

ASX Announcement

15 September 2023

2023 Notice of Annual General Meeting

Cochlear Limited (Cochlear) today releases its 2023 Notice of Annual General Meeting (AGM).

Cochlear's 2023 AGM will be held at 10:00am (AEDT) on Tuesday 17 October 2023 as a hybrid meeting. Shareholders will have the opportunity to attend in person at Cochlear Global Headquarters at Macquarie University, or online.

Attached for release are the documents that will be sent to shareholders, including the letter from the Chair, the 2023 Notice of AGM and a sample Voting Form.

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This announcement is authorised by the Company Secretary.



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Invitation to Cochlear's 2023 Annual General Meeting

Dear Shareholder

I am pleased to invite you to Cochlear's 2023 Annual General Meeting (AGM) which will be held on Tuesday 17 October 2023 at 10:00am (AEDT).

The AGM will be held this year as a hybrid meeting, offering shareholders a choice to either attend in person at Cochlear Global Headquarters at Macquarie University or online. Shareholders proposing to attend the AGM in person are encouraged to check our website www.cochlear.com/agm (AGM Website) before the AGM for any ASX announcement on any change in approach. If it becomes necessary or appropriate to make alternative arrangements to hold the meeting, shareholders will be given as much notice as possible.

Details on how to attend and participate in the AGM, either in person or online, are set out in our Notice of Meeting and in our Online Meeting Guide available on our AGM Website.

The formal business to be dealt with at the AGM is set out in the Notice of Annual General Meeting, which also includes the Explanatory Notes and the Board's voting recommendations.

We invite shareholders to submit questions and comments in advance of the meeting on the enclosed Questions from Shareholders form. If you will not be able to attend and participate in the AGM, you are encouraged to vote directly or appoint someone to attend and vote on your behalf as your proxy. Instructions on how to vote directly or appoint a proxy are set out in the enclosed Voting Form.

Direct or proxy votes must be received by 10:00am (AEDT) on Sunday 15 October 2023 to be valid for the meeting. Your proxy may be appointed in a variety of ways as described in the Notice of Annual General Meeting under 'Proxies'.

A recording of the AGM webcast will be made available on Cochlear's AGM Website. Available on our website www.cochlear.com is:

- a link to our share registry to register your e-mail address in order to receive all shareholder information electronically;
- the Cochlear 2023 Annual Report and the 2023 Notice of Annual General Meeting; and
- copies of ASX announcements made by Cochlear.

I look forward to welcoming you, either in person or online, to Cochlear's 2023 AGM.

Yours sincerely

Alison Deans
Chair

Need assistance?



Phone:
1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

Cochlear Limited Annual General Meeting

The Cochlear Limited Annual General Meeting will be held on Tuesday 17 October 2023 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 182975

SRN/HIN: X0068541565

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:00am (AEDT) on Sunday 15 October 2023.



ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit: <https://meetnow.global/MXGG2VC>

For instructions refer to the Online Meeting Guide at: <http://www.cochlear.com/agm>



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Cochlear Global Headquarters, 1 University Avenue, Macquarie University, NSW 2109

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive Annual Reports. Please refer to our Shareholder Communications page on the “Investors” section of our website www.cochlear.com.



Cochlear Limited

Notice of Annual General Meeting 2023





Contents

Business of the meeting	2
Ordinary business	2
Special business	2
Explanatory Notes	3
Item 1. Financial and other reports	3
Item 2. Remuneration report	3
Item 3. Re-election and election of Board endorsed directors	3
Item 4. Approval of long-term incentives to be granted to the CEO & President	5
Item 5. Renewal of proportional takeover provisions	7
Quorum, who may vote and proxies	9
Lodging your vote	10

Notice is hereby given that the Annual General Meeting (AGM) of the members of Cochlear Limited (the Company or Cochlear) will be held on Tuesday 17 October 2023 at 10:00am (AEDT) as a hybrid meeting at Cochlear Global Headquarters, 1 University Avenue, Macquarie University NSW 2109 and online at <https://meetnow.global/MXGG2VC>.



Business of the meeting

Ordinary business

1. Financial and other reports

To receive and consider the Company's Financial report, the Directors' report and the Auditor's report in respect of the financial year ended 30 June 2023 and to consider and, if thought fit, to pass the following resolution:

- 1.1 "THAT the Company's Financial report, the Directors' report and the Auditor's report in respect of the financial year ended 30 June 2023 be received."

Note: An explanation of the proposed resolution is set out at Item 1 of the Explanatory Notes attached to this Notice of Annual General Meeting.

2. Remuneration report

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

- 2.1 "THAT the Company's Remuneration report in respect of the financial year ended 30 June 2023 be adopted."

