

ISSUE OF AUD 300,000,000 WORTH OF SUBORDINATED SECURITIES

Notice under section 708A(12H)(e) Corporations Act 2001 (Cth)

Tuesday, 13 September 2022 SYDNEY: Commonwealth Bank of Australia (**CBA**) is pleased to confirm that, on 13 September 2022, it issued AUD 300,000,000 worth of subordinated securities. The AUD 300,000,000 of subordinated fixed to floating rate securities due 2037 (the **Subordinated Securities**) were issued pursuant to CBA's A\$ debt program (the **A\$ Debt Program**). Terms used but not defined in this announcement are defined in the information memorandum for the issue of the Subordinated Securities under the A\$ Debt Program dated 4 May 2021 (the **Information Memorandum**).

The Subordinated Securities potentially exchange into fully paid ordinary shares of CBA (**Ordinary Shares**) if a Non-Viability Trigger Event occurs.

This notice is a cleansing notice prepared for the purposes of section 708A(12H)(e) of the Corporations Act 2001 (Cth) (the **Corporations Act**) (as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71). CBA has elected to give this notice to enable Ordinary Shares issued on Exchange to be sold without disclosure under Chapter 6D of the Corporations Act. This notice includes all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- in Schedule 1, the rights and liabilities attaching to the Subordinated Securities that is based on the description in the Information Memorandum, as supplemented by the pricing supplement for the issue of the Subordinated Securities dated 5 September 2022 (the **Pricing Supplement**); and
- in Schedule 2, the rights and liabilities attaching to Ordinary Shares,

in each case only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this notice.

CBA confirms that:

- (a) the Subordinated Securities were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) the information in this notice remains current as at today's date;

- (c) this notice (including the schedules) complies with section 708A of the Corporations Act, as modified by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71; and
- (d) this notice (including the schedules) complies with section 708A(12I) of the Corporations Act as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71.

Effect of the Subordinated Securities offer on CBA

The issue of Subordinated Securities by CBA will not have a material impact on CBA's financial position. If a Non-Viability Trigger Event occurs and CBA issues Ordinary Shares, the impact of Exchange on CBA would be to increase CBA's shareholders' equity. The number of Ordinary Shares issued on Exchange is limited to the Maximum Exchange Number. The Maximum Exchange Number is 513.0684 Ordinary Shares per Subordinated Security (with a nominal value of A\$10,000), based on the Issue Date VWAP of A\$97.4529 per Ordinary Share.

Additional information

CBA is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. In addition, CBA must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about CBA that a reasonable person would expect to have a material effect on the price or value of its securities including Ordinary Shares.

Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office. They can also be obtained from www.asx.com.au together with CBA's other ASX announcements.

The following information can be obtained from the Investor Centre at: www.commbank.com.au/investors:

- CBA's half-yearly and annual financial reports;
- Continuous disclosure notices lodged with ASX; and
- Other general information provided to investors.

CBA will provide a copy of any of the following documents free of charge to any person upon their written request:

- The Information Memorandum and the Pricing Supplement;
- CBA's annual financial report and full year profit announcement for the year ended 30 June 2022;
- Any continuous disclosure notices given by CBA in the period after the lodgement of its full year profit announcement for the year ended 30 June 2022 and before the date of this notice; and



- CBA's constitution.

Written requests for copies of these documents should be made to:

Investor Relations
Commonwealth Bank of Australia
Commonwealth Bank Place South
Level 1
11 Harbour Street
Sydney NSW 2000
Australia

Important information

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the **Securities Act**)). The Subordinated Securities have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, the Subordinated Securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S state securities laws.

The release of this announcement was authorised by the Continuous Disclosure Committee of CBA

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Schedule 1 – Rights and liabilities attaching to the Subordinated Securities

The following is a brief summary only and should be read in conjunction with the Information Memorandum and the Pricing Supplement. Capitalised terms not otherwise defined have the meaning given to them in the Conditions of the Subordinated Securities which are set out in the Information Memorandum.

Important Notice

Nothing in this document constitutes an offer of securities for sale in any jurisdiction. The primary offer and distribution of the Subordinated Securities has closed.

The Subordinated Securities have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdiction and the Subordinated Securities may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws of other jurisdictions.

