



CAPITAL Series 14

Equities, oil, base metals and Asian currencies
– a hindsight approach to investing

Product Disclosure Statement

Issued by Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945
Issue date 5 November 2007

Disclosures and important information

Product Disclosure Statement: This Product Disclosure Statement (“PDS”) sets out general information relating to Capital Series 14, the terms of sale and the terms and conditions of the Commonwealth Bank Capital Investment Loan. You should read the entire PDS before deciding whether to invest in Capital Series 14. This PDS has been prepared by Commonwealth Bank of Australia (“Commonwealth Bank”), the issuer of Capital Series 14. This PDS does not constitute an offer for sale or issue of any securities by Commonwealth Bank that requires disclosure under Chapter 6D of the Corporations Act 2001 (Cth).

Terms of Sale: Investments in Capital Series 14 are not bank deposits. They are contracts entered into between Investors and Commonwealth Bank on the terms set out in the Terms of Sale. It is important that Investors read the Terms of Sale in full which are contained in pages 35 to 41 of this PDS. Capitalised words and phrases which are used in this PDS have the meaning given to those words and phrases as set out in the Definitions in the Terms of Sale (and in the Schedule of Terms).

Investment Decisions: It is impossible in a document of this type to take into account the investment objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by Commonwealth Bank, or any associate of it or any other person concerning investment in Capital Series 14, the Delivery Asset or any other security. Readers should not rely on this PDS as the sole or principal basis of a decision to invest in Capital Series 14, the Delivery Asset or any other security and should seek independent financial and taxation advice before making a decision whether to invest in Capital Series 14. No person is authorised by Commonwealth Bank to give any information or to make any representation not contained in this PDS. Any information or representation not contained in this PDS must not be relied upon as having been authorised by or on behalf of Commonwealth Bank. Nothing in this PDS is, or may be relied upon as, a representation as to the future performance of Capital Series 14 or of any Reference Asset or the Delivery Asset.

Preparation of this PDS: Commonwealth Bank has taken all reasonable care to ensure that the information contained in this PDS is true and accurate in all material respects and that, to the best of its knowledge and belief, such information does not omit anything likely to affect its scope. Commonwealth Bank has prepared this PDS only from publicly available information, which Commonwealth Bank has not verified. Neither the Relevant Asset Provider nor Reference Asset Sponsor have been a party to its preparation or furnished any information specifically to Commonwealth Bank for the purpose of its preparation.

Changes to Information in the PDS: This PDS is current at the time of issue. Information in this PDS is subject to change from time to time. Where information is not materially adverse to Investors, Commonwealth Bank will update the information by posting a notice on its website at www.commsec.com.au. You can request a paper copy of updated information by telephoning 13 15 20.

Withdrawal of applications: If you have lodged an application for Capital Series 14, and you wish to withdraw your application, you may withdraw your application at any time prior to the Closing Date. After the Closing Date, if you withdraw your application for Capital Series 14, the Early Termination provisions will apply.

Jurisdiction and Selling Restrictions: This PDS is not an offer or invitation in relation to Capital Series 14 in any place outside Australia.

Registration with the Australian Securities and Investments Commission: This PDS has not been lodged with the Australian Securities and Investments Commission (“ASIC”) and is not required by the Corporations Act 2001 (Cth) to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS.

Capital Investment Loan: A Capital Investment Loan (the “Loan”) is available from Commonwealth Bank to fund your Investment Amount. The Loan is a product of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 administered by its wholly owned subsidiary Commonwealth Securities Limited (“CommSec”) ABN 60 067 254 399 AFSL 238814. Applications for the Loan are subject to Commonwealth Bank’s credit approval process.

You are not required to obtain a Loan to make an investment in Capital Series 14 and can use your own funds or other loan funds. If you are considering a Loan from Commonwealth Bank to fund your investment in Capital Series 14, then you should read the Overview of the Loan and you must ensure you understand your obligations under the Terms and Conditions of the Loan before deciding whether to apply for a Loan. The Overview of the Loan and the Terms and Conditions of the Loan are contained in the back of this PDS.

No cooling-off rights apply to an application for a Loan. This means that, in most circumstances, you cannot withdraw an application once it has been made.

You should not rely on the Overview of the Loan and the Terms and Conditions of the Loan as the sole or principal basis of a decision to apply for a Loan and should seek independent financial and taxation advice before making a decision.

No person is authorised by Commonwealth Bank to give any information or to make any representation not contained in the Overview of the Loan and the Terms and Conditions of the Loan. Any information or representation not contained in the Overview of the Loan and the Terms and Conditions of the Loan must not be relied upon as having been authorised by or on behalf of Commonwealth Bank. Nothing in the Overview of the Loan and the Terms and Conditions of the Loan is, or may be relied upon as, a representation as to the future performance of the Loan or Capital Series 14.

