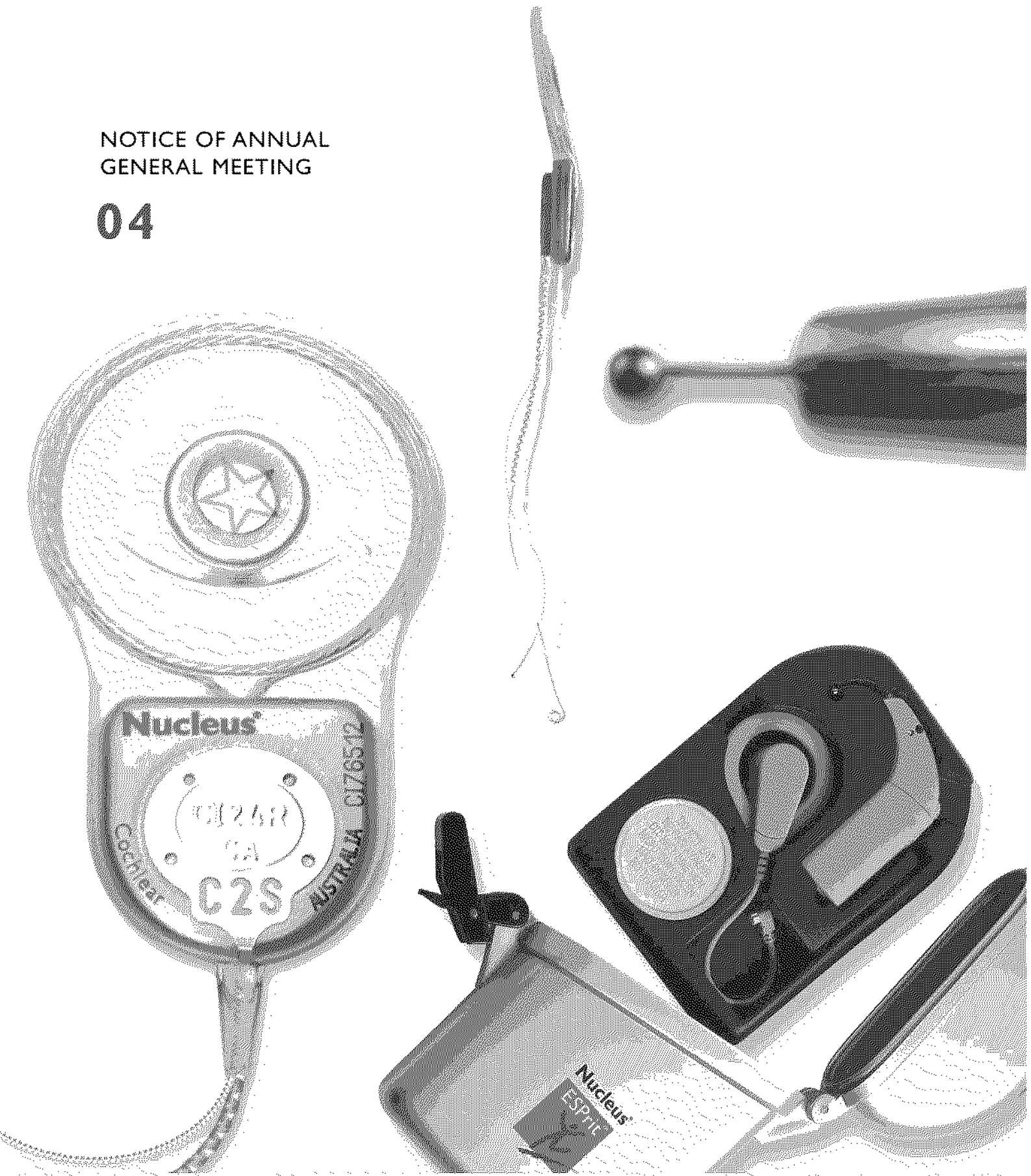


NOTICE OF ANNUAL
GENERAL MEETING

04



NOTICE OF ANNUAL GENERAL MEETING COCHLEAR LIMITED ACN 002 618 073

Notice is hereby given that the Annual General Meeting of the shareholders of Cochlear Limited ("the Company") will be held at Exchange Square Auditorium, 18 Bridge Street, Sydney, New South Wales on Tuesday, 19 October 2004 at 2.00 p.m.

