



# 2005

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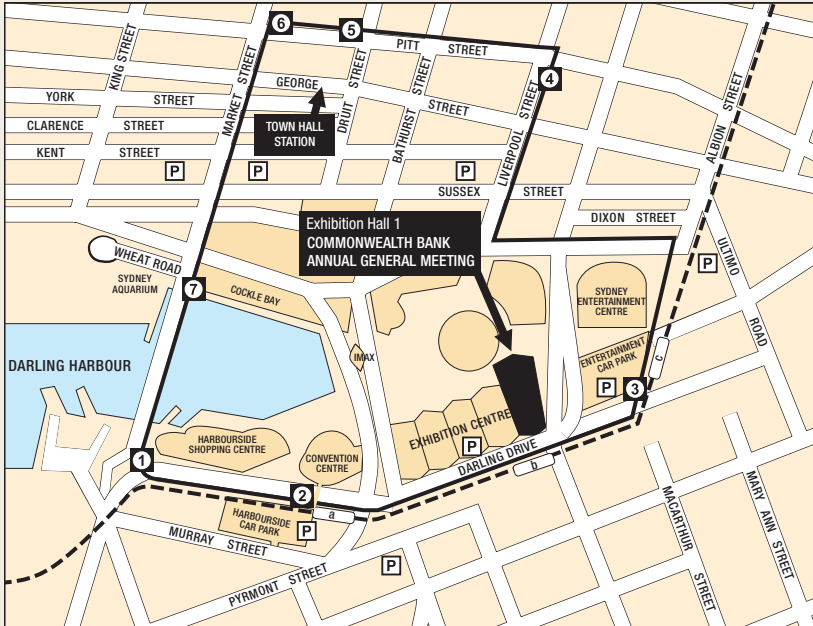
4 **2005 AGM – Notice of Meeting**

To be held on Friday, 28 October 2005  
at Exhibition Hall 1,  
Sydney Convention and Exhibition Centre,  
Darling Harbour, Sydney

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# How to get there



The Annual General Meeting will be held on Friday, 28 October 2005, commencing at 11.00 am at Exhibition Hall 1, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney.

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- |                  |                |  |                                  |
|------------------|----------------|--|----------------------------------|
| — Monorail route |                | - - - City Light Rail from Central Station |                                  |
| ① Harbourside    | ⑤ Park Plaza   | Ⓐ Convention                               | Ⓟ Parking                        |
| ② Convention     | ⑥ City Centre  | Ⓑ Exhibition Halls                         | Ⓟ Parking under Exhibition Halls |
| ③ Haymarket      | ⑦ Darling Park | Ⓒ Haymarket                                |                                  |
| ④ World Square   |                |  |                                  |

# Chairman's Letter

9 September 2005

## Dear Shareholder

I am writing to invite you, as a shareholder in Commonwealth Bank of Australia, to attend the Annual General Meeting on Friday, 28 October 2005.

The meeting will be held at Exhibition Hall 1, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney. A map is shown on the opposite page.

The meeting will begin at 11.00 am, with registration available from 10.00 am.

Information talks and demonstrations on the Bank's services will take place in the Exhibition Hall 1 from 10.00 am until 10.50 am and after completion of the meeting. I encourage you to take advantage of the opportunity to find out more about the changes we are making to continually improve our customer service.

A Form of Proxy is included in this information pack. The Form of Proxy contains a barcode to assist with the registration process at the meeting. If you attend the meeting, please bring this barcoded form with you. If you are not attending the meeting, please complete and return the Form of Proxy using the return envelope (enclosed) in sufficient time so that it reaches the Share Registrar, ASX Perpetual Registrars Limited, by 11.00 am on Wednesday, 26 October 2005. Alternatively, the Form of Proxy can be lodged in accordance with the instructions in the notice of meeting.

We have also enclosed a form for those who cannot attend the meeting but would like to submit questions on any shareholder matters that may be relevant to the Annual General Meeting. I invite you to submit any questions you may have on this enclosed form. While time will undoubtedly not permit me to address all the questions submitted, I will endeavour to address as many of the more frequently raised shareholder matters during the course of the Annual General Meeting.

A live webcast of the presentation will be broadcast on the Bank's website through the Shareholder Centre at <http://www.commbank.com.au/shareholder/annualgeneralmeeting>. An archive of the webcast will be available at the same web address within a day. This will enable you to hear or read the responses to the questions raised on the returned forms and during the meeting.

Any body corporate holder of Commonwealth Bank shares, or any body corporate appointed as a proxy, wishing to appoint a person to act as its representative at the meeting may do so by providing that person with a letter, executed in accordance with the body corporate's constitution, authorising him or her as the body corporate's representative.