PROVISIONS APPLICABLE TO THE SUBORDINATED SECURITIES

Issuer:	Commonwealth Bank of Australia (CBA or the Issuer)
Description:	AUD 300,000,000 Subordinated Securities due 2037 issued under the A\$ Debt Program. The Subordinated Securities represent subordinated obligations of the Issuer
Issue size:	AUD 300,000,000
Issue Date:	13 September 2022
Issue Price:	100.00 per cent of the Aggregate Outstanding Principal Amount
Direct issues by Issuer:	The Issuer may issue Subordinated 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 Subordinated Securities resulted from the Subordinated 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.
Manager:	CBA
Registrar:	Austraclear Services Limited ABN 28 003 284 419 (Austraclear)
ISIN:	AU3CB0292266
Form:	Each Subordinated Security will be: <ul style="list-style-type: none">• denominated in Australian Dollars;



- registered on a register located in Sydney (unless otherwise agreed) (Register);
- a debt obligation of the Issuer constituted by, and owing under, the Subordinated Deed Poll;
- subject to the relevant Conditions of the Subordinated Securities (set out in the Information Memorandum) as supplemented by the Pricing Supplement.

Title: Entry of the name of the person in the Register in respect of a Subordinated Security constitutes or passes title to the Subordinated 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 of the Subordinated Securities. No certificates will be issued unless the Issuer is required to do so by applicable law or regulation. Subordinated Securities that are held in the Austraclear System will be registered in the name of Austraclear and title to the Subordinated Securities will be determined in accordance with the Austraclear Regulations.

Denomination: Subordinated Securities will be issued in denominations of A\$10,000.

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

The Issuer will apply to Austraclear for approval for the Subordinated Securities to be traded on the settlement system operated by Austraclear (**Austraclear System**). Such approval of the Subordinated Securities by Austraclear is not a recommendation or endorsement by Austraclear of the Subordinated Securities.

Subordinated 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**) (together with the Austraclear System, Euroclear and Clearstream, each a **Clearing System**).

Subordinated Securities held in a Clearing System are subject to the rules and regulations of that Clearing System (provided that nothing in those rules and regulations affects any provision of the Conditions of the Subordinated Securities which relates to the eligibility of Subordinated Securities as Tier 2 capital of the Issuer).



Payments:	<p>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 (i.e. the date eight days prior to the relevant payment date).</p> <p>For so long as the Subordinated Security is registered in the name of Austraclear, payments will be made in accordance with the Austraclear Regulations.</p> <p>If a Subordinated 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 Subordinated Security on the relevant Record Date either:</p> <ul style="list-style-type: none"> • by electronic transfer to an account in Australia, which account must be specified not less than 8 business days prior to the due date for payment: or • by A\$ cheque posted to an address in Australia, <p>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.</p>
Transfer:	<p>Subordinated Securities can only be transferred in accordance with the Conditions of the Subordinated Securities.</p> <p>Transfers of Subordinated Securities held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.</p> <p>Subordinated Securities may only be transferred within, to or from Australia in denominations of A\$10,000 and if the consideration payable at the time of 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.</p> <p>Subordinated 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.</p>
Taxes:	<p>All payments of principal and interest in respect of the Subordinated 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</p>



(together **Taxes**), unless such withholding or deduction is required by law or permitted by the Conditions of the Subordinated Securities.

Where a withholding or deduction is required by law, the Issuer must pay additional amounts to Holders of Subordinated Securities (Subordinated Holders) so that they receive the amounts they would have received had no such withholding or deduction been required, except, broadly:

- if the Subordinated Holder is liable to such Taxes by reason of its having some connection with the Commonwealth of Australia;
- if the Subordinated Holder is an Offshore Associate;
- if the Subordinated Holder is party to a scheme to avoid Taxes;
- if the Subordinated Holder has not supplied an appropriate tax file number or equivalent;
- if the Australian Commissioner of Taxation requires the Issuer to withhold pay to it amounts in respect of tax payable to it by the Subordinated Holder; or
- on account of any withholding or deduction required pursuant to FATCA (as defined below).

FATCA: Holders may be subject to FATCA withholding and information reporting:

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 the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (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.

Each Holder should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how they might affect such holder in its particular circumstance.

TFNs and ABNs:

The Issuer will withhold an amount 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.