Business of the Meeting

Ordinary Business

1. Financial and other reports

To receive and consider the Company's Financial Report and the reports of the Directors and auditors of the Company in respect of the year ended 30 June 2004.

2. Remuneration Report

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

2.1 "THAT the Remuneration Report be adopted."

Note: An explanation of the proposed resolution is set out in the Explanatory Notes attached to this Notice of Meeting.

3. Election Of Directors

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

3.1 "THAT Mr Justus Veeneklaas, being a Director who is retiring by rotation in accordance with the Company's constitution and, being eligible, offers himself for re-election as a Director of the Company."

Note: An explanation of the proposed resolution is set out in the Explanatory Notes attached to this Notice of Meeting.

Special Business

4. To increase the maximum aggregate remuneration of Non-Executive Directors

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

4.1 "THAT, with effect from the financial year commencing 1 July 2004, the aggregate maximum sum available for remuneration of Non-Executive Directors is increased by A\$400,000 per year to A\$1,000,000 per year."

Note: An explanation of the proposed resolution is set out in the Explanatory Notes attached to this Notice of Meeting.

Voting Exclusion Statement: Subject to the ASX Listing Rules, the Company will disregard any votes cast on this resolution by a Director of the Company or by any associate of a Director of the Company.

5. Approval of securities issued to the CEO/President under the Cochlear Executive Long Term Incentive Plan ("CELTIP")

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

5.1 "THAT approval be given to:

- a) the grant to Dr Christopher Graham Roberts, the CEO/President of the Company, of options calculated in accordance with the formula, and on the terms, summarised in the Explanatory Notes to the Notice of Meeting (appearing at the end of the Explanatory Notes for Item 6) for that period of the financial year ending 30 June 2004 for which Dr Roberts held his current position;
- b) the acquisition by the Plan Trustee on behalf of Dr Roberts of performance shares calculated in accordance with the formula, and on the terms, summarised in the Explanatory Notes to the Notice of Meeting for that period of the financial year ending 30 June 2004 for which Dr Roberts held his current position;
- c) the grant to Dr Roberts, of options calculated in accordance with the formula, and on the terms, summarised in the Explanatory Notes to the Notice of Meeting for the financial year ending 30 June 2005;
- d) the acquisition by the Plan Trustee on behalf of Dr Roberts of performance shares calculated in accordance with the formula, and on the terms, summarised in the Explanatory Notes to the Notice of Meeting for the financial year ending 30 June 2005; and
- e) the issue to Dr Roberts of any shares upon the exercise of any options, or the transfer by the Plan Trustee to Dr Roberts of any such performance shares."

Note: An explanation of the proposed resolution is set out in the Explanatory Notes attached to this Notice of Meeting.

Voting Exclusion Statement: Subject to the ASX Listing Rules, the Company will disregard any votes cast on this resolution by Dr Roberts and Dr Parker and their respective associates.

6. Approval of securities issued to an Executive Director under CELTIP

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


6.1 "THAT approval be given to:

- a) the grant to Dr John Louis Parker, an Executive Director of the Company, of options calculated in accordance with the formula, and on the terms, summarised in the Explanatory Notes to the Notice of Meeting (appearing at the end of the Explanatory Notes for this Item 6);
- b) the acquisition by the Plan Trustee on behalf of Dr Parker of performance shares calculated in accordance with the formula, and on the terms, summarised in the Explanatory Notes to the Notice of Meeting; and
- c) the issue to Dr Parker of any shares upon the exercise of any options, or the transfer by the Plan Trustee to Dr Parker of any such performance shares."

