

INFORMATION MEMORANDUM

Medium Term Notes

Transferable Certificates of Deposit

Subordinated Securities

COMMONWEALTH BANK OF AUSTRALIA

ABN 48 123 123 124 (Issuer)



Commonwealth Bank of Australia

Arranger

Dated 2 March 2016

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1 IMPORTANT NOTICE

Introduction

This Information Memorandum relates solely to a debt issuance program (**Program**) for Commonwealth Bank of Australia (**Issuer**). Under the Program, the Issuer may issue any one or more of:

- medium term notes (**MTNs**);
- transferable certificates of deposit (Transferable Certificates of Deposit); and
- subordinated notes (Subordinated Securities) (together with the MTNs and the Transferable Certificates of Deposit, the **Securities**)

in each case, up to an unlimited amount.

This Information Memorandum replaces the Information Memorandum dated 28 October 2014.

Terms and conditions of issue

The terms and conditions of the Securities are set out in this Information Memorandum. A pricing supplement (**Pricing Supplement**) will be issued for each tranche or series of Securities issued under the Program. The Pricing Supplement will contain details of the particular tranche or series of Securities as well any additional terms and conditions not set out in the terms and conditions of the Securities set out in this Information Memorandum. A Pricing Supplement may also vary, modify or replace any statement made in the terms and conditions of the Securities and this Information Memorandum.

Each tranche or series of Securities will be issued in registered form and may be lodged with Austraclear. They will be debt obligations of the Issuer which are constituted by, and owing under:

- in the case of MTNs and TCDs, the Fifth MTN/TCD Deed Poll made by the Issuer dated 2 March 2016, as amended or supplemented from time to time (**MTN/TCD Deed Poll**); or
- in the case of Subordinated Securities, the Deed Poll (Subordinated Securities) made by the Issuer dated 28 October 2014, as amended or supplemented from time to time (**Subordinated Securities Deed Poll**) (together with the MTN/TCD Deed Poll, a **Deed Poll**).

Documents incorporated by reference

This Information Memorandum should be read in conjunction with the information taken to be incorporated into it by reference (see the paragraph entitled “Documents Incorporated by Reference”) and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “**this Information Memorandum**” are to this Information Memorandum together with any other document incorporated by reference collectively and to any of them individually, in each case, as modified or superseded.

Approval by Issuer

This Information Memorandum has been approved by the Issuer which has provided, and accepts responsibility for, the information contained in it. The Issuer has requested and authorised the distribution of this Information Memorandum.

Currency of the information

The information in this Information Memorandum has been prepared and is correct as of its respective Preparation Date (as defined below). Neither the delivery of this Information Memorandum (or any part of it) nor any offer, issue or sale made in connection with this Information Memorandum at any time after the Preparation Date implies that the information contained in it (or that part of it) is correct at any time after the Preparation Date. Accordingly, neither the delivery of this Information Memorandum (or any part of it) nor any offer, issue or sale of Securities implies or should be relied upon as a representation or warranty that:

- (a) there has been no change since the relevant Preparation Date in the affairs or financial condition of the Issuer; or
- (b) the information contained in this Information Memorandum (or any part of it) remains correct and complete at any time after its respective Preparation Date.

In this Important Notice, **Preparation Date** means in relation to:

- (a) this Information Memorandum, the date stated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement; and
- (b) any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on the face of the item of information as being the date of its release, or the date to which it relates, as the case may be.

The Dealers, the Registrar and any agents expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Program. Investors should review, amongst other things, the information incorporated by reference when deciding whether or not to invest.

Not an invitation

Neither this Information Memorandum nor any Pricing Supplement is intended to be and does not constitute an offer of, or invitation by or on behalf of the Issuer, the Arranger, the Dealers (as defined below), or any agent (**Relevant Person**) to any person to make or accept any Transferable Deposit or to subscribe for, buy or otherwise deal in any Securities. Nor should this Information Memorandum or any Pricing Supplement be considered to be a recommendation by any Relevant Person that any recipient of this Information Memorandum or Pricing Supplement should subscribe for or purchase any Securities.

Independent advice

This Information Memorandum has been prepared for distribution to professional investors whose business includes buying and selling debt securities as principal or agent.

Each recipient of this Information Memorandum and persons contemplating the purchase of Securities (or making deposits) should make (and will be taken to have made) their own decision as to the sufficiency and relevance for their purpose of the information contained in this Information Memorandum, their own independent investigation of the financial condition and affairs and their own appraisal of the creditworthiness of the Issuer, after taking all appropriate advice from qualified professional persons. Any investment decision should be based on that decision, investigation and appraisal and not on this Information Memorandum.

Each recipient of this Information Memorandum and intending investors should consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No Relevant Person undertakes for the benefit of any holder of a Security to review at any time the financial condition or affairs of the Issuer, or any other person or to advise any holder of a Security of any information coming to its attention with respect to the Issuer or any other person.

No independent verification

The Arranger has reviewed and authorised the description of the Program set out in the paragraph entitled “Program Summary”. The Arranger, each Dealer and the Registrar have each confirmed that their respective description, address and contact details set out in the section entitled “Directory” are correct as at the Preparation Date. No other information contained in this Information Memorandum has been independently verified by the Arranger, the Dealers, the Registrar or any agent. Accordingly, no representation, warranty or undertaking is made or may be implied and no responsibility or liability is accepted by them for the accuracy, completeness or distribution of, or any errors or omissions from this Information Memorandum whether arising out of negligence or otherwise (other than as specifically stated above).

The Arranger and the Initial Permanent Dealer act solely through a separate division of Commonwealth Bank of Australia in the context of this Information Memorandum and the Program, without reference to any of its or its subsidiaries’ respective personnel or operations outside that division, and therefore, are not to be taken to be aware of any matters within the knowledge of such personnel or operations relating to the Issuers or the Program.

No authorisation

No person is authorised to give any information or to make any representation which is not contained in this Information Memorandum and any information or representation not contained in this Information Memorandum must not be relied upon as having been authorised by or on behalf of the Issuers.

No disclosure

Each offer to purchase or invitation to buy Securities does not require disclosure under Part 6D.2 or Part 7.9 of the Corporations Act 2001 (Cth) (**Corporations Act**) as the Issuer is an Authorised Deposit Taking Institution (**ADI**) under the Banking Act 1959 (Cth) (**Banking Act**) and section 708(19) of the Corporations Act provides that an offer of an ADI’s debentures for issue or sale does not need such disclosure. Accordingly, this Information Memorandum has not been, nor will be, lodged with nor registered by the Australian Securities and Investments Commission.

Distribution

The distribution of this Information Memorandum and any Pricing Supplement and the offer or sale of Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum or any Pricing Supplement comes must inform themselves about and observe all such restrictions. Nothing in this Information Memorandum is to be construed as authorising distribution of this Information Memorandum or any Pricing Supplement or the offer or sale of Securities in any jurisdiction other than the Commonwealth of Australia, and neither the Issuers, the Arranger nor the Dealers accept any liability in that regard.

Furthermore the Securities may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable law or regulations.

No U.S. registration

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (**SECURITIES ACT**) NOR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO UNITED STATES' PERSONS. THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Fees

The Arranger, each Dealer, the Registrar and any agent each disclose that it, its respective subsidiaries, directors and employees:

- (a) may have pecuniary or other interests in the Securities; and
- (b) will receive fees, brokerage and commissions and may act as principal in any dealing in the Securities.

Priority of liabilities and other amounts

Certain debts of an ADI will be preferred by law. The applicable laws include (but are not limited to) sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act 1959 of Australia.

These provisions provide that in the event that an ADI becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, the Australian Prudential Regulation Authority, the Reserve Bank of Australia and holders of protected accounts, in priority to all other liabilities, including the Securities. Changes to applicable law may extend the debts required to be preferred by law.

As at the Preparation Date, the MTNs and the Subordinated Securities are not deposits, deposit liabilities or protected accounts of the Issuer.

The TCDs are not protected accounts and the Issuer does not make any representation as to whether the TCDs would or would not constitute deposit liabilities in Australia under such statutory provisions.

Interpretation

In this Information Memorandum all references to the issuance of Securities are to:

- (a) the issue of Transferable Certificates of Deposit by the Issuer in respect of Transferable Deposits made by investors and accepted by the Issuer (**TCDs**);
- (b) the issue of unsubordinated medium term notes (**MTNs**) by the Issuer;
- (c) the issue of subordinated notes (**Subordinated Securities**) by the Issuer; or
- (d) any two or more of the Securities described in paragraphs (a)-(c) as the context requires.

2 DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in, and form part of, this Information Memorandum:

- all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time;
- the auditors' reports and audited consolidated and non-consolidated annual financial statements of Commonwealth Bank of Australia contained in the most recently published Annual Report of Commonwealth Bank of Australia and lodged with the Australian Securities Exchange operated by ASX Limited (**ASX**), and the half yearly (ending December 31) profit announcement of Commonwealth Bank of Australia, from time to time and lodged with ASX;
- each Deed Poll; and
- all documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference, including a Pricing Supplement.

Any statement contained in any such incorporated document modifies or supersedes this Information Memorandum and any previously incorporated document to the extent of any inconsistency between them.

Copies of all documents incorporated by reference are available for inspection at the offices of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW 2000 and may be obtained by email from groupfunding@cba.com.au.

Although not incorporated by reference, the annual report, quarterly trading updates and continuous disclosure notices in relation to Commonwealth Bank of Australia are available on line at www.asx.com.au.

3 PROGRAM SUMMARY

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and in particular, in relation to any:

- *MTNs and TCDs*, the Conditions of the MTNs and TCDs and the applicable Pricing Supplement included in section 7 of this Information Memorandum; and
- *Subordinated Securities*, the Conditions of the Subordinated Securities (together with the Conditions of the MTNs and TCDs, each a set of **Conditions**) and the applicable Pricing Supplement.

If there is any inconsistency between this summary and the Conditions of the relevant Securities as modified, supplemented or replaced by the relevant Pricing Supplement and the relevant Deed Poll, the Conditions, Pricing Supplement and Deed Poll prevail.

Words and expressions defined or used in the Conditions of the Securities or any Pricing Supplement in respect of any Tranche or Series of Securities have the same meaning in this summary.

A. PROVISIONS APPLICABLE TO ALL SECURITIES

Issuer:	Commonwealth Bank of Australia (CBA)
Description:	An Australian Dollar denominated debt issuance program under which the Issuer may issue MTNs, TCDs or Subordinated Securities. Securities may represent either unsubordinated obligations of the Issuer (in the case of MTNs and TCDs) or subordinated obligations of the Issuer (in the case of Subordinated Securities).
Program size:	Unlimited
Arranger:	Commonwealth Bank of Australia
Initial Permanent Dealer:	Commonwealth Bank of Australia
Dealers:	Additional Dealers may be appointed from time to time by the Issuer as dealers for a day for any Tranche of Securities.
Direct issues by Issuer:	The Issuer may issue Securities directly to purchasers or investors (as applicable) procured by it. Such purchasers will be required to confirm and acknowledge to the Issuer in writing that the issue of Securities resulted from the Securities being offered for issue as a result of negotiations being initiated publicly in electronic form (eg Reuters or Bloomberg) or in another form that was used by financial markets for dealing in debentures.
Registrar:	Austraclear Services Limited ABN 28 003 284 419 and/or any other person appointed by the Issuer for a Series (including, if the relevant Pricing Supplement so contemplates, the Issuer itself).
Calculation Agent:	In relation to a Series of TCDs, CBA, and for a Series of MTNs or Subordinated Securities, CBA or the person specified in the relevant Pricing Supplement. The Calculation Agent must be the same for all Securities in a Series.
Issuing/acceptance procedure:	Securities may be issued to Dealers, at the discretion of the Issuer, via either of the following mechanisms:

- syndicated; and
- private placements

The Purchasing Dealer agrees to prepare a Subscription Agreement and Pricing Supplement. No Dealer is under any obligation to enter into a Subscription Agreement.

Form:

Each Security will be:

- denominated in Australian Dollars (unless otherwise agreed);
- registered on a register located in Sydney (unless otherwise agreed) (**Register**);
- a debt obligation of the Issuer constituted by, and owing under, the relevant Deed Poll;
- subject to the relevant Conditions (set out in this Information Memorandum) as supplemented by the applicable Pricing Supplement for that Security

Securities of any Series may be described by any marketing name specified in the relevant Pricing Supplement.

Title:

Entry of the name of the person in the Register in respect of a Security constitutes or passes title to the Security and is conclusive evidence of that person's entitlements to receive interest and repayment of principal in the manner provided for in the Conditions. No certificates will be issued unless the Issuer is required to do so by applicable law or regulation. Securities that are held in the Austraclear System will be registered in the name of Austraclear Limited (**Austraclear**) and title to the Securities will be determined in accordance with the Austraclear Regulations.

Denomination:

Securities will be issued in the denomination specified in the relevant Pricing Supplement.

Clearing System:

Securities may be traded either within or outside any Clearing System (as defined below).

The Issuer will apply to Austraclear for approval for the Securities to be traded on the settlement system operated by Austraclear (**Austraclear System**) unless otherwise specified in the relevant Pricing Supplement. Such approval of the Securities by Austraclear is not a recommendation or endorsement by Austraclear of the Securities.

Securities may also be traded on the settlement system operated by Euroclear Bank S.A./N.V. (**Euroclear**), the settlement system operated by Clearstream Banking, société anonyme, Luxembourg (**Clearstream**) or any other clearing system outside Australia if so specified in the relevant Pricing Supplement (together with the Austraclear System, Euroclear and Clearstream, each a **Clearing System**).

Securities held in a Clearing System are subject to the rules and regulations of that Clearing System.

Payments: Payments will be made in accordance with details recorded in the Register by 5.00 pm local Registry Office time on the relevant Record Date (ie the date seven days prior to the relevant payment date).

For a Security registered in the name of Austraclear, payments will be made in accordance with the Austraclear Regulations.

If a Security is not registered in the name of Austraclear, payment will be made to the person whose name appears in the Register as the holder of that MTN on the relevant book closing date either:

- by electronic transfer to an account in Australia, which account must be specified not less than 7 business days prior to the due date for payment: or
- by A\$ cheque posted to an address in Australia,

in accordance with the latest payment instructions of that person. For joint holders, payments will be made to the person whose name appears first in the Register.

Transfer: Securities can only be transferred in accordance with the Conditions.

Transfers of Securities held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

Securities may only be transferred within, to or from Australia in the denominations specified in the Pricing Supplement and if the consideration payable at the time transfer is a minimum amount of A\$500,000 (in either case, disregarding moneys lent by the transferor or its associates) or if the offer or invitation giving rise to the transfer otherwise does not constitute an offer or invitation for which disclosure is required to be made to investors in accordance with Part 6D.2 or Part 7 of the Corporations Act.

Securities may only be transferred between persons in a jurisdiction (or jurisdictions) other than Australia if the transfer and all conduct connected with the transfer complies with the relevant laws of the relevant jurisdiction in which the transfer takes place.

Stamp duty and taxes:

No stamp duty is payable in Australia on the issue, transfer or redemption of the MTNs or TCDs.

All payments of principal and interest in respect of the Securities will be made without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Australia or by any authority in or of Australia having power to tax (together Taxes), unless such withholding or deduction is required by law.

Where a withholding or deduction is required by law, a gross up applies, subject to customary exceptions.

FATCA: Holders may be subject to FATCA withholding and information

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (**FATCA**) establish, in an effort to assist the United States Internal Revenue Service (**IRS**) in enforcing U.S. taxpayer compliance, a new due diligence, reporting

reporting:

and withholding regime. Under FATCA, a 30% withholding may be imposed (i) in respect of certain U.S. source payments, (ii) from 1 January 2019 in respect of gross proceeds from the sale of assets that give rise to U.S. source interest or dividends and (iii) from 1 January 2019, at the earliest, in respect of “foreign passthru payments” (a term which is not yet defined under FATCA), which are, in each case, paid to or in respect of entities that fail to meet certain certification or reporting requirements or do not comply with FATCA.

Financial institutions through which payments on the Securities are made may be required to withhold on account of FATCA. A withholding may be required if (i) an investor does not provide information sufficient for the relevant financial institution to determine whether the investor is subject to any withholding or deduction imposed under FATCA (**FATCA Withholding**) or (ii) a foreign financial institution (**FFI**) to or through which payments on the Securities are made is a “non-participating FFI”.

FATCA Withholding is not expected to apply if, in respect of foreign pass-thru payments only, the Securities are treated as debt for U.S. federal income tax purposes and the Securities are issued on or before the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register (the “grandfathering date”) provided that the Securities are not materially modified after the grandfathering date.

The Australian Government and U.S. Government signed an intergovernmental agreement with respect to FATCA (**IGA**) on 28 April 2014. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act to give effect to the IGA (**Australian Amendments**) and that legislation came into force on 30 June 2014.

Australian financial institutions which are “Reporting Australian Financial Institutions” under the IGA must follow specific due diligence procedures to identify their account holders (e.g. the Holders) and provide information about financial accounts held by U.S. persons and recalcitrant account holders and on payments made to non-participating FFIs, to the Australian Taxation Office (**ATO**). The ATO is required to provide that information to the IRS. Under the Australian Amendments, Australian FFIs will generally be able to be treated as “deemed compliant” with FATCA. Depending on the nature of the relevant FFI, FATCA Withholding may not be required from payments made with respect to the Securities other than in certain prescribed circumstances.

The Holders may be requested to provide certain certifications and information to financial institutions through which payments on the Securities are made in order for the financial institutions to comply with their FATCA obligations. If a payment to a Holder is subject to withholding as a result of FATCA, there will be no “gross up” (or any additional amount) payable by the Issuer by way of compensation to the Holder for the deducted amount.

FATCA is particularly complex legislation and its application is

uncertain at this time.

The above discussion is based in part on the IGA, the Australian Amendments, guidance issued by the ATO and regulations and guidance of the U.S. Treasury Department, all of which may be subject to change in a way that would alter the application of FATCA to the Issuer and the Securities. Each Holder should consult its own tax advisor to obtain a more detailed explanation of FATCA and the IGA and to learn how they might affect such holder in its particular circumstance.

TFNs and ABNs: The Issuer will deduct amounts from payments if an Australian resident Holder or a non resident Holder who is engaged in carrying on business in Australia at or through a permanent establishment of the non resident in Australia, has not supplied an appropriate tax file number, Australian business number or other exemption details.

Investors should obtain their own taxation advice regarding the taxation status of investing in Securities.

Public offer test: The Issuer proposes to issue Securities and to make payments of interest in a manner that will satisfy section 128F of the Income Tax Assessment Act 1936 of Australia. The public offer test status of a Tranche of Securities will be specified in the relevant Pricing Supplement.

Governing law: New South Wales

Listing: The Securities will not be listed on any stock exchange

Selling Restrictions: Australia, European Economic Area, United Kingdom, United States of America, Hong Kong, Japan, New Zealand and Singapore

The selling restrictions may be changed by the Issuer in consultation with the Dealers following a change in any law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive. Any change will be set out in the Pricing Supplement issued in respect of the Securities to which it relates (or in another supplement to the Information Memorandum).

Investment Risks This paragraph does not describe all the risks in investing in Securities. Prospective investors or purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular tranche or series of Securities and the suitability of investing in the Securities in light of their particular circumstances.

In addition to the credit risks associated with the Issuer, an investment in certain types of structured Securities, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or indirectly, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security purchased at the same time and/or that an investor could lose all or a substantial portion of the principal of those Securities.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be

taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Securities.

B. PROVISIONS APPLICABLE TO MTNS AND TCDS

Issuance in Series: MTNs and TCDs may be issued by the Issuer in one or more Series having one or more Issue Dates and on terms otherwise identical (including as to listing) except for Interest Commencement Dates, Issue Prices or the amount of the first payment of interest. Each Series may be issued in one or more Tranches on the same or different Issue Dates. The MTNs or TCDs of each Series are intended to be fungible with other MTNs or TCDs of that Series (as applicable) unless otherwise specified in a Pricing Supplement.

Issue Price: MTNs may be issued at their principal amount or at a discount or premium to their principal amount. TCDs may be issued at their principal amount or at a discount or premium to their principal amount (where the principal amount is equal to the amount of the relevant Transferable Deposit accepted by the Issuer).

Status and ranking: and MTNs and TCDs will be direct, unsecured and unsubordinated obligations of the Issuer and rank pari passu amongst themselves and rank at least pari passu with all other unsecured unsubordinated obligations incurred or assumed by the Issuer other than those mandatorily preferred by law.

Priority of debts of an ADI:

See the paragraph entitled "*Priority of liabilities and other amounts*" in the Important Notice for a description of certain debts of an ADI that are mandatorily preferred by law.

Tenor: MTNs and TCDs will be issued with a tenor of not less than 365 days (or as otherwise specified in the relevant Pricing Supplement).

Events of Default: The Conditions of the MTNs and TCDs only provide Events of Default in relation to MTNs. Those events are specified in Condition 9 of the Conditions.

There is no cross default provision

Interest: MTNs and TCDs may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed or variable rate or otherwise bear interest that is calculated by a formula or an index as specified in the applicable Pricing Supplement.

Redemption: Securities may be redeemed prior to their scheduled maturity in certain circumstances more fully set out in Condition 5 of the Conditions and the relevant Pricing Supplement.

C. PROVISIONS APPLICABLE TO SUBORDINATED SECURITIES

Issuance in Series: Subordinated Securities may be issued in Series provided that the Optional Redemption Date of any tranche of Subordinated Securities must not be less than five years after the Issue Date of that tranche.

Issue Price Subordinated Securities may be issued at their principal amount or at a discount or premium to their principal amount.

Status and ranking: Subordinated Securities will be direct, unsecured and subordinated obligations of the Issuer and rank:

- after the claims in respect of Senior Ranking Obligations including claims preferred by applicable laws;
- equally amongst themselves and with claims in respect of Equal Ranking Securities; and
- ahead of all claims in respect of Junior Ranking Securities.

“Senior Ranking Obligations” means all present and future deposits and other liabilities, securities and other obligations of the Issuer which would be entitled to be admitted in the winding up of the Issuer (and including but not limited to obligations in respect of instruments issued before 1 January 2013 as Tier 2 Capital) other than Equal Ranking Securities and Junior Ranking Securities.

“Equal Ranking Securities” means any instrument that ranks in a winding up of the Issuer as the most junior claim in the winding up of the Issuer ranking senior to Junior Ranking Securities, and includes:

- (a) if on issue at the commencement of the winding up of the Issuer:
 - (i) the JPY20,000,000,000 Perpetual Subordinated Callable Fixed/Floating Rate Reverse Dual Currency Securities issued by the Issuer in 1999; and
 - (ii) the JPY9,000,000,000 Perpetual Subordinated Instruments issued by the Bank of Western Australia Limited in 1996 and assigned to the Issuer in 2012; and
- (b) any other instruments, present and future, issued after 1 January 2013 as instruments constituting Tier 2 Capital.