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.

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

Public offer test:	The Issuer proposes to issue Subordinated Securities and to make payments of interest in a manner that will satisfy section 128F of the Income Tax Assessment Act 1936 of Australia.
Governing law:	New South Wales
Listing:	The Subordinated Securities will not be listed on any stock exchange
Status and ranking:	<p>Subordinated Securities will be direct, unsecured and subordinated obligations of the Issuer and rank in a winding-up:</p> <ul style="list-style-type: none">• after the claims in respect of Senior Ranking Obligations including claims preferred by applicable laws;• equally among themselves and with claims in respect of Equal Ranking Securities; and• ahead of all claims in respect of Junior Ranking Securities including claims referred to in sections 563AA and 563A of the Corporations Act.

“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, the JPY 20,000,000,000 Perpetual Subordinated Callable Fixed/Floating Rate Reverse Dual Currency Securities issued by the Issuer in 1999; and
- (b) any other instruments, present and future, issued after 1 January 2013 as instruments constituting Tier 2 Capital.

“Junior Ranking Securities” means:

- (a) any instrument, present and future, issued by the Issuer which qualifies 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.

*The applicable laws which give priority to certain claims include (but are not limited to) sections 13A and 16 of the Banking Act 1959 (Cth) (the **Banking Act**) and section 86 of the Reserve Bank Act 1959 (Cth). 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.

Maturity Date: The Interest Payment Date falling in or nearest to 13 September 2037

Events of Default: An event of default (an **Event of Default**) broadly occurs if:

- (a) the Issuer fails to pay any amount due in respect of the Subordinated Securities and such default continues for a period of 15 Business Days and is continuing (except where the non-payment is in compliance with law or legal advice or to the extent that, immediately after the payment, the Issuer will not be Solvent (in which case such amount still accumulates and remains a debt owing to the Subordinated Holder by the Issuer)); 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).

If an Event of Default occurs as described in paragraph (a), any Subordinated Holder may institute proceedings:

- 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 (in which case such amount still accumulates and remains a debt owing to the Subordinated Holder by the Issuer);
- for specific performance of any other obligation in respect of the Subordinated Security; or
- for the winding up of the Issuer in Australia (but not elsewhere).

If an Event of Default occurs as described in paragraph (b), a Subordinated Holder may prove in the winding up of the Issuer in respect of 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.



There are no other Events of Default, and 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 in the circumstances described above.

A “winding-up” will not occur solely by reason of (i) an application to wind up being made or (ii) the appointment of a receiver, administrator or official with similar powers under section 13A(1) of the Banking Act.

Interest:

Prior to the Interest Payment Date on 13 September 2032 (**the Interest Reset Date**), the Subordinated Securities will be Fixed Rate Subordinated Securities. The Interest for each Interest Period in relation to the Subordinated Securities will be 6.51 per cent per annum payable semi-annually in arrear commencing on 13 March 2023 up to and including the earlier of the Interest Reset Date and the Optional Redemption Date.

After the Interest Reset Date, the interest for each Interest Period in relation to the Subordinated Securities will be the relevant BBSW (as defined in the Conditions) plus a margin of 2.45 per cent per annum. After the Interest Reset Date, interest is payable quarterly in arrear on each Interest Payment Date commencing on 13 December 2032 up to and including the earlier of the Maturity Date and the Optional Redemption Date.

A Subordinated Security bears interest on its Outstanding Principal Amount, subject to the Conditions of the Subordinated Securities and the Pricing Supplement.

No interest accrues on Subordinated Securities required to be Exchanged for Ordinary Shares in the period from (and including) the Interest Payment Date that immediately precedes the Non-Viability Trigger Event to the Exchange Date or Write Down Date (as applicable).

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:

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

The Issuer may elect to Redeem all or some Subordinated Securities on each Interest Payment Date from and including 13 September 2032 up to but excluding the Maturity Date (each, an Optional Redemption Date) in accordance with the Conditions. This option is not exercisable before the tenth anniversary of the Issue Date of the Subordinated Securities.

In certain circumstances following notice by the Issuer, the Issuer may Redeem all (but not some) of the 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) of the 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 the 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 the 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 the Subordinated Securities is subject to the prior written approval of APRA.