Voting exclusion statement: The Company will disregard any votes cast on this resolution: (a) by or on behalf of a member of the key management personnel (KMP) named in the Remuneration report for the financial year ended 30 June 2023, or that KMP's closely related party, regardless of the capacity in which the vote is cast; and (b) as a proxy by a member of the KMP as at the date of the meeting, or that KMP's closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution: (i) in accordance with their directions on how to vote as set out in the proxy appointment; or (ii) by the Chair pursuant to an express authorisation on the proxy/voting form.

Note: An explanation of the proposed resolution is set out at Item 2 of the Explanatory Notes attached to this Notice of Annual General Meeting.

3. Re-election and election of Board endorsed directors

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

- 3.1 "THAT Prof Bruce Robinson, AC, being a director who is retiring in accordance with the Company's Constitution and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company."
- 3.2 "THAT Sir Michael Daniell, KNZM, being a director who is retiring in accordance with the Company's Constitution and who, being eligible, offers himself for re-election as a director of the Company, be re-elected as a director of the Company."

Note: An explanation of the proposed resolutions is set out at Item 3 of the Explanatory Notes attached to this Notice of Annual General Meeting.

Special business

4. Approval of long-term incentives to be granted to the CEO & President

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

- 4.1 "THAT approval be given for all purposes for the grant to Mr Dig Howitt, the Company's CEO & President, of options and performance rights as his long term incentive award for the financial year ending 30 June 2024 under the Cochlear Equity Incentive Plan, as set out in the Explanatory Notes to this Notice of Annual General Meeting."

Voting exclusion statement: The Company will disregard any votes cast: (a) in favour of this resolution by or on behalf of Mr Howitt or an associate of Mr Howitt, regardless of the capacity in which the vote is cast; and (b) on this resolution as a proxy by a member of the KMP at the date of the meeting, or that KMP's closely related party, unless the vote is cast by: (i) a person as proxy or attorney for a person who is entitled to vote on this resolution in accordance with their directions of how to vote as set out in the proxy/voting form; (ii) by the Chair as proxy for a person who is entitled to vote on this resolution in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that: (A) 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 this resolution; and (B) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Note: An explanation of the proposed resolution is set out at Item 4 of the Explanatory Notes attached to this Notice of Annual General Meeting.



5. Renewal of proportional takeover provisions

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

- 5.1 “THAT the Company renew the proportional takeover provisions contained in rule 6 of the Company’s Constitution for a period of three years from and including the date of this resolution.”

Note: An explanation of the proposed resolution is set out at Item 5 of the Explanatory Notes attached to this Notice of Annual General Meeting. The statement required by Section 648G(5) of the Corporations Act 2001 (Cth) is also set out at Item 5 of the Explanatory Notes attached to this Notice of Annual General Meeting.

The Explanatory Memorandum form part of this Notice of Meeting.

By order of the Board

Ray Jarman

Company Secretary

Dated: 15 September 2023

Explanatory Notes

Item 1. Financial and other reports

As required by section 317 of the Corporations Act 2001 (Cth) (Act), the Company’s Financial report, the Directors’ report and the Auditor’s report for the financial year ended 30 June 2023 (FY23) will be laid before the AGM. There is no requirement for a formal resolution on this Item; however, it is the Company’s practice to do so.

Resolution 1.1 – directors’ recommendation

The Directors recommend that shareholders vote in favour of the resolution.

The Chair intends to vote all available proxies in favour of the resolution.

Item 2. Remuneration report

As required by section 250R(2) of the Act, a resolution that the Remuneration report of the Company for FY23 be adopted will be put to a vote. The Remuneration report is contained in the Directors’ report in the Company’s 2023 Annual Report. The Annual Report is available on the Company’s website (www.cochlear.com).

The Remuneration report explains the structure of and policy behind the Company’s remuneration practices and the link between the remuneration of executives and the Company’s performance. The Remuneration report also sets out remuneration details for each director and for KMP. A reasonable opportunity will be provided for discussion of the Remuneration report at the AGM. Although there is a requirement for a formal resolution on this Item, by operation of section 250R(3) of the Act, the resolution is advisory only and does not bind the directors or the Company.

The Board believes Cochlear’s approach to Board and executive KMP remuneration is a balanced, fair and equitable approach. The Company’s executive remuneration practices are designed to reward and motivate a successful and experienced executive team to deliver ongoing business growth which meets the expectations of all shareholders. The Board welcomes feedback from shareholders on Cochlear’s remuneration practices.

Resolution 2.1 – directors’ recommendation

The Non-executive Directors recommend that shareholders vote in favour of the resolution.

Voting exclusions apply to this resolution as specified in the Notice of Annual General Meeting.

The Chair intends to vote all available proxies in favour of the resolution.

Item 3. Re-election and election of Board endorsed directors

Pursuant to Rule 8.1(d) of the Company’s Constitution, a director (excluding the Managing Director, namely Mr Dig Howitt) must not hold office without re-election beyond the third AGM following the meeting at which he or she was last elected or re-elected. Prof Bruce Robinson, AC and Sir Michael Daniell, KNZM are retiring at this AGM and standing for re-election in accordance with Rule 8.1(d).

