

COMMONWEALTH BANK OF AUSTRALIA - Dividend Reinvestment Plan Rules

1.1 Definitions

In these Terms and Conditions:

Applicable Law means the Financial Sector (Shareholdings) Act 1998 as amended and the Foreign Acquisitions and Takeovers Act 1975 as amended and any other relevant provision of Australian law, and where the context permits, applicable provisions of the law of the place last given as the address of the relevant Shareholder;

ASX means the Australian Securities Exchange Limited;

Constitution means the Constitution of Commonwealth Bank as amended or added to from time to time;

Commonwealth Bank means the Commonwealth Bank of Australia ACN 123 123 124;

Directors means the board of the Commonwealth Bank as defined in the Constitution;

DRP means the Commonwealth Bank Dividend Reinvestment Plan implemented and maintained by the Directors pursuant to the Constitution;

DRP Notice means a notice in such form as the Commonwealth Bank may from time to time require;

DRP Shares means Shares in respect of which a Shareholder has elected to participate in the DRP;

Listing Rules means the official Listing Rules of the ASX as in force from time to time;

Non-DRP Shares means Shares in the capital of Commonwealth Bank not subject to the DRP;

Participant means a Shareholder some or all of whose Shares are DRP Shares;

Record Date means the date nominated by the Directors for the purpose of identifying the Shareholders who are entitled to receive a particular issue of dividends;

Shares means fully paid ordinary Shares in the capital of Commonwealth Bank;

Shareholder means a person holding Shares;

Terms and Conditions means the terms and conditions of the DRP as set out herein and as amended from time to time in accordance with clause 16 and the Constitution.

1.2 Interpretation

In this DRP, unless the context otherwise requires:

- a. Words importing the singular include the plural and vice versa;
- b. Words importing a gender include any gender;
- c. An expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate; and

- d. A word or expression in the Terms and Conditions that deals with a matter dealt with by a provision of the Constitution has the same meaning as in that provision.

2. Terms and Conditions

These Terms and Conditions are subject to Applicable Law and to the Constitution.

3. Participation in the DRP

- a. Participation on the DRP is optional and subject to the Terms and Conditions.
- b. If, in the reasonable opinion of the Directors, the issue or transfer of the Shares by Commonwealth Bank or the holding of those Shares by the relevant Participant may breach any provision of Applicable Law or is otherwise in the sole opinion of the Directors undesirable or impractical, the Directors may at any time and from time to time:
 - i. decline to issue or transfer Shares under the DRP;
 - ii. reduce the issue or transfer of Shares under the DRP on a proportionate basis; and/or
 - iii. reduce or suspend the participation in the DRP by any Participant.
- c. Unless the Directors in their discretion determine that it is not necessary to so exclude such Shareholders, no Shareholder whose registered address is in the United States of America or a territory thereof or the United Kingdom shall be eligible to participate in the DRP.
- d. Subject to clause 3(c) above, participation in the DRP is open to those Shareholders to whom the Directors resolve from time to time to make the DRP available.

4. Degree of Participation

- a. A holder may participate in the DRP in respect of all his/her Shares or in respect of some only of those Shares.
- b. If a Shareholder wishes all of his/her Shares to become DRP Shares he/she shall lodge a duly completed and executed DRP Notice electing full participation.
- c. If a Shareholder wishes some only of his/her Shares to become DRP Shares he/she shall lodge a duly completed and executed DRP Notice indicating how many Shares are to become DRP Shares and only the number of Shares so specified shall become DRP Shares.
- d. A Shareholder may elect in a DRP Notice to have a greater number of Shares than that held by the Shareholder as at the date of the DRP Notice participate in the DRP. In that case, the number of Shares so specified in the DRP Notice or the number of Shares actually held by the Participant on the relevant record date, whichever is the lesser, will be DRP Shares.
- e. Where the Shareholder is a full Participant in the DRP then all Shares subsequently acquired by the Shareholder whether under the DRP or otherwise shall be DRP Shares.
- f. Where a Shareholder is a partial Participant, then Shares subsequently acquired by the Shareholder whether under the DRP or otherwise shall, subject to Clause 4 (d) above, only be DRP Shares to the extent that the Shareholder so elects in a DRP Notice in accordance with Clause 11 below.

5. Application for Participation

Application must be made on a duly completed and executed DRP Notice.

6. Operation of Plan

- (a) The Directors in their complete discretion will determine with respect to the operation of the plan for any dividend whether to issue new Shares or to cause the transfer of Shares to a participant, or to apply a combination of both options, to satisfy the obligations of Commonwealth Bank under these Terms and Conditions. If the Directors determine to cause the transfer of Shares to Participants, the Shares may be acquired in the market in such manner as the Directors consider appropriate.
- (b) Commonwealth Bank will establish and maintain a DRP account for each shareholding account of each Participant. Commonwealth Bank will in respect of each dividend payable to a Participant:
 - (i) determine the amount of that dividend payable in respect of the Participant's DRP Shares;
 - (ii) determine (where applicable) the Australian withholding tax deductible by Commonwealth Bank in respect of the dividend, and any other sum Commonwealth Bank is entitled to retain in respect of the DRP Shares;
 - (iii) credit the amount in (i) above and debit any amount in (ii) above to the Participant's DRP account;
 - (iv) determine the maximum whole number of Shares which can be acquired under these Terms and Conditions by dividing the amount in the Participant's DRP account by the price determined under Clause 7 of these Terms and Conditions;
 - (v) allot or cause the transfer of that number of Shares to the Participant and debit the subscription amount or the acquisition amount (as the case may be) against the balance in the Participant's DRP account; and
 - (vi) carry forward any residual cash balance to the Participant's DRP account for the next dividend. No interest will accrue in respect of residual positive balances in a Participant's DRP account.
- (c) On the termination of participation in the DRP by a Participant, any residual positive balance in the Participant's DRP account at that time will be paid by cheque to the Participant.