Associations and Relevant Interests: You should obtain professional advice as to whether by acquiring an interest in Capital Series 14 you will be subject to the relevant interest, substantial shareholding or takeover provisions of the Corporations Act 2001 (Cth). The acquisition and Completion of Capital Series 14 could also have implications for investors under the Foreign Acquisitions and Takeovers Act 1975 (Cth) and other legislation that may affect shareholdings in certain types of companies. You should obtain your own advice in this regard.

This PDS does not take into account the investment objectives, financial situation or particular needs of any particular investor. Investors should assess whether Capital Series 14 is appropriate to their own investment objectives, financial situation and needs, and should consider taking professional advice, before investing.

Commonwealth Bank has not taken into account any labour standards or environmental, social or ethical considerations in the selection, retention or realisation of the investment.

Any person receiving this PDS electronically should note that applications can only be accepted if the Issuer receives a completed, current Application Form which accompanied the electronic or paper copy of the PDS. We will send you paper copies of the PDS (with attached Application Form) free of charge upon request. Please call 13 15 20 for a paper copy of the PDS.

Examples: The assumed Reference Asset values included in the examples in this PDS are for illustrative purposes only and do not reflect Commonwealth Bank’s views on future events.

Issued by the Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945

Administered by Commonwealth Securities Limited (“CommSec”) ABN 60 067 254 399, AFSL 238814

CommSec is a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia, and is a Participant of the ASX Group.

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Key Features

Capital Series 14

Capital Series 14 is a three (3) years and six (6) month investment that seeks to provide capital growth based on the price performance of a portfolio of the following four (4) Asset Classes:

- Equities;
- Oil;
- Base Metals; and
- Asian Currencies.

Each Asset Class comprises the following Reference Assets:

Table A

Asset Class				
	Equities	Oil	Base Metals	Asian Currencies
Reference Asset	1. S&P/ASX 200	1. West Texas Intermediate (WTI)	1. Copper	1. Chinese Yuan (CNY)/United States Dollars (USD) ¹
			2. Aluminium	2. Korean Won (KRW)/USD ²
			3. Zinc	3. Taiwan Dollar (TWD)/USD ³

Each Reference Asset belonging to an Asset Class is equally weighted.

On the Maturity Date, the Final Portfolio Return is calculated in accordance with the following steps:

1. Asset Class Returns are calculated and ordered from highest to lowest.
2. The Asset Class with the highest Asset Class Return is the “Best Performer”, the Asset Class with the second highest Asset Class Return is the “Second Best Performer” and the Asset Class with the third highest Asset Class Return is the “Third Best Performer”. The Asset Class with the lowest Asset Class Return is the “Worst Performer”.
3. The weighting as set out in the table below is then applied to each Asset Class Return:

	Weighting
Best Performer	40%
Second Best Performer	30%
Third Best Performer	20%
Worst Performer	10%

4. The weighted Asset Class Returns are added together to derive the Final Portfolio Return.

Capital Series 14 also protects 100% of your Investment Amount on the Maturity Date. That is, on the Maturity Date, the Maturity Value of your Investment is equal to the greater of:

- your Investment Amount + (your Investment Amount x Final Portfolio Return); and
- your Investment Amount.

Capital Series 14 is structured as a deferred purchase agreement between you, the Investor, and Commonwealth Bank. When you invest, you agree to purchase the Delivery Parcel from Commonwealth Bank. The Delivery Parcel is a number of Delivery Assets, depending on the Maturity Value.

At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP Billiton Limited (“BHP”). Delivery of the Delivery Parcel is deferred for three years and six months. The number of Delivery Assets you receive (that is, the Delivery Parcel) at the end of that time depends on the Maturity Value.

We may substitute the Delivery Asset for another security quoted and trading on ASX at any time.

¹ The “CNY/USD” exchange rate is the rate at which the Chinese Yuan can be exchanged for United States Dollars.

² The “KRW/USD” exchange rate is the rate at which the Korean Won can be exchanged for United States Dollars.

³ The “TWD/USD” exchange rate is the rate at which the Taiwan Dollar can be exchanged for United States Dollars.