Note: An explanation of the proposed resolution is set out in the Explanatory Notes attached to this Notice of Meeting.

Voting Exclusion Statement: Subject to the ASX Listing Rules, the Company will disregard any votes cast on this resolution by Dr Parker and Dr Roberts and their respective associates.

By Order of the Board



Neville J Mitchell, Company Secretary

Dated 2 September 2004

Explanatory Notes

Item 1. Reports and accounts

As required by section 317 of the Corporations Act 2001, the Financial Report, Director's Report and Auditor's Report of the Company for the financial year ending 30 June 2004 will be laid before the meeting. There is no requirement for a formal resolution on this item.

Item 2. Remuneration Report

As required by section 249L of the Corporations Act 2001, the Remuneration Report of the Company for the financial year ending 30 June 2004 will be laid before the meeting.

The Remuneration Report is set out on pages 36-39 of Cochlear Limited's 2004 Annual Report. It is also available on Cochlear's website at www.cochlear.com.

The report explains the structure of, and policy behind Cochlear's remuneration practices and the link between the remuneration of employees and Cochlear's performance and sets out remuneration details for each Director and for any specified executive.

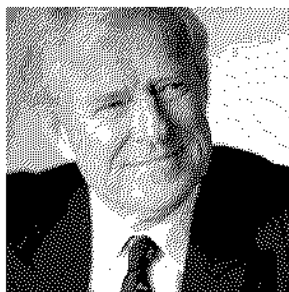
A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. While there is a requirement for a formal resolution on this item under section 250R(3) of the Corporations Act 2001 the resolution is advisory only and does not bind the Company.

Directors' recommendation

The Board recommends that shareholders vote in favour of the resolution.

Item 3. Re-election of Directors

Pursuant to Article 16.1 of the Company's constitution, one-third of the Directors must retire from office and be eligible for re-election. Pursuant to Article 16.2 of the Company's constitution, a Director must retire from office at every third Annual General Meeting. A Director who retires as such will be eligible to count towards the one-third to retire under Article 16.1. The Directors retiring at this Annual General Meeting in accordance with Articles 16.1 and 16.2 are Mr Justus Veeneklaas and Ms E Carol Holley. Mr Justus Veeneklaas is offering himself for re-election. Ms E Carol Holley is not standing for re-election having been a Non-Executive Director for a period of approximately 9 years.



Mr Justus Hendrik Veeneklaas, BLaws
Independent Non-Executive Director
Resident Sydney

Justus was appointed to the Board on 17 March 1998.

He is a member of the Remuneration, Technology and Innovation and Nominations Committees.

Justus is a Director of Powertel Limited and Sugar Australia Pty Ltd. He is also a member of the Sydney Symphony Orchestra Council.

Formerly Chairman and Chief Executive of Philips Australia 1990-1998, Justus has extensive experience in international business.

Directors' recommendation

The Board recommends that shareholders vote in favour of the resolution.

Item 4. To increase the maximum aggregate remuneration of Non-Executive Directors

The increase is being sought because:

- the Board wishes to allow for increases in fees if found appropriate as the current fees maximum level has not been increased since 2002;
- the Board wishes to provide future flexibility to increase the size of the Board, if and when appropriate, including for succession planning purposes; and
- the Board wishes to allow for future increases in fees to maintain market competitiveness and to reflect increasing demands on Non-Executive Directors.

In April 2003 the Board closed the Company's Non-Executive Directors retirement plan to new Directors. Any new Non-Executive Directors' remuneration would reflect the position that it does not include retirement allowances.

Directors' recommendation

Because each Non-Executive Director has an interest in this matter, the Board does not believe it is appropriate to make a recommendation to shareholders in relation to voting on item 4.