“Junior Ranking Securities” means any instrument, present and future, issued by the Issuer which:

- (c) qualify as Tier 1 Capital (or, in the case of any instrument issued prior to 1 January 2013), was treated as constituting Tier 1 Capital in accordance with the prudential standards which applied prior to 1 January 2013, irrespective of whether or not such instrument is treated as constituting Tier 1 Capital in accordance with any transitional arrangements provided by APRA or which rank or are expressed to rank equally with such securities in a winding up of the Issuer; and
- (d) all ordinary shares of the Issuer.

Priority of debts of an ADI:

See the paragraph entitled *“Priority of liabilities and other amounts”* in the Important Notice for a description of certain debts of an ADI that are mandatorily preferred by law.

Tenor: Subordinated Securities shall be issued with a minimum tenor of five years (or such greater amount as otherwise specified in the relevant Pricing Supplement).

Events of Default: Condition 12 of the Conditions of the Subordinated Securities specifies the Events of Default in relation to Subordinated Securities. These are strictly limited in accordance with the requirement for the Subordinated Securities to be eligible as Tier 2 Capital.

Interest: Subordinated Securities may be issued as Fixed Rate Subordinated Securities or Floating Rate Subordinated Securities. A Subordinated Security bears interest on its Outstanding Principal Amount, subject to the Conditions of the Subordinated Securities and the relevant Pricing Supplement.

Stamp duty No stamp duty is payable in Australia on the issue or transfer of the Subordinated Securities. No stamp duty is payable in Australia on the issue of Ordinary Shares to a holder of Subordinated Securities on an Exchange (or on a subsequent transfer), provided that no person (alone or with associates) obtains an interest of 90% or more in CBA.

Redemption or Repurchase: The Issuer may elect to Redeem all or some Subordinated Securities on an Optional Redemption Date in accordance with the Conditions of the Subordinated Securities. This option is not exercisable before the fifth anniversary of the Issue Date of the Subordinated Securities (or such other later date(s) specified in the relevant Pricing Supplement).

In certain circumstances following notice by the Issuer, the Issuer may redeem all (but not some) Subordinated Securities if there is a material risk that, as a result of a change in laws of Australia (including following any announcement of a prospective change or amendment which has been or will be introduced) the Issuer would be exposed to a more than de minimis adverse tax consequence in relation to the Subordinated Securities other than a tax consequence the Issuer expected as at the Issue Date.

In certain circumstances following notice by the Issuer, the Issuer may redeem all (but not some) Subordinated Securities if it determines that as a result of a change in the laws of Australia or a change in APRA's prudential standards (including following any announcement of a prospective change or amendment which has been or will be introduced) all or some or a percentage of Subordinated Securities are not or will not be treated as Tier 2 Capital of the CBA Group under APRA's prudential standards (as amended from time to time), other than as a result of a change of treatment expected by the Issuer as at the Issue Date.

The Issuer or any member of the CBA Group may, to the extent permitted by applicable laws and regulations, at any time purchase Subordinated Securities in the open market, by tender to all or some of the Subordinated Holders or by private agreement or otherwise at any price.

Early Redemption or Repurchase of Subordinated Securities is subject to the prior written approval of APRA.

Holders of Subordinated Securities should not expect that APRA's approval will be given for any early Redemption or Repurchase of Subordinated Securities.

No Set-Off: None of the Issuer, any Subordinated Holder or any person claiming through any of them has any right of set-off in respect of any amounts owed by one person to the other person arising under or in

connection with the Subordinated Securities.

Non-Viability
Trigger Event:

A Non-Viability Trigger Event occurs when APRA notifies the Issuer in writing that it believes:

- (i) an Exchange or, if the relevant Pricing Supplement specifies, Write Down of all or some Subordinated Securities, or conversion or write down of capital instruments of the CBA Group, is necessary because, without it, the Issuer would become non-viable; or
- (ii) a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable.

APRA may specify an aggregate face value of capital instruments which must be Exchanged, Written Down, converted or written down (as applicable).

Exchange or Write
Down:

If a Non-Viability Trigger Event occurs, the Issuer must:

- (i) Exchange; or
- (ii) if the relevant Pricing Supplement specifies Write Down, Write Down,

such number of Subordinated Securities (or, if it so determines, such percentage of the Outstanding Principal Amount of each Subordinated Security) as is equal (taking into account any conversion or write down of other Relevant Securities) to the aggregate face value of capital instruments which APRA has notified the Issuer must be Exchanged, Written Down converted or written down (or, if APRA has not so notified the Issuer, such number or, if the Issuer so determines, such percentage of the Outstanding Principal Amount of each Subordinated Security, as is necessary to satisfy APRA that the Issuer will no longer be non-viable). If a Non-Viability Trigger Event occurs in circumstances where APRA believes a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable, the Issuer must Exchange or, if the Pricing Supplement specifies, Write Down all Subordinated Securities.

In determining the number of Subordinated Securities, or percentage of the Outstanding Principal Amount of each Subordinated Security, which must be Exchanged, or Written Down, the Issuer will:

- (i) first, exchange, convert or write down the face value of any Relevant Tier 1 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange or Write Down of the Subordinated Securities;
- (ii) secondly, exchange, convert or write down the face value of any Relevant Tier 2 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange or Write Down of the Subordinated Securities; and
- (iii) thirdly, if exchange, conversion or write down of those securities is not sufficient, Exchange or Write Down (in the case of the Subordinated Securities) or exchange, convert

or write down (in the case of any other Relevant Tier 2 Securities) on a pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable, the Subordinated Securities and any other Relevant Tier 2 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down in that manner (subject to such adjustments as the Issuer may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Subordinated Securities or other Relevant Tier 2 Securities remaining on issue),

but such determination will not impede the immediate Exchange or Write Down of the relevant number of Subordinated Securities or percentage of the Outstanding Principal Amount of each Subordinated Security (as the case may be).

If, for any reason, Exchange of any Subordinated Security (or a percentage of the Outstanding Principal Amount of any Subordinated Security) required to be Exchanged fails to take effect and the Issuer is not otherwise able to issue the Ordinary Shares required to be issued in respect of such Exchange within five Business Days after the date of the occurrence of the Non-Viability Trigger Event, or if the Pricing Supplement specifies "Write Down" then the relevant Subordinated Holder's rights (including to payment of the Outstanding Principal Amount and Interest) in relation to such Subordinated Securities or percentage of the Outstanding Principal Amount of the Subordinated Securities are immediately and irrevocably terminated (Written Down).

Subordinated Holders should note that the Issuer has no obligation to issue or keep on issue any Relevant Tier 1 Securities or Relevant Tier 2 Securities.

Additional Non-Viability Trigger Event Risk

Without in any way limiting the section above titled "Investment Risks", certain additional risks arise in respect of Subordinated Securities.

As outlined in the sections above titled "Non-Viability Trigger Event" and "Exchange or Write Down", Subordinated Securities are subject to a Non-Viability Trigger Event that could lead to Subordinated Securities being Exchanged or Written Down.

The inclusion of the Non-Viability Trigger Event in the conditions of capital securities is a new requirement under APRA's prudential standards that have applied since 1 January 2013.

It should be noted that whether a Non-Viability Trigger Event will occur is at the discretion of APRA and there are currently no precedents for this. The circumstances in which APRA may exercise its discretion are not limited to when APRA may have a concern about a bank's capital levels but may also include when APRA has a concern about a bank's funding and liquidity levels.

If one, or a combination, of general risks associated with the Issuer's businesses leads to a significant capital loss, or prolonged difficulties in raising funding or maintaining sufficient liquidity, the Issuer believes this may be the type of situation in which APRA becomes concerned and notifies the Issuer that it has become non-viable.

If Subordinated Securities are Exchanged following the occurrence of a Non-Viability Trigger Event, the number of Ordinary Shares received is limited to the Maximum Exchange Number. There is a risk that Subordinated Security Holders will receive a number of Ordinary Shares with a value significantly less than the Outstanding Principal Amount.

If a Non-Viability Trigger Event occurs and Write Down is specified or Exchange is not effective and the Issuer is not otherwise able to issue Ordinary Shares within five Business Days, then Subordinated Security Holders' rights under the Subordinated Securities will be terminated. Subordinated Security Holders' investment will lose all of its value, the Outstanding Principal Amount will not be repaid and Subordinated Security Holders will not receive any compensation.

If Subordinated Securities are Exchanged following the occurrence of a Non-Viability Trigger Event, sale of Ordinary Shares issued on Exchange may be restricted by applicable Australian law, including, if the Issuer has not issued the disclosure required by the Corporations Act for the new Ordinary Shares, then restrictions apply on the sale of the new Ordinary Shares to certain investors within 12 months of their issue. However, these restrictions will not apply if CBA makes certain compliant disclosures at the time when the Subordinated Securities are issued.

Subordinated Security Holders may receive Ordinary Shares on Exchange. The rights and liabilities attaching to Ordinary Shares are set out in the Constitution and are also regulated by the Corporations Act, ASX Listing Rules and other applicable laws. A summary of the Constitution, and the full Constitution, can be obtained from the Shareholder Centre at www.commbank.com.au.

4 CONDITIONS OF THE MTNS AND TCDS

The following are the conditions which, subject to variation or replacement by an applicable Pricing Supplement, will apply to each of the MTNs and TCDs of each Series.

Each Holder and any person claiming through or under a Holder is entitled to the benefit of, is bound by and is taken to have notice of these Conditions (as varied or replaced by the relevant Pricing Supplement), the MTN/TCD Deed Poll (as defined below) and the Information Memorandum. A copy of the MTN/TCD Deed Poll is available for inspection by Holders during normal business hours at the offices of the Issuer and the Registrar.

1 Definitions and interpretation

1.1 Definitions

In these Conditions, unless the context requires otherwise:

Aggregate Notional Amount means:

- (a) in relation to a Tranche of Securities, the amount specified in the Pricing Supplement; or
- (b) in relation to a Certificate, the aggregate Notional Amount of the Securities to which the Certificate relates.

Amortisation Yield means in relation to a Zero Coupon Security, the rate specified as such in the relevant Pricing Supplement.

Amortised Face Amount has the meaning given in Condition 5.3 unless otherwise specified in the Pricing Supplement.

Austraclear means Austraclear Ltd ABN 94 002 060 773.

Austraclear Regulations means the regulations and related operating procedures established from time to time by Austraclear for the conduct of the Austraclear System.

Austraclear System means the "System" as defined in the Austraclear Regulations.

Australian Dollars and **A\$** means the lawful currency for the time being of the Commonwealth of Australia.

Authorised Officer in relation to the Issuer means an officer of the Issuer whose title is or includes the word "Manager", "Executive" or "Head" (including any person acting in that office) on any other person authorised by the Issuer for the purposes of these Conditions.

Banking Act means the Banking Act 1959 (Cth).

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney.

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Security, have the following meaning:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) that date is brought forward to the first preceding day that is a Business Day; and

- (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no business day convention is specified in the Pricing Supplement, the Modified Following Business Day Convention applies. Different business day conventions may apply to, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Security.

Calculation Agent means, in relation to:

- (a) a Series of TCDs, the Issuer; and
- (b) any other Series of Securities, the Issuer or, if different to the Program, the person specified in the relevant Pricing Supplement. The Calculation Agent must be the same for all Securities in a Series.

Certificate means a certificate confirming registered ownership of a Security.

Clearing System means for Securities in a Tranche:

- (a) the Austraclear System;
- (b) the Euroclear System as operated by Euroclear Bank S.A./N.V.;
- (c) the *Clearstream* Banking system as operated by *Clearstream* Banking, société anonyme, Luxembourg; or
- (d) such other clearing system specified in the relevant Pricing Supplement.

Corporations Act means the Corporations Act 2001 (Cth).

Day Count Fraction in relation to the calculation of an amount for an Interest Period in respect of a Security means:

- (a) the day count fraction specified in the relevant Pricing Supplement; and
- (b) where a day count fraction is specified in a Pricing Supplement that is the same as in the definition of "Day Count Fraction" in the ISDA Definitions, such day count fraction will have the same meaning as in the ISDA Definitions (as if the Interest Period were the Calculation Period for the purposes of the ISDA Definitions); and
- (c) if *RBA Bond Basis* is specified in the Pricing Supplement, one divided by the number of Interest Payment Dates in a year in which the Interest Period falls (a year being each 12 month period on and from the Issue Date).

Depositor means the Holder of a TCD.

Discounted TCD means a TCD not bearing interest (other than in relation to interest due after its Maturity Date) and which is specified in the relevant Pricing Supplement to be a Discounted TCD.

Dual Currency Security means a Security in relation to which payments of interest and/or principal are made in more than one currency and based on such rates of exchange as are specified in the relevant Pricing Supplement.

Early Redemption Amount means the amount which may be payable in respect of a Security which is:

- (a) other than a Zero Coupon Security, its Outstanding Principal Amount calculated as at the date of redemption; or
- (b) a Zero Coupon Security, as specified in Condition 5.3,

unless otherwise specified as such in (or calculated or determined in accordance with the provisions of) the relevant Pricing Supplement.

Event of Default means any of the events specified in Condition 9.1.

Extraordinary Resolution has the meaning given in the Meetings Provisions.

FATCA means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements, including intergovernmental agreements, entered into or non-US laws enacted in relation to those sections).

Final Broken Amount in relation to a Security means the amount specified as the final broken amount in the relevant Pricing Supplement.

Final Redemption Amount means the amount which may be payable in relation to a Security which is its Outstanding Principal Amount calculated as at the date of redemption unless otherwise specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

Fixed Rate Security means a Security that bears interest at a fixed rate specified in the relevant Pricing Supplement.

Floating Rate Security means a Security that bears interest at the floating rate specified in the relevant Pricing Supplement.

Government Body means any country, state or political subdivision or any government or central bank or any governmental, semi-governmental, international, judicial, administrative, municipal, local governmental statutory, fiscal, monetary or supervisory authority, body or entity.

GST has the meaning given to it in s195-1 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Holder means in relation to any Security, a person whose name is for the time being recorded in the Register as the owner of the Security. If the Security is owned jointly by more than one person, a Holder includes a person whose name appears in the Register as a joint owner.

Index means the index (if any) applying to a Security, as specified in the relevant Pricing Supplement.

Indexed Security means a Security which provides that:

- (a) the amount to be repaid on the Maturity Date; and/or

(b) the Interest Amount to be paid on an Interest Payment Date,
is to be calculated by reference to an Index.

Information Memorandum means at any time the current information memorandum issued in connection with the issue, deposit, sale or purchase of Securities, as revised, supplemented or amended from time to time by the Issuer and such documents as are from time to time incorporated into it by reference (but not including any information or documents superseded by any information subsequently included or incorporated).

Initial Broken Amount in relation to a Security means the amount specified as the initial broken amount for that Security in the relevant Pricing Supplement.

Interest Amount means in relation to a Security which bears interest, the amount of interest payable in respect of that Security as determined in accordance with Condition 4.

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date during the relevant Interest Period, except that the last Interest Accrual Period ends on (and excludes) the Maturity Date or the date of any earlier redemption of a Security in accordance with the Conditions.

Interest Commencement Date means the Issue Date of a Security or such other date as may be specified in the Pricing Supplement.

Interest Determination Date means, in relation to a Interest Rate and Interest Accrual Period, the date specified in the Pricing Supplement or, if none is so specified the first day of such Interest Accrual Period.

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and adjusted, if not a Business Day, in accordance with the applicable Business Day Convention.

Interest Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date or any other period specified in the Pricing Supplement.

Interest Period Date means each Interest Payment Date unless otherwise specified in the Pricing Supplement.

Interest Rate means the interest rate (expressed as a percentage) payable from time to time in respect of a particular Security and that is either specified or calculated in accordance with the provisions set out in the Pricing Supplement.

ISDA Definitions means the 2006 ISDA Definitions as at the date of the MTN/TCD Deed Poll published by the International Swaps and Derivatives Association, Inc.

ISDA Rate in relation to a Floating Rate Security for an Interest Accrual Period means a rate equal to the floating rate that would be determined by the Issuer for the Security under an interest rate swap transaction if the Issuer for the Security were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (b) the Designated Maturity is as specified in the relevant Pricing Supplement;
- (c) unless otherwise stated in the applicable Pricing Supplement, the relevant Reset Date is the first day of each Interest Accrual Period; and

(d) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Date Count Fraction is the Day Count Fraction.

(In this definition, "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Period End Date**", "**Spread**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the ISDA Definitions.)

Issue Date means the date of issue of the Securities as specified in or determined in accordance with the relevant Pricing Supplement (and in the case of TCDs will be the same date as the date of acceptance of the relevant Transferable Deposit by the Issuer) and as recorded in the Register.

Issue Price means the issue price for Securities specified in, calculated in or determined in accordance with, the provisions of the Pricing Supplement.

Issuer in relation to a Security means Commonwealth Bank of Australia.

Margin in relation to a Security means the margin specified in, or determined in accordance with, the relevant Pricing Supplement.

Maturity Date means the maturity date specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement and as recorded in the Register.

Maximum Interest Rate means the maximum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of, the relevant Pricing Supplement.

MTN means an unsubordinated note as more fully described in Condition 3.2.

MTN/TCD Deed Poll and Deed Poll means the Fifth MTN/TCD Deed Poll dated 2 March 2016 made by the Issuer in favour of each person who is from time to time a Holder.

Meeting Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Holders set out in Schedule 2 of the Deed Poll.

Minimum Interest Rate means the minimum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of the relevant Pricing Supplement.

Noteholder means the Holder of an MTN.

Notional Amount means the notional nominal amount of each Security which will, unless indicated otherwise, be the same amount as the "Specified Denomination" of each Security specified in the relevant Pricing Supplement.

Offshore Associate means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 (Cth)) of the Issuer that is either a non-resident of Australia which does not acquire the Securities in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Securities in carrying on business at or through a permanent establishment outside of Australia.

Optional Redemption Amount means the amount specified in the relevant Pricing Supplement.

Optional Redemption Date means in relation to a:

- (a) Security other than a Floating Rate Security, any time; and
- (b) Floating Rate Security, any Interest Payment Date.

Outstanding Principal Amount means, with respect to a Security, the principal amount outstanding on that Security from time to time (being the Notional Amount of that Security less any previous repayments) and, for the purposes of calculating interest payable under

the Security, will be the principal amount outstanding as at the first day of the Interest Period for which such interest is to be calculated (unless otherwise specified in the relevant Pricing Supplement).

Pricing Supplement means the pricing supplement document prepared in relation to the Securities of the relevant Tranche.

Record Date means, in the case of payments of interest or principal, the date seven days prior to the relevant payment date.

Reference Banks means the institutions specified as the reference banks in the Pricing Supplement or, if none are specified, 4 major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Pricing Supplement.

Reference Rate means the rate, if any, specified in the relevant Pricing Supplement.

Register means, for a Series, an electronic register of Holders maintained by the Registrar in accordance with the Registry Services Agreement and the Conditions.

Registrar means, for a Series, Austraclear Services Limited ABN 28 003 284 419 or such other person appointed and notified by the Issuer for a Series (including, if the relevant Pricing Supplement contemplates this, the Issuer itself).

Registry Office means, in the case of Austraclear Services Limited: Exchange Centre, 20 Bridge Street, Sydney, NSW 2000 or such other place notified by the Issuer or the Registrar.

Registry Services Agreement means, for a Series, The ASX Austraclear Registry and IPA Services Agreement between Commonwealth Bank of Australia, Bank of Western Australia Ltd and the Registrar dated 29 October 2009 as amended, or any replacement agreement between the Issuer and the Registrar that provides for agency services in relation to that Series or such other relevant agreement between the Registrar and the Issuer for that Series.

Relevant Date in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that such payment will be made, provided that payment is in fact made.

Relevant Financial Centre means, with respect to any Floating Rate Security to be determined in accordance with Screen Rate Determination on an Interest Determination Date, Sydney, or, the financial centre with which the relevant Reference Rate is most closely connected.

Relevant Time means, with respect to any Interest Determination Date, the relevant time specified in the Pricing Supplement.

Screen Rate Determination has the meaning specified in the Pricing Supplement and in Condition 4.2(b)(ii).

Security means a TCD or MTN.

Series means a Tranche of Securities together with any further Tranche or Tranches of Securities which are:

- (a) expressed to be consolidated and form a single Series; and
- (b) identical in all respects (including as to listing) except for the respective Issue Dates, Interest Commencement Dates, Issue Prices or amount of the first payment of interest.

Specified Denomination means the amount specified in the relevant Pricing Supplement.

Solvent means at any time in respect of the Issuer:

- (a) it is able to pay all its debts as and when they become due and payable; and
- (b) its assets exceed its liabilities.

TCD means a transferable certificate of deposit, issued in respect of a Transferable Deposit, owing to a Holder, the details of which are recorded in the Register, and, in these Conditions, references to TCDs are references to TCDs of the relevant Series.

Tranche means Securities with Conditions that are identical in all respects (including as to listing).

Transferable Deposit means a transferable deposit made by an investor and accepted by the Issuer.

Zero Coupon Security means an MTN that does not bear interest or a Discounted TCD.

1.2 Interpretation

In these Conditions unless the contrary intention appears:

- (a) a reference to:
 - (i) these Conditions is a reference to these Conditions as supplemented, modified or altered by the relevant Pricing Supplement . If there is any inconsistency between these Conditions and a Pricing Supplement, that Pricing Supplement prevails;
 - (ii) an agreement or instrument includes any variation, supplement, replacement or novation of that agreement or instrument;
 - (iii) a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iv) a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
 - (v) any thing is a reference to the whole and each part of it;
 - (vi) one gender includes every other gender;
 - (vii) the issue or issuance of Securities is to:
 - (A) the issue of TCDs by the Issuer in respect of Transferable Deposits;
 - (B) the issue of MTNs by the Issuer; or
 - (C) both as the context requires;
- (b) the singular includes the plural and vice versa;
- (c) the word "person" includes a firm, body corporate, an unincorporated association, an authority or a Government Body;
- (d) the word "outstanding" means in relation to the Securities of any Series, all the Securities issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those which have become void or in respect of which claims have become prescribed, and (c) those which have been purchased and cancelled as provided for in the Conditions;

- (e) unless otherwise specified to the contrary, any reference to a time is to Sydney time; and
- (f) headings are inserted for convenience and do not affect the interpretation of this deed.

1.3 Pricing supplement

Terms which are specified in any Pricing Supplement as having a defined meaning in relation to a Security have the same meaning when used in these Conditions, but if the Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable” or “N/A”, then that definition is not applicable to that Security.

2 Form, denomination and title

2.1 Form

- (a) The Securities for a Series are debt obligations of the Issuer constituted by the MTN/TCD Deed Poll, and are issued in registered form by entry in the Register for that Series.
- (b) No certificate or other evidence of title to a Security will be issued unless the Issuer is required to do so by applicable law or regulation.