<p>Significant benefits</p>	<p>You have the potential to receive capital growth based on the price performance of the Reference Assets.</p> <p>The underlying Reference Assets on which Capital Series 14 is based provide a diversified exposure to four (4) Asset Classes representing Equities, Oil, Base Metals and Asian Currencies. This asset class and industry diversification reduces investment risk by moderating volatility.</p> <p>You receive 100% protection of your Investment Amount on the Maturity Date.</p> <p>Any return on your Investment Amount reflects the performance of the Reference Assets, avoiding the need for analysing and monitoring the performance of individual Australian listed companies, oil, base metals and foreign exchange rates, and helping to reduce volatility. Also, Investors can gain exposure to Australian listed stocks, oil, base metals and Asian currencies without the complications of direct investment in oil, base metals, Asian currencies or stock exchanges. Meanwhile, you have the security and convenience of dealing exclusively with Commonwealth Bank, one of Australia's leading financial institutions.</p> <p>At the Maturity Date, each Asset Class Return, which is the average of the Reference Asset Returns within an Asset Class, is calculated and used to determine the Final Portfolio Return. This averaging mechanism reduces the impact of a sharp fall in the Final Reference Asset Level of a particular Reference Asset.</p> <p>The Final Portfolio Return is calculated in accordance with the steps described in the "Capital Series 14" part of this Key Features section above. The weighting mechanism used to calculate the Final Portfolio Return provides greater exposure to the better performing Asset Classes and reduces your exposure to the poorer performing Asset Classes.</p> <p>There is no direct currency risk associated with your Investment, as Capital Series 14 is denominated in Australian Dollars.</p> <p>You have a choice at maturity of Capital Series 14:</p> <ul style="list-style-type: none"> (i) you can choose to accept physical delivery of the Delivery Parcel, or (ii) you can choose to receive a cash payment (by using our Delivery Asset Sale Service), in which case we will deliver to you the Sale Proceeds. <p>If you choose to accept physical delivery of the Delivery Parcel you will then have an investment in the Delivery Assets, which will be an investment in BHP if at maturity the fully ordinary paid shares in BHP have not been substituted as the Delivery Asset. This may be a benefit to you.</p> <p>If you choose to accept physical delivery of the Delivery Parcel there may be tax benefits for you, depending on your specific taxation circumstances. In particular, you may be eligible for the capital gains tax discount on the disposal of the resulting Delivery Assets. You should note that these benefits may not be available to you: please refer to the "Significant risks" part of this Key Features section below. For more information on this subject, please refer "Tax Considerations" and "Tax Opinion" on page 22 of this PDS.</p> <p>Your Investment should not be subject to the Foreign Investment Fund regime.</p> <p>If you have lodged an application for Capital Series 14, and you wish to withdraw your application, you may withdraw your application at any time prior to the Closing Date.</p> <p>For further information on significant benefits associated with an investment in Capital Series 14, please see "What are the significant benefits?" on page 13 of the PDS.</p>
<p>Significant disadvantages</p>	<p>You have a choice at maturity of Capital Series 14:</p> <ul style="list-style-type: none"> (i) you can choose to accept physical delivery of the Delivery Parcel; or (ii) you can choose to receive a cash payment (by using our Delivery Asset Sale Service) in which case we will deliver to you the Sale Proceeds. <p>You are warned that if you choose to accept physical delivery of the Delivery Parcel you will have exposure to the performance of BHP (provided the Delivery Asset has not been substituted): this may not be advantageous to you.</p> <p>You are warned that if you choose to receive a cash payment (by using our Delivery Asset Sale Service) you will incur a Brokerage Fee of 0.55% (including GST) of the Maturity Value for the use of the Delivery Asset Sale Service.</p> <p>You are warned that if you choose to receive a cash payment (by using our Delivery Asset Sale Service) there may be tax disadvantages for you. In particular, you may be treated as holding your Investment on revenue account and you may not be eligible for any capital gains tax discount on the disposal of the resulting Delivery Assets.</p>