Item 5. Approval of securities issued to the CEO/President under the CELTIP

In accordance with Australian Stock Exchange Listing Rule

10.14, this resolution is being put to shareholders to seek approval to:

- a) the grant to Dr Christopher Graham Roberts, the CEO/President of the Company, of options calculated in accordance with the formula, and on the terms, summarised below for that period of the financial year ending 30 June 2004 for which Dr Roberts held his current position;
- b) the acquisition by the Plan Trustee on behalf of Dr Roberts of performance shares calculated in accordance with the formula, and on the terms, summarised below for that period of the financial year ending 30 June 2004 for which Dr Roberts held his current position;
- c) the grant to Dr Roberts, of options calculated in accordance with the formula, and on the terms, summarised below for the financial year ending 30 June 2005;
- d) the acquisition by the Plan Trustee on behalf of Dr Roberts of performance shares calculated in accordance with the formula, and on the terms, summarised below for the financial year ending 30 June 2005; and
- e) the issue to Dr Roberts of any shares upon the exercise of any options, or the transfer by the Plan Trustee to Dr Roberts of any such performance shares.

Dr Roberts was appointed as CEO/President effective from 1 February 2004 and therefore the grant of options and performance shares with respect to the financial year ending 30 June 2004 could not be put to the shareholders for approval at Cochlear Limited's Annual General Meeting for 2003. Accordingly no grant has been made under the CELTIP in respect of this initial period of Dr Roberts' tenure pending approval being granted at the Company's Annual General Meeting for 2004.

Each option entitles Dr Roberts to subscribe for one ordinary share in the capital of the Company and each performance share entitles Dr Roberts to have transferred to him one fully paid ordinary share in the capital of the Company, subject to certain vesting restrictions. (See Items 5 and 6 – Terms of the CELTIP below)

The options to be granted to Dr Roberts will be granted within one month of the date of the meeting. The options will be granted for nil consideration with an exercise price of A\$18.97, being the weighted average price of ordinary shares in the Company traded on the ASX during the five day period immediately after the release of the full year results on 17 August 2004, payable on exercise of the options. The performance shares to be acquired by the Plan Trustee on behalf of Dr Roberts will also be acquired within one month of the date of this meeting. No consideration will be payable by Dr Roberts upon the acquisition by the Plan Trustee of the

performance shares on behalf of Dr Roberts, nor upon the transfer by the Plan Trustee to Dr Roberts of any such performance shares.

Example of calculation of the number of securities relating to Dr Roberts under the CELTIP for the financial year ending 30 June 2004

Assumptions:

- Based on Dr Roberts' remuneration, his role and the Company's remuneration strategy, the value of the offer is A\$110,167.
- Based on the Black-Scholes option valuation model, the value of an option is estimated to be A\$1.77 and performance share is estimated to be A\$9.15.
- Mix of offer is 75% share options and 25% performance shares.
- Subject to the vesting restrictions (hurdles) described under the Explanatory Notes for items 5 and 6 – Terms of the CELTIP.

Total Value of Offer A\$110,167		
COMPONENT	SHARE OPTIONS	PERFORMANCE SHARES
Portion	75%	25%
Option/Share Value	A\$1.77	A\$9.15
Number of Options/Shares	$= \frac{TVO \times R}{V}$	$= \frac{TVO \times R}{V}$
	$= \frac{A\$110,167 \times 75\%}{A\$1.77}$	$= \frac{A\$110,167 \times 25\%}{A\$9.15}$
	= 46,681 options	= 3,010 shares

Where:

- "TVO" = the "Total Value of the Offer" made to Dr Roberts under CELTIP (expressed in dollars), which is a percentage of fixed remuneration of Dr Roberts;
- "V" = in the case of options, the value of the option based on the Black-Scholes option valuation model and, in the case of performance shares, "V" = the weighted average share price of ordinary shares in the Company sold in the 5 day period immediately after the Company lodges its preliminary final report with the ASX for 2004; and
- "R" = in the case of options, the relevant percentage of Total Value of the Offer that is allocated to the options (expressed as a percentage) and, in the case of performance shares, "R" = the relevant percentage of Total Value of the Offer that is allocated to the performance shares (expressed as a percentage).