Subordinated Holders 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.
Non-Viability Trigger Event:	<p>A "Non-Viability Trigger Event" occurs when APRA notifies the Issuer in writing that it believes:</p> <ul style="list-style-type: none">(i) an Exchange 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. <p>APRA may specify an aggregate face value of capital instruments which must be Exchanged, Written Down or converted (as applicable).</p>
Exchange or Write Down on the occurrence of a Non-Viability Trigger Event:	<p>If a Non-Viability Trigger Event occurs, the Issuer must Exchange in accordance with the Conditions 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, 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</p>



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 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, 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 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 of the Subordinated Securities; and
- (iii) thirdly, if exchange, conversion or write down of those securities is not sufficient, Exchange (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 of the relevant number of Subordinated Securities or percentage of the Outstanding Principal Amount of each Subordinated Security (as the case may be).

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, then:

- (a) Exchange of the relevant Subordinated Securities or percentage of the Outstanding Principal Amount of each Subordinated Security will occur immediately upon the date of occurrence of the Non-Viability Trigger Event; and
- (b) 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 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 Security).



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 has not otherwise issued 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, then the relevant Subordinated Holder's rights (including to payment of the Outstanding Principal Amount and Interest and the right to receive Ordinary Shares) in relation to such Subordinated Securities or percentage of the Outstanding Principal Amount of the Subordinated Securities are immediately and irrevocably terminated (**Written Down**) and such termination will be taken to have occurred immediately on the date of the occurrence of the Non-Viability Trigger Event.

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.

Exchange Mechanics: On the Exchange Date, 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:

where:

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

P means 0.99.

VWAP (expressed in Australian dollars and cents) means, broadly, the average daily volume weighted prices of Ordinary Shares traded on ASX during the relevant VWAP Period.

VWAP Period means:

- (a) in the case of the calculation of the Exchange Number, the period of five 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.



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

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

The Issue Date VWAP (and accordingly the Maximum Exchange Number) is subject to limited adjustments for bonus issues and certain capital reconstructions.

If the Subordinated Securities of a Subordinated Holder are required to be Exchanged and:

- 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;
- the Subordinated Holder is, broadly, restricted by applicable Australian law from holding Ordinary Shares or is considered by the Issuer not to be a resident of Australia; or
- the Issuer has not received (for any reason whether or not due to the fault of that Subordinated Holder) any information required by it so as to impede the Issuer issuing the Ordinary Shares,

then, subject to the Conditions, on the Exchange Date, the Subordinated Holder's rights (including to payment of the Outstanding Principal Amount and interest, and to receive Ordinary Shares) in relation to such Subordinated Securities being Exchanged are immediately and irrevocably terminated and the Issuer will (subject to the Conditions) 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.

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

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 Subordinated 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 the Subordinated Securities.

As outlined in the sections above titled "Non-Viability Trigger Event" and "Exchange or Write Down on the occurrence of a Non-Viability Trigger



Event", Subordinated Securities are subject to a Non-Viability Trigger Event that could lead to Subordinated Securities being Exchanged or Written Down.

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 a Non-Viability Trigger Event occurs, the Issuer must immediately Exchange such number of the Subordinated Securities (or a percentage of the Outstanding Principal Amount of each Subordinated Security) as specified by APRA or necessary to satisfy APRA that the Issuer will no longer be non-viable. In the case of a public sector injection of capital, or equivalent support, all Subordinated Securities must be Exchanged. The Exchange will be irrevocable.

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 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 Exchange is not effective and the Issuer has not otherwise issued Ordinary Shares within five Business Days after the date of the occurrence of the Non-Viability Trigger Event, then Subordinated Holders' rights (including to payment of the Outstanding Principal Amount and Interest and to receive Ordinary Shares) in relation to Subordinated Securities being Exchanged are immediately and irrevocably terminated and such termination will be taken to have occurred immediately on the date of the occurrence of the Non-Viability Trigger Event. Subordinated Holders' investment will lose all of its value, the Outstanding Principal Amount will not be repaid and Subordinated 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 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.