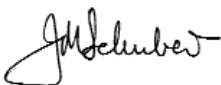
An AUSLAN interpreter will be available during the meeting to assist shareholders requiring this service. If you require this service please contact visitor registration prior to the commencement of the meeting.

The Notice of Meeting commences on page 4, listing the items to be considered at the meeting. Background information on items 2 to 4 is contained in the Explanatory Memorandum on pages 6 to 10.

Resolution 3 is a non-binding resolution that shareholders adopt the Remuneration Report which is contained on pages 49 to 66 in the full Annual Report and on pages 28 to 45 of the concise Annual Report. I would encourage you to review the detailed account of the Bank's remuneration policy as set out in this report.

Commonwealth Bank Directors and Senior Executives would also like to extend an invitation to shareholders to join them in enjoying light refreshments after the meeting.

Yours sincerely



John Schubert  
Chairman

# 2005 AGM – Notice of Meeting

Meeting to be held on Friday, 28 October 2005, commencing at 11.00 am at Exhibition Hall 1, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney.

## **1. Discussion of Financial Statements**

To discuss the financial report, the Directors' report and the auditor's report for the year ended 30 June 2005.

## **2. Election of Directors**

In accordance with Articles 11.1 and 11.2 of the Constitution of Commonwealth Bank of Australia:

- (a) Mr J M Schubert retires and, being eligible, offers himself for re-election;
- (b) Mr F J Swan retires and, being eligible, offers himself for re-election; and
- (c) Mr C R Galbraith retires and, being eligible, offers himself for re-election.

Information about the candidates seeking re-election appears in the Explanatory Memorandum.

## **3. Remuneration Report**

To adopt the Remuneration Report for the year ended 30 June 2005.

## **4. Grant of Shares to the Chief Executive Officer**

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

“That approval be given to the grant to Mr R J Norris, prior to the 2007 Annual General Meeting of Commonwealth Bank of Australia, of rights to receive shares in three tranches up to a total maximum value of \$12 million under the rules of the Bank's Equity Reward Plan.”

Details of the procedure for determining the number of rights to shares to be granted to Mr Norris in each tranche and of the Bank's Equity Reward Plan are set out in the Explanatory Memorandum to the Notice convening this meeting.

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## **Voting Restriction**

The Bank will disregard any vote cast on the resolution described in Agenda Item 4 of the Notice of Meeting by any Director of the Bank or any associate of such Director.

However the Bank need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **Appointment of Proxy**

If you are a shareholder and are unable to attend and vote at the Annual General Meeting of Commonwealth Bank of Australia on 28 October 2005, you are entitled to appoint a proxy to attend and vote in your stead. A proxy need not be a shareholder. A proxy may be an individual or a body corporate.

A shareholder who is entitled to cast two or more votes may appoint up to two proxies (whether shareholders or not) to attend the meeting and vote. If you wish to appoint two proxies, please obtain a second proxy form by telephoning the Commonwealth Bank Share Registrar on 1800 022 440. Both Proxy Forms should be completed with the nominated percentage of your voting rights or number of shares for that proxy. If you do not specify the nominated percentage of your voting rights or number of shares, each of the proxies may exercise half of the votes. Please return these Proxy Forms together.

If you wish to appoint an individual or a body corporate as your proxy, please complete and return the proxy form. The proxy form must be received by the Share Registrar, ASX Perpetual Registrars Limited at Locked Bag A14 Sydney South NSW 1235 or by facsimile to (02) 9287 0309 in Australia or (61 2) 9287 0309 if you are overseas, by 11.00 am Wednesday, 26 October 2005. A return envelope is provided.

If you wish to submit your appointment of proxy and voting instructions electronically, visit the share registry website, [www.asxperpetual.com.au](http://www.asxperpetual.com.au) and follow the prompts and instructions. (You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is shown in the top right hand side of the proxy form). You must complete and submit your appointment and instructions so that they are received by 11.00 am on Wednesday, 26 October 2005.

If your appointment of a proxy is signed by an attorney, or in the case of a 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 Registrar, ASX Perpetual Registrars Limited at Locked Bag A14 Sydney South NSW 1235 or by facsimile to (02) 8280 7646 in Australia or (61 2) 8280 7646 if you are overseas, by 11.00 am Wednesday, 26 October 2005.

Shareholders appointing a proxy to vote on their behalf are encouraged to utilise their capacity to direct the proxy to vote "For" or "Against" on each resolution, rather than providing open proxies.