Example of calculation of the number of securities relating to Dr Roberts under the CELTIP for the financial year ending 30 June 2005

Assumptions:

- Based on Dr Roberts' remuneration, his role and the Company's remuneration strategy, the value of the offer is A\$277,634.
- Based on the Black-Scholes option valuation model, value of an option is estimated to be A\$1.77 and performance share is estimated to be A\$9.15.
- Mix of offer is 75% share options and 25% performance shares.
- Subject to the vesting restrictions (hurdles) described under the Explanatory Notes for Items 5 and 6 – Terms of the CELTIP.

Total Value of Offer - A\$277,634		
COMPONENT	SHARE OPTIONS	PERFORMANCE SHARES
Portion	75%	25%
Option/Share Value	A\$1.77	A\$9.15
Number of Options/Shares	$= \frac{TVO \times R}{V}$	$= \frac{TVO \times R}{V}$
	$= \frac{A\$277,634 \times 75\%}{A\$1.77}$	$= \frac{A\$277,634 \times 25\%}{A\$9.15}$
	= 117,642 options	= 7,586 shares

Where:

- "TVO" = the "Total Value of the Offer" made to Dr Roberts under CELTIP (expressed in dollars), which is a percentage of fixed remuneration of Dr Roberts;
- "V" = in the case of options, the value of the option based on the Black-Scholes option valuation model and, in the case of performance shares, "V" = the weighted average share price of ordinary shares in the Company sold in the 5 day period immediately after the Company lodges its preliminary final report with the ASX for 2004; and
- "R" = in the case of options, the relevant percentage of Total Value of the Offer that is allocated to the options (expressed as a percentage) and, in the case of performance shares, "R" = the relevant percentage of Total Value of the Offer that is allocated to the performance shares (expressed as a percentage).

Directors' recommendation

The Board recommends that shareholders vote in favour of the resolution.

Item 6. Approval of securities issued to an Executive Director under the CELTIP

In accordance with Australian Stock Exchange Listing Rule 10.14, this resolution is being put to shareholders to seek approval to:

- a) the grant to Dr John Louis Parker, an Executive Director

of the Company, of options calculated in accordance with the formula, and on the terms, summarised below;

- b) the acquisition by the Plan Trustee on behalf of Dr Parker of performance shares calculated in accordance with the formula, and on the terms, summarised below; and
- c) the issue to Dr Parker of any shares upon the exercise of any options, or the transfer by the Plan Trustee to Dr Parker of any such performance shares,

in accordance with the CELTIP and where the "Total Value of the Offer" is A\$99,472 (being 30% of Dr Parker's fixed remuneration).

Each option entitles Dr Parker to subscribe for one ordinary share in the capital of the Company and each performance share entitles Dr Parker to have transferred to him, one fully paid ordinary share in the capital of the Company, subject to certain vesting restrictions.

The options to be granted to Dr Parker will be granted within one month of the date of the meeting. The options will be granted for nil consideration with an exercise price of A\$18.97, being the weighted average price of ordinary shares in the Company traded on the ASX during the five-day period immediately after the release of the full year results on 17 August 2004, payable on exercise of the options. The performance shares to be acquired by the Plan Trustee on behalf of Dr Parker will also be acquired within one month of the date of this meeting. No consideration will be payable by Dr Parker upon the acquisition by the Plan Trustee of the performance shares on behalf of Dr Parker, nor upon the transfer by the Plan Trustee to Dr Parker of any such performance shares.

