



Company	Commonwealth Bank of Australia
Code	CBA
Meeting	AGM
Date	13 October 2021
Venue	Virtual
Monitor	Lewis Gomes and Julieanne Mills

Number attendees at meeting	155 shareholders, 25 proxy holders and 688 webcast viewers
Number of holdings represented by ASA	1,380
Value of proxies	\$380 million (as at 13 October 2021)
Number of shares represented by ASA	3,732,231 (equivalent to 9 th largest shareholder)
Market capitalisation	\$180 billion (as at 13 October 2021)
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chairman Catherine Livingstone and Chair of People and Remuneration Committee Paul O'Malley

CBA tested on Remuneration Report

Opening Addresses

This year's AGM was again conducted as a virtual meeting using the commbank.com.au/agm platform. The meeting was generally low key with an initial presentation from the Chairman, Catherine Livingstone, followed by a presentation by the CEO, Matt Comyn. There were only a few slides and no videos to support these presentations. The meeting did, however, last for three and a half hours, due mainly to many questions and statements from attendees on climate related matters and Item 5, the Special Resolution on the constitution amendment.

The Chairman summarised the current status of the Remedial Action Plan (RAP) instituted after the Hayne Royal Commission in 2018 under the supervision of APRA. It was noted that all 177 recommended actions are now completed but that the task of permanent commitment to change will continue. The APRA capital funding overlay of \$500 million remains, having been reduced by APRA from the initial \$1,000 million.

The Chairman noted that cultural and behaviour change is now embedded into the remuneration framework with reduced maximum opportunity awards and deferral periods of up to 7 years. She also spoke to the establishment of a sustainability framework which addresses commitments to net zero emissions by 2050 and continuing assistance to customers to support, for example, roof-top solar power systems.

The strong financial results were summarised as well as the divestment programme which released \$6.2 billion of additional capital which in turn supported the recent share buy-back valued at \$6.0 billion and total dividends for FY21 of \$6.2 billion. The Chairman noted the one year Total Shareholder Return (TSR) for FY21 was an impressive 48% while the 5 and 10 year TSR's were 72% and 226% respectively (equating to annual TSR's of 11% and 12%).

The CEO, Matt Comyn, spoke of the Bank's support to hardship customers during the worst of the Covid periods, its support to the various state-run vaccination programmes and to its core values of care, courage and commitment. He also spoke of his four priorities being leadership, infrastructure investment, sustainability and digital banking channels.

Resolution 1 – Financial Statements

There were many questions raised under this item, even though no vote was required. Questions included why a special dividend was not implemented in place of the share buy-back, with some shareholders reporting on their difficulties in completing the buy-back information on-line. The Chairman addressed a question from the ASA about how the Bank was addressing potentially fraudulent activity such as recently reported by Westpac.

There were questions about the off-shoring of jobs to India and employee issues relating to the Enterprise Agreement (EA) that covers most staff. Questions were also asked about the recent departure of Kara Nicholls which the Chairman declined to answer. Shareholder Stephen Mayne asked a number of questions including some matters concerning the Chairman's personal shareholdings which she graciously answered.

Numerous questions were raised in relation to climate change matters which the Chairman tried to defer until Item 5 was addressed. These questions became repetitive and often expressed as a financial matter rather than a climate matter. Nevertheless, the Chairman addressed each question respectfully.

Resolutions 2 – Re-election of Catherine Livingstone and Anne Templeman-Jones and Elections of Peter Harmer and Julie Galbo as directors

Each of these directors spoke to their backgrounds and contributions to the Bank, with Ms Galbo speaking by video from her Denmark residence. The Chairman also spoke to the benefits that these directors bring to the Bank and how the composition of the Board has changed substantially since the Royal Commission.

The ASA asked how Ms Galbo would be able to exercise her responsibilities from Denmark while travel restrictions appear to be ongoing. The Chairman advised that Ms Galbo has strongly expressed her willingness to travel to Australia and to spend time in the country once travel becomes a more realistic option. She also spoke about the benefits that Ms Galbo will bring in terms of her Scandinavian banking experience which the Chairman sees as very relevant to the Australian situation and also how much her European perspective will add to the board.

All four directors were comfortably re-elected or elected. The votes FOR ranged from 98.4% for Ms Templeman-Jones to an impressive 99.83% for Ms Galbo.

Resolution 3 – Remuneration Report for FY21

The Chairman spoke to the Remuneration Report and described the recent changes for FY21 as described earlier. She also noted the recent inclusion of malus and clawback provisions. She explained the two long term components of LTAR and LTVR, the former being an “alignment” incentive based on strategy and leadership and the latter being based on two TSR metrics. Details are available in the Notice of Meeting and our Voting Intentions. The Chairman also noted a one-off market adjustment to the CEO’s fixed remuneration of 8.7%.

There were few questions, and the resolution received a strong FOR vote of 95.2%.

Resolution 4 – Grant of Securities to the CEO

This resolution sought the allocation of 17,586 Restricted Share Units to the CEO as his FY22 Long Term Alignment Remuneration (LTAR) award and the same number of Performance Rights as his FY22 Long Term Variable Remuneration (LTVR) award, each valued at \$1.75 million.

Again, there were few questions, but the resolution was passed with only a modest 80.74% of votes in favour.

Resolution 5a– Requisition to Amend the Company’s Constitution

This resolution was lodged by Market Forces and sought to change the constitution of the Bank to allow for ordinary resolutions to be put to meetings by small groups of shareholders. The Chairman spoke against the resolution for the reasons outlined in the Notice of Meeting but she nevertheless allowed considerable time for questions and statements from attendees. The resolution was lost with 94.39 % of cast votes against the matter.

While Item 5b was not put to the meeting due to it being conditional on Item 5a being supported by a majority vote, it was reported later that Item 5b did however receive a 14.98% vote for the climate transition planning disclosure. At the end of the meeting the Chairman announced CBA’s commitment to bring a non-binding climate resolution to the next AGM.

A video record of the AGM can be found on the CBA web page or directly from <https://publish.viostream.com/app/s-n7prq7p>

