

# Commonwealth Bank

Commonwealth Bank of Australia  
ACN 123 123 124



## Notice of Meeting 2001

### **2 How to get there**

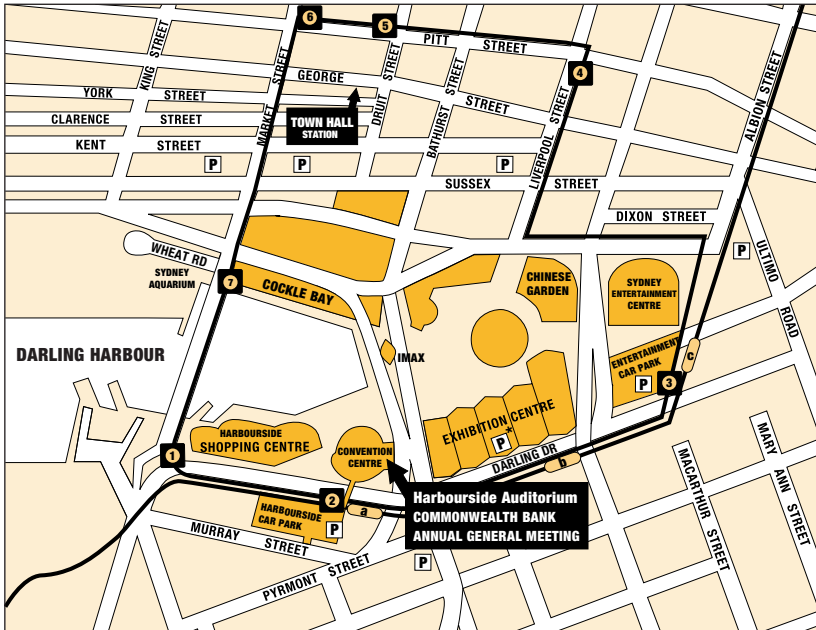
### **3 Letter to Shareholders**

### **5 2001 AGM – Notice of Meeting**

To be held at 11.00am on Thursday,  
25 October 2001 at the Harbourside Auditorium,  
Sydney Convention and Exhibition Centre,  
Darling Harbour, Sydney

### **9 Explanatory Memorandum**

# How to get there



The Annual General Meeting will be held on Thursday, 25 October 2001 at the Harbourside Auditorium, Sydney Convention and Exhibition Centre, Darling Harbour, Sydney.

## Key chart

### Monorail route

- 1** Harbourside
- 2** Convention
- 3** Haymarket
- 4** World Square
- 5** Park Plaza
- 6** City Centre
- 7** Darling Park

### City Light Rail from Central Station

- a** Convention
- b** Exhibition Halls
- c** Haymarket
- P** Parking
- P\*** Parking under Exhibition Halls

# Chairman's Letter

6 September 2001

Dear Shareholder,

I am writing to invite you, as a shareholder in Commonwealth Bank of Australia, to attend the Annual General Meeting on Thursday, 25 October 2001.

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

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

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 are attending the meeting please bring this barcoded form with you.**

If you are not attending the meeting, I would encourage you to lodge the Form of Proxy by returning it in the reply paid envelope in sufficient time so that it reaches the Share Registrar, ASX Perpetual Registrars Limited, by 11.00am on Tuesday, 23 October 2001. Alternatively, the Form of Proxy can be sent by facsimile, to ASX Perpetual Registrars Limited, on (02) 8280 7646 by 11.00am on Tuesday, 23 October 2001.

Any corporate holder of Commonwealth Bank shares 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 company's constitution, authorising him or her as the company'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.

## Chairman's Letter (continued)

The Notice of Meeting commences on page 5, listing the items to be considered at the meeting. The background to items 2 and 3 is discussed in the Explanatory Memorandum on pages 9 to 14.

Commonwealth Bank Directors and Senior Executives would also like to extend an invitation to shareholders to stay behind after the meeting for light refreshments.

Yours sincerely

A handwritten signature in black ink, appearing to read "John T Ralph". The signature is written in a cursive, flowing style.

