after cessation of employment, the vesting conditions will be assessed following the end of the Restriction Period or Holding Period (as applicable), with these dates remaining unchanged.

## **Participation under previous approvals**

At the Company's 2021 Annual General Meeting, shareholders approved the grant of restricted share units and performance rights under the EEP to Matt Comyn. Matt Comyn was subsequently granted 17,586 restricted share units, which are subject to the terms of the FY22 LTAR award, and 17,586 performance rights, which are subject to the terms of the FY22 LTVR award. No amount is or was payable for the acquisition of those restricted share units and performance rights. No other restricted share units or performance rights have been granted to a Director under the EEP or any other employee incentive scheme, since the 2021 Annual General Meeting. Since 2018 (when the EEP was introduced), a total of 40,980 restricted share units and 143,301 performance rights have been granted to Matt Comyn under the EEP, and no amount is or was payable.

## **Disclosure in Annual Report and future issues**

Details of any securities issued to Matt Comyn under the EEP will be published in the Company's Annual Report relating to the period in which they are issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEP after Item 4 is approved, and who were not named in this Notice of Meeting, will not participate until approval is obtained under that ASX Listing Rule.

**The Board (with Matt Comyn abstaining) recommends that shareholders vote in favour of this Item.**

## Item 5

### **Resolutions requisitioned by a group of shareholders (NOT SUPPORTED by the Board)**

A group of shareholders, led by Market Forces, holding approximately 0.018% of the Company's ordinary shares on issue has proposed resolutions under section 249N of the Corporations Act. The Company has included those proposed resolutions as Items 5(a) and 5(b) in this Notice of Meeting.

Resolution 5(a) seeks an amendment to the Company's Constitution as a special resolution. Resolution 5(b) is a contingent advisory resolution that will only be put to the AGM if 75% or more of the votes cast on resolution 5(a) are in favour.

Consistent with the Company's approach to welcoming shareholder feedback, it is the Board's intention to allow a reasonable opportunity at the AGM for questions from shareholders on Items 5(a) and 5(b), even if Item 5(b) is not ultimately put to the AGM.

**These resolutions are NOT SUPPORTED by the Board.**

### **Item 5(a) – Amendment to the Constitution**

The members' statement in support of this resolution is set out in the Appendix to this Notice of Meeting.

### **The Board's response to Item 5(a)**

The Board respects the rights of shareholders to seek to amend the Company's Constitution. The Board does not, however, consider the requisitioned resolution to be in shareholders' best interests and recommends that shareholders vote against it for the reasons set out below.

The resolution in Item 5(a) is a proposal to amend the Company's Constitution to enable shareholders in general meeting, by non-binding advisory resolution, to express an opinion or request information about the way in which a power of the Company vested in the Directors has been or should be exercised if the matter relates to a material risk identified by the Directors or the Company. The resolution in Item 5(a) is proposed as a special resolution and, to be carried, must be passed by at least 75% of the votes cast by shareholders entitled to vote on the resolution.

The Board is responsible for making decisions that are in the Company's best interests. The proposed amendment would provide a platform for groups of shareholders to



promote any number of matters that may not be in the best interests of the Company and shareholders as a whole. The Board considers that it would be inappropriate for any one issue promoted by shareholders to be given increased prominence over another and it would be an inappropriate forum for all shareholders to have input into a discussion about the business of the Company. This could impact the Board's ability to make decisions effectively and confuse the role of the Board and shareholders.

The Company encourages transparency and appropriate shareholder discussion and provides shareholders with a number of avenues to raise issues or concerns. The Company has a comprehensive investor relations engagement program, which aims to facilitate regular and extensive engagement between the Board and senior management and investors. At each AGM the Chairman of the Meeting provides shareholders with an opportunity to ask questions and make comments about the Company. Shareholders are also invited to submit questions before the AGM, which helps the Company to understand shareholder issues and concerns, and address key areas of shareholder feedback at the Meeting.

Given these reasons the Board considers that the proposed amendment to the Company's Constitution is not in shareholders' best interests.