<p>Significant disadvantages (continued)</p>	<p>You are also warned that even if you choose to accept physical delivery of the Delivery Assets, the Australian Taxation Office (ATO) may make a Determination on deferred purchase agreements during the Investment Term of Capital Series 14 that may have tax disadvantages for you. Please refer to the “Significant risks” part of the Key Features section below for an explanation of the ATO’s Determination. For more information on this subject, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.</p> <p>For further information on significant disadvantages associated with an investment in Capital Series 14, please see “What are the significant disadvantages?” on page 14 of the PDS.</p>
<p>Significant risks</p>	<p>Capital Series 14 may not be suitable for you. You need to ensure that you understand all of the risks of investing before applying. We recommend that you obtain independent financial advice before making an investment in Capital Series 14.</p> <p>You will only receive a return on your Investment on the Settlement Date if on the Maturity Date the final value of your Investment is higher than your Investment Amount. Commonwealth Bank cannot guarantee the performance of the Reference Assets nor your Investment.</p> <p>If the Final Reference Asset Level of a Reference Asset is lower than its Initial Reference Asset Level, the Reference Asset Return for that particular Reference Asset would be negative. Then, the negative Reference Asset Return would be used to calculate the Asset Class Return. Also, if an Asset Class Return for a particular Asset Class is negative, then the negative Asset Class Return would be used to calculate the Final Portfolio Return.</p> <p>Capital Series 14 is not a listed investment. It cannot be traded on a market.</p> <p>The capital protection feature will apply only if your Investment Amount is held to maturity.</p> <p>If your investment in Capital Series 14 is terminated prior to the Maturity Date, the Early Termination Value may be less than your Investment Amount. This is why Capital Series 14 is a hold to maturity investment. We recommend that you only invest funds which you will not require for other purposes during the life of your Investment. Please refer to “Early Termination” on page 12 of this PDS for more information.</p> <p>The performance of Capital Series 14 and the Final Reference Asset Levels are not affected by the performance of the Delivery Asset over the Investment Term. However, if you elect to accept physical delivery of the Delivery Parcel at maturity you should be aware that following the purchase of the Delivery Parcel on the Trade Date by Commonwealth Bank, the value of the Delivery Parcel will be affected by changes in the price of the Delivery Asset as traded on ASX.</p> <p>Capital Series 14 is capital protected by Commonwealth Bank. This means that the Maturity Value at maturity cannot be less than your Investment Amount. However, even though we use the word “protected” in relation to the capital of your Investment, you are reliant on us – Commonwealth Bank – to meet our obligations. You are warned that this obligation of Commonwealth Bank to ensure that the Maturity Value at maturity is not less than your Investment Amount is an unsecured obligation of Commonwealth Bank which ranks equally with other unsecured obligations of Commonwealth Bank. If, for example, in the unlikely event Commonwealth Bank were wound up, there would be a risk you may not receive your capital protection.</p> <p>The ATO has indicated that it proposes to issue a Determination on the subject of deferred purchase agreements. The draft Determination is expected to be issued on or about 28 November and a final Determination is expected to be issued on or about 27 February 2008. Capital Series 14 is a deferred purchase agreement. The Determination may have an adverse effect on your Investment. It may mean that the tax outcome of your Investment is not what you were expecting, or is otherwise adverse to you. For example, you may not receive the benefit of capital gains tax discounting in relation to gains accruing up to the Settlement Date even if you choose to accept physical delivery of the Delivery Assets to realise long term returns, and you may be taxed on that gain at the Settlement Date rather than on disposal of the Delivery Assets. Any changes to the tax law, ATO interpretation of the tax law or in the way your Investment affects your tax position could affect the value of your Investment. For more information on tax, including the impending Determination, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.</p> <p>Whether at maturity you choose to accept physical delivery of the Delivery Parcel or to receive cash payment (by using our Delivery Asset Sale Service) may have different tax consequences for you, depending on your specific taxation circumstances and the ATO’s impending Determination on deferred purchase agreements. If you intend to terminate early, there may be tax consequences which you should consider. For more information, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.</p> <p>At the commencement of Capital Series 14 the Delivery Asset is one ordinary fully paid share in BHP. Circumstances may arise where we consider it appropriate to substitute the Delivery Asset for another security. You are warned that we may substitute the Delivery Asset with any other security quoted and trading on ASX (including any other security or any other fund or entity listed on ASX) and deliver that substituted security as the Delivery Asset. You are warned of this and should take this into account when considering investing in Capital Series 14. You will be notified if a substitution occurs.</p>

<p>Significant risks (continued)</p>	<p>At the commencement of Capital Series 14, the Reference Assets are as set out in Table A above.</p> <p>Certain events may occur affecting the use or suitability of either the Delivery Asset or a Reference Asset for Capital Series 14. You are warned that if these events occur we may substitute the Delivery Asset with another security, or substitute the Reference Asset with another asset or other assets.</p> <p>For more information on adjustment, see clause 9 of the Terms of Sale and the definition of “Adjustment Event” in clause 14.1 of the Terms of Sale. You are warned of this and should take this into account when considering investing in Capital Series 14.</p> <p>If we determine that any Early Termination provision in clause 8 of the Terms of Sale is not appropriate in any particular circumstances, or that any event which is not dealt with in clause 8 of the Terms of Sale should have been dealt with, we may make any alterations to the provisions of clause 8 of the Terms of Sale or any other Term in the Terms of Sale that we consider appropriate.</p> <p>We may from time to time make any modification, variation, alteration or deletion of, or addition to, the Terms of Sale (“Amendment”) by sending you written notice describing the Amendments where:</p> <ul style="list-style-type: none"> (a) the Amendment is one determined by us as being required under either of clauses 8 or 9 of the Terms of Sale; (b) the Amendment is necessary or desirable in the reasonable opinion of us to comply with any statutory or other requirement of law; or (c) the Amendment is desirable to correct an inconsistency or error in these Terms of Sale (but only if such Amendment does not, in our opinion, prejudice your interests). <p>Commonwealth Bank may in its absolute discretion change the Start Date and the Closing Date (and time) in which case you acknowledge that the Investment Term will be less than 3 years and 6 months.</p> <p>For further information on significant risks associated with an investment in Capital Series 14, please see “What are the significant risks?” section on page 14 of the PDS.</p>
<p>Minimum Investment Amount</p>	<p>Your Minimum Investment Amount is AUD\$10,000.00 with increments of AUD\$1,000.00 thereafter.</p>
<p>Investment Term</p>	<p>3 years and 6 months (subject to clause 13.15 of the Terms of Sale).</p>
<p>Costs</p>	<ul style="list-style-type: none"> ➤ Application Fee of 2.00% of your Investment Amount on application. ➤ Brokerage Fee on the sale of the Delivery Parcel of 0.55% (including GST) of the Maturity Value (if you choose to receive the Sale Proceeds and use our Delivery Asset Sale Service). ➤ An Early Termination Fee of 1.50% of the Early Termination Value on sale before maturity.
<p>At maturity</p>	<p>You will receive Delivery Assets at maturity to the value of the Maturity Value. The Maturity Value is equal to the greater of:</p> <ul style="list-style-type: none"> (a) your Investment Amount + (your Investment Amount x Final Portfolio Return); and (b) your Investment Amount.
<p>Capital Investment Loan or “Loan”</p>	<p>You may qualify for a Capital Investment Loan to fund your investment in Capital Series 14. For more information on the Capital Investment Loan, please refer to the Overview of the Loan and the Terms and Conditions of the Loan contained in the back of this PDS. Applications for the Loan are subject to Commonwealth Bank’s credit approval process.</p> <p>You should seek your own taxation advice in relation to the deductibility of interest and any other borrowing expenses before gearing an investment in Capital Series 14. Please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS for more information.</p>
<p>Speculative financial product</p>	<p>Capital Series 14 is a speculative financial product and its returns may be less than the return you could earn on other investments.</p>
<p>Early Termination</p>	<p>You are warned that Capital Series 14 is a hold to maturity investment and that if you terminate early the costs may be significant. You must pay the Early Termination Fee and you must pay Break Costs if they are not in your favour. There may be adverse tax consequences for you.</p>
<p>Defined terms</p>	<p>Terms not defined elsewhere have the meanings given them in the Terms of Sale (including the Schedule of Terms).</p>