2.2 Denomination

- (a) Securities are issued in the Specified Denominations specified in the Pricing Supplement for those Securities. Securities may only be issued in Australia if:
 - (i) the aggregate consideration payable to the Issuer by the initial Holder (in the case of a TCD by way of a deposit with the Issuer) is at least A\$500,000 (disregarding moneys lent by that Issuer or its associates) or if the Securities are otherwise issued in a manner which does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act; and
 - (ii) the issue is not to a retail client (as defined in Section 761G of the Corporations Act); and
 - (iii) does not require lodging any document under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.
- (b) Securities may only be issued by the Issuer in a jurisdiction or jurisdictions other than Australia if the issue is in compliance with the laws and directives of the jurisdiction in which the issue or sale is made and the Securities are otherwise issued or sold in a manner that does not require disclosure to investors under the laws or directives of that jurisdiction or those jurisdictions.
- (c) Securities are denominated in Australian Dollars unless otherwise agreed with the Registrar, such currency to be specified in the relevant Pricing Supplement as the Specified Denomination.

2.3 Title

- (a) Entry of the name of the person:
 - (i) purchasing; or
 - (ii) the transferee of,

a Security on the Register for a Series at the relevant time constitutes the passing of title of that Security and will be conclusive evidence of that person’s entitlements to

receive interest and repayment of principal and any other amount in the manner provided for in these Conditions (subject to rectification for fraud or error).

- (b) A Security registered in the name of more than one person is held by those persons as joint tenants (unless requested otherwise and in a form satisfactory to the Issuer).
- (c) Securities will be registered by name only without reference to any trusteeship. Neither the Issuer nor the Registrar is, except as required by law, obliged to take notice of any other claim to a Security.

2.4 Independent obligations

Each entry in the Register for a Series evidences a separate and independent obligation owing by the Issuer to the relevant Holder, which that Holder may enforce without joining any other Holder, any previous Holder or the Registrar.

2.5 Location of Register

The Register for a Series will be established and maintained by the Registrar at its Registry Office in Sydney unless otherwise specified in the relevant Pricing Supplement.

2.6 Austraclear and other Clearing Systems

If Securities are to be issued through the Austraclear System, the Securities will be held by and entered in the name of Austraclear as nominee for the Austraclear Participant (as defined in the Austraclear Regulations) in whose Security Record (as defined in the Austraclear Regulations) those securities are registered. While those Securities remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Securities within the Austraclear System will be governed by the Austraclear Regulations and need not comply with these Conditions to the extent of any inconsistency.

Securities may be held in any other Clearing System, in which case the rights of a person holding an interest in the Securities lodged in that Clearing System are subject to the rules and regulations of that Clearing System.

2.7 Acknowledgment

While Austraclear Services Limited is the Registrar for a Series and where Austraclear is recorded in the Register as the Holder and the Security is lodged in the Austraclear System:

- (a) each Owner (as defined in the Austraclear Regulations) of that Security is taken to acknowledge in favour of the Registrar and Austraclear that the Registrar's decision to act as the Registrar of the Security does not constitute a recommendation or endorsement by the Registrar or Austraclear of the Security, but only indicates that the Registrar considers that the Security is compatible with its obligations as Registrar under Registry Services Agreement; and
- (b) an obligation imposed on a Holder by these Conditions is a personal obligation on the Owner of that Security even though it is not the registered holder of that Security; and
- (c) an obligation imposed on Austraclear by these Conditions in its capacity as the registered Holder of that Security is limited to the extent that it is able to procure in accordance with the Austraclear Regulations, that the Owner of that Security complies with that obligation.

3 Status and ranking

3.1 TCDs

TCDs are direct, unconditional and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other present and future unsecured and

unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law including, but not limited to, sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act 1959 (Cth)).

The TCDs are not protected accounts and the Issuer does not make any representation as to whether the TCDs, Transferable Deposits or any of them would or would not constitute deposit liabilities in Australia under such statutory provisions.

3.2 MTNs

- (a) MTNs are senior, direct, unconditional and unsecured obligations of the Issuer and rank equally among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, except liabilities mandatorily preferred by law including, but not limited to, sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act 1959 (Cth).
- (b) MTNs rank senior to all subordinated and unsecured obligations of the Issuer, including the subordinated notes.
- (c) MTNs do not constitute deposit liabilities or protected accounts of the Issuer in Australia for the purposes of the Banking Act.

4 Interest and other calculations

4.1 Interest on Fixed Rate Securities

- (a) Subject to paragraphs (b) and (c) below, each Fixed Rate Security bears interest on its Outstanding Principal Amount from, and including, the Interest Commencement Date to but excluding its Maturity Date, at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.
- (b) The first payment of interest on a Fixed Rate Security will be made on the first Interest Payment Date following its Interest Commencement Date and, if the first Interest Period is shorter than subsequent Interest Periods, will be equal to the Initial Broken Amount as specified in the relevant Pricing Supplement.
- (c) If the Maturity Date of a Fixed Rate Security is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will be payable on the Maturity Date and will be equal to the Final Broken Amount specified in the relevant Pricing Supplement.

4.2 Interest on Floating Rate Securities and Index Linked Interest Securities

- (a) *Interest Payment Dates*: Each Floating Rate Security and Index Linked Interest Security bears interest on its outstanding Notional Amount from, and including, the Interest Commencement Date to, but excluding, its Maturity Date, at the Interest Rate. Interest is payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either specified in the relevant Pricing Supplement as the Interest Payment Date(s) or, if no Interest Payment Date(s) are specified, Interest Payment Date means each date which falls the number of months or other period specified in the relevant Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, the case of the first Interest Payment Date, after the Interest Commencement Date.
- (b) *Interest Rate for Floating Rate Securities*: The Interest Rate for each Floating Rate Security for each Interest Accrual Period will be at the rate calculated on one of the following basis' specified in the relevant Pricing Supplement. If:
 - (i) **ISDA Determination** is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for

each Interest Accrual Period in relation to that Floating Rate Security will be the relevant ISDA Rate plus or minus (as indicated in that Pricing Supplement) the Margin (if any) on the Floating Rate Security specified in that Pricing Supplement;

(ii) **Screen Rate Determination** is specified in the relevant Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Accrual Period in relation to that Floating Rate Security will be either (as applicable):

- (A) the offered quotation; or
- (B) if there is more than one offered quotation, the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date; and

(1) if paragraph (ii)(A) above applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if subparagraph (ii)(B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate will be the arithmetic mean of the offered quotations (expressed as a percentage) that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

(2) if subparagraph (1) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Interest Rate will be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) that at least two out of five leading banks selected by the Calculation Agent (after consultation with the Issuer) in the Relevant Financial Centre, are quoting at or about the Relevant Time for a period equivalent to the relative Interest Accrual Period to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Interest Rate will be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(c) *Interest Rate for Index Linked Interest Securities:* The Interest Rate in respect of Index Linked Interest Securities for each Interest Accrual Period will be determined in the manner specified in the relevant Pricing Supplement and interest will accrue by reference to an Index or formula as specified in the relevant Pricing Supplement.

4.3 Margin

If a Margin is specified in the Pricing Supplement, either:

- (a) generally; or
- (b) in relation to one or more Interest Accrual Periods,

an adjustment will be made to all Interest Rates in the case of paragraph (a), or the Interest Rate for the specified Interest Accrual Periods, in the case of paragraph (b), calculated in accordance with Condition 4.2 above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject to the Maximum or Minimum Interest Rate.

4.4 Maximum/Minimum Interest Rates

- (a) If the Pricing Supplement for a Floating Rate Security specifies a Minimum Interest Rate for any Interest Period and if the Interest Rate in respect of the Interest Period, determined in accordance with the other provisions of Condition 4.2 or the Pricing Supplement, is less than the Minimum Interest Rate, then the Interest Rate for such Interest Period will be the Minimum Interest Rate.
- (b) If the Pricing Supplement for a Floating Rate Security specifies a Maximum Interest Rate for any Interest Period and if the Interest Rate in respect of the Interest Period, determined in accordance with the other provisions of Condition 4.2 or the Pricing Supplement, is greater than the Maximum Interest Rate, the Interest Rate for the Interest Period will be the Maximum Interest Rate.

4.5 Fallback Interest Rate – Floating Rate Security

Unless otherwise specified in the relevant Pricing Supplement, if the Calculation Agent is unable to determine the Interest Rate payable in relation to a Floating Rate Security for an Interest Period, the Interest Rate for that Interest Period will be the Interest Rate for the immediately preceding Interest Period for that Floating Rate Security (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

4.6 Rounding

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in the relevant Pricing Supplement):

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (b) all figures will be rounded to four decimal places (with halves being rounded up); and
- (c) all amounts that fall due and payable will be rounded to the nearest cent (with halves being rounded up).

4.7 Accrual of interest

Interest will cease to accrue on each Security on its redemption date (being its Maturity Date or, if redeemed prior to its Maturity Date in accordance with these Conditions, such earlier redemption date) unless payment is improperly withheld or refused, in which case interest will continue to accrue (after as well as before any demand or judgment) on the Outstanding Principal Amount of the Security at the then applicable Interest Rate in the manner provided in this Condition 4 to the Relevant Date.

4.8 Calculations

The amount of interest payable in respect of each Security for any Interest Accrual Period is calculated by multiplying the product of the applicable Interest Rate and the Outstanding Principal Amount or the outstanding Notional Amount, as the case may be, of the relevant Security by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the Pricing Supplement in respect of that period, in which case the amount of interest payable in respect of that Security for that period will equal that Interest Amount (or be calculated in accordance with that relevant formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest

payable in respect of that Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

4.9 Determination and publication of Interest Rate and other amounts

- (a) The Issuer must ensure that the Calculation Agent for a Series will, and the Calculation Agent must:
 - (i) determine the Interest Rate and calculate the amount of interest payable and determine or calculate, as applicable, any other rate or amount, or obtain any quotation required under these Conditions (including but not limited to calculation of Interest Amounts in respect of each Specified Denomination of the Securities for the relevant Interest Accrual Period, the Final Redemption Amount, Early Redemption Amount, Instalment Amount or Optional Redemption Amount); and
 - (ii) notify the Registrar (and the Issuer, if the Issuer is not the Calculation Agent) as soon as practicable after:
 - (A) the Relevant Time in the case of an Interest Determination Date; or
 - (B) in any other case, such determination, calculation or quotation is made.
- (b) The Issuer must ensure that the Registrar will, and the Registrar must, notify the Holders of the calculation, determination or quotation, as applicable, as required by the Issuer, to the address of the Holders recorded in the Register, any other Calculation Agent appointed in respect of the Securities that is to make a further calculation upon receipt of such information and, if the Securities are listed on a stock exchange and the rules of that exchange so require, notify that exchange as soon as possible after the calculation, determination or quotation but in no event later than:
 - (i) the commencement of the relevant Interest Accrual Period, if determined prior to that time in the case of notification of a Interest Rate and Interest Amount, or
 - (ii) in all other cases, the fourth Business Day after such determination.
- (c) Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to the application of a Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period.
- (d) If the Securities become due and payable under Condition 9, the accrued interest and the Interest Rate payable in respect of the Securities will nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made.
- (e) The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) is, in the absence of manifest error, final and binding on all parties.

4.10 Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Registrar and all Holders. In the absence of wilful default, bad faith or manifest error the Calculation Agent will not be liable to the Issuer or

the Holders, in connection with the exercise or non-exercise by the Calculation Agent of its powers, duties and discretions.

4.11 Discounted TCDs and Zero Coupon Securities

- (a) If the amount due and payable in relation to a Discounted TCD on its Maturity Date is not paid when due, the Interest Rate for any overdue principal of that Discounted TCD is a rate per annum (expressed as a percentage) based on the Default Interest Rate specified in the relevant Pricing Supplement.
- (b) If the amount due and payable in relation to a Zero Coupon Security (other than a Discounted TCD) on its Maturity Date is not paid when due, the Interest Rate for any overdue principal of that Security will be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

5 Redemption, purchase and options

5.1 Redemption by instalments and final redemption at maturity

- (a) Unless previously redeemed or purchased and cancelled as provided in these Conditions or unless the relevant Instalment Date (being one of the dates so specified in the relevant Pricing Supplement) is extended pursuant to these Conditions or any provision of the relevant Pricing Supplement, each Security that provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Pricing Supplement. The Outstanding Principal Amount of each such Security will be reduced by the Instalment Amount (or if such Instalment Amount is calculated by reference to a proportion of the Notional Amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount will remain outstanding until the Relevant Date relating to such Instalment Amount.
- (b) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Conditions or any provision of the relevant Pricing Supplement, each Security will be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount or, in the case of a Security falling within paragraph (a) above, its final Instalment Amount.

5.2 Redemption for taxation reasons

If, as a result of any change in or amendment to the laws or regulations of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of any Security (as specified in the Pricing Supplement), the Issuer has or will become obliged to pay any additional amounts as provided in Condition 8, the Issuer may at its option, at any time (if the Security is neither a Floating Rate Security nor an Index Linked Interest Security) or on any Interest Payment Date (in the case of Floating Rate Securities or Index Linked Interest Securities) on giving not more than 60 nor less than 30 days' notice to the Holders of the relevant Series (which notice will be irrevocable) redeem all, but not some only, of the Securities of the relevant Series at their Early Redemption Amount together with interest accrued to the date fixed for redemption, provided that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer must deliver to the Registrar a certificate signed by two Authorised Officers or the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer to redeem have occurred.

5.3 Early redemption of Zero Coupon Securities

- (a) The Early Redemption Amount payable in relation to any Zero Coupon Security, where that amount is not linked to either or both an index or a formula, on redemption of that Security pursuant to Condition 5.2, 5.4 or 5.5 or upon it becoming due and payable as provided in Condition 9, is the Amortised Face Amount (calculated as provided below) of that Security.
- (b) Subject to the provisions of subparagraph (c) below, the **Amortised Face Amount** of any Zero Coupon Security is the scheduled Final Redemption Amount of that Security on the Maturity Date discounted to the date of its early redemption at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is set out in the Pricing Supplement, will be such rate as would produce an Amortised Face Amount equal to the Issue Price of the Securities if such Securities were discounted back from the Maturity Date to the relevant Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it will be made on the basis of the Day Count Fraction set out in the Pricing Supplement.
- (c) If the Early Redemption Amount payable in relation to any Zero Coupon Security on its redemption pursuant to Condition 5.2, 5.4 or 5.5 or upon it becoming due and payable as provided in Condition 9, is not paid when due, the Early Redemption Amount due and payable in respect of that Security will be the Amortised Face Amount of that Security as defined in subparagraph (b) above, except that the reference in that subparagraph to Maturity Date is replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this subparagraph shall continue to be made (after, as well as before, judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Security on the Maturity Date together with any interest that may accrue in accordance with Condition 4.7. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction.

5.4 Redemption at the option of the Issuer and exercise of the Issuer's options

- (a) If a "Call Option" is specified in the relevant Pricing Supplement as being applicable to a Series, the Issuer may, on an Optional Redemption Date, having given not less than 15 nor more than 30 days' prior irrevocable notice (subject to such other notice period as may be specified in the Pricing Supplement under "Option Exercise Date") to the Holders (with a copy to the Registrar), redeem all or, if so provided, some of the Securities at their Optional Redemption Amount together with accrued but unpaid interest (if any). If only some of the Securities are to be redeemed at the option of the Issuer, such redemption must be for an amount at least equal to the minimum (if any) specified in the applicable Pricing Supplement (**Minimum Redemption Amount**) and no greater than the maximum amount (if any) specified in the applicable Pricing Supplement (**Maximum Redemption Amount**).
- (b) In the case of a redemption of some but not all of the Securities of a Series (a **partial redemption**), Securities to be redeemed will be selected individually by the Issuer in its absolute and unfettered discretion subject to compliance with any applicable laws and stock exchange requirements not less than 15 days prior to the date fixed for redemption.
- (c) Each notice of redemption will specify the date fixed for redemption and, in the case of a partial redemption, the Optional Redemption Amount to be redeemed and the aggregate Outstanding Principal Amount which will be outstanding after the partial redemption. In addition, in the case of a partial redemption, such notice will specify that the Registrar will not be required to register transfers of Securities called for partial redemption.

5.5 Redemption at the option of Holders and exercise of Holders' options

- (a) If a "Put Option" is specified in the relevant Pricing Supplement as being applicable to a Series, the Issuer must, at the option of the relevant Holder and on the Holder giving not less than 15 nor more than 30 days' prior notice to the Issuer (or such other notice period as may be specified in the Pricing Supplement under "Option Exercise Date") in accordance with paragraph (b) below, redeem the relevant Securities on the Optional Redemption Date(s) so provided at its Optional Redemption Amount together with any accrued but unpaid interest.
- (b) To exercise the put option above or any other Holder's option that may be set out in the relevant Pricing Supplement, the Holder must complete, sign and deliver to the Registrar within the notice period, a redemption notice (in the form obtainable from the Issuer) together with any Certificate held by the Holder relating to the Securities to be transferred and such evidence as the Registrar may require to establish the rights of that Holder to the relevant Securities. Any such notice may only be withdrawn with the prior consent of the Issuer or if, prior to the due date for its redemption or the exercise of the option, the relevant Security becomes immediately due and payable.

5.6 Purchase

The Issuer is taken to represent as at the date of issue of each Security, that it does not know or have any reasonable grounds to suspect that that Security or any interest in or right in respect of that Security is being or will later be, acquired either directly or indirectly by an Offshore Associate of the Issuer acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Securities or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

The Issuer may, to the extent permitted by applicable laws and regulations, at any time purchase Securities in the open market, by tender to all or some of the Holders or by private agreement or otherwise at any price. Securities purchased by or for the account of the Issuer may be cancelled or re-sold, at the option of the Issuer.

5.7 Cancellation

All Securities redeemed by the Issuer, or which are repurchased by the Issuer and which the Issuer elects to cancel, will be cancelled forthwith and all liabilities and obligations of the Issuer in connection with those Securities so redeemed or cancelled will be discharged.

6 Payments

6.1 Payments by the Issuer

- (a) Payments in respect of interest or principal on any Security made by the Issuer to Holders will be made in accordance with details recorded with the Registrar by 5.00 pm local Registry Office time on the relevant Record Date.
- (b) When a Security is recorded in the Register as being held jointly, payment of interest or principal (as the case may be) by the Issuer will be made to the Holders in their joint names unless requested otherwise (and in a form satisfactory to the Issuer) by 5.00 pm local Registry Office time on the relevant Record Date.

6.2 Method of payment

Payments on each Security will be made:

- (a) where the Securities are lodged in the Austraclear System, by crediting on the relevant Interest Payment Date or Maturity Date (determined in accordance with the

Business Day Convention specified in the relevant Pricing Supplement) the amount then due to the relevant Holder in accordance with the Austraclear Regulations; or

- (b) if the relevant Securities have not been lodged or are removed from the Austraclear System, by crediting on the relevant Interest Payment Date, in the case of payment of interest, or the Maturity Date, in the case of payments of principal, the amount then due to a bank account in Australia previously notified by the Holder to the Registrar. Each Interest Payment Date and Maturity Date shall be determined in accordance with the Business Day Convention specified in the relevant Pricing Supplement. If an account is not specified to the Registrar by 5.00 pm local Registry Office time on the relevant Record Date, payments in respect of the relevant Security will be made by cheque mailed on the Business Day immediately preceding the relevant Interest Payment Date (in the case of payments of interest) or on the due date for repayment or redemption (in the case of payments of principal) at the Holder's risk, to the address of the Holder (or to the first-named of joint Holders) appearing in the Register as at 5.00 pm local Registry Office time on the relevant Record Date. Cheques despatched to the nominated address of a Holder in accordance with this Condition will be taken to have been received by the Holder on the relevant Interest Payment Date (in the case of payments of interest) or the due date for payment or redemption (in the case of payments of principal) and no further amount will be payable by the Issuer as a result of payment not being received by the Holder on the due date.

No payment of interest will be mailed to an address in the United States or transferred to an account maintained by the Holder in the United States.

6.3 Payments subject to fiscal laws

All payment are subject in all cases to:

- (a) any applicable laws, regulations and directives, but without prejudice to the provisions of Condition 8; and
- (b) any withholding or deduction required pursuant to FATCA. Any such amounts withheld or deducted will be treated as paid for all purposes under the Securities and no additional amounts will be paid on the Securities with respect to any such withholding or deduction.

6.4 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than the currency in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion

6.5 Appointment of agents

The Registrar and (if appointed) the Calculation Agent in relation to a Series act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar or (if appointed) the Calculation Agent of any Series, provided that the Issuer will at all times maintain (i) a Registrar, (ii) one or more Calculation Agent(s)

where the Conditions so require, and (iii) such other agents as may be required by the rules of any stock exchange, listing authority and/or quotation system on which the Securities may be admitted to listing, trading and/or quotation. Notice of any change to the specified office of the Registrar or the Calculation Agent must be given promptly to the Holders in accordance with Condition 13.

6.6 Prescription against overdue claims

Claims against the Issuer for payment under a Security are void unless made within 5 years from the date on which the payment first became due.

7 Transfer

7.1 Transfer procedures

- (a) Unless Securities are lodged in a Clearing System, and subject to Condition 7.2, all applications to transfer Securities must be made by lodging with the Registrar a properly completed transfer and acceptance form (in such form as the Issuer and the Registrar approves in accordance with market practice at the relevant time) signed by the transferor and transferee. Any Certificate relating to the Securities to be transferred must also be surrendered to the Registrar at the same time. Each Registry Office will provide prompt marking and transfer services. The Registrar may also require evidence to prove the identity of the transferor or the transferor's right to transfer the Security. The transfer takes effect upon the transferee's name being entered on the Register.
- (b) Securities lodged in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System.

7.2 Transfer restrictions

Unless otherwise specified in the Pricing Supplement, Securities may only be transferred:

- (a) within, to or from Australia in the denominations specified in the Pricing Supplement and if the consideration payable at the time transfer is a minimum amount of A\$500,000 (in either case, disregarding moneys lent by the transferor or its associates) or if the offer or invitation giving rise to the transfer otherwise does not constitute an offer or invitation for which disclosure is required to be made to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act and the transfer is not made to a retail client as defined in Section 761G of the Corporations Act and does not require lodging any document under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.
- (b) between persons in a jurisdiction or jurisdictions other than Australia if the transfer and all conduct connected with the transfer complies with the relevant laws and directives of the relevant jurisdiction in which the transfer takes place.

7.3 Partial transfers

Where a transferor executes a transfer of less than all Securities registered in its name, and the identity of the specific Securities to be transferred are not identified, the Registrar may register the transfer in respect of such of the Securities registered in the name of the transferor as the Registrar thinks fit, provided the total Notional Amount of the Securities registered as having been transferred equals the total Notional Amount of the Securities expressed to be transferred in the transfer.