**The Board recommends that shareholders vote AGAINST this Item 5(a).**

**The Chairman of the Meeting intends to vote all available proxies AGAINST this Item 5(a).**

### **Item 5(b) – Ordinary resolution on Climate Risk Safeguarding**

The same group of shareholders that proposed the resolution in Item 5(a) has also proposed the resolution in Item 5(b). The resolution is an advisory resolution. The resolution is not supported by the Board.

The resolution in Item 5(b) will only be put to the Meeting if the resolution in Item 5(a) is passed as a special resolution by 75% or more of the votes cast by shareholders entitled to vote on the resolution. However, as noted above, the Company intends to allow a reasonable opportunity at the AGM for shareholders to ask questions on the subject

matter of this Item 5(b) even if Item 5(b) is not ultimately put to the AGM.

The members' statement in support of this resolution is set out in the Appendix to this Notice of Meeting.

### **The Board's response to Item 5(b)**

As part of the Bank's strategic priorities, we are committed to playing a leadership role in Australia's transition to a net zero emissions economy by 2050. In addition to considering the risks of climate change, our strategy also seeks to harness the significant existing and emerging opportunities to help our customers reduce their emissions and adapt to climate change. Our ambition is to support a purposeful transition in three main ways: lending to support the transition, helping customers navigate the transition, and leading the transition conversation.

Our public-facing Environmental and Social (E&S) Framework is underpinned by our internal E&S Policy, which sets out the Group's approach and commitments to managing the environmental and social impacts of our business activities and operations and applies to all of the Group's employees, directors, secondees and contractors. As outlined in the E&S Framework, subject to Australia having a secure energy platform, we will:

- provide no project finance to new or expanded Thermal Coal Mines,<sup>1</sup> nor to new coal-fired power plants;
- reduce our existing project finance exposure to Thermal Coal Mines and coal-fired power plants to zero by 2030;
- only provide project finance for new or expanded oil or gas projects or Metallurgical Coal Mines<sup>2,3</sup> after an assessment of the environmental, social and economic impacts of such activity, and if in line with the goals of the Paris Agreement;
- only provide corporate or trade finance to new oil and/or gas producing, metallurgical coal mining or coal-fired power generation Clients<sup>4,5</sup> who have publicly committed to the goals of the Paris Agreement, and after an assessment of the environmental, social and economic impacts;
- not provide corporate or trade finance to new Clients who derive 25% or more of their revenue from the sale of thermal coal;

1 Thermal Coal Mines means 'Coal mines from which the majority of coal (by tonnes) extracted is thermal coal'.

2 Metallurgical Coal Mines means 'Coal mines from which the majority of coal (by tonnes) extracted is metallurgical coal'.

3 Applies to project finance to Clients involving (a) a greenfield oil, gas or metallurgical coal extractive activity; or (b) a brownfield expansion of an oil, gas or metallurgical coal extractive activity.

4 Client means 'A customer who is relationship managed by the Group's Institutional or Business Bank with financing transactions \$5 million or greater'.

5 Applies to new Clients who derive 25% or more of their revenue from the sale of metallurgical coal, oil or gas, or for coal fired power generation, 25% of generation is from coal.

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- reduce our corporate and trade finance exposure to existing Clients who derive 25% or more of their revenue from the sale of thermal coal to zero by 2030;<sup>1</sup> and
- only offer corporate or trade finance to existing oil and/or gas producing, metallurgical coal mining or coal-fired power generation Clients<sup>2</sup> after an assessment of the environmental, social and economic impacts. From 2025, we will expect these Clients to have published Transition Plans.<sup>3</sup>

The Board considers that at this stage these policy settings appropriately manage financial and non-financial risk to the Bank, support Australia's energy security, support our customers in achieving their decarbonisation ambitions, and are aligned with our commitment to the goals of the Paris Agreement.

Building on our E&S Policy and Framework, this year we published our first standalone Climate Report, consistent with our commitment to transparent climate-related disclosures. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Climate Report provides information on our climate-related governance, strategy, risk management, and metrics and targets. While we are on a journey to further embed climate considerations across our business, the Climate Report clarifies our approach to supporting Australia's transition to net zero emissions by 2050, and demonstrates our progress.