If you appoint the Chairman of the Annual General Meeting as your proxy and do not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for you, in favour of the resolutions.

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### **Determination of Shareholders' Right to Vote**

For the purposes of the meeting, those shareholders holding shares at 7.00 pm on Wednesday, 26 October 2005 will be voting members for the meeting.

By order of the Board



J D Hatton  
Secretary

9 September 2005

## **Explanatory Memorandum**

### **Agenda Item 2:**

### **Election of Directors**

Pursuant to Articles 11.1 and 11.2 of the Bank's Constitution, Mr J M Schubert, Mr F J Swan and Mr C R Galbraith will retire at the Annual General Meeting and offer themselves for re-election. Messrs Schubert and Swan were last re-elected in 2002 and Mr Galbraith was last re-elected in 2003.

#### **Details of the candidates are as follows:**



#### **John M Schubert**

John Schubert has been a member of the Board since 1991, was Deputy Chairman from December 2000 until November 2004 and Chairman since November 2004. He is an independent, non-executive Director and is Chairman of the Nominations Committee and a member of the Risk and People & Remuneration Committees.

Mr Schubert is the former Managing Director and Chief Executive Officer of Pioneer International Limited and former Chairman and Managing Director of Esso Australia Ltd. He holds a Bachelor's

Degree and PhD in Chemical Engineering and has wide international experience in the petroleum, mining and building materials industries.

In addition to his position with the Bank, Mr Schubert is Chairman of G2 Therapies Limited, Director of Qantas Airways Limited and a Director of the dual-listed company BHP Billiton Limited. He is also a member of the Australian Graduate School of Management Advisory Council and honorary member and past President of the Business Council of Australia.

Mr Schubert brings to the Chairmanship of the Board wide-ranging CEO and board level business experience across a number of industries. His extensive knowledge of corporate governance assists the Bank to ensure that its practices are of the highest standards. He is held in high regard by senior business representatives, politicians and regulators.

John is a resident of New South Wales and is aged 62.



**Colin Galbraith, AM**

Colin Galbraith has been a member of the Board since June 2000. He is an independent non-executive Director and is a member of the Nominations, Risk and Audit Committees.

Mr Galbraith is a partner of Allens Arthur Robinson, Lawyers, holds a Bachelor of Laws degree and has been admitted as a solicitor in the State of Victoria. He was previously a Director of Colonial Limited.

Mr Galbraith is Chairman of BHP Community Trust and a Director of GasNet Australia (Group) and OneSteel Limited. Colin is also a Director of CARE Australia, Honorary Secretary of the Council of Legal Education in Victoria and Trustee of the Royal Melbourne Hospital Neuroscience Foundation.

Mr Galbraith's experience in commercial law and as a non-executive director of public and non-profit organisations make him a valuable contributor to the Board, in particular in areas relating to risk management.

Colin is a resident of Victoria and is aged 57.



**Frank Swan**

Frank Swan has been a member of the Board since July 1997. He is an independent, non-executive Director and is Chairman of Risk Committee and a member of the Nominations Committee.

Mr Swan is a former CEO of Cadbury Schweppes Australia Limited and Managing Director of global beverages for Cadbury Schweppes plc. He has had more than 23 years of senior management experience in domestic and international food and beverage industries with operations in established and key emerging markets

and holds a Bachelor of Science degree. He is a fellow of the Institute of Directors (UK), Australian Institute of Company Directors and the Australian Institute of Management.

Mr Swan is Chairman of Foster's Group Limited and Centacare Catholic Family Services.

Mr Swan brings to the Board significant management and board experience particularly in relation to product manufacturing, distribution, marketing and management. He is the Director identified by the Board to act as Chairman should the need arise at short notice.

Frank is a resident of Victoria and is aged 64.

### **Agenda Item 3 Remuneration Report**

The Annual Report for the year ended 30 June 2005 contains a Remuneration Report (refer pages 49 to 66 of the full Annual Report and pages 28 to 45 of the concise Annual Report) which sets out the remuneration policy for the Bank and reports the remuneration arrangements in place for Directors and Specified Executives.

The *Corporations Act* now requires the agenda for an annual general meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the company.

A reasonable opportunity will be allowed to the shareholders as a whole for questions and comments on the remuneration report.



## **Agenda Item 4**

### **Grant of shares to the Chief Executive Officer**

Under ASX Listing Rule 10.14, the acquisition of securities by a Director under an employee incentive scheme requires the approval of shareholders.