7.4 Closing the Register

A transfer of a Security will not be effective unless and until entered on the Register. The Register will be closed for the purpose of determining entitlements to payments of interest and repayments of any Outstanding Principal Amount at 5.00 pm local Registry Office time

on the Record Date prior to the relevant Interest Payment Date, the relevant Maturity Date and any relevant redemption date. Therefore, transfers must be received by the Registrar at the relevant Registry Office prior to that time.

7.5 Stamp duty

The Holder is responsible for any stamp duties or other similar taxes which are payable in any jurisdiction in connection with any transfer, assignment or other dealing with the Securities.

7.6 Transmission

The Registrar must register a transfer of a Security to or by a person who is entitled to make or receive the transfer as a consequence of:

- (a) death, bankruptcy, liquidation or winding up of a Holder; or
 - (b) a vesting order by a court or other body with power to make the order,
- on receipt of such evidence of entitlement that the Registrar or the Issuer requires.

7.7 Austraclear Services Limited as Registrar

If Austraclear Services Limited is the Registrar and Securities are lodged in the Austraclear System, despite any other provision of those Conditions, these Securities are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of those Securities issued by it and no member of the Austraclear System has the right to request any registration of any transfer of the relevant Securities, except:

- (a) for the purposes of any repurchase, redemption or cancellation (whether on or before the Maturity Date of the relevant Security) of the relevant Security, a transfer of the relevant Security from Austraclear to the Issuer may be entered in the Register; and
- (b) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Conditions, to require the relevant Security to be transferred on the Register to a member of the Austraclear System, the relevant Security may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant Security will cease to be held in the Austraclear System.

8 Taxation

8.1 General

Subject to this Condition 8, all payments of principal and interest in respect of the Securities must be made without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Australia or by any authority in or of Australia having power to tax (together **Taxes**), unless such withholding or deduction is required by law.

8.2 Issuer to pay additional amounts

Where any withholding or deduction is required by law, the Issuer must pay such additional amounts to the Holders that will result in those Holders receiving the amounts they would have received had no such withholding or deduction been required, except that no additional amounts will be payable with respect to any Security:

- (a) if the Holder is liable to such Taxes (as defined above) by reason of its having some connection with the Commonwealth of Australia, other than the mere holding of such Security or the receipt of the relevant payment in respect of that Security; or

- (b) if the Holder is an Offshore Associate of the Issuer (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act); or
- (c) if the Taxes (as defined above) have been imposed or levied as a result of the Holder being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in; or
- (d) to, or to a third party on behalf of, an Australian resident Holder or a non-resident Holder who is engaged in carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
- (e) to, or to a third party on behalf of, a Holder on account of amounts which the Australian Commissioner of Taxation requires the Issuer to withhold under Section 255 of the Income Tax Assessment Act 1936 (Cth) or Section 260-5 of Schedule 1 of the Taxation Administration Act 1953 (Cth); or
- (f) for, or on account of, any withholding or deduction required pursuant to FATCA.

8.3 Tax file number

The Issuer will deduct tax from payments of interest on the Securities at the highest marginal tax rate plus the highest Medicare levy if an Australian resident investor or a non-resident investor carrying on business in Australia at or through a permanent establishment of the non-resident in Australia has not supplied an appropriate tax file number, Australian Business Number or exemption details.

8.4 References

References in these Conditions to (i) “**principal**” will be taken to include any premium payable on of the Securities, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, or any amendment or supplement to it, (ii) “**interest**” will be taken to include all Interest amounts and all other amounts payable pursuant to Condition 4, or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” will be taken to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or substitution for it under the Deed Poll.

If the Issuer is or becomes subject at any time to any taxing jurisdiction other than or in addition to Australia, references in Condition 5.2 and Condition 8 must be read and construed as including references to such other taxing jurisdiction(s).

9 Events of Default

9.1 MTNs

An Event of Default occurs in relation to MTNs of a Series if:

- (a) **failure to pay:** the Issuer fails to pay the principal of the MTNs of that Series when due or fails to pay any interest due on those MTNs within 14 days of the due date, or
- (b) **other failure:** the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Deed Poll or the relevant Pricing Supplement which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice requiring such default or failure to be remedied has been given to the Issuer by the Holder; or
- (c) **insolvency:** the Issuer becomes insolvent or its debts are not paid as they mature or the Issuer applies for or consents to or suffers the appointment of a liquidator or

receiver of the Issuer or the whole or any part of the undertaking, property, assets or revenues of the Issuer or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors; or

- (d) **dissolution:** any law is passed the effect of which is to dissolve the Issuer or the Issuer ceases to carry on a general banking business in Australia or ceases to be authorised to carry on a general banking business within Australia.

Notwithstanding any other provision of this Condition 9.1, no Event of Default in respect of MTNs of a Series shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, or the taking of any proceeding or the making or entering into of any assignment, arrangement or composition in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital (each as defined by the Australian Prudential Regulation Authority from time to time).

9.2 Consequences of an event of default

If an Event of Default occurs in relation to a Series of MTNs each Noteholder of that Series may by notice to the Issuer (with a copy to the Registrar at its Registry Office) declare that the amount referred to in Condition 9.4 applicable to an MTN owned by that Noteholder is due and payable on the next Business Day after service (determined in accordance with Condition 13) of the notice unless, prior to that date, the Issuer has cured or otherwise made good all Events of Default subsisting prior to that date. Payment of the amount determined as set out below in respect of that notice will be made by the Issuer in the manner determined pursuant to Condition 6 as if the next Business Day after the service of the notice was the relevant due date for payment.

9.3 Amount payable on default

For the purposes of Condition 9.2 the amount payable is the Early Redemption Amount together with (in the case of an MTN other than a Zero Coupon Note) interest accrued to the date of payment.

9.4 Notification

If an Event of Default occurs, the Issuer will promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default specifying details of it and use its reasonable endeavours to procure that the Registrar promptly notifies the Holders of the occurrence of the Event of Default by registered post to the address of the Holders recorded in the Register.

10 [intentionally omitted]

11 Meeting of Holders, Modifications and Waiver

11.1 Meetings of Holders

Meetings of Holders may be convened in accordance with the Meeting Provisions. Any such meeting may consider any matters affecting the interests of Holders, including, without limitation, the variation of the terms of the Securities by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default.

11.2 Modification of the Conditions and Meeting Provisions

The Conditions and Meeting Provisions may be amended by the Issuer, without the consent of any Holder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein which does not, in the reasonable opinion of the Issuer, adversely affect the interests of the Holders. All other amendments to the Conditions and Meeting Provisions must be passed at a duly convened meeting of

Holders by an Extraordinary Resolution. The Issuer will notify the Registrar of any amendments made pursuant to this Condition and will use its reasonable endeavours to procure that the Registrar notifies the Holders of the amendment by post to the address of the Holders recorded in the Register.

12 Further Issues of Securities

The Issuer may from time to time without the consent of the Holders create and issue further securities either having the same terms and conditions as the Securities in all respects (or in all respects except for the Issue Date or first payment of interest on them) and so that such further issue of securities shall be consolidated and form a single Series with the outstanding Securities of any Series or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Securities. Any Securities which have been issued on the terms of the deed poll dated 31 March 2009 (the First Deed Poll), the deed poll dated 21 September 2010 (Second Deed Poll), the deed poll dated 5 October 2011 (Third Deed Poll) and additional Tranches of Securities of a Series existing prior to the date of the MTN/TCD Deed Poll will remain subject to the terms of the applicable deed poll and any agreements entered into on or about the date of such deed poll.

13 Notices

13.1 To Holders

All notices and other communications to the Holders must be in writing and either (i) sent by prepaid post (airmail if appropriate) to or left at the address of the Holders (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication) or (ii) (if available) issued to Holders through a Clearing System in accordance with any applicable rules and regulations of that Clearing System.

13.2 To the Issuer and Registrar

All notices and other communications to the Issuer or the Registrar must be in writing and may be sent by prepaid post (airmail if appropriate) to or left at the address (as shown in the "Directory" in the Information Memorandum) of the Issuer or the Registrar.

13.3 When effective

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

13.4 Receipt

- (a) If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.
 - (b) If sent by post, notices or other communications are taken to be received 3 days after posting (or 7 days after posting if sent to or from a place outside Australia).
 - (c) Despite paragraph (b) above, if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.
-

14 Governing Law and jurisdiction

- (a) This document is governed by and must be construed according to the law applying in New South Wales.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts, with

respect to any proceedings which may be brought at any time relating to this document.

- (c) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph (b).

15 Use of Proceeds

The net proceeds from the issue of any Securities will be used by the Issuer for its general corporate purposes.

5 CONDITIONS OF THE SUBORDINATED SECURITIES

The following are the conditions which, subject to variation or replacement by an applicable Subordinated Pricing Supplement, will apply to each of the Subordinated Securities of each Subordinated Series.

Each Subordinated Holder and any person claiming through or under a Subordinated Holder is entitled to the benefit of, is bound by and is taken to have notice of these Conditions (as varied or replaced by the relevant Subordinated Pricing Supplement), the Subordinated Deed Poll and the Information Memorandum. A copy of the Subordinated Deed Poll is available for inspection by Subordinated Holders during normal business hours at the office of the Issuer and the Registrar.

1 Definitions and interpretation

1.1 Definitions

In these Conditions, unless the context requires otherwise:

Applicable Regulations means the ASX Listing Rules, the ASX Settlement Operating Rules, the Austraclear Regulations, the Corporations Act and any rules or regulations made under or pursuant to them.

APRA means the Australian Prudential Regulation Authority ABN 79 635 582 658 or any successor body responsible for prudential regulation of the Issuer.

ASX means ASX Limited ABN 98 008 624 691 or the securities market operated by it, as the context requires.

ASX Listing Rules means the listing rules of ASX from time to time with any applicable modification or waiver granted by ASX.

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modification or waiver granted by ASX.

Attributable Proceeds means the net proceeds of sale of Ordinary Shares attributable to the Subordinated Securities of the relevant Subordinated Holder or, where Condition 5.10(d) applies, the Clearing System Participant, actually received after deducting any applicable brokerage, stamp duty and other taxes.

Austraclear means Austraclear Ltd (ABN 94 002 060 773).

Austraclear Regulations means the regulations and related operating procedures established from time to time by Austraclear for the conduct of the Austraclear System.

Austraclear System means the “System” as defined in the Austraclear Regulations.

Australian dollars, Australian cents and A\$ means the lawful currency of the Commonwealth of Australia.

Banking Act means the Banking Act 1959 (Cth).

Base Rate has the meaning given in Condition 6.2(b).

Board means either the board of directors of the Issuer or a committee appointed by the board of directors of the Issuer.

Business Day means a day which is:

- (a) a business day within the meaning of the ASX Listing Rules; and
- (b) for the purposes of calculation or payment of Interest or other amount, a day on which banks are open for general banking business in Sydney.

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Subordinated Pricing Supplement in relation to any date applicable to any Subordinated Security, have the following meaning:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
 - (i) that date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Subordinated Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no business day convention is specified in the Subordinated Pricing Supplement, the Modified Following Business Day Convention applies. Different business day conventions may apply to, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Subordinated Security.

Calculation Agent means, in relation to a Subordinated Series of Subordinated Notes, the Issuer or, if different to the Program, the person specified in the relevant Subordinated Pricing Supplement. The Calculation Agent must be the same for all Subordinated Securities of the same Subordinated Series.

CBA Group means the Issuer (or any NOHC that is the holding company of the Issuer) and its Subsidiaries.

CBA Level 1 Group means either:

- (a) the Issuer; or
- (b) the “extended licensed entity” which is comprised of the Issuer and each Subsidiary of the Issuer as specified in any approval granted by APRA in accordance with APRA’s prudential standards (as amended from time to time).

CBA Level 2 Group means the Issuer and each Subsidiary that is recognised by APRA as part of the Issuer’s Level 2 group in accordance with APRA’s prudential standards (as amended from time to time).

CHESS means the Clearing House Electronic Sub-register system operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Clearing System means for Subordinated Securities:

- (a) the Austraclear System;

- (b) the Euroclear System as operated by Euroclear Bank S.A./N.V.;
- (c) the Clearstream Banking system as operated by Clearstream Banking, société anonyme, Luxembourg; or
- (d) such other clearing system specified in the relevant Subordinated Pricing Supplement.

Clearing System Cut-off Date has the meaning given in Condition 5.10(c).

Clearing System Participant has the meaning given in Condition 5.10(c).

Conditions means these terms and conditions of the Subordinated Securities as set out in Schedule 1 of the Subordinated Deed Poll.

Corporations Act means the Corporations Act 2001 (Cth).

Cum Value has the meaning given in Condition 5.2(a).

Date of Substitution has the meaning given in Condition 11.1.

Day Count Fraction in relation to the calculation of an amount for an Interest Accrual Period in respect of a Subordinated Security means:

- (a) the day count fraction specified in the relevant Subordinated Pricing Supplement;
- (b) where a day count fraction is specified in a Subordinated Pricing Supplement that is the same as in the definition of “Day Count Fraction” in the ISDA Definitions, such day count fraction will have the same meaning as in the ISDA Definitions (as if the Interest Accrual Period were the Calculation Period for the purposes of the ISDA Definitions); and
- (c) if “RBA Bond Basis” is specified in the Subordinated Pricing Supplement, one divided by the number of Interest Payment Dates in a year in which the Interest Accrual Period falls (a year being each 12 month period on and from the Issue Date).

Early Redemption Amount means the amount which may be payable in respect of a Subordinated Security which is its Outstanding Principal Amount calculated as at the date of redemption unless otherwise specified as such in (or calculated or determined in accordance with the provisions of) the relevant Subordinated Pricing Supplement.

Encumbrance means any mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement, any other security agreement or security arrangement (including any security interest under the Personal Property Securities Act 2009 (Cth)) and any other arrangement of any kind having the same effect as any of the foregoing other than liens arising by operation of law.

Equal Ranking Securities means any instrument that ranks in a winding up of the Issuer as the most junior claim in the winding up of the Issuer ranking senior to Junior Ranking Securities, and includes:

- (a) if on issue at the commencement of the winding up of the Issuer:
 - (i) the JPY20,000,000,000 Perpetual Subordinated Callable Fixed/Floating Rate Reverse Dual Currency Securities issued by the Issuer in 1999; and
 - (ii) the JPY9,000,000,000 Perpetual Subordinated Instruments issued by the Bank of Western Australia Limited in 1996 and assigned to the Issuer in 2012; and
- (b) any other instruments, present and future, issued after 1 January 2013 as instruments constituting Tier 2 Capital.

Event of Default has the meaning given in Condition 12.1.

Exchange means, the exchange of all, some or a percentage of each Subordinated Security for Ordinary Shares under these Conditions and **Exchanged** has a corresponding meaning.

Exchange Date means the date on which Exchange occurred in accordance with Condition 4.2.

Exchange Number has the meaning given in Condition 5.1.

FATCA means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements entered into or non-US laws enacted in relation to those sections).

Final Broken Amount in relation to a Subordinated Security means the amount specified as the final broken amount for that Subordinated Security in the relevant Subordinated Pricing Supplement.

Final Redemption Amount means the amount which may be payable in relation to a Subordinated Security which is its Outstanding Principal Amount calculated as at the date of redemption unless otherwise specified as such in (or calculated in accordance with the provisions of) the relevant Subordinated Pricing Supplement.

Fixed Rate Interest Accrual Period means an Interest Accrual Period in respect of which Interest accrues at a fixed rate.

Fixed Rate Subordinated Security means a Subordinated Security for the period in which Interest is payable, subject to these Conditions, at a fixed rate.

Floating Rate Interest Accrual Period means an Interest Accrual Period in respect of which Interest accrues at a floating rate.

Floating Rate Subordinated Security means a Subordinated Security for the period in which Interest is payable, subject to these Conditions, at a floating rate.

Foreign Subordinated Holder means:

- (a) a Subordinated Holder whose address in the Register is a place outside Australia; or
- (b) a Subordinated Holder who the Issuer believes may not be a resident of Australia and the Issuer is not satisfied that the laws of the country in which the Issuer believes the Subordinated Holder is resident permit the offer of Ordinary Shares to, or holding or acquisition of Ordinary Shares by, the Subordinated Holder (but the Issuer will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous.

Full Successor has the meaning given in Condition 11.1(a).

Government Body means any country, state or political subdivision or any government or central bank or any governmental, semi-governmental, international, judicial, administrative, municipal, local governmental statutory, fiscal, monetary or supervisory authority, body or entity.

Ineligible Subordinated Holder means a Subordinated Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Financial Sector (Shareholdings) Act 1998 (Cth) and Part IV of the Competition and Consumer Act 2010) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Subordinated Holder in respect of some of its Subordinated Securities, it shall only be treated as an

Ineligible Subordinated Holder in respect of those Subordinated Securities and not in respect of the balance of its Subordinated Securities), and includes a Foreign Subordinated Holder. The Issuer will be entitled to treat a Subordinated Holder as not being an Ineligible Subordinated Holder unless the Subordinated Holder has otherwise notified it after the Issue Date and prior to the Exchange Date.

Information Memorandum means, at any time, the current information memorandum issued in connection with the issue, deposit, sale or purchase of Subordinated Securities, as revised, supplemented or amended from time to time by the Issuer and such documents as are from time to time incorporated into it by reference (but not including any information or documents superseded by any information subsequently included or incorporated).

Initial Broken Amount in relation to a Subordinated Security means the amount specified as the initial broken amount for that Subordinated Security in the relevant Subordinated Pricing Supplement.

Interest means interest payable on Subordinated Securities under these Conditions.

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date during the relevant Interest Period, except that the last Interest Accrual Period ends on (and excludes) the Maturity Date or the date of any earlier redemption of a Subordinated Security in accordance with the Conditions.

Interest Amount means, in relation to a Subordinated Security which bears interest, the amount of interest payable in respect of that Subordinated Security as determined in accordance with Condition 6.

Interest Commencement Date means the Issue Date of a Subordinated Security or such other date as may be specified in the Subordinated Pricing Supplement.

Interest Determination Date means, in relation to Interest Rate and Interest Accrual Period, the date specified in the Subordinated Pricing Supplement or, if none is so specified the first day of such Interest Accrual Period.

Interest Payment Date means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Subordinated Pricing Supplement and adjusted, if not a Business Day, in accordance with the applicable Business Day Convention. If no Interest Payment Dates are specified in the relevant Subordinated Pricing Supplement, **Interest Payment Date** means each date which falls the number of months or other period specified in the relevant Subordinated Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Interest Period means each period commencing on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date, or any other period specified in the Subordinated Pricing Supplement.

Interest Period Date means each Interest Payment Date unless otherwise specified in the Subordinated Pricing Supplement.

Interest Rate has the meaning given in Condition 6.2.

ISDA Definitions means the 2006 ISDA Definitions as at the date of the Subordinated Deed Poll published by the International Swaps and Derivatives Association, Inc.

ISDA Rate in relation to a Floating Rate Subordinated Security for an Interest Accrual Period means a rate equal to the floating rate that would be determined by the Issuer for the Subordinated Security under an interest rate swap transaction if the Issuer were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the “Floating Rate Option” is as specified in the relevant Subordinated Pricing Supplement;
- (b) the “Designated Maturity” is as specified in the relevant Subordinated Pricing Supplement;
- (c) unless otherwise stated in the applicable Subordinated Pricing Supplement, the relevant “Reset Date” is the first day of each Interest Accrual Period; and
- (d) the “Period End Dates” are each Interest Payment Date, the “Spread” is the Margin and the “Floating Rate Date Count Fraction” is the Day Count Fraction.

In this definition, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date”, “Period End Date”, “Spread” and “Floating Rate Day Count Fraction” have the meanings given to those terms in the ISDA Definitions.)

Issue Date means the date of issue of the Subordinated Securities as specified in, or determined in accordance with, the relevant Subordinated Pricing Supplement and as recorded in the Register.

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with Conditions 5.4 to 5.7.

Issue Price means the issue price for Subordinated Securities specified in, calculated in or determined in accordance with, the provisions of the Subordinated Pricing Supplement.

Issuer means Commonwealth Bank of Australia (ABN 48 123 123 124).

Junior Ranking Securities means any instrument, present and future, issued by the Issuer which:

- (a) qualify as Tier 1 Capital (or, in the case of any instrument issued prior to 1 January 2013), was treated as constituting Tier 1 Capital in accordance with the prudential standards which applied prior to 1 January 2013, irrespective of whether or not such instrument is treated as constituting Tier 1 Capital in accordance with any transitional arrangements provided by APRA or which rank or are expressed to rank equally with such securities in a winding up of the Issuer; and
- (b) all ordinary shares of the Issuer.

Level 1 has the meaning given by APRA from time to time.

Level 2 has the meaning given by APRA from time to time.

Margin has the meaning given in Condition 6.2(b).

Maturity Date means the maturity date specified in, or determined in accordance with, the relevant Subordinated Pricing Supplement and adjusted, if not a Business Day, in accordance with the applicable Business Day Convention, provided that such date is on or after the fifth anniversary of the Issue Date.

Maximum Exchange Number has the meaning given in Condition 5.1.

Maximum Interest Rate means the maximum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of, the relevant Subordinated Pricing Supplement.

Meeting Provisions means the provisions for the convening of meetings of, and passing of resolutions by, Subordinated Holders set out in Schedule 2 of the Subordinated Deed Poll.

Minimum Interest Rate means the minimum interest rate (if any) specified in, or calculated or determined in accordance with the provisions of the relevant Subordinated Pricing Supplement.

NOHC means a “non-operating holding company” within the meaning of the Banking Act.

NOHC Event occurs when the Board initiates a restructure of CBA Group and a NOHC becomes the ultimate holding company of the Issuer.

NOHC Ordinary Share means a fully paid ordinary share in the capital of the NOHC.

Non-Viability Trigger Event has the meaning given in Condition 4.1.

Offshore Associate means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 (Cth)) of the Issuer that is either (a) a non-resident of Australia which does not acquire the Subordinated Securities in carrying on a business at or through a permanent establishment in Australia or (b) a resident of Australia that acquires the Subordinated Securities in carrying on business at or through a permanent establishment outside of Australia.

Option Notice Period means the period specified in the relevant Subordinated Pricing Supplement.

Optional Redemption Amount means the amount which may be payable in relation to a Subordinated Security which is its Outstanding Principal Amount calculated as at the date of redemption.

Optional Redemption Date means, for any Subordinated Securities, any Interest Payment Date on or after the fifth anniversary of the Issue Date of the Subordinated Securities or such other date(s) specified in the relevant Subordinated Pricing Supplement, provided that any such date is on or after the fifth anniversary of the Issue Date.

Ordinary Share means a fully paid ordinary share in the capital of the Issuer.