Key Dates and Information

Opening Date	5 November 2007
Closing Date	7 December 2007, 12 noon Sydney time
Start Date The Closing Level of each Reference Asset on this date is used as the Initial Reference Asset Level of each Reference Asset.	21 December 2007
Acceptance notices mailed	9 January 2008
Maturity Date The date we calculate the Maturity Value.	21 June 2011
Trade Date The date we purchase the Delivery Parcel.	28 June 2011
Settlement Date The date we physically deliver the Delivery Parcel or Sale Proceeds to you.	1 July 2011

We (Commonwealth Bank) reserve the right to amend the Start Date and the Closing Date (and time) of this invitation or, if insufficient subscriptions are received, to enable us to effectively manage the issue, or withdraw this invitation completely. This means that we may decide to change the Opening Date or Closing Date to lengthen or shorten the period of time this invitation is open for. We are likely to exercise this right where there has been very high demand for Capital Series 14 or if a large number of customers ask us to extend the period of time that this invitation is open. However, we would always act reasonably and have regard to standard market practice in making any decision on whether to extend or reduce the length of time that this invitation is open. If we do change the Start Date or the Closing Date the Investment Term will be less than 3 years and 6 months.

What is Capital Series 14?

Capital Series 14 is a 3 years and 6 month investment that seeks to provide capital growth based on the price performance of a portfolio of the following 4 Asset Classes:

- › Equities;
- › Oil;
- › Base Metals; and
- › Asian Currencies.

Each Asset Class comprises the following Reference Assets:

Asset Class				
	Equities	Oil	Base Metals	Asian Currencies
Reference Asset	1. S&P/ASX 200	1. West Texas Intermediate (WTI)	1. Copper	1. Chinese Yuan (CNY)/United States Dollars (USD)
			2. Aluminium	2. Korean Won (KRW)/USD
			3. Zinc	3. Taiwan Dollar (TWD)/USD

Each Reference Asset belonging to an Asset Class is equally weighted.

On the Maturity Date, the Final Portfolio Return is calculated in accordance with the following steps:

1. Asset Class Returns are calculated and ordered from highest to lowest.
2. The Asset Class with the highest Asset Class Return is the "Best Performer", the Asset Class with the second highest Asset Class Return is the "Second Best Performer" and the Asset Class with the third highest Asset Class Return is the "Third Best Performer". The Asset Class with the lowest Asset Class Return is the "Worst Performer".

3. The weighting as set out in the table below is then be applied to each Asset Class Return:

	Weighting
Best Performer	40%
Second Best Performer	30%
Third Best Performer	20%
Worst Performer	10%

4. The weighted Asset Class Returns are added together to derive the Final Portfolio Return.

Capital Series 14 is structured as a deferred purchase agreement between you, the Investor, and Commonwealth Bank. When you invest, you agree to purchase the Delivery Parcel from Commonwealth Bank. The Delivery Parcel is a number of Delivery Assets, equal in value to the Maturity Value. At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP. Delivery of the Delivery Parcel is deferred for three years and six months. The number of Delivery Assets you receive at the end of that time (that is, the Delivery Parcel) depends on the Maturity Value which is equal to the greater of:

- (a) your Investment Amount + (your Investment Amount x Final Portfolio Return); and
- (b) your Investment Amount.