7. Allotment and Transfer Price

- (a) Each Share allotted or transferred under the DRP will be allotted or transferred at the Market Price of Commonwealth Bank Shares (rounded to the nearest cent) less such discount (if any), but not exceeding 2.5% of the Market Price of Commonwealth Bank Shares, as the Directors may determine from time to time and notify to the ASX.
- (b) For the purposes of these Terms and Conditions, the expression "Market Price of Commonwealth Bank Shares" shall mean the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares sold on the ASX during the ten trading days immediately following the relevant Record Date, or such other period as the Directors determine and announce to the ASX.
- (c) The arithmetic average of the daily volume weighted average market price to be used for the purposes of these Terms and Conditions may be calculated excluding such transactions as special crossings, overseas trades and option exercises as determined by the Directors. The calculation may be made by the Directors or a similarly qualified person nominated by the Directors, and may be determined by reference to such information as the Directors approve

for the purpose from time to time, and, in the absence of manifest error, is binding on Participants.

8. Allotments Under DRP

Shares allotted under the DRP will:

- a. Be allotted in accordance with the Listing Rules
- b. Rank equally with other fully paid Shares; and
- c. Be registered on a register chosen by Commonwealth Bank where the Participant already holds Shares.

Shares transferred under the DRP will be registered in the name of the Participant on the register where the participant already holds Shares.

9. Costs to Participants

No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any allotment or transfer of Shares under the DRP.

10. Statements to Participants

After each allotment or transfer of Shares under the DRP, Commonwealth Bank will forward to each Participant a statement setting out:

- a. The number of DRP Shares held by the Participant excluding those Shares last allotted or transferred to the Participant under the DRP;
- b. The amount of the last dividend paid in respect of those DRP Shares;
- c. The allotment or transfer price of the last Shares allotted or transferred to the Participant under the DRP;
- d. The number of Shares allotted or transferred to the Participant under the last DRP allotment or transfer;
- e. The Participant's total holding of Shares after allotment or transfer; and
- f. The residual cash balance in the Participant's DRP account.

11. Variation to Participation

- a. A Participant may, at any time, increase or decrease the number of Shares subject to the DRP by lodging a duly completed and executed DRP Notice.
- b. If a DRP Notice decreases or increases the level of participation in the DRP to below full participation, only that number of Shares specified in the DRP Notice will be DRP Shares and no after-acquired Shares will be DRP Shares except as specified in Clause 4 (d).
- c. If a DRP Notice increases the level of participation in the DRP to full participation, all of the Shareholder's Shares as at the date of the DRP Notice and all Shares subsequently acquired by the Shareholder (including Shares allotted or transferred under the DRP) shall be DRP Shares.

12. Termination of Participation

A Participant may, at any time, terminate his/her participation in the DRP by lodging a duly completed and executed DRP Notice.

13. Disposals

- a. Where all of the Participant's Shares are DRP Shares, in the event that some only of those Shares are disposed of, the remaining Shares held by the Participant will continue to be DRP Shares.
- b. Where some only of a Participant's Shares are DRP Shares the Participant will, unless Commonwealth Bank receives notice otherwise, be deemed to dispose of his/her Non-DRP Shares first.

14. Applications and Notices

- a. Any application or notice referred to in these Terms and Conditions shall be in writing and in such form as Commonwealth Bank may from time to time require.
- b. DRP Notices received at the Commonwealth Bank's Share Registry prior to 5pm on the Record Date for a particular dividend will be effective in respect of that dividend and all subsequent dividends.
- c. Subject to Clause 14 (b), applications and notices are effective on receipt at the Commonwealth Bank's Share Registry and take effect from the next Record Date following such receipt.
- d. Any notice to be given to Shareholders or Participants may be given by notice on the Commonwealth Bank's Website and to the ASX or, at the Directors' discretion, may be given in accordance with the provisions regarding the giving of notices to Shareholders contained in the Constitution.

15. Securities Exchange Listing

Commonwealth Bank will apply for Shares allotted under the DRP to be listed for quotation on the official list of the ASX as soon as practicable.

16. Amendment, Suspension and Termination of DRP

- a. The Directors may amend, suspend or terminate the DRP at any time by giving not less than one month's notice in accordance with clause 14.d.
- b. In the case of an amendment, a Participant will be deemed to continue its participation in the DRP under the Terms and Conditions as amended unless the Participant lodges a DRP Notice with the Commonwealth Bank's Share Registry.
- c. If the Directors terminate the DRP, Commonwealth Bank will send to each Participant a cheque for the residual cash balance (if any) in the Participant's DRP account.

17. Equitable Claims

Commonwealth Bank, unless otherwise required by law, need not recognise a person as owner of additional Shares issued or transferred under the DRP other than the registered holder of the DRP Shares in respect of which the additional Shares are issued or transferred.