Example of calculation of the number of securities relating to Dr Parker under the CELTIP

Assumptions:

- Based on Dr Parker's remuneration, his role and the Company's remuneration strategy, the value of the offer is A\$99,472.
- Based on the Black-Scholes option valuation model, the value of an option is estimated to be A\$1.77 and performance share is estimated to be A\$9.15.
- Mix of offer is 75% share options and 25% performance shares.
- Subject to the vesting restrictions (hurdles) described under the Explanatory Notes for Items 5 and 6 – Terms of the CELTIP.

Total Value of Offer - A\$99,422		
COMPONENT	SHARE OPTIONS	PERFORMANCE SHARES
Portion	75%	25%
Option/Share Value	A\$1.77	A\$9.15
Number of Options/Shares	$= \frac{TVO \times R}{V}$ $= \frac{A\$99,422 \times 75\%}{A\$1.77}$	$= \frac{TVO \times R}{V}$ $= \frac{A\$99,422 \times 25\%}{A\$9.15}$
	= 42,149 options	= 2,718 shares

Where:

- "TVO" = the "Total Value of the Offer" made to Dr Parker under CELTIP (expressed in dollars), which is a percentage of fixed remuneration of Dr Parker;
- "V" = in the case of options, the value of the option based on the Black-Scholes option valuation model and, in the case of performance shares, "V" = the weighted average share price of ordinary shares in the Company sold in the 5 day period immediately after the Company lodges its preliminary final report with the ASX for 2004; and
- "R" = in the case of options, the relevant percentage of Total Value of the Offer that is allocated to the options (expressed as a percentage) and, in the case of performance shares, "R" = the relevant percentage of Total Value of the Offer that is allocated to the performance shares (expressed as a percentage).

Directors' recommendation

The Board recommends that shareholders vote in favour of the resolution.

Items 5 and 6 – Terms of the CELTIP

Purpose: The CELTIP was approved at the Company's Annual General Meeting for 2003. The CELTIP is designed to reward participants for the long-term growth of the Company.

Structure: Participants are offered a mixture of options (being options to acquire ordinary shares in the Company) and "performance shares". The "performance shares" are units of fully paid ordinary shares in the Company, which are held by the Plan Trustee for the benefit of the participant.

Eligibility: Persons who are full-time or part-time employees of Cochlear or an associated body corporate of Cochlear are "Eligible Employees".

Allocation: The CELTIP is administered by the Board. Each year the Board may decide to offer designated Eligible Employees the opportunity to participate in the CELTIP. The number of options and performance shares to be offered to a participant depends upon the participant's salary and the Company's target remuneration package for the participant's position. The mixture of options and performance shares is determined by the Board, in its discretion, having regard to the participant's role in the Company.

Vesting restrictions: Both the options and performance

shares are subject to vesting restrictions, which will ultimately determine the final number of options which will be exercisable and the number of performance shares received by a participant. The relevant vesting restrictions are:

- a 3 year vesting period - during which time the participant will be unable to exercise the options or trade the performance shares; and
- the performance of the Company over the vesting period measured using growth in earnings per share ("EPS"), as that term applies in Australian Accounting Standards, and total shareholder return ("TSR"), as that term applies in Australian Accounting Standards, according to the table set out below. Half of the offer will be assessed against EPS growth, and the other half using TSR growth.

Compound Annual Growth of EPS over 3 years

PERFORMANCE	% OF UNITS VESTING
<10%	0%
10% to 20%	50% – 100% (pro-rata)
>20%	100%

TSR Growth Rate Against S&P ASX 100 over 3 years

PERFORMANCE	% OF UNITS VESTING
<50 th percentile	0%
50 th to 75 th percentile	50% – 100% (pro-rata)
>75 th percentile	100%

The Board has determined that any options that do not vest will lapse automatically. Similarly, any performance shares that do not vest will be retained by the Plan Trustee (i.e. the Plan Trustee will not transfer those shares to the participant).

Rights: Option holders will not be entitled to any dividend payments until the options are exercised.