Reference Assets

Reference Assets	Relevant Financial Market	Website
S&P/ASX 200	Australian Stock Exchange	www.standardandpoors.com
WTI	New York Mercantile Exchange	www.nymex.com
Copper, Aluminium and Zinc	London Metal Exchange	www.lme.co.uk
CNY/USD, KRW/USD, TWD/USD	Foreign exchange market	www.reuters.com

Who is Capital Series 14 suitable for?

Capital Series 14 is suitable for individuals, companies, trusts and superannuation funds looking to:

- › diversify their investment portfolio by gaining exposures to 4 Asset Classes representing Equities, Oil, Base Metals and Asian Currencies without needing to have the knowledge or resources to pick individual Australian listed stocks, base metals or Asian currencies directly;
- › gain exposure to the Australian share market, oil, base metals and foreign exchange rates without the complications of direct investment in individual stocks, oil, base metals and Asian currencies. Under Capital Series 14, you have the security and convenience of dealing exclusively with Commonwealth Bank, one of Australia's leading financial institutions;
- › invest with 100% gearing where a Capital Investment Loan is used (except for superannuation funds); and
- › invest with 100% capital protection of your Investment Amount at maturity.

You have a choice at maturity of Capital Series 14:

- (i) you can accept physical delivery of the Delivery Parcel, or
- (ii) you can receive a cash payment (by using our Delivery Asset Sale Service).

If you choose to accept delivery of the Delivery Parcel, you will then have an investment in the Delivery Asset. You will then no longer have an investment linked to the Reference

Assets. Capital Series 14 also protects 100% of your Investment Amount if held to the Maturity Date.

There is no direct currency risk associated with your Investment, as Capital Series 14 is denominated in Australian Dollars.

Prior to making your investment in Capital Series 14 you can view the performance of each of the Reference Assets at the websites set out in the table below. Information about these Reference Assets is contained in the section "Information about the Reference Assets and the Delivery Asset" on page 16 of this PDS. You can obtain more information about BHP from the website www.bhpbilliton.com.au.

Assets. At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP. You should consider whether an investment in the Delivery Asset, at that time, is suitable for you.

If the Delivery Asset is substituted, the substituted asset must still be a security quoted and trading on ASX. If you choose to accept delivery of the Delivery Parcel, and the Delivery Asset at the commencement of Capital Series 14 has been substituted, you will have an investment in the substituted asset quoted and trading on ASX.

If you do not consider that an investment in the Delivery Asset, at that time, is suitable for you, you may choose to receive a cash payment from us by using our Delivery Asset Sale Service. If you do so, you will incur a Brokerage Fee of 0.55% (including GST) of the Maturity Value for the use of the Delivery Asset Sale Service.

Whether at maturity you choose to accept delivery of the Delivery Parcel or to receive cash payment (by using our Delivery Asset Sale Service) may have different tax consequences for you, depending on your specific taxation circumstances and the ATO's impending Determination on deferred purchase agreements. Capital Series 14 is a deferred purchase agreement. Please refer "Tax Considerations" and "Tax Opinion" on page 22 of this PDS. You should seek your own independent tax advice on your investment in Capital Series 14.

How does Capital Series 14 work?

Application

You send us your completed Application Form, Investment Amount and Application Fee in cleared funds, prior to the Closing Date. Once your Application has been received we will, on or after the Closing Date debit your nominated account for your Investment Amount and Application Fee. Any interest on these funds in the period between the date which we debit your nominated account and the Start Date

will be retained by Commonwealth Bank. You should ensure that you have sufficient cleared funds in your nominated account by the Closing Date.

If you do not have sufficient cleared funds in your nominated account this may result in your application not being accepted. If your application is not accepted, any money that you have paid to us will be returned to you. Any interest on these funds will be retained by Commonwealth Bank.

Tracking your Investment

Each year you will receive a letter from us that sets out how your Investment is performing.

You can also track the performance of the Reference Assets by visiting the following web sites:

Reference Asset	Relevant Financial Market	Website
S&P/ASX 200	Australian Stock Exchange	www.standardandpoors.com
WTI	New York Mercantile Exchange	www.nymex.com
Copper, Aluminium and Zinc	London Metal Exchange	www.lme.co.uk
CNY/USD, KRW/USD, TWD/USD	Foreign exchange market	www.reuters.com

Alternatively, please contact CommSec on **13 15 20**, your investment adviser or your relationship manager.

Completion Notice

A month before your Investment matures, we will send you a Completion Notice to fill out and return to us. In your Completion Notice you must indicate whether:

1. you wish to accept physical delivery of the Delivery Parcel, which will be described in the Completion Notice; or
2. you wish to receive a cash payment of the Delivery Parcel and use our Delivery Asset Sale Service.