Outstanding Principal Amount means in respect of any Subordinated Security which is outstanding at any time, the outstanding principal amount of the Subordinated Security, and for such purposes:

- (a) the principal amount of a Subordinated Security issued at a discount, par or at a premium is at any time to be equal to its Specified Denomination; and
- (b) if the principal amount of a Subordinated Security has at any time been Exchanged or Written Down as described in, and in accordance with, Conditions 4 and 5 the principal amount of the Subordinated Security will be reduced by the principal amount so Exchanged or Written Down at that time.

Partial Redemption has the meaning given in Condition 7.3(b).

Partial Successor has the meaning given in Condition 11.1(b).

Payment Business Day Convention means the Business Day Convention as set out in the relevant Subordinated Pricing Supplement.

Reclassification has the meaning given in Condition 5.3(a).

Record Date means:

- (a) subject to paragraph (b) below, the date that is eight calendar days prior to the relevant Interest Payment Date, Maturity Date, Redemption Date, or any other date which is subject to a Record Date; or

(b) such other date determined by the Issuer in its absolute discretion and communicated to the Registrar and Subordinated Holders and which is before the Record Date which would have been determined under paragraph (a) above,

or such other date as may be required by, or agreed with, Austraclear (as applicable).

Redemption means the redemption of all or some Subordinated Securities under these Conditions and **Redeem** and **Redeemed** have corresponding meanings.

Redemption Date means, in respect of each Subordinated Security, the date specified by the Issuer as the Redemption Date in accordance with Condition 7.

Reference Banks means the institutions specified as the reference banks in the Subordinated Pricing Supplement or, if none are specified, 4 major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Subordinated Pricing Supplement.

Reference Rate means the rate, if any, specified in the relevant Subordinated Pricing Supplement.

Register means, for a Subordinated Series, the register of Subordinated Holders maintained by the Registrar in accordance with the Registry Services Agreement and the Conditions.

Registrar means, for a Subordinated Series, Austraclear Services Limited (ABN 28 003 284 419) or such other person appointed and notified by the Issuer for a Subordinated Series (including, if the relevant Subordinated Pricing Supplement contemplates this, the Issuer itself).

Registry Office means, in the case of Austraclear Services Limited: Exchange Centre, 20 Bridge Street, Sydney, NSW 2000 or such other place notified by the Issuer or the Registrar.

Registry Services Agreement means, for a Subordinated Series, the ASX Austraclear Registry and IPA Services Agreement between the Issuer, Bank of Western Australia Ltd and the Registrar dated 29 October 2009 as amended, or any replacement agreement between the Issuer and the Registrar that provides for agency services in relation to that Subordinated Series or such other relevant agreement between the Registrar and the Issuer for that Subordinated Series.

Related Body Corporate has the meaning given in the Corporations Act.

Related Entity has the meaning given by APRA from time to time.

Relevant Date means, in respect of any Subordinated Security, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Subordinated Holders that such payment will be made, provided that payment is in fact made.

Relevant Financial Centre means, with respect to any Subordinated Security to be determined in accordance with Screen Rate Determination on an Interest Determination Date, Sydney, or, the financial centre with which the relevant Reference Rate is most closely connected.

Relevant Screen Page means the page, if any, specified in the Subordinated Pricing Supplement.

Relevant Security means a Relevant Tier 1 Security and a Relevant Tier 2 Security.

Relevant Tier 1 Security means a security forming part of the Tier 1 Capital of the Issuer on a Level 1 basis or Level 2 basis.

Relevant Tier 2 Security means a security forming part of the Tier 2 Capital of the Issuer on a Level 1 basis or Level 2 basis.

Relevant Time means, with respect to any Interest Determination Date, the relevant time specified in the Subordinated Pricing Supplement.

Repurchase has the meaning given in Condition 7.5.

Reserve Bank Act means the Reserve Bank Act 1959 (Cth).

Senior Ranking Obligations means all present and future deposits and other liabilities, securities and other obligations of the Issuer which would be entitled to be admitted in the winding up of the Issuer (and including but not limited to obligations in respect of instruments issued before 1 January 2013 as Tier 2 Capital) other than Equal Ranking Securities and Junior Ranking Securities.

Solvent has the meaning given in the Corporations Act.

Special Resolution means:

- (a) a resolution passed at a meeting of Subordinated Holders duly called and held under the Meeting Provisions:
 - (i) by at least 75% of Subordinated Holders voting on a show of hands (unless paragraph (b) below applies); or
 - (ii) if a poll is duly demanded, by at least 75% of the votes cast; or
- (b) a resolution passed by postal ballot or written resolution by Subordinated Holders of at least 75% of the aggregate Outstanding Principal Amount of Subordinated Securities.

Specified Denomination means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

Subordinated Deed Poll means the deed poll in relation to the Subordinated Securities executed by the Issuer on or about 28 October 2014.

Subordinated Holder means a person whose name is for the time being recorded in the Register as the owner of a Subordinated Security (except where otherwise specified in the relevant Subordinated Deed Poll).

Subordinated Pricing Supplement means, for a tranche of Subordinated Securities each issued on Conditions that are identical in all respects (including as to quotation), the pricing supplement document prepared in relation to that tranche of Subordinated Securities.

Subordinated Security means a security issued in accordance with, and subject to, these Conditions.

Subordinated Series means a tranche of Subordinated Securities together with any further tranche or tranches of Subordinated Securities which are:

- (a) expressed to be consolidated and form a single Subordinated Series; and
- (b) identical in all respects (including as to quotation) except for the respective Issue Dates, Interest Commencement Dates, Issues Prices or amount of the first payment of Interest.

Subsidiary has the meaning given in the Corporations Act.

Substitution Conditions has the meaning given in Condition 11.2.

Successor has the meaning given in Condition 11.

Successor Subordinated Deed Poll means a deed poll entered into by a Successor for the benefit of Subordinated Holders.

Taxes has the meaning given in Condition 10.1.

Tier 1 Capital means the Tier 1 Capital of the Issuer on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time.

Tier 2 Capital means the Tier 2 Capital of the Issuer on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time.

VWAP means the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant VWAP Period, subject to any adjustments made under Conditions 5.2 and 5.3, but the trades taken into account in determining such daily volume weighted average prices will exclude special crossings, crossings prior to the commencement of normal trading or during the closing phase or after hours adjustment phase, overnight crossings, overseas trades, trades pursuant to the exercise of options over Ordinary Shares, or any other trade determined by the Board in its discretion not to be reflective of normal trading in Ordinary Shares.

VWAP Period means:

- (a) in the case of the calculation of the Exchange Number, the period of 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; or
- (b) in the case of the Issue Date VWAP, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but excluding the Issue Date.

Write Down has the meaning given in Condition 4.3 and **Written Down** have corresponding meanings.

Write Down Date means the date on which all or a percentage of the Outstanding Principal Amount is Written Down. For the avoidance of doubt, if the Outstanding Principal Amount has not been fully Written Down, the Subordinated Security continues to have an Outstanding Principal Amount and Interest continues to be payable on the remaining Outstanding Principal Amount.

1.2 Interpretation

In these Conditions, unless the contrary intention appears:

- (a) a reference to:
 - (i) these Conditions is a reference to these Conditions as supplemented, modified or altered by the relevant Subordinated Pricing Supplement. If there is any inconsistency between these Conditions and a Subordinated Pricing Supplement, that Subordinated Pricing Supplement prevails in relation to the Subordinated Securities issued under that Subordinated Pricing Supplement;
 - (ii) an agreement or instrument includes any variation, supplement, replacement or novation of that agreement or instrument;
 - (iii) a statute, ordinance, code, or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iv) a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;

- (v) any thing is a reference to the whole and each part of it;
 - (vi) one gender includes every other gender;
 - (vii) a document includes all schedules or annexes to it;
 - (viii) a Condition or paragraph is to a Condition or paragraph of these Terms;
- (b) the singular includes the plural and vice versa;
 - (c) the word “person” includes a firm, body corporate, an unincorporated association, an authority or a Government Body;
 - (d) the word “law” includes common law, principles of equity and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
 - (e) the word “outstanding” means, in relation to the Subordinated Securities of any Subordinated Series, all Subordinated Securities issued for that Subordinated Series other than:
 - (i) those that have been Redeemed, Exchanged or Written Down in full in accordance with these Conditions; and
 - (ii) those that have become void or in respect of which claims have become prescribed;
 - (f) unless otherwise specified to the contrary, any reference to a time is to Sydney time;
 - (g) headings are inserted for convenience and do not affect the interpretation of these Conditions;
 - (h) another grammatical form of a defined word or expression has a corresponding meaning;
 - (i) if an event under these Conditions must occur on a stipulated day which is not a Business Day, then, for an event other than a Non-Viability Trigger Event, an Exchange or a Write Down (and any action required in connection with such event), the stipulated day will be taken to be the next Business Day;
 - (j) the meaning of general words is not limited by specific examples introduced by “including”, “for example” or similar expressions;
 - (k) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
 - (l) any provisions which refer to APRA requirements of or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an entity (including a NOHC) subject to regulation and supervision by APRA at the relevant time;
 - (m) any provisions which require APRA’s consent or approval (written or otherwise) will apply only if APRA requires that such consent or approval be given at the relevant time;
 - (n) any provision in these Conditions requiring prior APRA approval for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as at the Issue Date;

- (o) a reference to a term defined by the ASX Listing Rules or the ASX Settlement Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term; and
- (p) if the principal securities exchange on which Ordinary Shares are quoted becomes other than ASX, unless the context otherwise requires a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules and the ASX Settlement Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

1.3 Subordinated Pricing Supplement

Conditions which are specified in any Subordinated Pricing Supplement as having a defined meaning in relation to a Subordinated Security have the same meaning when used in these Subordinated Conditions, but if the Subordinated Pricing Supplement gives no meaning or specifies that the definition is “Not Applicable”, then that definition is not applicable to that Subordinated Security.

2 Form, denomination and title

2.1 Form

- (a) The Subordinated Securities are subordinated, unsecured debt obligations of the Issuer constituted by the Subordinated Deed Poll and issued in registered form by entry in the Register for that Subordinated Series.
- (b) No certificates or other evidence of title to a Subordinated Security will be issued unless the Issuer is required to do so by any applicable law or regulation.

2.2 Denomination

- (a) Each Subordinated Security is issued fully paid in the Specified Denomination specified in the Subordinated Pricing Supplement for those Subordinated Securities.
- (b) Subordinated Securities may only be issued in Australia if:
 - (i) either:
 - (A) the aggregate consideration payable to the Issuer by the initial Subordinated Holder is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates); or
 - (B) the Subordinated Securities are otherwise issued in a manner which does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
 - (ii) the issue is not to a retail client (as defined in section 761G of the Corporations Act); and
 - (iii) no document is required to be lodged under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.
- (c) Subordinated Securities may only be issued by the Issuer in a jurisdiction or jurisdictions other than Australia if the issue is in compliance with the laws and directives of the jurisdiction in which the issue or sale is made and the Subordinated Securities are otherwise issued or sold in a manner that does not require disclosure to investors under the laws or directives of that jurisdiction or those jurisdictions.

- (d) Subordinated Securities are denominated in Australian dollars unless otherwise agreed with the Registrar, such currency to be specified in the relevant Subordinated Pricing Supplement as the Specified Denomination.

2.3 Title

- (a) Each entry in the Register of a person as a Subordinated Holder constitutes:
 - (i) conclusive evidence of that person's:
 - (A) absolute ownership of that Subordinated Security; and
 - (B) entitlement to the other benefits given to Subordinated Holders under these Conditions and the Subordinated Deed Poll in respect of Subordinated Securities; and
 - (ii) an undertaking by the Issuer to pay Interest and any other amount in accordance with these Conditions,

subject to correction of the Register for fraud or error.
- (b) Where two or more persons are entered in the Register as joint Subordinated Holders, they are taken to hold that Subordinated Security as joint tenants with rights of survivorship and subject to the terms of the Subordinated Deed Poll but the Registrar is not bound to register more than three persons as joint Subordinated Holders of any Subordinated Security.
- (c) Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as a Subordinated Holder as the absolute owner of that Subordinated Security. This Condition applies despite any notice of ownership, trust or interest in that Subordinated Security.

2.4 Independent obligations

Each entry in the Register for a Subordinated Series evidences a separate and independent obligation which the Issuer owes to the relevant Subordinated Holder, which that Subordinated Holder may enforce without joining any other Subordinated Holder, any previous Subordinated Holder or the Registrar.

2.5 Location of Register

The Register for a Subordinated Series will be established and maintained by the Registrar at its Registry Office in Sydney unless otherwise specified in the relevant Subordinated Pricing Supplement.

2.6 Austraclear and other Clearing Systems

- (a) If Subordinated Securities are to be issued through the Austraclear System, the Subordinated Securities will be held by and entered in the name of Austraclear as nominee for the Austraclear Participant (as defined in the Austraclear Regulations) in whose Security Record (as defined in the Austraclear Regulations) those securities are registered. While those Subordinated Securities remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Subordinated Securities within the Austraclear System will be governed by the Austraclear Regulations and need not comply with these Conditions to the extent of any inconsistency.
- (b) Subordinated Securities may be held in any other Clearing System, in which case the rights of a person holding an interest in the Subordinated Securities lodged in that Clearing System are subject to the rules and regulations of that Clearing System.

- (c) Nothing in Conditions 2.6(a) or 2.6(b) affects any provision of these Conditions which relate to the eligibility of Subordinated Securities as Tier 2 Capital.

2.7 Acknowledgment

While Austraclear Services Limited is the Registrar for a Subordinated Series and where Austraclear is recorded in the Register as the Subordinated Holder and the Subordinated Security is lodged in the Austraclear System:

- (a) each Owner (as defined in the Austraclear Regulations) of that Subordinated Security is taken to acknowledge in favour of the Registrar and Austraclear that the Registrar's decision to act as the Registrar of the Subordinated Security does not constitute a recommendation or endorsement by the Registrar or Austraclear of the Subordinated Security, but only indicates that the Registrar considers that the Subordinated Security is compatible with its obligations as Registrar under the Registry Services Agreement;
- (b) an obligation imposed on a Subordinated Holder by these Conditions is a personal obligation on the Owner of that Subordinated Security even though it is not the registered holder of that Subordinated Security; and
- (c) an obligation imposed on Austraclear by these Conditions in its capacity as the registered Subordinated Holder of that Subordinated Security is limited to the extent that it is able to procure in accordance with the Austraclear Regulations, that the Owner of that Subordinated Security complies with that obligation.

2.8 No set-off

To the maximum extent permitted by applicable law, none of the Issuer, any Subordinated Holder or any person claiming through any of them has any right of set-off in respect of any amounts owed by one person to the other person arising under or in connection with the Subordinated Securities.

3 Status and ranking

- (a) Subordinated Securities are direct and subordinated obligations of the Issuer.
- (b) Claims in respect of Subordinated Securities shall rank in a winding up of the Issuer:
 - (i) after the claims in respect of Senior Ranking Obligations including claims preferred by applicable laws;
 - (ii) equally among themselves and with claims in respect of Equal Ranking Securities; and
 - (iii) ahead of all claims in respect of Junior Ranking Securities including claims referred to in sections 563AA and 563A of the Corporations Act.

The applicable laws referred to above include (but are not limited to) sections 13A and 16 of the Banking Act and section 86 of the Reserve Bank Act. These provisions provide that, in the event that the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, APRA, the Reserve Bank of Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Subordinated Securities.

Changes to applicable laws may extend the debts required to be preferred by law. The Subordinated Securities are not protected accounts or deposit liabilities of the Issuer for the purposes of the Banking Act.

- (c) In a winding up of the Issuer, payments on each Subordinated Security are subject to:

- (i) all holders of Senior Ranking Obligations being paid in full before any payment is made to Subordinated Holders; and
 - (ii) Subordinated Holders and holders of Equal Ranking Securities being paid on a pro-rata basis.
- (d) Each Subordinated Holder irrevocably acknowledges and agrees that:
- (i) this Condition 3 is a debt subordination for the purposes of section 563C of the Corporations Act;
 - (ii) the debt subordination is not affected by any act or omission of the Issuer, or of any holder of Senior Ranking Obligations, which might otherwise affect Subordinated Holders at law or in equity;
 - (iii) a Subordinated Holder must not exercise its voting rights as an unsecured creditor in the winding up or administration of the Issuer in respect of the Subordinated Securities to defeat the subordination in this Condition 3; and
 - (iv) a Subordinated Holder must pay or deliver to the liquidator any amount or asset received on account of its claim in the winding up in excess of its entitlement under this Condition 3.
- (e) For the avoidance of doubt, but subject to Condition 4.3, if a Non-Viability Trigger Event has occurred, Subordinated Holders will rank in a winding up of the Issuer as holders of the number of Ordinary Shares to which they became entitled under Condition 4.1.

4 Automatic Exchange or Write Down upon the occurrence of a Non-Viability Trigger Event

4.1 Non-Viability Trigger Event

- (a) A Non-Viability Trigger Event occurs when APRA notifies the Issuer in writing that it believes:
- (i) an Exchange or, if the Subordinated Pricing Supplement specifies, Write Down of all or some Subordinated Securities, or conversion or write down of capital instruments of the CBA Group, is necessary because, without it, the Issuer would become non-viable; or
 - (ii) a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable.

APRA may specify an aggregate face value of capital instruments which must be Exchanged, Written Down, converted or written down (as applicable).

- (b) If a Non-Viability Trigger Event occurs, the Issuer must:
- (i) Exchange in accordance with Conditions 4.2 and 4.3; or
 - (ii) if the Subordinated Pricing Supplement specifies Write Down, Write Down in accordance with Condition 4.3,

such number of Subordinated Securities (or, if it so determines, such percentage of the Outstanding Principal Amount of each Subordinated Security) as is equal (taking into account any conversion or write down of other Relevant Securities as referred to in Condition 4.1(c)) to the aggregate face value of capital instruments which APRA has notified the Issuer must be Exchanged, Written Down converted or written down (or, if APRA has not so notified the Issuer, such number or, if the Issuer so determines, such percentage of the Outstanding Principal Amount of each

Subordinated Security, as is necessary to satisfy APRA that the Issuer will no longer be non-viable). If a Non-Viability Trigger Event occurs under Condition 4.1(a)(ii), the Issuer must Exchange or, if the Subordinated Pricing Supplement specifies, Write Down all Subordinated Securities.

- (c) In determining the number of Subordinated Securities, or percentage of the Outstanding Principal Amount of each Subordinated Security, which must be Exchanged, or Written Down without Exchange, in accordance with this Condition, the Issuer will:
- (i) first, exchange, convert or write down the face value of any Relevant Tier 1 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange or Write Down of the Subordinated Securities;
 - (ii) secondly, exchange, convert or write down the face value of any Relevant Tier 2 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down before Exchange or Write Down of the Subordinated Securities; and
 - (iii) thirdly, if exchange, conversion or write down of those securities is not sufficient, Exchange or Write Down (in the case of the Subordinated Securities) or exchange, convert or write down (in the case of any other Relevant Tier 2 Securities) on a pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable, the Subordinated Securities and any other Relevant Tier 2 Securities whose terms require or permit, or are taken by law to require or permit, them to be exchanged, converted or written down in that manner (subject to such adjustments as the Issuer may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any Subordinated Securities or other Relevant Tier 2 Securities remaining on issue),

but such determination will not impede the immediate Exchange or Write Down of the relevant number of Subordinated Securities or percentage of the Outstanding Principal Amount of each Subordinated Security (as the case may be).

- (d) If a Non-Viability Trigger Event occurs and the Subordinated Pricing Supplement does not specify Write Down, then:
- (i) the relevant number of Subordinated Securities, or percentage of the Outstanding Principal Amount of each Subordinated Security, must be Exchanged immediately upon occurrence of the Non-Viability Trigger Event in accordance with Conditions 4.3 and 5 and the Exchange will be irrevocable;
 - (ii) the Issuer must give notice as soon as practicable that Exchange has occurred to the Registrar and the Subordinated Holders;
 - (iii) the notice must specify the date on which the Non-Viability Trigger Event occurred; and
 - (iv) the notice must specify the details of the Exchange process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any Subordinated Securities remaining on issue.
- (e) If a Non-Viability Trigger Event occurs and the Subordinated Pricing Supplement specifies Write Down, then:
- (i) the relevant number of Subordinated Securities, or percentage of the Outstanding Principal Amount of each Subordinated Security, must be

Written Down immediately upon occurrence of the Non-Viability Trigger Event in accordance with Condition 4.3 and the Write Down will be irrevocable;

- (ii) the Issuer must give notice as soon as practicable that Write Down has occurred to the Registrar and the Subordinated Holders; and
 - (iii) the notice must specify the date on which the Non-Viability Trigger Event occurred.
- (f) Failure to undertake any of the steps in Conditions 4.1(d) and 4.1(e) does not prevent, invalidate or otherwise impede Exchange or Write Down respectively.
- (g) For the purposes of the foregoing, where the specified currency of the face value of Relevant Tier 1 Securities, Relevant Tier 2 Securities and/or Subordinated Securities (as applicable) is not the same, the Issuer may treat them as if converted into a single currency of the Issuer's choice at such rate of exchange as the Issuer in good faith considers reasonable.

4.2 Exchange

- (a) If a Non-Viability Trigger Event has occurred and all or some of the Subordinated Securities (or percentage of the Outstanding Principal Amount of each Subordinated Security) are required to be Exchanged in accordance with Condition 4.1, then:
- (i) Exchange of the relevant Subordinated Securities or percentage of the Outstanding Principal Amount of each Subordinated Security will occur in accordance with Conditions 4.1 and 5 immediately upon the date of occurrence of the Non-Viability Trigger Event; and
 - (ii) the entry of the corresponding Subordinated Security in each relevant Subordinated Holder's holding in the Register will constitute an entitlement of that Subordinated Holder (or, where Condition 5.10 applies, of the nominee) to the relevant number of Ordinary Shares (and, if applicable, also to any remaining balance of the Subordinated Securities or remaining percentage of the Outstanding Principal Amount of each Subordinated Security), and the Issuer will recognise the Subordinated Holder (or, where Condition 5.10 applies, the nominee) as having been issued the relevant Ordinary Shares for all purposes,

in each case without the need for any further act or step by the Issuer, the Subordinated Holder or any other person (and the Issuer will, as soon as possible thereafter and without delay on the part of the Issuer, take any appropriate procedural steps to record such Exchange, including updating the Register and the Ordinary Share register and seek quotation of Ordinary Shares issued on Exchange).

- (b) For the avoidance of doubt:
- (i) nothing in this Condition 4.2 allows a payment to be made to a Subordinated Holder upon Exchange; and
 - (ii) Exchange under this Condition 4.2 takes priority over a notice for Redemption issued under Conditions 7.2, 7.3 or 7.4.