Holders of performance shares are entitled to any dividend, a return of capital or other distribution made in respect of any shares held on the participant's behalf by the Plan Trustee, however, any dividends paid on performance shares that are subsequently forfeited will not be passed on to the participant.

Additional conditions: All participants will be bound by the applicable Plan rules. Separate rules apply in respect of options and in respect of performance shares.

A participant must exercise their options within 2 years after the date of vesting, otherwise the options will lapse.

Whilst participants are employees of the Company, they must abide by Cochlear's "Guidelines on Trading in Cochlear Limited Shares by Directors and Senior Executives".

If the participant ceases to be an employee of the Company (or the Group), the Board may exercise certain discretions, including to restrict or permit the transfer of performance shares to a participant or prevent an un-vested option from lapsing.

Plan limit: An overall limit applies on the number of options and performance shares that are offered, consistent with the ASX Listing Rules and also the requirement that the number cannot exceed 5% of the total number of issued shares at the time of the offer.

Overriding restrictions: No options or performance shares may be offered under the CELTIP if to do so would contravene the Corporations Act 2001, the ASX Listing Rules, or instruments of relief issued by ASIC from time to time relating to the CELTIP or employee incentive schemes generally.

Termination: The Board may terminate or suspend the operation of the CELTIP at any time.

Right to Vote and Voting Exclusion Statement

Right to vote

Who may vote: Fully paid shareholders – persons whose names are set out in the register of shareholders as at 2pm (AEST) on Sunday, 17 October 2004 are entitled to attend and vote at the Annual General Meeting (and at any adjournment of the meeting which is less than 28 days).

Proxies: If you wish to appoint a proxy, you should complete the attached "Proxy Form" and comply with the details set out in that form for lodgement.

A proxy need not be a shareholder of the Company.

The Proxy Form must be received by 2pm (AEST) on Sunday, 17 October 2004 being not less than 48 hours before the time for holding the 2004 Annual General Meeting.

Documents may be lodged using the reply paid envelope or: by posting, delivery or facsimile to:

Cochlear Limited Share Registry
Computershare Investor Services Pty Limited
GPO Box 7045
Sydney New South Wales 1115
Australia
Facsimile 02 8234 5050

or to the Registered Office of Cochlear Limited being
14 Mars Road LANE COVE, New South Wales 2066, Australia.

Number of proxies: A shareholder of the Company who is entitled to attend and cast a vote at a meeting has a right to appoint a single proxy. A shareholder of the Company who is entitled to attend and cast two or more votes at the meeting has a right to appoint up to two proxies. If you wish to appoint two proxies, contact the Company's Share Registry for another Proxy Form or copy the Proxy Form and follow the directions as to how to complete the two Proxy Forms.

Proportion of votes per proxy: Where the appointment is for more than one proxy, it may specify the proportion of votes that the proxy may exercise.

If the appointment does not specify the proportion of votes that each proxy may exercise, then each proxy may exercise half of the votes of the relevant member.

Voting: Unless the member specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

Signing of proxies: The Proxy Form must be signed as follows:

Individual: Where the holding is in one name, the security holder must sign.

Joint holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to the Proxy Form when you return it.

Companies: Where the company has a sole director who is also the sole company secretary, the Proxy Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise the Proxy Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office by signing in the appropriate place.

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will not disregard a vote on resolutions 4, 5 or 6 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.

ASX disclosures

Australian Stock Exchange Listing Rule 10.15 requires the following additional disclosures for the purposes of items 5 and 6 of these Explanatory Notes:

- (a) the names of the persons referred to in Australian Stock Exchange Listing Rule 10.14 entitled to participate in the Company's CELTIP are Dr Roberts and Dr Parker; and
- (b) since the last approval under Australian Stock Exchange Listing Rule 10.14 at the Company's Annual General Meeting in 2003 Dr Parker was granted 20,584 options at an exercise price of A\$34.19 per share and 2,648 performance shares at A\$17.10 per share.