Last year, we shared that we were developing sector-level glidepaths, informed by science-based climate scenarios, for four priority sectors: thermal coal mining, upstream oil extraction, upstream gas extraction, and power generation. This year, we have implemented the glidepaths internally, and set 2030

sector-level targets for our financed emissions in these priority sectors. In line with our commitments as a signatory to the Net-Zero Banking Alliance (NZBA), our targets are consistent with limiting global warming to 1.5°C, based on the latest science. We have also laid out a roadmap to set targets for further sectors in our lending portfolios. By 2025, we intend to have targets on sectors that account for more than 75% of our 2020 financed emissions.

While financed emissions may fluctuate over time due to inherent uncertainties and volatility, we are making progress against our commitments. Between June 2020 and June 2021, our financed emissions in upstream oil extraction, upstream gas extraction and thermal coal mining reduced by 35%, 30% and 25% respectively.<sup>4</sup> Over the same period, we increased financed electricity generation by 16%, while reducing the emissions intensity of the portfolio.

Between 30 June 2021 and 30 June 2022, our total committed exposure to all non-renewable energy assets has reduced, as reported in the Energy Value Chain.<sup>5</sup>

The Board remains fully committed to CBA playing a leadership role in Australia's transition to a net zero emissions economy by 2050. Our 2022 Climate Report clarifies our approach to supporting Australia's transition to net zero emissions by 2050, and demonstrates our progress. In light of the progress that we are making against our commitments in this area, the Board recommends that shareholders vote against this resolution.

**The Board recommends that shareholders vote AGAINST this Item 5(b).**

**The Chairman of the Meeting intends to vote all available proxies AGAINST this Item 5(b).**

1 We will continue to provide rehabilitation bonds for these existing Clients to ensure their responsibilities with exiting mine sites are fulfilled.

2 Applies to existing Clients who derive 25% or more of their revenue from the sale of metallurgical coal, oil or gas, or for coal fired power generation, 25% of generation is from coal.

3 Transition Plan means 'A plan that contains, at a minimum, a time-bound decarbonisation plan which is consistent with the goals of the Paris Agreement'.

4 Financed emissions are lagged as 2022 customer emissions data has not yet been reported.

5 The Energy Value Chain reports the financing provided to certain energy-related sectors as at 30 June. The reported amounts are based on total committed exposure, excluding Commitment at Offer and trading securities exposures. Exposure amounts have not been netted off against any insurance or guarantees that mitigate the Group's risk exposure to clients. Includes domestic and offshore exposures.



# Appendix

## Supporting statements provided by requisitioning shareholders

The shareholders who requisitioned Items 5(a) and 5(b) have also requested that, pursuant to section 249P of the Corporations Act, the following statements accompany the resolutions.

CBA is legally required to circulate these statements to shareholders. However, the Board and Company do not endorse the statements or their accuracy and are not responsible for the contents of the statements or for any inaccurate or misleading statements contained in them.

The Board recommends that shareholders vote **AGAINST** Items 5(a) and 5(b).

### Statement pursuant to Section 249P of the Corporations Act in relation to Item 5(a)

*“Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. Typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian counterparts in this respect.*

*A board of directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.*

*In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. However, in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.*

*The constitution of CBA is not conducive to the rights of shareholders to place resolutions on the agenda of a shareholder meeting.*

*In our view, this is contrary to the long-term interests of CBA, its board and shareholders.*

*Passage of this resolution – to amend the CBA constitution – will simply put the company in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.*

*We encourage shareholders to vote in favour of this resolution.”*

### Statement pursuant to Section 249P of the Corporations Act in relation to Item 5(b)

*“Despite committing to the 1.5°C global warming limit of the Paris Agreement, and net-zero global emissions by 2050, CBA’s financing continues to undermine these goals, exposing our company to increased transitional, physical and legal climate risks, all of which amount to financial risks ultimately borne by shareholders.*

Paris-aligned financing means no new fossil fuels

*The International Energy Agency’s (IEA) Net Zero by 2050 scenario (NZE2050)<sup>1</sup> states “no new coal mines or mine extensions”, “no new oil and gas fields” and “huge declines in the use of coal, oil and gas” are needed to achieve net zero emissions by 2050. It further states “also not needed are many of the liquefied natural gas (LNG) liquefaction facilities currently under construction or at the planning stage”.*