The Board considers that each of Prof Bruce Robinson, AC and Sir Michael Daniell, KNZM is an independent non-executive director.



Prof Bruce Robinson, AC
Non-executive Director

Appointed to the Board 13 December

2016: Chair of Medical Science Committee. Member of the Nomination, People and Culture and Product and Services Innovation Committees.

Background: Over 20 years' leadership experience as an academic physician/scientist across research, healthcare and medicine, and tertiary education. Co-Head of the Cancer Genetics Laboratory at the Kolling Institute for Medical Research and Chair of Research, North Sydney Local Health District. Former Dean, The University of Sydney's Sydney Medical School and Head of Medicine at Sydney's Royal North Shore Hospital.

Other boards: Director, MaynePharma, QBiotics and Ecofibre. Director (former Chairman), Hoc Mai Foundation. Senior Advisor to McKinsey & Company and Advisor to MinterEllison.

Former directorships: Chairman, National Health and Medical Research Council. Chairman, Medical Benefits Schedule Review Taskforce. Director, Lorica Health Pty Limited, Firefly, and Digital Health Agency CRC and Woolcock Institute of Medical Research.

Qualifications: MD, MSc, FRACP, FAAHMS, FAICD

Resolution 3.1 – directors' recommendation

The Board has reviewed Prof Robinson's performance and considers he continues to make a valuable contribution to the Board. Prof Robinson brings to the Board extensive experience in the healthcare industry and expertise in academia, government, public and private health providers, research institutes and philanthropic organisations. Prof Robinson's skills and experience are particularly valuable in his role as Chair of the Medical Science Committee.

In accordance with the assessment on independence for Non-executive Directors, the Board and the Nomination Committee (with Prof Robinson abstaining) has determined that Prof Robinson remains independent.

The Board (other than Prof Bruce Robinson, AC) recommends that shareholders vote in favour of the resolution.

The Chair intends to vote all available proxies in favour of the resolution.



Sir Michael Daniell, KNZM
Non-executive Director

Appointed to the Board 1 January 2020:

Chair of the Product and Services Innovation Committee. Member of the Audit and Risk, Nomination and Medical Science Committees.

Background: Over 40 years' experience in the medical device industry with extensive executive leadership experience. Former Managing Director and CEO of Fisher & Paykel Healthcare Corporation Limited responsible for the global business and operations including the design, manufacture and marketing of innovative products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea.

Other boards: Director, Fisher & Paykel Healthcare Corporation Ltd. Director, Tait International Limited. Advisory Board Chair, Te Titoki Mataora (NZ). Director, Medical Research Commercialisation Fund.

Qualifications: BE (Hons), Electrical, CMInstD (NZ)

Resolution 3.2 – directors' recommendation

The Board has reviewed Sir Michael Daniell's performance and considers he continues to make a valuable contribution to the Board. Sir Michael Daniell brings to the Board extensive experience in the medical device industry and global and operational expertise. Sir Michael Daniell's skills and experience are particularly valuable in his role as Chair of the Product & Services Innovation Committee.

In accordance with the assessment on independence for Non-executive Directors, the Board and the Nomination Committee (with Sir Michael Daniell abstaining) has determined that Sir Michael Daniell remains independent.

The Board (other than Sir Michael Daniell, KNZM) recommends that shareholders vote in favour of the resolution.

The Chair intends to vote all available proxies in favour of the resolution.



Item 4. Approval of long-term incentives to be granted to the CEO & President

Why is shareholder approval being sought?

The Cochlear Equity Incentive Plan (CEIP) requires that any shares to be delivered to a director upon the exercise of options or performance rights that are issued under the CEIP after 21 July 2015 must be existing shares acquired on the market. Accordingly, an exception to Australian Securities Exchange (ASX) Listing Rule 10.14 applies. Notwithstanding this, the Company intends to seek approval for the grant of CEIP long-term incentive (LTI) awards to the CEO & President as it is the Company's practice to do so and for good corporate governance.

If shareholder approval is not obtained, then, subject to the achievement of the performance conditions described in these explanatory notes, Mr Howitt will receive a cash payment at the end of the four (4) year performance period in August 2027 equivalent in value to the LTI he would have received had shareholder approval been obtained.

Terms of the CEIP LTI

Purpose: The CEIP LTI is designed to reward participants for the long-term growth of the Company.

Structure: For the financial year ending 30 June 2024 (FY24), Mr Dig Howitt receives a combination of 50% options and 50% performance rights (being rights to subscribe for or be allocated or receive the transfer of ordinary shares in the Company).

The CEIP rules permit the Company to satisfy its obligation to deliver shares under options or performance rights through an employee share trust.

Each option or performance right entitles Mr Howitt to receive the transfer of ordinary shares in the capital of the Company, subject to certain vesting restrictions.