4.3 No further rights if Exchange cannot occur or Write Down is specified

If:

- (a) for any reason, Exchange of any Subordinated Security (or a percentage of the Outstanding Principal Amount of any Subordinated Security) required to be

Exchanged under Condition 4.1 fails to take effect under Condition 4.2 and the Issuer is not otherwise able to issue the Ordinary Shares required to be issued in respect of such Exchange within five Business Days after the date of the occurrence of the Non-Viability Trigger Event; or

- (b) the Subordinated Pricing Supplement specifies Write Down,

then the relevant Subordinated Holder's rights (including to payment of the Outstanding Principal Amount and Interest) in relation to such Subordinated Securities or percentage of the Outstanding Principal Amount of the Subordinated Securities are immediately and irrevocably terminated (**Written Down**).

5 General provisions applicable to Exchange

5.1 Exchange

On the Exchange Date, subject to Condition 4.3 and Condition 5.10, the following will apply:

- (a) The Issuer will allot and issue the Exchange Number of Ordinary Shares for each Subordinated Security (or percentage of the Outstanding Principal Amount of each Subordinated Security) required to be Exchanged. The Exchange Number is, subject always to the Exchange Number being no greater than the Maximum Exchange Number, calculated according to the following formula:

$$\text{Exchange Number} = \frac{\text{Outstanding Principal Amount}}{P \times \text{VWAP}}$$

where:

P means the number specified in the Subordinated Pricing Supplement.

VWAP (expressed in Australian dollars and cents) means the VWAP during the relevant VWAP Period.

Maximum Exchange Number means a number calculated according to the following formula:

$$\text{Maximum Exchange Number} = \frac{\text{Outstanding Principal Amount}}{0.20 \times \text{Issue Date VWAP}}$$

- (b) Each Subordinated Holder's rights (including to payment of Interest) in relation to each Subordinated Security that is being Exchanged (or percentage of the Outstanding Principal Amount of each Subordinated Security that is being Exchanged) will be immediately and irrevocably terminated for an amount equal to the Outstanding Principal Amount of each Subordinated Security (or percentage of the Outstanding Principal Amount of each Subordinated Security) and the Issuer will apply that amount by way of payment for the subscription for the Ordinary Shares to be allotted and issued under Condition 5.1(a). Each Subordinated Holder is taken to have irrevocably directed that any amount payable under this Condition 5.1 is to be applied as provided for in this Condition 5.1 and no Subordinated Holder has any right to payment in any other way.
- (c) If the total number of additional Ordinary Shares to be allotted and issued in respect of a Subordinated Holder's aggregate holding of Subordinated Securities includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.

- (d) Subject to Condition 5.10, where Subordinated Securities are Exchanged, the Issuer will allot and issue the Ordinary Shares to the Subordinated Holder on the basis that a Subordinated Holder's name and address set out in the Register (or, if not set out in the Register, otherwise held by the Registrar) are the name and address for entry into any register of title and delivery of any certificate or holding statement in respect of any Ordinary Shares issued on Exchange.

5.2 Adjustments to VWAP generally

For the purposes of calculating the VWAP under Condition 5.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Subordinated Securities will be Exchanged for Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
- (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution;
 - (ii) in the case of any other entitlement that is not a dividend or other distribution under Condition 5.2(a)(i) which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the relevant VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
 - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Board; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Subordinated Securities will be Exchanged for Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

5.3 Adjustments to VWAP for capital reconstruction

- (a) Where, during the relevant VWAP Period, there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (not involving any payment or other compensation to or by holders of Ordinary Shares) (**Reclassification**) into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by the following formula:

$$\frac{A}{B}$$

Where:

A means the aggregate number of Ordinary Shares immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by the Issuer in accordance with Condition 5.3(a) will be effective and binding on Subordinated Holders under these Conditions and these Conditions will be construed accordingly.
- (c) For the avoidance of doubt, nothing in this Condition 5.3 allows a cash payment or other distribution to be made to or by a Subordinated Holder as part of a Reclassification or as a result of a Reclassification.

5.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under Condition 5.1, adjustments will be made in accordance with Condition 5.2 and Condition 5.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Issuer in accordance with Conditions 5.5 to 5.7 (inclusive);
- (b) if so made, will correspondingly cause an adjustment to the Maximum Exchange Number; and
- (c) if so made, will be effective and binding on Subordinated Holders under these Conditions and these Conditions will be construed accordingly.

5.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to Conditions 5.5(b) and 5.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times RD / (RD + RN)$$

Where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V_o means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) For the avoidance of doubt, Condition 5.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this Condition, an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia (or to whom an offer is otherwise subject to foreign securities laws), provided that in so doing the Issuer is not in contravention of the ASX Listing Rules.

5.6 Adjustments to Issue Date VWAP for capital reconstruction

If, at any time after the Issue Date, there is a change to the number of Ordinary Shares on issue because of a Reclassification into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

A
B

where:

A means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

5.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of Conditions 5.5 and 5.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

5.8 Announcement of adjustments to Issue Date VWAP

The Issuer will notify any adjustment to the Issue Date VWAP under Conditions 5.4 to 5.6 (inclusive) to the Registrar and the Subordinated Holders within 10 Business Days of the Issuer determining the adjustment and the adjustment will be final and binding.

5.9 Status and quotation of Ordinary Shares

- (a) Ordinary Shares issued or arising from Exchange will rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Exchange do not take effect until 5:00pm (Sydney time) on the Exchange Date (or such other time required by APRA).
- (b) The Issuer will use all reasonable endeavours to quote the Ordinary Shares issued on Exchange of the Subordinated Securities on ASX.

5.10 Exchange where the Subordinated Holder does not wish to receive Ordinary Shares or is an Ineligible Subordinated Holder

- (a) If Subordinated Securities (or a percentage of the Outstanding Principal Amount of each Subordinated Security) of a Subordinated Holder are required to be Exchanged and:
 - (i) the Subordinated Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Exchange, which notice may be given at any time on or after the Issue Date and prior to the Exchange Date;
 - (ii) the Subordinated Holder is an Ineligible Subordinated Holder; or
 - (iii) the Issuer has not received (for any reason whether or not due to the fault of that Subordinated Holder) any information required by it in accordance with the Conditions so as to impede the Issuer issuing the Ordinary Shares to a Subordinated Holder on the Exchange Date,

then, on the Exchange Date, the Subordinated Holder's rights (including to payment of Interest) in relation to such Subordinated Securities being Exchanged are immediately and irrevocably terminated and the Issuer will issue the Exchange Number of Ordinary Shares to a nominee (which nominee may not be the Issuer or a Related Entity of the Issuer) for no additional consideration on terms that, at the first opportunity to sell the Ordinary Shares, the nominee will arrange for their sale at market value and pay the Attributable Proceeds to the relevant Subordinated Holder (unless, because the Subordinated Holder is an Ineligible Subordinated Holder, the nominee is deemed to be an Ineligible Subordinated Holder, in which case such

issue shall occur as soon as practicable after the nominee ceases to be an Ineligible Subordinated Holder).

- (b) If Subordinated Securities (or a percentage of the Outstanding Principal Amount of each Subordinated Security) of a Subordinated Holder are required to be Exchanged and the Subordinated Holder is the operator of a Clearing System or a nominee for a common depository for any one or more Clearing Systems (such operator or nominee for a common depository acting in such capacity as is specified in the rules and regulations of the relevant Clearing System or Clearing Systems) and the rules and regulations of that Clearing System do not permit the Clearing System or its nominee to hold Ordinary Shares, then, on the Exchange Date, the Subordinated Holder's rights (including to payment of Interest) in relation to such Subordinated Securities being Exchanged are immediately and irrevocably terminated and the Issuer will issue the Exchange Number of Ordinary Shares to a nominee (which nominee may not be the Issuer or a Related Entity of the Issuer) for no additional consideration on terms that they are dealt with in accordance with Conditions 5.10(c) and 5.10(d) (unless, because the Clearing System or its nominee is an Ineligible Subordinated Holder, the nominee is deemed to be an Ineligible Subordinated Holder, in which case such issue shall occur as soon as practicable after the nominee ceases to be an Ineligible Subordinated Holder).
- (c) Where Ordinary Shares are issued to one or more nominees in accordance with Condition 5.10(b), a participant in, or member of, the relevant Clearing System or Clearing Systems who held the corresponding Subordinated Securities immediately prior to Exchange (**Clearing System Participant**) may, no later than the date specified in the Subordinated Pricing Supplement (**Clearing System Cut-off Date**), provide to the Issuer and the relevant nominee:
- (i) its name and address for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Exchange;
 - (ii) the Subordinated Holder's security account details in CHESSE or such other account to which the Ordinary Shares issued on Exchange are to be credited; and
 - (iii) such other information as is reasonably requested by the Issuer,

and, if it does so, the nominee will transfer the relevant Ordinary Shares to the Clearing System Participant as soon as possible thereafter.

- (d) If a Clearing System Participant:
- (i) fails to provide the information required by Condition 5.10(c) by the Clearing System Cut-off Date;
 - (ii) notifies the Issuer that it does not wish to receive Ordinary Shares on or prior to the Clearing System Cut-off Date; or
 - (iii) would be an Ineligible Subordinated Holder if the Clearing System Participant's name had been entered in a Register as the owner of the Subordinated Securities immediately prior to Exchange,

then, with effect from the Clearing System Cut-off Date, the Clearing System Participant will cease to be entitled to receive the relevant Ordinary Shares and, at the first opportunity to sell the Ordinary Shares after the Clearing System Cut-off Date, the relevant nominee will arrange for their sale at market value and pay the Attributable Proceeds to the Clearing System Participant.

- (e) Where a nominee is to be issued with Ordinary Shares under this Condition 5.10, on and from the date of issue of those Ordinary Shares, the relevant Subordinated Securities (or percentage of the Outstanding Principal Amount of each Subordinated Security) are taken to have been Exchanged and the only rights of the Subordinated Holders or the Clearing System Participant (as the case may be) in respect of such Subordinated Securities (or percentage of the Outstanding Principal Amount of each Subordinated Security) are:
 - (i) where Conditions 5.10(a) or 5.10(d) applies, to require the nominee to pay it the Attributable Proceeds or
 - (ii) where Condition 5.10(c) applies and the Clearing System Participant complies with the conditions of that Condition, to require the nominee to effect a transfer of those Ordinary Shares to the Clearing System Participant.
- (f) If, where Condition 5.10 applies:
 - (i) the Exchange fails to take effect; and
 - (ii) the Issuer is not otherwise able to issue Ordinary Shares to the relevant nominee within five Business Days,

then the Subordinated Holders' rights will be immediately and irrevocably terminated in accordance with Condition 4.3.

5.11 Exchange of a percentage of Outstanding Principal Amount

If, under these Conditions, it is necessary to Exchange a percentage of the Outstanding Principal Amount, this Condition 5 will apply to the Exchange as if references to the Outstanding Principal Amount were references to the relevant percentage of the Outstanding Principal Amount to be Exchanged.

5.12 Subordinated Holder Acknowledgments

Each Subordinated Holder irrevocably:

- (a) consents to becoming a member of the Issuer upon Exchange of the Subordinated Securities as required by these Conditions and agrees to be bound by the constitution of the Issuer, in each case in respect of the Ordinary Shares issued to such Subordinated Holder on Exchange;
- (b) unless (x) it has given notice in accordance with Condition 5.10 that it does not wish to receive Ordinary Shares as a result of the Exchange or (y) it is an Ineligible Subordinated Holder, acknowledges and agrees that it is obliged to accept Ordinary Shares if it holds Subordinated Securities that are required to be Exchanged as and when required by these Conditions notwithstanding anything that might otherwise affect Exchange including:
 - (i) any change in the financial position of the Issuer since the issue of such Subordinated Securities;
 - (ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally;
 - (iii) any breach by the Issuer of any obligation in connection with the Subordinated Securities; or
 - (iv) any failure to or delay in exchange, conversion or write down of other Relevant Securities; and

- (c) acknowledges and agrees that:
 - (i) it will not have any rights to vote in respect of any Exchange or Write Down;
 - (ii) it has no claim against the Issuer for any loss it may suffer arising in connection with any Exchange or Write Down;
 - (iii) it has no rights to compensation from, or any other remedies against, the Issuer or any other member of the CBA Group on account of the failure of the Issuer to issue Ordinary Shares if the Issuer is for any reason prevented from doing so;
 - (iv) Exchange is not subject to any conditions other than those expressly provided for in Conditions 4 and 5; and
 - (v) it has no right to request Exchange or to determine whether (or in what circumstances) the Subordinated Securities it holds are Exchanged.
-

6 Interest and other calculations

6.1 Interest

- (a) Subject to this Condition 6 and Conditions 4 and 5, each Fixed Rate Subordinated Security and each Floating Rate Subordinated Security bears interest (**Interest**) on its Outstanding Principal Amount during each Interest Period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date or Redemption Date, at the Interest Rate.
- (b) Interest is payable in arrears on each Interest Payment Date.
- (c) No Interest accrues on Subordinated Securities required to be Exchanged in the period from (and including) the Interest Payment Date that immediately precedes the Exchange Date or Write Down Date to the Exchange Date or Write Down Date (as applicable).
- (d) The first payment of Interest on a Subordinated Security will be made on the first Interest Payment Date following its Interest Commencement Date and, if the first Interest Period is shorter than subsequent Interest Periods, will be equal to the Initial Broken Amount as specified in the relevant Subordinated Pricing Supplement.
- (e) If the Maturity Date or Redemption Date of a Subordinated Security is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date or Redemption Date (as applicable) will be payable on the Maturity Date or Redemption Date (as applicable) and will be equal to the Final Broken Amount specified in the relevant Subordinated Pricing Supplement.
- (f) The Subordinated Pricing Supplement for a Subordinated Security shall specify, for each Interest Accrual Period in relation to a Subordinated Security, whether that Interest Accrual Period is a Fixed Rate Interest Accrual Period or a Floating Rate Interest Accrual Period.

6.2 Interest Rate determination

The Interest Rate (expressed as a percentage per annum) for a:

- (a) Fixed Rate Subordinated Security for a Fixed Rate Interest Accrual Period will be at the fixed rate specified for that Fixed Rate Interest Accrual Period in the relevant Subordinated Pricing Supplement; and
- (b) Floating Rate Subordinated Security for each Floating Rate Interest Accrual Period will be at the floating rate for that Floating Rate Interest Accrual Period calculated on one of the following bases (as specified in the relevant Subordinated Pricing Supplement) (**Base Rate**), plus or minus the amount (expressed as a percentage per annum) specified in that Subordinated Pricing Supplement (**Margin**). If:
 - (i) ISDA Determination is specified in the relevant Subordinated Pricing Supplement as the manner in which the Base Rate is to be determined, the Base Rate for each Interest Accrual Period in relation to that Subordinated Security will be the relevant ISDA Rate; or
 - (ii) Screen Rate Determination is specified in the relevant Subordinated Pricing Supplement as the manner in which the Base Rate is to be determined, the Base Rate for each Interest Accrual Period in relation to that Subordinated Security will be either (as applicable):
 - (A) the offered quotation; or
 - (B) if there is more than one offered quotation, the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date; and

- (C) if paragraph 6.2(b)(ii)(A) above applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if paragraph 6.2(b)(ii)(B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Base Rate for that Interest Accrual Period will be the arithmetic mean of the offered quotations (expressed as a percentage) that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and
- (D) if paragraph 6.2(b)(ii)(C) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Base Rate for that Interest Accrual Period will be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Reference Rate) that at least two out of five leading banks selected by the Calculation Agent (after consultation with the Issuer) in the Relevant Financial Centre, are quoting at or about the Relevant Time for a period equivalent to the relative Interest Accrual Period to leading banks carrying on business in the Relevant Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Base Rate for that Interest Accrual Period will be the Base Rate determined on the previous Interest Determination Date (with adjustment for any Maximum or Minimum Interest Rate

applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

6.3 Maximum/Minimum Interest Rates

- (a) If the Subordinated Pricing Supplement for a Floating Rate Subordinated Security specifies a Minimum Interest Rate for any Interest Period and if the Interest Rate in respect of the Interest Period, determined in accordance with the other provisions of Condition 6.2 or the Subordinated Pricing Supplement, is less than the Minimum Interest Rate, then the Interest Rate for such Interest Period will be the Minimum Interest Rate.
- (b) If the Subordinated Pricing Supplement for a Floating Rate Subordinated Security specifies a Maximum Interest Rate for any Interest Period and if the Interest Rate in respect of the Interest Period, determined in accordance with the other provisions of Condition 6.2 or the Subordinated Pricing Supplement, is greater than the Maximum Interest Rate, the Interest Rate for the Interest Period will be the Maximum Interest Rate.

6.4 Fallback Interest Rate

Unless otherwise specified in the relevant Subordinated Pricing Supplement, if the Calculation Agent is unable to determine the Interest Rate for a Floating Rate Interest Accrual Period in relation to a Floating Rate Subordinated Security, the Interest Rate for that Interest Accrual Period will be the Interest Rate for the immediately preceding Interest Accrual Period for that Subordinated Security (with adjustment for any applicable Maximum Interest Rate or Minimum Interest Rate).

6.5 Calculation of Interest

- (a) Where an Interest Amount (or a formula for its calculation) is specified in the relevant Subordinated Pricing Supplement for any Interest Accrual Period, the amount of interest payable in respect of that Subordinated Security for that period will equal that Interest Amount (or be calculated in accordance with that relevant formula).
- (b) Where an Interest Amount for an Interest Accrual Period (or a formula for its calculation) is not specified in the applicable Subordinated Pricing Supplement, the amount of Interest payable on each Subordinated Security for any Interest Accrual Period is calculated by the Calculation Agent according to the following formula:

$$\text{Interest Amount} = \frac{\text{Interest Rate} \times \text{Outstanding Principal}}{\text{Amount} \times \text{Day Count Fraction}}$$

Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of that Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

6.6 Rounding

For the purposes of any calculations required under these Conditions:

- (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures will be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable will be rounded to the nearest one Australian cent (with one half of an Australian cent being rounded up to one Australian cent).

6.7 Accrual of Interest

Subject to Conditions 4.3 and 5.10, if any Interest which is due and payable is not paid for any reason, then such unpaid Interest earns interest at the Interest Rate, which accrues daily at the Interest Rate until paid. Such accrued interest is payable on the first to occur of:

- (a) the date on which the relevant unpaid Interest amount is paid; and
- (b) the date on which the Subordinated Securities are Redeemed.

6.8 Determination and publication of Interest Rate and other amounts

- (a) The Issuer must ensure that the Calculation Agent for a Subordinated Series will, and the Calculation Agent must:
 - (i) determine the Interest Rate and calculate the amount of interest payable and determine or calculate, as applicable, any other rate or amount, or obtain any quotation required under these Conditions; and
 - (ii) notify the Registrar and the Issuer of the Interest Rate, amount of Interest payable and Interest Payment Date for each Interest Period as soon as practicable after:
 - (A) the Relevant Time in the case of an Interest Determination Date; or
 - (B) in any other case, such determination, calculation or quotation is made.
- (b) The Issuer must ensure that the Registrar will notify the Subordinated Holders of the calculation, determination or quotation, as applicable, as required by the Issuer, to the address of the Subordinated Holders recorded in the Register, any other Calculation Agent appointed in respect of the Subordinated Securities that is to make a further calculation upon receipt of such information and, if the Subordinated Securities are quoted on a stock exchange and the rules of that exchange so require, notify that exchange as soon as possible after the calculation, determination or quotation, but in any event no later than:
 - (i) the commencement of the relevant Interest Accrual Period, if determined prior to that time in the case of notification of an Interest Rate and Interest Amount; or
 - (iii) in all other cases, the fourth Business Day after such determination.
- (c) Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to the application of a Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period.
- (d) If the Subordinated Securities become due and payable under Condition 12, the accrued interest and the Interest Rate payable in respect of the Subordinated Securities will nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made.
- (e) The Issuer may amend its calculation or determination of any date, rate or amount (or make appropriate alternative arrangements by way of adjustment) including as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Registrar and the Calculation Agent promptly after doing so.

6.9 Determinations to be final

The determination of all dates, rates and amounts under these Conditions is, in the absence of wilful default, bad faith or manifest error, final and binding on the Issuer, the Calculation Agent, the Registrar and each Subordinated Holder. In the absence of wilful default, bad faith or manifest error the Calculation Agent will not be liable to the Issuer or the Subordinated Holders, in connection with the exercise or non-exercise by the Calculation Agent of its powers, duties and discretions.

7 Redemption, purchase and options

7.1 Redemption on the Maturity Date

Each Subordinated Security will be Redeemed on the Maturity Date specified in the relevant Subordinated Pricing Supplement for its Final Redemption Amount unless previously Redeemed, Exchanged or fully Written Down.

7.2 Redemption for taxation reasons

Subject to Condition 7.6, if, at any time after the Issue Date, the Issuer receives an opinion from reputable legal counsel or other tax adviser in Australia, experienced in such matters, to the effect that there is a material risk that as a result of a change in laws of Australia (including following any announcement of a prospective change or amendment which has been or will be introduced) the Issuer would be exposed to a more than de minimis adverse tax consequence in relation to the Subordinated Securities other than a tax consequence the Issuer expected as at the Issue Date, then the Issuer may Redeem all (but not some) of those Subordinated Securities for their Early Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date at any time (if the Subordinated Security is a Fixed Rate Subordinated Security) or on any Interest Payment Date (if the Subordinated Security is a Floating Rate Subordinated Security).

However, the Issuer may only Redeem the Subordinated Securities under this Condition 7.2 if:

- (i) the Issuer has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date specified in the notice to the Registrar and the Subordinated Holders;
- (ii) the proposed Redemption Date is an Interest Payment Date (in the case of a Floating Rate Subordinated Security only); and
- (iii) the notice of Redemption is not given earlier than 60 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be subject to the adverse tax consequence.

Subordinated Holders should not expect that APRA's approval will be given for any Redemption of the Subordinated Securities.

7.3 Redemption at the option of the Issuer and exercise of the Issuer's option

- (a) Subject to Condition 7.6, the Issuer may, on an Optional Redemption Date, having given irrevocable notice within the Option Notice Period to the Subordinated Holders (with a copy to the Registrar), Redeem all or, if so provided, some of the Subordinated Securities for their Optional Redemption Amount together with any accrued but unpaid Interest as at the Redemption Date.
- (b) In the case of a Redemption of some but not all of the Subordinated Securities of a Subordinated Series (a **Partial Redemption**), Subordinated Securities to be Redeemed will be specified in the notice and selected:
 - (i) in a manner that is, in the opinion of the Issuer, fair and reasonable; and

- (ii) in compliance with any applicable laws and stock exchange requirements.
- (c) Each notice of redemption will specify the date fixed for redemption and, in the case of a Partial Redemption, the aggregate Outstanding Principal Amount of Subordinated Notes to be redeemed and the aggregate Outstanding Principal Amount which will be outstanding after the Partial Redemption. In addition, in the case of a Partial Redemption, such notice will specify that the Registrar will not be required to register transfers of Subordinated Securities called for Partial Redemption.