*In July 2021, 115 investors with US\$4.2 trillion in assets under management and/or stewardship wrote to 63 global banks, calling on them to integrate the NZE2050 findings, including the need for no new fossil fuels, into their climate strategies.<sup>2</sup> CBA’s current policies and practices fall well short of this demand.*

*As early as 2018 the IEA’s Executive Director said limiting global warming to less than 2°C means “we have no room to build anything that emits CO<sub>2</sub> emissions”.<sup>3</sup> This conclusion has been confirmed by peer-reviewed scientific research<sup>4</sup> and analysis<sup>5</sup> drawing upon data from organisations including Rystad Energy, IEA and IPCC.*

CBA continuing to finance fossil fuel expansion

*Despite these ever-growing calls to end fossil fuel expansion, CBA continues to finance projects and companies doing exactly that.*

*In July 2022, CBA was reported as a lead arranger of a loan to Santos,<sup>6</sup> refinancing and extending a 2020 deal related to the new Barossa gas field Santos is currently developing,<sup>7</sup> which one economist has described as “a CO<sub>2</sub> emissions factory with an LNG by-product”.<sup>8</sup> Barossa is one of multiple projects Santos includes in plans to increase oil and gas production by at least 17% from 2020 to 2030.<sup>9</sup>*

1 <https://www.iea.org/reports/net-zero-by-2050>

2 <https://shareaction.org/investors-call-on-banks-to-strengthen-climate-ambitions-before-cop26>

3 <https://www.theguardian.com/business/2018/nov/13/world-has-no-capacity-to-absorb-new-fossil-fuel-plants-warns-iea>

4 <https://www.nature.com/articles/s41586-019-1364-3>; <https://iopscience.iop.org/article/10.1088/1748-9326/aabc5f/meta>

5 <http://priceofoil.org/content/uploads/2020/09/OCI-Big-Oil-Reality-Check-vF.pdf> (p.6);

<https://priceofoil.org/2018/10/17/the-skys-limit-ipcc-report-15-degrees-of-warming/>

6 Refinitiv LPC, ‘Santos drills for A&E of 2020 facility’, 6 July 2022

7 <https://www.santos.com/news/santos-executes-new-us750-million-syndicated-debt-facility/>

8 <https://ieefa.org/ieefa-santos-barossa-gas-field-emissions-create-major-risks-for-shareholders/>

9 Market Forces analysis of Santos and Oil Search (now merged) combined production projections: <https://www.santos.com/wp-content/uploads/2021/11/211111-Oil-Search-and-Santos-merger-update-Court-approves-distribution-of-Scheme-Booklet-and-convening-of-Scheme-Meeting.pdf>

# Appendix

## Supporting statements provided by requisitioning shareholders

Throughout FY2022, CBA funded multiple other companies pursuing new oil and gas projects that are incompatible with the Paris climate goals, including Origin Energy, Beach Energy and Harbour Energy. Since the signing of the Paris Agreement, CBA has also funded companies with business plans consistent with the failure of that agreement, including AGL and Aurizon.

### Physical and transitional climate risk exposure

As an institution exposed across virtually the entire Australian economy, CBA should be extremely concerned about the financial impacts of physical, transitional, legal and reputational climate risks, which inevitably will be borne by shareholders.

A September 2021 report by the Reserve Bank of Australia (RBA) identifies mortgages as a source of financial risk, stating: "housing prices could decline, leaving banks with less protection than expected against borrower default".<sup>1</sup> A May 2022 Climate Council study found one in 25 Australian homes would be uninsurable by 2030.<sup>2</sup>

CBA has itself drawn attention to climate risks in agriculture, reporting in 2019 that grain growing regions risk productivity declines of up to 50% below the 2018 baseline by 2060, attributed to changes in rainfall.<sup>3</sup>

Our exposure to these and other sectors means CBA is itself on the front lines of climate impacts. For a company so widely exposed to physical and transitional climate risk to be willing to worsen the problem by enabling fossil fuel expansion amounts to our company shooting itself in the foot.

### CBA being left behind

Financial institutions are placing more effective restrictions on finance to companies and projects expanding fossil fuels, leaving CBA's clearly ineffective policy behind.