There may be different tax implications for you depending on which of the above you choose. For more information, see "Tax Considerations" and "Tax Opinion" on page 22 of this PDS.

You should also specify your broker sponsored account and your Holder Identification Number (HIN).

If we do not receive your Completion Notice by 5pm, Sydney time, on the Maturity Date we will arrange for physical delivery of the Delivery Parcel to you.

If you choose to receive a cash payment and use the Delivery Asset Sale Service, you instruct us or our nominee to sell the Delivery Parcel on your behalf and forward the Sales Proceeds to you. If your holding includes any partial unit, you will receive the relevant dollar value of the partial unit in cash. We charge a Brokerage Fee of 0.55% (including GST) of the Maturity Value for the use of the Delivery Asset Sale Service.

If you are funding your investment in Capital Series 14 with a Capital Investment Loan, you will be taken to have chosen to use the Delivery Asset Sale Service, unless, subject to clause 3.10 of the Terms of Sale, you inform us in writing that you will be repaying the Capital Investment Loan with your own capital or with other borrowed funds. You will not have the election to tell us that you will be repaying the Capital Investment Loan with your own capital or with other borrowed funds if you are in default under your Capital Investment Loan.

What happens at maturity?

The levels used in these examples are given by way of illustration only and do not represent, and should not be taken as representing, our view of what the levels

on those days might be, or what you should expect the levels to be on those days, or the manner in which the levels might move between those days.

Examples of calculating the Maturity Value

Table B

Equities				
	S&P/ASX 200			
Initial Reference Asset Level	6400			
Final Reference Asset Level	10643			
Reference Asset Return	66.304%			
Asset Class Return	66.304%			
Oil				
	WTI			
Initial Reference Asset Level	80			
Final Reference Asset Level	121			
Reference Asset Return	51.250%			
Asset Class Return	51.250%			
Base Metals				
	COPPER	ALUMINIUM	ZINC	
Initial Reference Asset Level	7500	2400	2750	
Final Reference Asset Level	9000	4000	4123	
Reference Asset Return	20.000%	66.667%	49.927%	
Asset Class Return	45.531%			
Asian Currencies				
	CNY/USD	KRW/USD	TWD/USD	
Initial Reference Asset Level	0.1333	0.0011	0.0303	
Final Reference Asset Level	0.1533	0.0012	0.0215	
Reference Asset Return	15.004%	9.091%	-29.043%	
Asset Class Return	-1.649%			
Asset Class	Performance	Asset Class Return	Weighting	Weighted Return
Equities	Best Performer	66.304%	40%	26.522%
Oil	Second Best Performer	51.250%	30%	15.375%
Base Metals	Third Best Performer	45.531%	20%	9.106%
Asian Currencies	Worst Performer	-1.649%	10%	-0.165%
FINAL PORTFOLIO RETURN	50.838%		100%	50.838%

Example setting out the steps – Refer Table B above.

Step 1 We determine the Initial Reference Asset Level for each Reference Asset.

Step 2 We determine the Final Reference Asset Level for each Reference Asset.

Step 3 We calculate the Reference Asset Return for each Reference Asset. The Reference Asset Return for each Reference Asset is the percentage change from the Initial Reference Asset Level to the Final Reference Asset Level. This can also be expressed

by the formula: (Final Reference Asset Level – Initial Reference Asset Level) / Initial Reference Asset Level (expressed as a percentage). In this example the Reference Asset Return for the S&P/ASX 200 is 66.304% ((10643 – 6400) / 6400). The Reference Asset Return for WTI is 51.250% ((121 – 80) / 80). The Reference Asset Returns for each of Copper, Aluminium and Zinc are 20.000% ((9000 – 7500) / 7500), 66.667% ((4000 – 2400) / 2400) and 49.927% ((4123 – 2750) / 2750) respectively. The Reference Asset Returns for each of CNY/USD, KRW/USD and TWD/USD exchange rates are 15.004% ((0.1533 – 0.1333) / 0.1333), 9.091% ((0.0012 – 0.0011) / 0.0011) and -29.043% ((0.0215 – 0.0303) / 0.0303) respectively.

Step 4 We calculate the Asset Class Return for each Asset Class which is the average of the Reference Asset Returns in the Asset Class. In this example the Asset Class Return for Equities is 66.304% (66.304% / 1). The Asset Class Return for Oil is 51.250% (51.250% / 1). The Asset Class Return for Base Metals is 45.531% ((20.000% + 66.667% + 49.927%) / 3). The Asset Class Return for Asian Currencies is -1.649% ((15.004% + 9.091% + -29.043%) / 3).