Subordinated Holders should not expect that APRA's approval will be given for any Redemption of the Subordinated Securities.

7.4 Redemption for regulatory reasons

Subject to Condition 7.6, if, at any time after the Issue Date, the Issuer determines that as a result of a change in the laws of Australia or a change in APRA's prudential standards (including following any announcement of a prospective change or amendment which has been or will be introduced) all, some or a percentage of all or some Subordinated Securities are not or will not be treated as Tier 2 Capital of the CBA Group under APRA's prudential standards (as amended from time to time), other than as a result of a change of treatment expected by the Issuer as at the Issue Date, then the Issuer may Redeem all (but not some) of those Subordinated Securities for their Early Redemption Amount together with any accrued but unpaid Interest on the Redemption Date at any time (if the Subordinated Security is a Fixed Rate Subordinated Security) or on any Interest Payment Date (if the Subordinated Security is a Floating Rate Subordinated Security).

However, the Issuer may only Redeem the Subordinated Securities under this Condition if:

- (a) the Issuer has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date specified in the notice to the Registrar and the Subordinated Holders;
- (b) the proposed Redemption Date is an Interest Payment Date (in the case of a Floating Rate Subordinated Note only); and
- (c) the notice of Redemption is not given earlier than 60 Business Days before the Interest Payment Date occurring immediately before the earliest date on which all, some or a percentage of all or some of the Subordinated Securities will cease to be treated as Tier 2 Capital.

Subordinated Holders should not expect that APRA's approval will be given for any Redemption of the Subordinated Securities.

7.5 Repurchase

Subject to Condition 7.6, the Issuer or any member of the CBA Group may, to the extent permitted by applicable laws and regulations, at any time purchase Subordinated Securities in the open market, by tender to all or some of the Subordinated Holders or by private agreement or otherwise at any price (**Repurchase**).

7.6 APRA approval required to Redeem or Repurchase

The Issuer may only Redeem or Repurchase Subordinated Securities under Condition 7 if:

- (a) either:
 - (i) before or concurrently with the Redemption or Repurchase, the Issuer replaces the Subordinated Securities with a capital instrument which is of the same or better quality (for the purposes of APRA's prudential standards as they are applied to the CBA Group at the relevant time) than the Subordinated Securities and the replacement of the Subordinated Securities

is done under conditions that are sustainable for the income capacity of the CBA Group; or

- (ii) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the CBA Group, that the Issuer does not have to replace the Subordinated Securities; and
- (b) APRA has given its prior written approval to the Redemption or Repurchase. Approval is at the discretion of APRA and may or may not be given.

7.7 Cancellation

All Subordinated Securities Redeemed by the Issuer or which are Repurchased by or on behalf of the Issuer will be cancelled forthwith and all liabilities and obligations of the Issuer in connection with those Subordinated Securities so Redeemed or Repurchased will be discharged.

8 Payments

8.1 Payments by the Issuer

- (a) Payment of Interest will be made to the person registered at 5:00pm on the Record Date as the Subordinated Holder.
- (b) Payment of any other amount in accordance with these Conditions will be made to the person registered as the Subordinated Holder on the relevant date for payment.
- (c) When a Subordinated Security is recorded in the Register as being held jointly, payment of interest or principal (as the case may be) by the Issuer will be made to the Subordinated Holders in their joint names unless requested otherwise (and in a form satisfactory to the Issuer) by 5:00pm local Registry Office time on the relevant Record Date.
- (d) For the avoidance of doubt (but without prejudice to any Exchange), nothing in these Conditions allows a payment of interest or principal to a Subordinated Holder in a form other than cash.

8.2 Method of payment

Payments on each Subordinated Security will be made:

- (a) where the Subordinated Securities are lodged in the Austraclear System, by crediting on the relevant Interest Payment Date or Maturity Date the amount then due to the relevant Subordinated Holder in accordance with the Austraclear Regulations; or
- (b) if the relevant Subordinated Securities have not been lodged or are removed from the Austraclear System, by crediting on the relevant Interest Payment Date, in the case of payment of interest, or the Maturity Date, in the case of payments of principal, the amount then due to a bank account in Australia previously notified by the Subordinated Holder to the Registrar. If an account is not specified to the Registrar by 5:00pm local Registry Office time on the relevant Record Date, payments in respect of the relevant Subordinated Security will be made by cheque mailed on the Business Day immediately preceding the relevant Interest Payment Date (in the case of payments of interest) or on the due date for repayment or redemption (in the case of payments of principal) at the Subordinated Holder's risk, to the address of the Subordinated Holder (or to the first-named of joint Subordinated Holders) appearing in the Register as at 5:00pm local Registry Office time on the relevant Record Date. Cheques despatched to the nominated address of a Subordinated Holder in accordance with this Condition will be taken to have been received by the Subordinated Holder on the relevant Interest Payment Date (in the case of payments

of interest) or the due date for payment or redemption (in the case of payments of principal) and no further amount will be payable by the Issuer as a result of payment not being received by the Subordinated Holder on the due date.

No payment of interest will be mailed to an address in the United States or transferred to an account maintained by a Subordinated Holder in the United States.

8.3 Payments subject to fiscal laws

All payments are subject to applicable law.

8.4 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Subordinated Holder receives an amount in a currency other than the currency in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

8.5 Appointment of agents

The Registrar and (if appointed) the Calculation Agent in relation to a Subordinated Series act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Subordinated Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar or (if appointed) the Calculation Agent of any Subordinated Series, provided that the Issuer will at all times maintain:

- (a) a Registrar;
- (b) one or more Calculation Agent(s) where the Conditions so require; and
- (c) such other agents as may be required by the rules of any stock exchange, listing authority and/or quotation system on which the Subordinated Securities may be admitted to listing, trading and/or quotation.

Notice of any change to the specified office of the Registrar or the Calculation Agent must be given promptly to the Subordinated Holders in accordance with Condition 15.

8.6 Prescription against overdue claims

Claims against the Issuer for payment under a Subordinated Security are void unless made within 5 years from the date on which the payment first became due.

8.7 Payments on Business Days

If any payment:

- (a) is due on a day which is not a Business Day, then the due date for payment will be adjusted in accordance with the applicable Payment Business Day Convention; or
- (b) is to be made to a bank account on a Business Day on which banks are not open for general banking business in the place in which the account is located, the Subordinated Holder is not entitled to payment of such amount until the next Business Day on which banks in such place are open for general banking business, and is not entitled to payment of any additional amount in respect of such delay in payment.

Nothing in this Condition 8.7 applies to any payment referred to in Condition 5.1(b).

9 Transfer

9.1 Transfer procedures

- (a) A Subordinated Holder may transfer Subordinated Securities:
- (i) while Subordinated Securities are lodged in a Clearing System, in accordance with the rules and regulations of that Clearing System; or
 - (ii) at any other time:
 - (A) by a proper transfer under any other applicable computerised or electronic system recognised by the Corporations Act; or
 - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law, provided such instrument is delivered to the Registrar with any evidence the Registrar reasonably requires to prove title to or the right to transfer Subordinated Securities.
- (b) The Issuer must not charge any fee on the transfer of Subordinated Securities.

9.2 Transfer restrictions

The Issuer must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of the Subordinated Securities. Unless otherwise specified in the relevant Subordinated Pricing Supplement, Subordinated Securities may only be transferred:

- (a) within, to or from Australia in the denominations specified in the Subordinated Pricing Supplement and if the consideration payable at the time of the transfer is a minimum amount of A\$500,000 (in either case, disregarding moneys lent by the transferor or its associates) or if the offer or invitation giving rise to the transfer otherwise does not constitute an offer or invitation for which disclosure is required to be made to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act and the transfer is not made to a retail client as defined in section 761G of the Corporations Act and does not require lodging any document under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act; and
- (b) between persons in a jurisdiction or jurisdictions other than Australia if the transfer and all conduct connected with the transfer complies with the relevant laws and directives of the relevant jurisdiction in which the transfer takes place.

9.3 Partial Transfers

A Subordinated Security may be transferred in whole but not in part. Where a transferor executes a transfer of less than all Subordinated Securities registered in its name, and the identity of the specific Subordinated Securities to be transferred are not identified, the Registrar may register the transfer in respect of such of the Subordinated Securities registered in the name of the transferor as the Registrar thinks fit, provided the total Outstanding Principal Amount of the Subordinated Securities registered as having been transferred equals the total Outstanding Principal Amount of the Subordinated Securities expressed to be transferred in the transfer.

9.4 Closing the Register

Title to Subordinated Securities passes when details of the transfer are entered in the Register. The Register will be closed for the purpose of determining entitlements to payments of interest and repayments of any Outstanding Principal Amount at 5:00pm local Registry Office time on the Record Date prior to the relevant Interest Payment Date, the

relevant Maturity Date and any relevant redemption date. Therefore, transfers must be received by the Registrar at the relevant Registry Office prior to that time.

9.5 Stamp duty

The Subordinated Holder is responsible for any stamp duty or other similar taxes which are payable in any jurisdiction in connection with a transfer, assignment or other dealing with the Subordinated Securities.

9.6 Transmission

A person becoming entitled to a Subordinated Security as a consequence of the death, bankruptcy, liquidation or a winding-up of a Subordinated Holder or of a vesting order by a court or other body with power to make the order, or a person administering the estate of a Subordinated Holder, may, upon providing evidence as to that entitlement or status, and if the Issuer or the Registrar so requires an indemnity in relation to the correctness of such evidence as the Issuer or the Registrar considers sufficient, become registered as the Subordinated Holder of that Subordinated Security.

9.7 Austraclear Services Limited as Registrar

If Austraclear Services Limited is the Registrar and Subordinated Securities are lodged in the Austraclear System, despite any other provision of those Conditions, these Subordinated Securities are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any transfer of those Subordinated Securities issued by it and no member of the Austraclear System has the right to request any registration of any transfer of the relevant Subordinated Securities, except:

- (a) for the purposes of any repurchase, redemption or cancellation (whether on or before the Maturity Date of the relevant Subordinated Security) of the relevant Subordinated Security, a transfer of the relevant Subordinated Security from Austraclear to the Issuer may be entered in the Register; and
- (b) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Conditions, to require the relevant Subordinated Security to be transferred on the Register to a member of the Austraclear System, the relevant Subordinated Security may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant Subordinated Security will cease to be held in the Austraclear System.

9.8 Refusal to register

- (a) The Issuer may only refuse to register a transfer of Subordinated Securities if permitted by, or if such registration would contravene or is forbidden by, Applicable Regulations or the Conditions. If the Issuer refuses to register a transfer, the Issuer must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.
- (b) Subject to Applicable Regulations, the Issuer may determine that transfers of some or all Subordinated Securities will not be registered during any period reasonably specified by it prior to the Exchange Date or Redemption Date of such Subordinated Securities.

9.9 Effect of registration

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Conditions and the Subordinated Deed Poll in respect of the transferred Subordinated Securities.

10 Taxation

10.1 General

All payments in respect of Subordinated Securities must be made free and clear of, and without any withholding or deduction in respect of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Australia or by any authority in or of Australia having power to tax (together, **Taxes**) unless the withholding or deduction is required by law or permitted by this Condition 10.

10.2 Issuer to pay additional amounts

Where any withholding or deduction is required by law, the Issuer must pay such additional amounts to the Subordinated Holders that will result in those Subordinated Holders receiving the amounts they would have received had no such withholding or deduction been required, except that no additional amounts will be payable with respect to any Subordinated Security:

- (a) if the Subordinated Holder is liable to such Taxes by reason of its having some connection with the Commonwealth of Australia, other than the mere holding of such Subordinated Security or the receipt of the relevant payment in respect of that Subordinated Security;
- (b) if the Subordinated Holder is an Offshore Associate of the Issuer (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act);
- (c) if the Taxes have been imposed or levied as a result of the Subordinated Holder being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in;
- (d) to, or to a third party on behalf of, an Australian resident Subordinated Holder or a non-resident Subordinated Holder who is engaged in carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details;
- (e) to, or to a third party on behalf of, a Subordinated Holder on account of amounts which the Australian Commissioner of Taxation requires the Issuer to withhold under section 255 of the Income Tax Assessment Act 1936 (Cth) or section 260-5 of Schedule 1 of the Taxation Administration Act 1953 (Cth); or
- (f) for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in section 1471(b) of the United States Internal Revenue Code of 1986) or any law implementing an intergovernmental approach to FATCA as described in Condition 10.4.

10.3 Tax file number

- (a) The Issuer will withhold an amount from payments of Interest on the Subordinated Securities at the highest marginal tax rate plus the highest Medicare levy if an Australian resident investor or a non-resident investor carrying on business in Australia at or through a permanent establishment of the non-resident in Australia has not supplied an appropriate tax file number, Australian Business Number or exemption details.
- (b) If a Subordinated Holder supplies exemption details and the Issuer subsequently determines that the relevant exemption was not available, the Issuer may recover the amount that should have been withheld from the relevant Subordinated Holder and

may withhold that amount from any subsequent payment due to that Subordinated Holder in respect of their Subordinated Securities.

10.4 FATCA

The Issuer, in its absolute discretion, may withhold or deduct payments to a Subordinated Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Subordinated Holder or a beneficial owner of Subordinated Securities may be subject to FATCA, and may deal with such payment and the Subordinated Holder's Subordinated Securities in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Subordinated Holder or a beneficial owner of Subordinated Securities for or in respect of any such withholding or deduction.

11 Substitution of the Issuer

11.1 Substitution

The Issuer may, without the consent of Subordinated Holders, provided that the Substitution Conditions are satisfied, by giving notice to the Registrar and Subordinated Holders:

- (a) substitute for itself a NOHC as the debtor in respect of the Subordinated Securities and as issuer of the Ordinary Shares on Exchange (**Full Successor**); or
- (b) substitute for itself a NOHC as the issuer of the Ordinary Shares on Exchange (**Partial Successor**),

and a reference to the **Successor** shall be a reference to the Full Successor or the Partial Successor, as applicable. The notice shall specify the date on which the substitution is to take effect (**Date of Substitution**).

11.2 Substitution Conditions

The **Substitution Conditions** are:

- (a) in the case of the Full Successor:
 - (i) unless otherwise approved by APRA in writing, the Full Successor or another entity (which is a parent entity) simultaneously subscribes for Ordinary Shares or other capital instruments of equal or better quality to the Subordinated Securities in such amount as may be necessary to ensure that the capital position of the CBA Level 1 Group and CBA Level 2 Group will not be adversely affected;
 - (ii) the Full Successor will expressly assume the Issuer's obligations under these Conditions and the Subordinated Deed Poll by entering into a Successor Subordinated Deed Poll under which it agrees (among other things):
 - (A) to comply with these Conditions (with all necessary modifications); and
 - (B) to deliver fully paid NOHC Ordinary Shares under all circumstances when the Issuer would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications);
- (b) in the case of the Partial Successor:

- (i) the Partial Successor agrees with effect on and from the Date of Substitution, by entering into a Successor Subordinated Deed Poll, to deliver fully paid NOHC Ordinary Shares under all circumstances when the Issuer would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and
 - (ii) unless otherwise approved by APRA in writing, the Partial Successor agrees that in all circumstances where the Partial Successor delivers fully paid NOHC Ordinary Shares under the Successor Subordinated Deed Poll in Condition 11.2(b)(i), the Partial Successor or another entity (which is a parent entity) will automatically subscribe for Ordinary Shares in such amount as may be necessary to ensure that the capital position of the CBA Level 1 Group and CBA Level 2 Group is equivalent to the position if the Successor Deed Poll had not been entered into and the Issuer was required to issue the Ordinary Shares;
- (c) in the case of either the Full Successor or the Partial Successor (as applicable):
 - (i) the NOHC Ordinary Shares are or are to be quoted on ASX, and the Successor agrees to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of NOHC Ordinary Shares issued under these Conditions on the securities exchanges on which the NOHC Ordinary Shares are quoted at the time of delivery;
 - (ii) the Successor and the Issuer have obtained APRA approval and all other necessary authorisations, regulatory and governmental approvals and consents for such substitution and for the performance by the Successor of its obligations under the Subordinated Securities and the documents effecting substitution;
 - (iii) if the Successor does not have a place of business in New South Wales, the Successor has appointed a process agent in New South Wales to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Subordinated Securities; and
 - (iv) the Successor has, in the reasonable opinion of the Issuer, the financial capacity to satisfy its obligations under the Successor Subordinated Deed Poll; and
- (d) the Issuer has used all reasonable endeavours to give an irrevocable notice to the Subordinated Holders as soon as practicable before a NOHC Event occurs but no later than 10 Business Days before the NOHC Event occurs specifying the amendments to the Subordinated Securities which will be made under these Conditions in connection with the substitution of a NOHC as the issuer of ordinary shares on Exchange.

11.3 Effect of substitution of Full Successor

If the relevant requirements set out in Conditions 11.1 and 11.2 relating to a substitution under Condition 11.1(a) have been completed, on and from the Date of Substitution:

- (a) the Full Successor will assume all of the obligations of, succeed to, and be substituted for, and may exercise every right and power of, the Issuer under these Conditions and the Subordinated Deed Poll (as may be amended from time to time) with the same effect as if the Full Successor had been named as the Issuer in these Conditions and the Subordinated Deed Poll;
- (b) the Issuer (or any corporation which has previously assumed the obligations of the Issuer) will be released from its liability under the Conditions and the Subordinated Deed Poll;
- (c) if the Issuer gives a notice to Subordinated Holders under Condition 11.2(d), the amended terms will have effect on and from the date specified in the notice;
- (d) references to the Issuer in these Conditions and the Subordinated Deed Poll will be taken to be references to the Full Successor; and
- (e) references to Ordinary Shares in these Conditions (other than the references contained in Conditions 11.2(a) and 11.2(b)) and the Subordinated Deed Poll will be taken to be references to the NOHC Ordinary Shares.

11.4 Effect of substitution of Partial Successor

If the relevant requirements set out in Conditions 11.1 and 11.2 relating to a substitution under Condition 11.1(b) have been completed, on and from the Date of Substitution:

- (a) the Issuer (or any corporation which has previously assumed the obligations of the Issuer) will be released from any obligation it would otherwise have under these Conditions to issue Ordinary Shares to Subordinated Holders upon Exchange;
- (b) if the Issuer gives a notice to Subordinated Holders under Condition 11.2(d), the amended terms will have effect on and from the date specified in the notice; and
- (c) references to Ordinary Shares in these Conditions (other than the reference contained in Conditions 11.2(a) and 11.2(b)) and the Subordinated Deed Poll will be taken to be references to the NOHC Ordinary Shares.

12 Events of Default

12.1 Events of Default

An Event of Default occurs in relation to Subordinated Securities of a Subordinated Series if:

- (a) the Issuer fails to pay any amount due in respect of the Subordinated Securities of that Subordinated Series and such default continues for a period of 15 Business Days and is continuing, provided that no Event of Default shall arise on account of any non-payment if the Issuer withholds, deducts or refuses to make the payment:
 - (i) in order to comply with any law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or
 - (ii) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to such validity or applicability, at any time during the said period of 15 Business Days, by independent legal advisers; or

- (b) an order is made by a court of competent jurisdiction (other than an order successfully appealed or permanently stayed within 30 Business Days), or an effective resolution is passed, for the winding up of the Issuer in Australia (but not elsewhere).

12.2 Consequences of an Event of Default

If an Event of Default occurs in relation to a Subordinated Series of Subordinated Notes:

- (a) under Condition 12.1(a), any Subordinated Holder of that Subordinated Series may institute proceedings:
 - (i) to recover the amount the Issuer has failed to pay, provided that the Issuer may only be compelled to pay that amount to the extent that, immediately after the payment, the Issuer will be Solvent;
 - (ii) for specific performance of any other obligation in respect of the Subordinated Security; or
 - (iii) for the winding up of the Issuer in Australia (but not elsewhere); or
- (b) under Condition 12.1(b), the Subordinated Securities are immediately due and payable for an amount equal to the Outstanding Principal Amount plus accrued but unpaid Interest up to (but excluding) the date of commencement of the winding up and any Subordinated Holder may, subject to Condition 3, prove in the winding up of the Issuer in respect of this amount.

A Subordinated Holder has no right to accelerate payment or exercise any other remedy (including any right to sue for damages) as a consequence of any Event of Default other than as set out in this Condition 12.2.

12.3 Notification

If an Event of Default occurs, the Issuer will, promptly after becoming aware of it:

- (a) notify the Registrar of the occurrence of the Event of Default specifying details of it; and
- (b) use its reasonable endeavours to procure that the Registrar promptly notifies the Subordinated Holders of the occurrence of the Event of Default by registered post to the address of the Subordinated Holders recorded in the Register.

13 Meetings of Subordinated Holders, Modifications and Waivers

13.1 Meetings of Subordinated Holders

The Subordinated Deed Poll contains provisions for convening meetings of Subordinated Holders to consider matters affecting their interests including certain variations of these Conditions which require the Subordinated Holder's consent. Resolutions passed in accordance with such provisions will be binding on all Subordinated Holders.

13.2 Modification of the Conditions and Meeting Provisions

- (a) At any time, but subject to compliance with the Corporations Act, all applicable laws and Condition 13.2(c), the Issuer may by deed poll, without the consent of Subordinated Holders, amend these Conditions or the Subordinated Deed Poll, if the Issuer is of the opinion that such alteration is:
 - (i) of a formal, technical or minor nature;

- (ii) made to cure any ambiguity, correct any manifest error or correct or supplement any defective provision of the Conditions or amend any provision of the Subordinated Deed Poll;
- (iii) necessary or expedient for the purposes of facilitating a substitution in accordance with Condition 11 (including satisfying any requirement of APRA in connection with such a substitution);
- (iv) made to amend any date or time period stated, required or permitted in connection with any Redemption or Exchange (including, without limitation, when the proceeds of Redemption are to be reinvested in a new security to be issued by the Issuer or a Related Body Corporate);
- (v) not materially prejudicial to the interests of Subordinated Holders as a whole (or, where the alteration is in relation to a particular Subordinated Series, not materially prejudicial to the interests of Subordinated Holders of that Subordinated Series as a whole); or
- (vi) made to:
 - (A) alter the terms of any Subordinated Securities to align them with any Relevant Tier 2 Securities issued after the date of such Subordinated Securities; or
 - (B) alter either or both of the definitions of “Relevant Tier 1 Securities” and “Relevant Tier 2 Securities” on account of the issue (after the date of issue of any Subordinated Securities) of capital instruments of the CBA Group,

in each case provided such alteration is not materially prejudicial to the interests of Subordinated Holders as a whole (or, where the alteration is in relation to a particular Subordinated Series, not materially prejudicial to the interests of Subordinated Holders of that Subordinated Series as a whole).