**John T Ralph AC**  
Chairman

## Ordinary Business

### 1. Discussion of Financial Statements

To discuss the financial report, the directors' report and the auditor's report for the year ended 30 June 2001.

### 2. Election of Directors

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

- a) Mr J T Ralph retires and, being eligible, offers himself for re-election;
- b) Mr R J Clairs retires and, being eligible, offers himself for re-election;  
and
- c) Ms B K Ward retires and, being eligible, offers herself for re-election.

Information about the candidates appears in the Explanatory Memorandum.

## Special Business

### 3. Grant of Options and Shares to the Managing Director

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

“That approval be given to issue to Mr D V Murray, prior to the 2004 Annual General Meeting of Commonwealth Bank of Australia (but no later than 3 years after the date of this meeting), invitations to apply for up to a maximum of 200,000 shares and 1,000,000 options to be provided in three tranches, one in each year of the three year period, with any such shares and options to be granted in accordance with the Rules of the Bank’s Equity Reward Plan, further details of which are set out in the Explanatory Memorandum to the Notice convening this meeting.”

### Determination of Shareholders’ Right to Vote

For the purposes of the meeting, those shareholders holding shares at 11.00am on Tuesday 23 October 2001 will be voting members for the meeting.

## **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 25 October 2001, you are entitled to appoint a proxy to attend and vote in your stead. A proxy need not be a shareholder.

If you are a shareholder entitled to cast two or more votes, you may appoint up to two proxies and may specify the proportion of voting rights or the number of shares each proxy is appointed to exercise.

If you wish to appoint a person 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 1234 or by facsimile to (02) 8280 7646 in Australia or (61 2) 8280 7646 if you are overseas, by 11.00am Tuesday 23 October 2001. A reply paid envelope is provided.

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 that item and, in the case of Item 2 (which item includes the re-election of the Chairman as a director), will vote in favour of the current directors.

## Voting Restriction

The Bank will disregard any vote cast on the resolution described in Agenda Item 3 of the Notice of Meeting by Mr D V Murray or any associate of him. 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.

By order of the Board

A handwritten signature in black ink, appearing to read 'J D Hatton', with a long horizontal flourish extending to the right.

**J D Hatton**

Secretary

6 September 2001

# Explanatory Memorandum

## Agenda Item 2:

### Election of Directors

Pursuant to Articles 11.1 and 11.2 of the Bank's Constitution, Mr J T Ralph, Mr R J Clairs and Ms B K Ward will retire at the Annual General Meeting and offer themselves for re-election. Mr Ralph was last re-elected in 1998 and Mr Clairs and Ms Ward were last re-elected in 1999.

Details of the candidates are as follows :



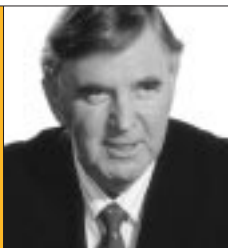
**Mr Ralph** has been a member of the Board since 1985 and Chairman since 1999. He is also Chairman of the Risk, Remuneration and Nominations Committees. He is a Fellow of the Australian Society of Certified Practising Accountants and has had over forty-seven years' experience in the mining and finance industries.

He was Managing Director and Chief Executive of CRA Limited for seven years and held other leadership positions in national organisations.

Mr Ralph's wide experience in the areas of finance, accounting, risk management and governance are of significant benefit to the functions of the Board and the operations of the Bank.

He is Chairman of Pacific Dunlop Limited, Deputy Chairman of Telstra Corporation Limited and a Director of BHP Billiton Limited and BHP Billiton Plc. He is also on the Board of Management of Melbourne Business School, Deputy National Chairman of Foundation for Young Australians, and Chairman of the Australian Foundation for Science. Mr Ralph is aged 68 and is a resident of Victoria.

## Explanatory Memorandum (continued)



**Mr Clairs** has been a member of the Board since 1 March 1999 and is a member of the Audit Committee. He was previously Chief Executive Officer of Woolworths Limited, a position he held for five years during a 33 year career with that company. He brings to the Board extensive experience in retailing, branding and customer service, which are areas of key focus in the development of the Bank's business.