Approval is being sought from shareholders for the FY24 grant of options and performance rights to Mr Howitt under the CEIP LTI. If shareholders approve the grant of options and performance rights to Mr Howitt in accordance with the proposed resolution, the Company will issue the options and performance rights within five (5) business days of the Company's 2023 AGM.

The Company uses options and performance rights because they create long-term alignment between the interests of the Company's executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the options and performance rights vest. Options and performance rights are also used to incentivise the Company's executive team towards long-term sustainable growth of the business.

The options will be granted for nil consideration with an exercise price of A\$257.69, being the weighted average price of ordinary shares in the Company traded on the ASX during the five (5) business day period commencing the business day after the release of the Company's FY23 full year results on 15 August 2023, payable on exercise of the options.

Performance rights are granted for nil consideration with a nil exercise price.

Mr Howitt's total remuneration package for FY24

Mr Howitt's total remuneration package for FY24 includes:

Fixed remuneration	A\$2,094,722
Target short-term incentive	A\$2,036,000
Maximum long-term incentive	A\$2,545,000

Shareholders are referred to the Remuneration report for full details of Mr Howitt's remuneration.

Other information

Mr Howitt is the only director entitled to participate in the CEIP.

Mr Howitt has previously received 168,902 options (for nil consideration) and 25,653 LTI performance rights (at no cost) under the CEIP from and including FY18 when he was appointed as a director. Of these 69,786 options and 6,347 LTI performance rights have lapsed.

There is no loan in relation to the options or performance rights.

Details of any securities issued under the CEIP will be published in the Company's 2024 Annual Report relating to the period in which they were issued, along with a statement that shareholder 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 shares under the CEIP after this resolution is approved and who are not named in this Notice of Annual General Meeting will not participate until approval is obtained under that rule.

Vesting restrictions: The options and performance rights are subject to vesting restrictions, which will ultimately determine the final number of options and performance rights which will be exercisable. The relevant vesting restrictions for the FY24 offers are:

- the options and performance rights will not vest before the FY27 results are announced in 2027. Mr Howitt will be unable to exercise the options and performance rights before they vest unless the Board decides to allow early exercise pursuant to the CEIP rules. Should Mr Howitt cease to be an employee of Cochlear or a related body corporate due to termination for cause or resignation, all unvested options and performance rights will lapse. If cessation occurs for any other reason, the unvested options and performance rights will remain on foot and will be tested in the ordinary course. In each case, the Board has discretion to determine otherwise; and
- the performance of the Company from 1 July 2023 to 30 June 2027 in terms of compound annual growth in basic earnings per share (EPS) and in terms of relative total shareholder return (TSR) as measured against the ASX 100



comparator group, each according to the table set out below. Half of the offer will be assessed against basic EPS growth and the other half using relative TSR, as follows:

Compound annual growth rate of basic EPS over the four (4) year vesting period		Ranking of TSR against ASX 100 comparator group over the four (4) year vesting period	
Performance	% vesting	Performance	% vesting
< 7.5%	0%	< 50th percentile	0%
7.5% to 12.5%	50% to 100% (pro-rata)	50th to 75th percentile	40% to 100% (pro-rata)
> 12.5%	100%	> 75th percentile	100%

Calculation of the number of securities to be granted to Mr Howitt under the CEIP LTI for FY24

Assumptions:

The value of the offer is A\$2,545,000, which is 125% of Mr Howitt's base salary in FY24.

- The Company has received an independent valuation of options using the Black-Scholes-Merton model to estimate the 'gross contract value' of each security as at 22 August 2023 with a closing share price of A\$266.15. The 'gross contract value' discounts for dividends not paid, share price volatility and the risk free rate of return. There is no discount for the likelihood of service or performance conditions. The value of an option is defined below and is A\$90.32.
- The performance rights have been valued using the weighted average price of ordinary shares in the Company traded on the ASX during the five (5) business day period commencing the business day after the release of the Company's FY23 full year results on 15 August 2023 (Face Value).

- The value of a performance right is defined below and is A\$257.69.
- The number of options and performance rights to be granted is calculated as:

Total value of offer (TVO)		A\$2,545,000]
Components		Options and performance rights
Option value (OV)		A\$90.32
Performance right value (PV)		A\$257.69
Number of options and performance rights	$= \frac{TVO \times 50\%}{OV} + \frac{TVO \times 50\%}{PV}$	
	$= \frac{A\$1,272,500}{A\$90.32} + \frac{A\$1,272,500}{A\$257.69}$	
	= 14,089 options and 4,938 performance rights	

where:

TVO = the total value of the offer made to the participant under the CEIP LTI (expressed in Australian dollars), which is a percentage of fixed remuneration of the participant;

OV = the value of an option, based on the Black-Scholes-Merton value before service or EPS and TSR performance discounts; and

PV = the value of a performance right, based on the Face Value before service or EPS and TSR performance discounts.