The Conditions of all Subordinated Securities will be amended from the date specified by the Issuer.

- (b) Subject to Condition 13.2(c) and without limiting Condition 13.2, the Issuer may by deed poll amend these Conditions or the Subordinated Deed Poll if such alteration is approved by a Special Resolution. The Conditions of all Subordinated Securities will be amended from the date specified in the Special Resolution or otherwise notified to Subordinated Holders (provided such date is permitted by the terms of the Special Resolution).
- (c) Prior to any amendment under Conditions 13.2(a) and 13.2(b) being effective, where required the Issuer must obtain APRA’s prior written approval (APRA approval is required where the amendment affects, or may affect, the capital treatment of the Subordinated Securities under APRA’s prudential standards at the relevant time) and any consent or approval required under any applicable law or regulation.

14 Further issues of Subordinated Securities

- (a) The Issuer may, from time to time, without the consent of the Subordinated Holders create and issue further securities either having the same terms and conditions as the Subordinated Securities in all respects (or in all respects except for the Issue Date or first payment of Interest on them) and so that such further issue of securities shall be consolidated and form a single Subordinated Series with the outstanding Subordinated Securities of any Subordinated Series or upon such terms as the Issuer may determine at the time of their issue, provided that such further issue of securities meet the criteria for eligibility as Tier 2 Capital as at the Issue Date of

such further issue of securities. References in these Conditions to the Subordinated Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Subordinated Series with the Subordinated Securities.

- (b) Nothing in these Conditions shall be construed or deemed to limit the ability of the Issuer to issue further Senior Ranking Obligations or Equal Ranking Securities.

15 Notices

15.1 To Subordinated Holders

All notices and other communications to Subordinated Holders must be in writing and either:

- (a) sent by prepaid post (airmail if appropriate) to or left at the address of the Subordinated Holders (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication); or
- (b) (if available) issued to Subordinated Holders through a Clearing System in accordance with any applicable rules and regulations of that Clearing System.

An accidental or inadvertent failure to give notice to a particular Subordinated Holder will not invalidate a notice otherwise properly given to Subordinated Holders.

15.2 To the Issuer and Registrar from a Subordinated Holder

All notices and other communications by a Subordinated Holder to the Issuer or the Registrar must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of the Issuer or the Registrar (as shown in the "Directory" in the Information Memorandum).

15.3 When effective

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

15.4 Receipt

- (a) If sent by post, notices or other communications are taken to be received 3 Business Days after posting (or 7 Business Days after posting if sent to or from a place outside Australia);
- (b) If left at the address, notices or other communications are taken to be received when given unless received after 5:00pm in the place or receipt or on a non-Business Day, in which case they are taken to be received at 9:00am on the next Business Day;
- (c) If issued through a Clearing System, notices or other communications are taken to be received on the date on which they are deemed to have been received in accordance with the applicable rules and regulations of that Clearing System.

15.5 Non-Viability Trigger Event notification

Nothing in Condition 15 affects the operation of Condition 4.

16 Governing Law and jurisdiction

- (a) These Conditions are governed by and must be construed according to the law applying in New South Wales.
- (b) The Issuer irrevocably submits, and each Subordinated Holder is taken irrevocably to submit, to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to these Conditions.
- (c) The Issuer irrevocably waives, and each Subordinated Holder is taken irrevocably to waive, any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within Condition 16(b).

6 FORM OF PRICING SUPPLEMENT

PRICING SUPPLEMENT

COMMONWEALTH BANK OF AUSTRALIA ABN 48 123 123 124 PROGRAM FOR THE ISSUE OF MEDIUM TERM NOTES, TRANSFERABLE CERTIFICATES OF DEPOSIT AND SUBORDINATED SECURITIES

Issue of *[Insert amount]* *[Insert brief description of security eg fixed to floating rate]* *[Medium Term Notes/Transferable Certificates of Deposit/Subordinated Securities]* due *[insert date]*.

This Pricing Supplement is issued to give details of the Tranche of Securities. It is supplementary to, and should be read in conjunction with the Information Memorandum dated 2 March 2016 (**Information Memorandum**) for the Program for the issue of Medium Term Notes, Transferable Certificates of Deposit and Subordinated Securities (**Program**) and the *[Fifth MTN/TCD Deed Poll dated 2 March 2016 (the **Deed Poll**) / [Deed Poll (Subordinated Securities) dated 28 October 2014 (the **Deed Poll**)]* made by Commonwealth Bank of Australia, each issued in relation to the Program.

[In above paragraph, delete reference to either Fifth MTN/TCD Deed Poll or Subordinated Deed Poll]

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation, and no action is being taken to permit an offering of the securities or the distribution of this Pricing Supplement in any jurisdiction where such an action is required.

Terms used but not otherwise defined in this Pricing Supplement have the meaning given in the Deed Poll. A reference to a 'Condition' in this Pricing Supplement is a reference to the corresponding Condition as set out in the Deed Poll.

[Complete whichever of the following apply and insert "Not Applicable" or "N/A" opposite non-applicable items]

Overall Security Details

Issuer : Commonwealth Bank of Australia

Series No : []

Tranche No : []

Specified Currency of Securities (if **not** Australian Dollars) : []/N/A

Aggregate Notional Amount (*principal amount*)

(a) Tranche : \$

(b) Series : \$

Issue Price : [] per cent of the Aggregate Notional Amount [plus accrued interest from *[insert date]* (*in the case of fungible Securities only, if applicable*)]

Net Proceeds : []

Specified Denomination : []

Issue Date : [?/ /20]

Interest Commencement Date : N/A[]
(If different to Issue Date)

Maturity Date : [] [specify date of (for Floating Rate Securities) Interest Payment Date falling in or nearest to the relevant month and year]

Redemption/Payment basis : [Redemption at par
 Index Linked Redemption
 Dual Currency
 Amortised (Instalment)
 Other (specify)][Delete whichever is inapplicable]

Change of Interest or Redemption/Payment basis : Applicable/N/A

Status : [Transferable Certificate of Deposit
 Medium Term Note
 Subordinated Security]
 [Delete whichever is inapplicable]

Interest Calculation and Payment, Redemption

Interest

Fixed Rate Securities:

: N/A *(If N/A delete the remaining subparagraphs)*

Interest Rate(s) : [] per cent per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

Interest Payment Dates : [] in each year [commencing on [] up to and including the Maturity Date]

Fixed Coupon Amount : [N/A/ [Amount] per Specified Denomination]

Initial Broken Amount : [N/A/ [] *(insert particulars of any initial broken interest amounts which do not correspond with the Fixed Coupon Amount)*

Final Broken Amount : [N/A/ [] *(insert particulars of any final broken interest amounts which do not correspond with the Fixed Coupon Amount)*

Business Day Convention : [Following Business Day Convention
 Preceding Business Day Convention
 Modified Following Business Day Convention
 Floating Rate Convention
 No Adjustment][Delete whichever is inapplicable]

Day Count Fraction : [Actual/Actual (ISDA)
 Actual/Actual (ICMA)
 Actual/365 (Fixed)
 Actual/360 (Fixed)
 30/360, 360/360 or Bond Basis
 RBA Bond Basis] [*Delete whichever is inapplicable*]

Floating Rate Securities : Applicable/N/A (*If N/A delete the remaining subparagraphs*)

Interest Periods : [annual/quarterly/monthly/other] (*specify either a period or periods or a specific date/s*)

Interest Payment Dates : [[]/N/A]

Interest Period Date if not an Interest Payment Date : [[]/NA]

Manner of determination

(a) *ISDA Determination* : Applicable/N/A (*If N/A delete the remaining bullet points in (a)*)

- Floating Rate Option []
- Designated Maturity []
- Reset Date [] (*specify if other than first day of each Interest Accrual Period*)

or

(b) *Screen Rate Determination* : Applicable/N/A (*If N/A delete the remaining bullet points in (b)*)

- Reference Rate : [BBSW]
 Other (*specify*) []
- Interest Determination Dates : [] (*specify if different to Interest Payment Dates*)
- Relevant Screen Page : []
- Relevant Time : []
- Reference Banks : []

Margin(s) to Floating Rate Basis : [+/-] [] per cent per annum

Minimum Interest Rate : [[]/N/A]

Maximum Interest Rate : [[]/N/A]

Fall back provisions, rounding, denominator and any other terms if different from Conditions : [N/A/[specify]

[Interest Amount] : [Amount/formula]

Business Day Convention : [Following Business Day Convention
Preceding Business Day Convention
Modified Following Business Day Convention
Floating Rate Convention
No Adjustment][Delete whichever is inapplicable]

Day Count Fraction : [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360 (Fixed)
30/360, 360/360 or Bond Basis
RBA Bond Basis][Delete whichever is inapplicable]

Zero Coupon Securities : Applicable/N/A (If N/A delete the remaining subparagraphs)

Amortisation Yield : [] per cent per annum/N/A]

[Any other relevant provisions and/or other formula/basis for determining the amount payable or the Amortised Face Amount (if other than as specified in Condition 5.3)] : [(specify)]

Day Count Fraction : [Actual/Actual (ISDA)
Actual/Actual (ICMA)
Actual/365 (Fixed)
Actual/360 (Fixed)
30/360, 360/360 or Bond Basis
RBA Bond Basis][Delete whichever is inapplicable]

[Default Interest Rate: : []

(applicable to Discounted TCDs)

Indexed Securities : Applicable/N/A (If N/A delete the remaining subparagraphs)

Index/Formula : [give or annex details]

Provisions for determining Interest Rate where calculation by reference to Index and/or formula : [specify]

Provisions for determining Interest Rate where calculation by reference to Index and/or formula is impossible or impracticable or otherwise disrupted : [specify]

Interest Determination Dates : []

Interest Periods : [[] (specify either a period or periods or a specific date(s)/ N/A

Interest Payment Dates : []

Interest Period Date if not an Interest Payment Date : []

Minimum Interest Rate : [] per cent per annum/N/A]

Maximum Interest Rate : [] per cent per annum/ N/A]

[Margin : [+/-] [] per cent per annum]

Business Day Convention : [Following Business Day Convention
 Preceding Business Day Convention
 Modified Following Business day Convention
 Floating Rate Convention
 No Adjustment][Delete whichever is inapplicable]

Day Count Fraction : [Actual/Actual (ISDA)
 Actual/Actual (ICMA)
 Actual/365 (Fixed)
 Actual/360 (Fixed)
 30/360, 360/360 or Bond Basis
 RBA Bond Basis][Delete whichever is inapplicable]

Dual Currency Securities : Applicable/N/A (If N/A delete the remaining subparagraphs)

Rate of Exchange : []

Describe any additional characteristics : []

Structured Notes : Applicable/N/A (If N/A delete the remaining subparagraphs)

Describe additional characteristics : [] (set out in a separate appendix if necessary)

Provisions relating to Redemption

Issuer Call Option : [[] / N/A] (if not applicable, delete the remaining subparagraphs)

Option Exercise Date(s) (if other than set out in Conditions) : []

Optional Redemption Date(s) : [[] / N/A]

Optional Redemption Amount(s) and method of calculating (if any) such amount(s) : [N/A/[] per [] Specified Denomination of Security/Redemption at par/Other (specify)]

Partial redemption : Yes/No (specify if any minimum/maximum amount below)

Minimum Redemption Amount : []/N/A

Maximum Redemption Amount : []/N/A

Holder Put Option : [[] / N/A] (if not applicable, delete the remaining subparagraphs)

Option Exercise Date(s) (if other than set out in Conditions) : []

Optional Redemption Date(s) : []

Optional Redemption Amount and method (if any) of calculating (if any) such amount(s) : [N/A/[] per [] Specified Denomination of Security/Redemption at par/Other (specify)]

Final Redemption Amount : [N/A/[] per [] Specified Denomination of Security/par/Other (specify)/Index Linked Redemption/See appendix for method of calculation (specify)]

Early Redemption Amount payable on redemption for taxation or regulatory reasons and or method of calculating same (if required or if different from that set out in the Conditions) : [[] per [] Specified Denomination of Security/par/Other (specify)/Index Linked Redemption/See appendix for method of calculation (specify)]

Provisions relating to Subordinated Securities

Subordinated Securities: Applicable/N/A (If N/A delete the remaining subparagraphs)

Exchange or Write Down without Exchange: [Exchange]/[Write Down] applies

P: [insert number]

Clearing System Cut-off Date: [specify date]

General Provisions

Form of Securities : Registered

Additional Financial Centre(s) : [N/A/give details]
(for the purposes of the "Business Day" definition) or other special provisions relating to Interest Payment Dates

Public Offer Test Compliant : Yes/No/N/A

Instalment Date(s) : N/A/[specify]

Instalment Amount : N/A/[] (Specify)/[] per cent of the Notional Amount]

Calculation Agent if different to Program : []

Rating of the Issuer as at the Issue Date [Delete if Subordinated Securities] : [] (S&P) (Specify)
[] (Moody's) (Specify)
[] (Fitch) (Specify)

Governing law : New South Wales

Other terms or special conditions : [N/A/ give details]

Distribution

If syndicated, names of Lead Manager(s) and the Dealer(s) : [N/A/ names]

If non-syndicated name of Dealer : [N/A/name of dealer]

Additional selling restrictions : [N/A/list]

Operational information

ISIN : [N/A/ insert no]
Common Code : [N/A/ insert no]
Clearing System : [Austraclear
Euroclear
Clearstream Banking
Other (specify)][Delete whichever is inapplicable]

CONFIRMED

**For and on behalf of
Commonwealth Bank of Australia**

By:
Authorised Officer

Date: []

7 SELLING RESTRICTIONS

General

By its purchase and acceptance of Securities issued under the Dealer Agreement, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Securities; and it will not directly or indirectly offer, sell, resell, re offer or deliver Securities or distribute any Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

1 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Program or the Securities has been or will be lodged with ASIC. Each Dealer appointed under the Program has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree that:

- (a)
 - (i) no invitation or offer, directly or indirectly, of the Securities has been or will be made for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
 - (ii) no Information Memorandum or any other offering material or advertisement relating to any Securities in Australia may be distributed or published; and
- (b) any person to whom Securities (or an interest in them) are issued or sold must not, make such an offer or distribute or publish any such document,

unless, in either case:

- (i) either (x) the minimum aggregate consideration payable by each offeree or invitee on acceptance of the offer is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding monies lent by the offeror or its associates), (y) the offer is to a professional investor for the purposes of section 708 of the Corporations Act, or (z) the offer does not otherwise require disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a retail client (as defined in section 761G of the Corporations Act);
- (iii) such action complies with other applicable laws and directives in Australia (including, without limitation the financial services licensing requirements of the Corporations Act); and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

2 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities to the public in that Relevant Member State other than:

- (a) to any legal entity which is a “qualified investor” as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (a) to (c) above shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State. The expression “**European Economic Area**” means the European Union. The expression “**Member State of the European Economic Area**” means any Member State of the European Union plus Iceland, Norway and Liechtenstein..

3 The United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it:

- (c) may only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (d) must comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

4 The United States of America

The Securities and the Ordinary Shares which may be issued on Exchange of the Subordinated Securities have not been or will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Securities on a syndicated basis, the relevant lead manager, of all Securities of the Tranche of which such Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Program will be required to agree, that it will send to each dealer to which it sells any Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of,

U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Securities, an offer or sale of such Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

5 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it may not:

- (a) offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**SFO**") and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

6 Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**") and, accordingly, no person may offer or sell any Securities, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity having its principal office in Japan or organised under the laws of Japan. Any branch or office in Japan of a non-resident will be deemed to be a resident for the purpose whether such branch or office has the power to represent such non-resident), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

7 New Zealand

No person may offer for sale or transfer or directly or indirectly offer for sale or transfer any Securities in a manner that makes the Securities the subject of a regulated offer for the purposes of the Financial Markets Conduct Act 2013 of New Zealand (FMCA) and the minimum subscription requirements below have been or will be complied with in connection with any direct or indirect offer for sale or transfer of the Securities. In particular, the Securities have been and will only be offered or transferred either:

- (a) to persons who are "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMCA, being a person who is:
 - (i) an "investment business"

- (ii) “large”, or
- (iii) a “government agency”

in each case as defined in Schedule 1 to the FMCA; or

- (b) in other circumstances where there is no contravention of the FMCA, provided that (without limiting paragraph (a) above) Relevant Notes may not be offered or transferred to any “eligible investors” (as defined in the FMCA) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMCA.

No person must distribute the Information Memorandum, any series notice, terms or any information or other material that may constitute an advertisement (as defined in the FMCA) in relation to any offer of the Securities in New Zealand other than to any such persons as referred to in the applicable paragraphs above.

8 Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended (the “**Securities and Futures Act**”). Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree, that the Securities will be offered pursuant to exemptions. The Securities must not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Securities be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person falling within section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in section 275 of the Securities and Futures Act, or (c) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Securities are subscribed or purchased in reliance on an exemption under Section 274 or 275 of the Securities and Futures Act, the Securities shall not be sold within the period of six months from the date of the initial acquisition of the Securities, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the Securities and Futures Act);
- (b) a relevant person (as defined in Section 275(2) of the Securities and Futures Act);
or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act,

unless expressly specified otherwise in Section 276(7) of the Securities and Futures Act or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

9 Compliance

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in

which it makes such purchases, offers, sales or deliveries and neither of the Issuers, the Arranger nor any of the other Dealers will have any responsibility therefore.

Neither of the Issuers nor any of the Dealers represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available under those registration or other requirements, or assumes any responsibility for facilitating such sale.

8 SETTLEMENT AND TRANSFER

Austraclear

On issue of a Security, the relevant Issuer will (unless otherwise agreed with the Holder) procure that the Securities are entered into the Austraclear System. On entry, Austraclear Limited (ABN 94 002 060 773) (**Austraclear**), will become the sole registered holder and legal owner of the Security. Members of the Austraclear System (**Accountholders**) acquire rights against Austraclear in relation to those Securities as beneficial owners and Austraclear is required to deal with the Securities in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders may hold their interest in the relevant Securities through a nominee who is an Accountholder. All payments by the relevant Issuer in respect of Securities entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Regulations.

Accountholders may, on request to the Registrar receive written confirmation from the Registrar that they are noted in the Register in respect of a specified number of Securities.

Holding of Securities through Euroclear and Clearstream

On admission to the Austraclear System, interests in the Securities may be held through Euroclear or Clearstream. In these circumstances, entitlements in respect of holdings of interests in the Securities in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the Securities in Clearstream would be held in the Austraclear System by J.P. Morgan Australia Nominees Limited as nominee of Clearstream.

The rights of a holder of interests in Securities held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream and their respective nominees and the rules and regulations of the Austraclear System.

In addition, any transfer of interests in Securities which are held through Euroclear or Clearstream, and to the extent such transfer is in respect of offers in, or received in, Australia, will be subject to the Corporations Act and the other requirements set out in the Securities.

Secondary Market Sales and Austraclear

Secondary market sales of Securities settled in the Austraclear System will be settled in accordance with the Regulations of Austraclear.

Relationship of Accountholders with Austraclear

Securities are lodged with a validly marked and executed transfer and acceptance form (which must be consistent with the Accountholders lodgment report) being delivered or faxed to Austraclear with the lodging accountholder as transferor and Austraclear as Transferee. The Securities are entered into the Accountholder's Security Record (as defined in the Regulations) but, in accordance with the lodged transfer and acceptance form, are transferred to Austraclear.

The Austraclear System facilitates settlement at the point of issue of a Security by matching payments made by an investor to that investor's account with Austraclear against instructions from the relevant Issuer to issue the Notice or evidence the deposit of the TCD. The opposite is true of redemption. Austraclear will not be liable for any amounts owing to the relevant Issuer, upon issue, or to investors, upon either payment of interest or amounts due on redemption, which have not been paid to it.

Where Austraclear is registered as the holder of Instruments that are lodged in the Austraclear System, Austraclear may in certain specific circumstances as set out in the Regulations of Austraclear instruct the Registrar to transfer or 'uplift' the Instruments to the person whose Security Record (as defined in the Regulations) those Instruments are recorded without any consent or action of such transferee and, as a consequence, remove those Instruments from the Austraclear System.

9 INFORMATION ABOUT THE ISSUER

The Issuer's current annual report, half yearly profit announcement and any continuous disclosure notices are available online at www.asx.com.au. The Issuer's Offshore Associates as at the date of this Information Memorandum include:

ASB Holdings Limited and its subsidiaries
CBA (Europe) Finance Limited
CommBank Europe Limited
PT Bank Commonwealth
PT Commonwealth Life
Sovereign Assurance Company Limited
Sovereign Superannuation Trustees Ltd
Sovereign Superannuation Funds Limited
Qilu Bank and its subsidiaries
Bank of Hangzhou and its subsidiaries
BoCommLife Insurance Company Limited
Vietnam International Commercial Joint Stock Bank
CBA Jiyuan County Bank Co Ltd
CBA Dengfeng County Bank Co Ltd
CBA Lankao County Bank Co Ltd
CBA Yichuan County Bank Co Ltd
CBA Mianchi County Bank Co Ltd
CBA Cixian County Bank Co Ltd
CBA Yongnian County Bank Co Ltd
CBA Xinji County Bank Co Ltd
CBA Wenxian County Bank Co Ltd
CBA Yongcheng County Bank Co Ltd
CBA Luancheng County Bank Co Ltd
CBA Handan County Bank Co Ltd
CBA Handan County Bank Co Ltd
CBA Weixian County Bank Co Ltd
CBA Shexian County Bank Co Ltd
CBA Cheng'an County Bank Co Ltd
CBA Beijing Branch
CBA Hong Kong Branch
CBA London Branch

CBA Mumbai Branch

CBA New York Branch

CBA New Zealand Branch

CBA Shanghai Branch

CBA Singapore Branch

CBA Tokyo Branch

CBA Vietnam Branch (Ho Chi Minh City Branch)

10 FURTHER INFORMATION

For further information, please contact:

Issuer:	Commonwealth Bank of Australia Head of Term Funding Commonwealth Bank of Australia Level 25, Darling Park Tower 1 201 Sussex Street SYDNEY NSW 2000 Telephone: + 61 2 911 81339 /81344 Facsimile: + 61 1300 153 451 Email: groupfunding@cba.com.au
Arranger:	Head of Debt Markets Institutional Banking and Markets Commonwealth Bank of Australia Level 23, Darling Park Tower 1 201 Sussex Street SYDNEY NSW 2000 Telephone: + 61 2 911 86463 Facsimile: + 61 2 911 81002 Email: Simon.Ling@cba.com.au
Dealer:	Head of Debt Markets Institutional Banking and Markets Commonwealth Bank of Australia Level 23, Darling Park Tower 1 201 Sussex Street SYDNEY NSW 2000 Telephone: + 61 2 911 86463 Facsimile: + 61 2 911 81002 Email: Simon.Ling@cba.com.au
Registrar:	Austraclear Services Limited