He is Chairman of Agri Chain Solutions Ltd and The Prime Minister's Supermarket to Asia Board, Deputy Chairman of Woolstock Australia Limited and a Director of David Jones Ltd, Howard Smith Ltd and National Australia Day Council. He is also a Foundation Member of the Prime Minister's Supermarket to Asia Council. Mr Clairs is aged 63 and is a resident of Queensland.



**Ms Ward** has been a member of the Board since 1994 and is a member of the Audit Committee. She holds a Bachelor of Economics and Master of Political Economy and has a background as a senior ministerial adviser and has had Chief Executive experience in the division of TNT responsible for aircraft leasing.

She has considerable experience in finance, risk management, strategic policy and public administration and is able to make a significant contribution to the functions of the Board.

Since 1998, she has pursued a career as a company director. She is Chairperson of HWW Limited and Country Energy and a Director of Rail Infrastructure Corporation and Data Advantage Limited. She is also a Trustee of the Sydney Opera House Trust, Member of Australia Day Council of New South Wales and a Director of Allens Arthur Robinson. Ms Ward is aged 47 and is a resident of New South Wales.

## Agenda Item 3:

### Grant of Options and Shares to the Managing Director

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

It is proposed that, prior to the 2004 Annual General Meeting (but no later than 3 years after the date of this meeting) invitations will be given to Mr D V Murray, Managing Director of the Bank to apply for up to a maximum of 200,000 shares and 1,000,000 options to be provided in three tranches, one in each year of the three year period. The actual number of shares and options to be allocated to Mr Murray will take into account the Bank's share price and value of the options at the relevant time in setting the appropriate remuneration levels. The size of each tranche will be determined by the Board of Directors. The total number of shares and options allocated over the three year period will be within the maximum number set out in the resolution.

Any such shares and options are to be granted in accordance with the Rules of the Bank's Equity Reward Plan, which was approved by shareholders at the 2000 Annual General Meeting. The rights to exercise the options and acquire the shares will depend on the achievement by the Bank of the performance hurdle set by the Board pursuant to those Rules.

The exercise price of any options granted to Mr Murray will be the Market Value (in general terms the weighted average price at which shares of the Bank were traded on the ASX during the one week period before the relevant Commencement Date of each tranche of options) of the Bank's shares at the date from which the relevant tranche of options takes effect together with a premium to the Market Value.

The premium will represent the time value of money component (calculated by using the actual difference between the dividend and bond yields at the date of vesting) of the value of the options.

Shares will be purchased on-market by the Trustee of the Plan at the then current market price. As the total number of shares required in the operation of the Plan at any time may necessitate the purchase of shares over a number of days, the share price applicable to the shares acquired under the Plan will be the average price paid by the Trustee. The shares will be registered in the name of the Trustee who will only transfer the legal title to Mr Murray upon satisfaction of the performance hurdle.

At the 2000 Annual General Meeting, shareholders approved the grant to Mr Murray of up to 250,000 options and up to 42,000 shares under the Equity Reward Plan. On 21 August 2001, the Board agreed to grant to Mr Murray the maximum number of options and shares under that approval. The exercise price for the options will consist of the Market Value (the weighted average price at which shares of the Bank were traded on the ASX during the one week period before the Commencement Date of the options) of the Bank's shares together with a premium to represent the time value of money. The shares will be purchased on-market at the then current market price. For the options to become exercisable and the shares to vest, the performance hurdle set by the Board pursuant to the Rules of the Equity Reward Plan must be met within the period from 3 to 5 years from the Commencement Date.

## Explanatory Memorandum (continued)

No other current Directors are entitled to participate in the Equity Reward Plan. If any other person, for whom shareholder approval is required under the Listing Rules, becomes entitled to participate in the Equity Reward Plan after approval of this resolution, they will not participate until after shareholder approval is obtained at a general meeting.

Details of any securities issued under the Equity Reward Plan, to which the shareholder approval relates, will be published in each annual report of the Bank relating to a period in which securities have been issued.