Exercise price (options)	A\$90.32
Exercise price (performance rights)	Nil
Expected volatility (options)	30.135%
Expected contract life (options)	6.08 years
Expected dividend yield	1.127%
Risk free interest rate	3.905%

Other terms of the CEIP

Eligibility: Persons who are permanent full-time or part-time employees of the Company or a related body corporate of the Company are Eligible Employees.

Allocation: The CEIP is administered by the Board. Each year, the Board may decide to offer designated Eligible Employees the opportunity to participate in the CEIP. The number of options and/or performance rights to be offered to a participant depends upon the participant's salary and the Company's remuneration package for the participant's position.

The Board has determined that any options or performance rights that do not vest will lapse or be forfeited automatically.

Exercise: Upon vesting of options, a participant may exercise options by providing to the Company's Share Registry a Notice of Exercise Form – CEIP Options and effect payment of the exercise price by:

- paying to the Company, in immediately available funds, an amount equal to the exercise price multiplied by the number of options being exercised; or
- cashless exercise, in which the participant elects to receive a reduced number of shares reflecting the 'net' value of the options at the time of exercise in lieu of paying the exercise price of options to Cochlear. The number of shares issued or transferred to a participant who elects to exercise options granted to them under the CEIP using the cashless exercise mechanism will be determined according to the following formula:

$$A = \frac{B \times (C - D)}{C}$$

where:

A = the total number of fully paid Cochlear shares to be issued or transferred upon cashless exercise of vested options;

B = the number of fully paid Cochlear shares otherwise issuable upon the vested options being exercised;



C = volume weighted average price of Cochlear shares sold on the ASX in the five (5) business days up to and including the day before Cochlear's Share Plan Administrator receives the Notice of Exercise Form – CEIP Options; and

D = the exercise price otherwise payable per option.

Rights: Option and performance right holders will not be entitled to any dividend payments until the options or performance rights are vested and exercised. However, the total number of Cochlear shares that a right holder receives with each performance right vested and exercised will include a dividend equivalent payment in the form of Cochlear shares, taking into account dividends paid on a Cochlear share from the 5th business day after the release of the Company's FY23 full year results on 15 August 2023 and the date when the performance right is exercised, and will be rounded down to the nearest whole number.

Discretion to pay cash: The Board may elect to satisfy its obligations on exercise of options or performance rights by making a cash payment to the participant of an amount equivalent in value to the number of securities the participant would otherwise be entitled to on exercise of the options or performance rights less any exercise price otherwise payable.

Additional conditions: All participants will be bound by the applicable plan rules and terms of the offer documents. A participant must exercise their vested options within 25 months after the date of vesting (Options Expiry Date) and their vested performance rights before the 15th anniversary of the grant date of the performance rights (Performance Rights Expiry Date), and generally in a designated trading window as set out in the Company's Trading Policy. However, if a participant is in possession of inside information in a trading window and as a result unable to exercise their vested options, the Board may, in its absolute discretion, extend the Options Expiry Date. In this case, the Options Expiry Date will be 37 calendar months after the date of vesting. Following the applicable expiry date, any unexercised options and performance rights will lapse. The shares delivered on exercise

of options or performance rights will be held by an employee share trust until withdrawn by participants. While participants are employees of the Company, they must abide by the Company's Trading Policy (available in the 'Investors' section of www.cochlear.com under Corporate Governance).

It is a specific condition of grant that no arrangements are entered into by an individual or their associates that specifically protect the unvested value of options or performance rights allocated.

Plan limit: An overall limit applies on the number of options and performance rights that are offered under the CEIP, being that the aggregate of the number of options and performance rights offered together with outstanding offers under the CEIP and the total number of shares issued to employees under employee incentive schemes in the last five years cannot exceed 5% of the total number of issued shares of the Company at the time of the offer.

Overriding restrictions: No options or performance rights may be offered under the CEIP if to do so would contravene the Act, the ASX Listing Rules, or instruments of relief issued by the Australian Securities and Investments Commission from time to time relating to the CEIP or employee incentive schemes generally.

Administration: The Board may amend, terminate or suspend the operation of the CEIP and/or any relevant CEIP rules at any time.

Resolution 4.1 – directors' recommendation

The Non-executive Directors recommend that shareholders vote in favour of the resolution.

Voting exclusions apply to this resolution as specified in the Notice of Annual General Meeting.

The Chair intends to vote all available proxies in favour of the resolution.

Item 5. Renewal of proportional takeover provisions

Under the Act, companies may include proportional takeover rules in their constitutions that enable shareholders to vote on a proportional bid "in principle" before a proportional bid is permitted to proceed. These rules expire if they are not refreshed by a special resolution of shareholders every three years.