This resolution seeks shareholder approval for the grant to Mr Norris, prior to the 2007 Annual General Meeting, of rights to receive shares up to a total maximum value of:

- \$3,800,000 for the 2005/06 financial year (as agreed under Mr Norris' Executive Service Agreement) (Tranche 1);
- \$4,000,000 for the 2006/07 financial year (Tranche 2); and
- \$4,200,000 for the 2007/08 financial year (Tranche 3).

These grants will be at risk, dependent upon the Bank's relative shareholder value performance. They are subject to the satisfaction of the performance hurdle for each Tranche set pursuant to the rules of the Bank's Equity Reward Plan (Plan), which was approved by shareholders at the 2000 Annual General Meeting.

The maximum number of shares that Mr Norris may be allocated under each Tranche will be calculated on the basis of the weighted average price of the Bank's shares over the five trading days prior to:

- 23 September 2005, for the Tranche 1 grant;
- the date of invitation for the Tranche 2 grant; and
- the date of invitation for the Tranche 3 grant.

Rights to shares will be granted in accordance with the rules of the Plan (Rules). Vesting of the rights to acquire the shares will depend on the achievement by the Bank of the performance hurdle set pursuant to the Rules. The current performance hurdle for the Plan is based on relative Total Shareholder Return (TSR) with the Bank's TSR being measured against a comparator group of companies.

TSR performance will first be tested on the third anniversary of the grant for each Tranche, and then at half-yearly measurement points up to and including the fifth anniversary of the grant of each Tranche.

The performance hurdle applies a tiered vesting scale so that if the Bank's TSR at a relevant measurement point:

- is between the 50<sup>th</sup> and 67<sup>th</sup> percentile TSR of peer companies – 50% to 75% of the shares in that Tranche may vest;
- is between the 68<sup>th</sup> and 75<sup>th</sup> percentile TSR of peer companies – 76% to 100% of the shares in that Tranche may vest.

Once the rating reaches or exceeds the 75<sup>th</sup> percentile TSR of peer companies, 100% of the shares in that Tranche vest.

Where the rating is at least the 50<sup>th</sup> percentile on the third anniversary of the grant, the shares will vest at a time nominated by Mr Norris, in accordance with the Rules, over the next two years. The vesting percentage will be the higher of the rating determined at the third anniversary of the grant and the rating determined at the half-yearly measurement point at which Mr Norris nominates that the shares will vest. Where the rating is below the 50<sup>th</sup> percentile on the third anniversary of grant, the shares can still vest if the rating reaches the 50<sup>th</sup> percentile prior to the fifth anniversary, but the maximum vesting will be 50%. If the rating does not reach the 50<sup>th</sup> percentile by the final measurement point on the fifth anniversary of the grant, no shares will vest and any rights to shares under that grant will lapse.

It is intended that shares for each Tranche will be purchased to the extent necessary on-market by the Trustee of the Bank's Share Plan Trust at the then current market price during the three years prior to the first measurement point of the performance hurdle applicable to that Tranche. It is also possible that shares forfeited by executives who participated in previous grants under the Bank's Equity Reward Plan may be re-allocated to Mr Norris as well as to other participating executives. The shares will be registered in the name of the Trustee who will only transfer legal title to Mr Norris upon satisfaction of the performance hurdles referred to above.

In general, if Mr Norris ceases employment with the Bank he will forfeit his rights to receive shares under the Equity Reward Plan, unless the Bank gives its approval for the shares to be transferred to Mr Norris (or his representative) or for Mr Norris to continue to be entitled to the rights. Any such approval may be on a pro-rata basis. It is expected that such approval would be granted if Mr Norris ceased employment for reasons such as ill-health retirement. In these circumstances, the performance hurdles would still apply.

Approval was obtained at the 2004 Annual General Meeting to grant shares to Mr D. V. Murray pursuant to the Equity Reward Plan. Since that date, Mr Murray was granted rights to receive 125,000 shares under the Plan and, to date, 50% of that number of shares has been acquired on-market by the Trustee of the Bank's Share Plan Trust at market price. These shares are held in the name of the Trustee and no shares from that grant have been transferred to Mr Murray.

No other current Directors are entitled to participate in the Plan. If any other person, for whom shareholder approval is required under the Listing Rules, becomes entitled to participate in the Plan after approval of this resolution, they will not participate until after shareholder approval is obtained at a general meeting as required by Listing Rule 10.14 or a waiver from such approval is granted by the ASX.

Details of any securities issued under the Plan, to which shareholder approval relates, will be published in each annual report of the Bank relating to the financial period in which the securities have been issued. The report will include a statement that approval for the issue of any securities was obtained under ASX Listing Rule 10.14.