Amendments:

The Issuer may amend the Conditions:

- without the consent of Subordinated Holders, as set out in the Conditions, including if the amendment is of a formal, technical or minor nature; made to cure any ambiguity or correct any manifest error or not materially prejudicial to the interests of Subordinated Holders; or to enable the substitution of a NOHC as the issuer of the Ordinary Shares on Exchange provided certain substitution conditions are satisfied; and
- with the consent of Holders, by a Special Resolution being passed at a duly convened meeting.

Certain amendments may require prior written approval from APRA. Approval is at the discretion of APRA and may or may not be given.



Schedule 2 – Rights and liabilities attaching to Ordinary Shares

Ordinary Shares may be issued to Subordinated Holders by way of Exchange. Ordinary Shares may also be issued to a nominee to hold for sale for the benefit of a Subordinated Holder if Exchange occurs and the Subordinated Holder has notified CBA that they do not wish to receive Ordinary Shares or the Subordinated Holder is an Ineligible Subordinated Holder.

The rights and liabilities attaching to Ordinary Shares are set out in the constitution of CBA, which was approved by shareholders at the Annual General Meeting on 16 October 2019 (the **Constitution**).

Rights attaching to Ordinary Shares

Any Ordinary Shares issued to Subordinated Holders by way of Exchange will be fully paid and will rank equally with Ordinary Shares already on issue in all respects.

Transfers

Subject to the Constitution, Ordinary Shares may be transferred by a proper transfer executed in accordance with the ASX Settlement Operating Rules, or by a written transfer in any usual form or in any other form approved by the Board and permitted by the ASX Listing Rules, ASX Settlement Operating Rules and Corporations Act. CBA can only defer or refuse to register a share transfer in limited circumstances.

Unless otherwise required by law or the Constitution, CBA is entitled to treat the registered holder as the absolute owner of a share and need not recognise a person as holding a share on trust, even if CBA has notice of a trust.

Except in limited circumstances, CBA is not bound to register more than three persons as joint holders of an Ordinary Share. Where two or more persons are registered as the holders of an Ordinary Share, they hold it as joint tenants with rights of survivorship and on the conditions set out in the Constitution.

Restrictions apply in respect of persons who become entitled to Ordinary Shares by reason of a holder's death or bankruptcy. In the case of the death of a holder, the survivor or survivors jointly registered as holders and the legal personal representatives of a sole holder are the only persons CBA will recognise as having title to the holder's interest in the shares or any benefits accruing on those shares.

Dividends

Holders of Ordinary Shares may receive dividends if CBA's board of directors (the **Board**) determines that a dividend is payable. The Board may determine to pay any dividends that, in its judgement, the financial position of CBA justifies, subject to the Corporations Act. Dividends on Ordinary Shares may be subject to the preferential dividend rights of any preference shares on issue. The Board may rescind a decision to pay a dividend as set out in the Constitution.

The Board may decide the method of payment of any dividend and different methods may apply to different shareholders, such as overseas shareholders. If the Board decides that payments will be made by electronic transfer but no bank account is provided by the shareholder, CBA may hold that amount until a valid account is provided and no interest will accrue on such amount. CBA also has a dividend reinvestment plan for eligible holders. The Board determines whether or not the dividend reinvestment plan operates for each dividend and who is eligible to participate.



Winding up

On winding up of CBA, holders of Ordinary Shares will participate in the division of any surplus assets of CBA (subject to the Constitution and the rights of any preference shares on issue).

Meetings

Subject to the Constitution, holders of Ordinary Shares are entitled to receive notice of, attend and vote in person, by body corporate representative, attorney or proxy at general meetings of CBA.

On a show of hands, each holder (regardless of the number of shares held) has one vote. On a poll, each holder has one vote for each fully paid Ordinary Share held. Voting rights are subject to the Constitution, Corporations Act and ASX Listing Rules, including any applicable voting exclusions.

Issue of further shares

The Board has the power to issue shares and decide the rights and restrictions attached to those shares. Subject to the Corporations Act and ASX Listing Rules, the Board may issue further shares or options over shares on such terms as they think fit.

Restrictions of ownership of Ordinary Shares

Australian laws including financial sector and foreign ownership and takeover laws impose certain limitations on the right of persons to hold, own or vote on Ordinary Shares.

Variation of the Constitution

CBA may seek approval by special resolution of holders of Ordinary Shares (passed by at least 75 per cent. of the votes cast by members entitled to vote on the resolution) to vary the Constitution.