At the 2020 AGM, the Company's shareholders approved and adopted a new constitution and approved the inclusion of proportional takeover provisions at rule 6 of the Constitution (Provisions) which prohibit the registration of a transfer of shares under a proportional takeover bid unless and until a resolution to approve the bid is passed by the shareholders in a general meeting. Unless renewed, the Provisions will cease to apply on 20 October 2023

Statement under the Act

The Act requires that the following information be provided to shareholders when they are considering insertion of proportional takeover provisions in a constitution.

What is a proportional takeover bid?

A proportional takeover bid is a takeover bid where an offer is made to each shareholder of a company to acquire a specified proportion only of that shareholder's shares (that is, less than 100%). The specified proportion must be the same in the case of all shareholders.

The Act allows a company to provide in its constitution that if a proportional takeover bid is made, shareholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all shareholders. This provision allows shareholders to decide collectively whether a proportional takeover bid is acceptable in principle.



Effect of the Provisions

The effect of the proportional takeover provisions in rule 6 of the Company's Constitution is that if a proportional takeover bid is made for Cochlear, Cochlear must refuse to register a transfer of Cochlear shares giving effect to any acceptance of the bid unless the takeover bid is approved by shareholders in general meeting.

If a proportional takeover bid is made, the directors must convene a meeting of shareholders to vote on a resolution to approve the proportional takeover bid. For the resolution to be approved, it must be passed by a simple majority of votes at the meeting, excluding votes of the bidder and its associates.

If no such resolution is voted on at least 14 days before the last day of the takeover bid period (Approving Resolution Deadline), the resolution will be deemed to have been approved. This effectively means that shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

If the resolution is approved or deemed to have been approved, a transfer of Cochlear shares under the proportional takeover bid may be registered provided it complies with the other provisions of the Act and the Constitution.

If the resolution is rejected, the registration of any transfer of shares resulting from the proportional takeover bid is prohibited and the proportional takeover bid is deemed by the Act to have been withdrawn.

The directors will breach the Act if they fail to ensure the resolution is voted on.

The Provisions do not apply to full takeover bids and, if renewed, will remain in the Constitution for a further period of three years, unless again renewed by shareholders by passing a special resolution.

Reasons for the Provisions

Without the proportional takeover approval provisions, a proportional takeover bid may result in control of Cochlear passing without shareholders having the opportunity to dispose of all of their Cochlear shares to the bidder. This could result in control of Cochlear passing to the bidder without the payment of an adequate control premium and with shareholders left as a minority interest in Cochlear.

The proportional takeover provisions lessen the risk because they allow shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed. The directors consider that it is appropriate for shareholders to have this right.

No knowledge of any acquisition proposals

At the date of this Notice of Annual General Meeting, no director is aware of any proposal by any person to acquire, or increase the extent of, a substantial interest in Cochlear.

Review of advantages and disadvantages of the Provisions

The directors consider that the Provisions have no potential advantages or potential disadvantages for the directors as the Board remains free to make whatever recommendations it considers appropriate on any proportional takeover bid that may be made.

The potential advantages of the Provisions for shareholders include:

- (i) shareholders have the right to decide by majority whether to accept a proportional takeover bid;
- (ii) they may discourage the making of a proportional takeover bid which may be considered to be opportunistic and may prevent control of Cochlear passing without the payment of an appropriate control premium;
- (iii) they may assist shareholder in not being locked in as a minority interest;

- (iv) they increase shareholders' bargaining power and may assist in ensuring any proportional takeover is adequately priced and is attractive to the majority of shareholders; and
- (v) knowing the view of the majority of shareholders may assist each individual shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that bid.

Some potential disadvantages of the Provisions for shareholders include:

- (i) the Provisions may discourage the making of proportional takeover bids in respect of Cochlear and may reduce any speculative element in the market price of Cochlear's shares arising from the possibility of a takeover bid being made;
- (ii) the Provisions may depress the share price or deny shareholders an opportunity of selling some of their Cochlear shares at a premium;
- (iii) the Provisions may reduce the likelihood of a proportional takeover bid being successful; and
- (iv) be considered to constitute an unwarranted restriction on the ability of shareholders to deal freely with their Cochlear shares.

However, there have been no takeover bids for the Company since 2006 when the provisions first came into effect. The Board is not aware of any potential bid that was discouraged by the Provisions. As such, the directors do not perceive those or any other possible disadvantages as a justification for not inserting the Provisions for a period of three years and consider that the potential advantages of the Provisions for shareholders outweigh these possible disadvantages.

Resolution 5.1 – directors' recommendation

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

The Chair intends to vote all available proxies in favour of the resolution.



Quorum, who may vote and proxies

Quorum

The Company's Constitution provides that two registered Company shareholders present or by representative, attorney or proxy shall be a quorum for a general meeting of the Company.

Who may vote

Persons whose names are set out in the register of shareholders as at 10:00am (AEDT) on Sunday 15 October 2023 are entitled to attend and vote at the AGM (and at any adjournment of the meeting which takes place within 28 days).