In August 2022 industry super fund NGS divested from numerous oil and gas producing companies due to the risk of stranded assets.<sup>4</sup>

In March 2022:

- Dutch bank ING announced it would "restrict dedicated upstream finance (lending or capital markets) for oil and gas fields approved for development after 31 December 2021",<sup>5</sup>

- European reinsurer Hannover RE announced its facultative division "will no longer take on any new covers for project policies associated with the exploration and/or development of new oil and gas reserves (upstream) or for project policies that exclusively support the transportation and storage (midstream) of new oil and gas reserves", and
- MAPFRE ruled out insuring or investing in any coal, oil or gas company that had not committed to an energy transition plan that allows global warming to be maintained at around 1.5°C.<sup>6</sup>

In 2020 Suncorp ruled out underwriting new oil and gas production assets, committing to "not directly invest in, finance or underwrite... new oil and gas exploration or production" and phase out underwriting for the sector by 2025 and direct investment by 2040.<sup>7</sup>

Since March 2021, Nordea Asset Management has excluded fossil fuel producers without a clear plan for complying with the Paris Agreement in 213 of its 368 funds, stating "no oil and gas producers and of course coal miners live up to these requirements at present".<sup>8</sup> In March 2021, Danske Bank committed to immediately end direct finance for expansion of oil and gas exploration and production worldwide,<sup>9</sup> while NedBank,<sup>10</sup> SEB,<sup>11</sup> and NatWest<sup>12</sup> have made similar commitments.

### Regulatory and legal risk

In November 2021, the Australian Prudential Regulation Authority (APRA) published its Prudential Practice Guide 'CPG 229 Climate Change Financial Risks'.<sup>13</sup>

It states that where an institution is unable to adequately address climate risk facing its customers through other measures, it may need to consider "the institution's ability to continue the relationship" with the customer.

### Investor support required

Despite its stated support for the Paris Agreement and net-zero emissions by 2050, CBA remains an active investor in fossil fuel expansion, further exposing shareholders to financial risks associated with the energy transition required to meet the Paris climate goals.

We urge shareholders to vote in favour of this resolution."

1 <https://www.rba.gov.au/publications/bulletin/2021/sep/climate-change-risks-to-australian-banks.html>

2 <https://www.climatecouncil.org.au/resources/australian-homes-uninsurable-2030-climate-risk-map/>

3 <https://www.commbank.com.au/content/dam/commbank-assets/about-us/2019-08/CBA-2019-Annual-Report-Risk-management.pdf>

4 <https://www.ngssuper.com.au/articles/sustainability/ngs-divests-major-fossil-fuel-companies>

5 <https://www.ing.com/Sustainability/Our-Stance/Oil-gas-industry.htm>

6 <https://www.mapfre.com/media/shareholders/2022/06-integrated-report-2021.pdf>

7 <https://www.suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing>

8 <https://www.nordea.com/en/news/140-nordea-funds-tighten-requirements-for-investments-in-fossil-fuels>

9 <https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/5/danske-bank-position-statement-fossil-fuels.pdf>

10 <https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2021/Nedbank%20Group%20Energy%20Policy.pdf>

11 <https://webapp.sebgroup.com/mb/mblib.nsf/dld/80AF6A2E5F88CDC2C12586B1002E33C2?opendocument>

12 [https://www.natwestgroup.com/content/dam/natwestgroup\\_com/natwestgroup/pdf/oil-and-gas.pdf](https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/oil-and-gas.pdf)

13 <https://www.apra.gov.au/sites/default/files/2021-11/Final%20Prudential%20Practice%20Guide%20CPG%20229%20Climate%20Change%20Financial%20Risks.pdf>

# Corporate directory

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## Annual Report

An electronic version of CBA's 2022 Annual Report is available at [commbank.com.au/2022annualreport](http://commbank.com.au/2022annualreport)

To request a copy of the 2022 Annual Report, please call Link Market Services Limited on +61 1800 022 440 or contact them by email at [cba@linkmarketservices.com.au](mailto:cba@linkmarketservices.com.au)

## Australian Securities Exchange Listing

CBA