Voting on all proposed resolutions at the AGM will be conducted by poll. On a poll, each shareholder has one vote for every fully paid ordinary share in the Company held.

Proxies

If you wish to appoint a proxy, you should complete the proxy/voting 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/voting form must be received no later than 10:00am (AEDT) on Sunday 15 October 2023, being not less than 48 hours before the time for holding the AGM.

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 a meeting has a right to appoint up to two proxies.

Proportion of votes per proxy

Where the appointment is for two proxies, a shareholder may specify the proportion of votes that each 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 (except as specified in the Voting exclusion statements in the Notice of Annual General Meeting) or abstain from voting.

If you wish to appoint the Chair as your proxy with a direction to vote for, against, or to abstain from voting on a resolution, you must provide a direction on the proxy/voting form.

Signing of proxy/voting form

The proxy/voting form must be signed as follows:

Individual: Where the holding is in one name, the shareholder must sign;

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

Power of attorney: To sign under power of attorney, you must have already lodged this document with the Company's Share Registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to the proxy/voting form when you return the form; or

Companies: Where a company has a sole director who is also the sole company secretary, the proxy/voting form must be signed by that person. If a company (pursuant to section 204A of the Act) does not have a company secretary, a sole director can also sign alone. Otherwise, the proxy/voting 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.



Lodging your vote

Before the AGM

You can lodge your vote or appoint a proxy online at www.investorvote.com.au, or by posting it to Computershare using the reply paid envelope or to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

or by faxing it to **1800 783 447** (within Australia)
or **+61 3 9473 2555** (outside Australia).

During the AGM

Shareholders who are attending in person can cast votes during the meeting.

Shareholders who are attending virtually can watch the AGM, cast votes and submit written questions online using the Computershare online platform. Non-shareholders will be able to watch the AGM via the Computershare online platform by registering as a guest but will not be able to vote or ask questions.

You can attend the AGM online using one of the following methods:

1. from your computer by entering the following URL in your internet browser: <https://meetnow.global/MXGG2VC>; or
2. from your mobile by entering the following URL in your internet browser: <https://meetnow.global/MXGG2VC>.

To attend the AGM online, you will need your SRN or HIN, and your postcode as registered with Cochlear's share registry Computershare.

Online voting will be open shortly after the commencement of the AGM at 10:00am (AEDT) on Tuesday 17 October 2023 and close at a time as announced by the Chair. More information about online attendance at the AGM is available at <http://www.cochlear.com/agm>.

Shareholder questions

Before the AGM

Shareholders are encouraged to submit questions before the AGM, which will help the Company to understand and address the common questions and themes at the AGM (including during the Chair's and CEO & President's addresses).

If you would like a question to be put to the Chair or the auditor before the AGM, please complete the Questions from Shareholders form enclosed and send it to:

Company Secretary
Cochlear Limited
1 University Avenue
Macquarie University NSW 2109
Australia

Alternatively, email it to the Company Secretary at: companysecretariat@cochlear.com

Questions must be received by the Company Secretary by 5:00pm (AEDT) on Wednesday 11 October 2023.

During the AGM

Shareholders who are attending in person can ask questions during the meeting.

Shareholders who are attending virtually via the Computershare online platform will be able to ask:

1. written questions by following the prompts in the online platform; or
2. oral questions via a telephone line that will also be available during the AGM. To utilise the telephone line, please call Computershare on 1300 855 080 (inside Australia) or +61 (3) 9415 4000 (outside Australia) **by 10:00am (AEDT) on Thursday 12 October 2023**, to register your participation and obtain the required access code.

How to get to Cochlear Global Headquarters (AGM Venue)

From Macquarie University Train/Metro Station

Walking: Approximately 10-minute walk (700m) along University Avenue.

By bus: Take bus 288, 290, 291 or 292 at Herring Road Stand D exit at Macquarie University Campus

Or take bus 197, 292, 294, 506, 545, 562, 565, 572 or 575 at Waterloo Road and exit at Macquarie University Campus.

For bus and train timetables and further information visit <https://transportnsw.info/routes/train>

By car: Free 3-hour parking is available at Macquarie Shopping Centre.

Hear now. And always

Cochlear is dedicated to helping people with moderate to profound hearing loss experience a world full of hearing. As the global leader in implantable hearing solutions, we have provided more than 700,000 devices and helped people of all ages to hear and connect with life's opportunities.

We aim to give people the best lifelong hearing experience and access to next generation technologies. We collaborate with leading clinical, research and support networks to advance hearing science and improve care.

That's why more people choose Cochlear than any other hearing implant company.

 **Cochlear Ltd** (ABN 96 002 618 073) 1 University Avenue, Macquarie University, NSW 2109, Australia T: +61 2 9428 6555 F: +61 2 9428 6353

www.cochlear.com

Please seek advice from your health professional about treatments for hearing loss. Outcomes may vary, and your health professional will advise you about the factors which could affect your outcome. Always follow the directions for use. Not all products are available in all countries. Please contact your local Cochlear representative for product information.

ACE, Advance Off-Stylet, AOS, Ardium, AutoNRT, Autosensitivity, Baha, Baha SoftWear, BCDrive, Beam, Bring Back the Beat, Button, Carina, Cochlear, 科利耳, コクレア, 코클리어, Cochlear SoftWear, Contour, 콘트واء, Contour Advance, Custom Sound, DermaLock, Freedom, Hear now. And always, Hugfit, Human Design, Hybrid, Invisible Hearing, Kanso, LowPro, MET, MP3000, myCochlear, mySmartSound, NRT, Nucleus, Osia, Outcome Focused Fitting, Off-Stylet, Piezo Power, Profile, Slimline, SmartSound, Softip, SoundArc, True Wireless, the elliptical logo, Vistafix, Whisper, WindShield and Xidium are either trademarks or registered trademarks of the Cochlear group of companies.

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Need assistance?



Phone:
1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received by **10:00am (AEDT) on Sunday 15 October 2023.**

Voting Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

VOTE DIRECTLY

Voting 100% of your holding: Mark either the For, Against or Abstain box opposite each item of business. Your vote will be invalid on an item if you do not mark any box OR you mark more than one box for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this 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 this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 182975
SRN/HIN: X0068541565

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive Annual Reports. Please refer to our Shareholder Communications page on the "Investors" section of our website www.cochlear.com.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

IND

Voting Form

Please mark ☒ to indicate your directions

Step 1 Indicate How Your Vote Will Be Cast *Select one option only*

At the Annual General Meeting of Cochlear Limited to be held at Cochlear Global Headquarters, 1 University Avenue, Macquarie University, NSW 2109 and as a virtual meeting on Tuesday 17 October 2023 at 10:00am (AEDT) and at any adjournment or postponement of that meeting, I/We being member/s of Cochlear Limited direct the following:

A Vote Directly ☐ Record my/our votes strictly in accordance with directions in Step 2. **PLEASE NOTE:** A Direct Vote will take priority over the appointment of a Proxy. For a valid Direct Vote to be recorded you must mark FOR, AGAINST, or ABSTAIN on each item.

OR

B Appoint a Proxy to Vote on Your Behalf ☐ I/We hereby appoint: **The Chair of the Meeting** OR **PLEASE NOTE:** Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s). or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on **Items 2.1 and 4.1** (except where I/we have indicated a different voting intention in step 2) even though **Items 2.1 and 4.1** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on **Items 2.1 and 4.1** by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you have appointed a proxy and you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority. If you are directly voting and you mark the **Abstain** box for an item, it will be treated as though no vote has been cast on that item and no vote will be counted in computing the required majority.

Ordinary Business			For	Against	Abstain	Special Business			For	Against	Abstain
1.1	To receive the Company's Financial report, the Directors' report and the Auditor's report in respect of the financial year ended 30 June 2023		☐	☐	☐	4.1	To approve long-term incentives to be granted to the CEO & President		☐	☐	☐
2.1	To adopt the Company's Remuneration report in respect of the financial year ended 30 June 2023		☐	☐	☐	5.1	To renew the proportional takeover provisions in the Cochlear Limited Constitution for a period of three years		☐	☐	☐
3.1	To re-elect Prof Bruce Robinson, AC as a director of the Company		☐	☐	☐						
3.2	To re-elect Sir Michael Daniell, KNZM as a director of the Company		☐	☐	☐						

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Voting communications electronically

Questions from Shareholders

Cochlear aims to provide relevant and timely information to shareholders at the Annual General Meeting. If you would like to submit a question, please use this form and send it to the Company Secretary, Cochlear Limited, 1 University Avenue, Macquarie University NSW 2109 Australia, or by e-mail to companysecretariat@cochlear.com.

Questions should be relevant to the business of the meeting as outlined in the Notice of Annual General Meeting and explanatory notes on agenda items. Questions will be collated and as many of the more frequently raised topics as possible will be sought to be addressed during the meeting. Where a question relates to the audit, the accounting policies adopted by the company in relation to the preparation of the financial statements, or the independence of the auditor in relation to the conduct of the audit, the Chair will request a representative of Cochlear's auditor, KPMG, to respond to such questions.

All questions must be received no later than 5.00pm (AEDT) on Wednesday 11 October 2023.

Please note that there may not be sufficient time at the AGM to respond to all topics raised. Individual responses will not be sent to shareholders.

Questions
Please tick (✓) the box if the question is directed to Cochlear's auditor.
1. ☐
2. ☐
3. ☐
4. ☐

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Cochlear Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the Financial report, Directors' report and Auditor's report) the dispatch of that Report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Cochlear Limited