Step 5 We calculate the Final Portfolio Return using the following steps:

- A. Asset Class Returns are ordered from highest to lowest.
- B. The Asset Class with the highest Asset Class Return is the “Best Performer”, the Asset Class with the second highest Asset Class Return is the “Second Best Performer” and the Asset Class with the third highest Asset Class Return is the “Third Best Performer”. The Asset Class with the lowest Asset Class Return is the “Worst Performer”.
- C. The weighting as set out in the table below is then applied to each Asset Class Return:

	Weighting
Best Performer	40%
Second Best Performer	30%
Third Best Performer	20%
Worst Performer	10%

D. The weighted Asset Class Returns are added together to derive the Final Portfolio Return.

In this example, Equities is the Best Performer with an Asset Class Return of 66.304%, and accordingly, we assign a weighting of 40%. Oil is the Second Best Performer with an Asset Class Return of 51.250% and

accordingly, we assign a weighting of 30%. The Base Metals asset class is the Third Best Performer with an Asset Class Return of 45.531% and accordingly, we assign a weighting of 20%. The Asian Currencies asset class is the Worst Performer with an Asset Class Return of -1.649% and accordingly, we assign a weighting of 10%.

Therefore, the Final Portfolio Return is 50.838% ((66.304% x 40%) + (51.250% x 30%) + (45.531% x 20%) + (-1.649% x 10%))

Assuming the following information for the examples below:

Investment Amount \$ 100,000.00

Example 1

The Final Portfolio Return is 50.838%.

If you invested \$100,000.00 and the Final Portfolio Return is 50.838%, the Maturity Value of your Investment would be \$150,838 as the Maturity Value is the greater of:

- (A) your Investment Amount + (your Investment Amount x Final Portfolio Return) and
 - (B) your Investment Amount
- Where (A) = \$100,000.00 + (\$100,000.00 x 50.838%)
 = \$100,000.00 + (\$50,838.00)
 = \$150,838.00

Therefore, the Maturity Value will be \$150,838.00.

Result: There would be capital growth in your Investment. Depending on your choice, you will receive either physical delivery of the Delivery Parcel to the value of \$150,838.00, or a cash payment (the Sale Proceeds) to the value of \$150,838.00. If you choose to receive Sale Proceeds, the Brokerage Fee will be charged to you separately.

Example 2

The Final Portfolio Return is 0.00%.

If you invested \$100,000.00 and the Final Portfolio Return is 0.00%, the Maturity Value of your Investment would be \$100,000.00 as the Maturity Value is the greater of:

- (A) your Investment Amount + (your Investment Amount x Final Portfolio Return) and
 - (B) your Investment Amount
- Where (A) = \$100,000.00 + (\$100,000.00 x 0%)
 = \$100,000.00 + (\$0.00)
 = \$100,000.00

Therefore, the Maturity Value will be \$100,000.00.

Result: There would not be any capital growth in your Investment. However, because of the capital protection feature of Capital Series 14, you receive 100% protection of your Investment Amount if held to maturity. Depending on your choice, you will receive either physical delivery of the Delivery Parcel to the value of \$100,000.00, or a cash payment (the Sale Proceeds) to the value of \$100,000.00. If you choose to receive Sale Proceeds, the Brokerage Fee will be charged to you separately.

Example 3**The Final Portfolio Return is -10%.**

If you invested \$100,000.00 and the Final Portfolio Return is -10%, the Maturity Value of your Investment would be \$100,000.00 as the Maturity Value is the greater of:

- (A) Investment Amount + (your Investment Amount x Final Portfolio Return) and
 (B) your Investment Amount
 Where (A) = \$100,000.00 + (\$100,000.00 x -10%)
 = \$100,000.00 + (-\$10,000.00)
 = \$90,000.00

Therefore, the Maturity Value will be \$100,000.00, being (B), your Investment Amount.

Result: There would not be any capital growth in your Investment. However, because of the capital protection feature of Capital Series 14, you receive 100% protection of your Investment Amount if held to maturity. Depending on your choice, you will receive either physical delivery of the Delivery Parcel to the value of \$100,000.00, or a cash payment (the Sale Proceeds) to the value of \$100,000.00. If you choose to receive Sale Proceeds, the Brokerage Fee will be charged to you separately.

Maturity Value and Delivery Parcel

If at maturity of Capital Series 14 you choose to accept physical delivery of the Delivery Parcel you will receive Delivery Assets equivalent in value to the Maturity Value. The Delivery Parcel is the number of Delivery Assets which you receive.

Settlement

On the Trade Date, we will purchase the Delivery Parcel on your behalf. The Trade Date will be five Business Days after the Maturity Date.

On the Settlement Date, we will either physically deliver the Delivery Parcel to you or, if you have elected to receive the Sale Proceeds and use our Delivery Asset Sales Service, we will pay you the Sale Proceeds. The Settlement Date will be nine Business Days after the Maturity Date.

If you are taking physical delivery of the Delivery Parcel, we will transfer the Delivery Parcel to your broker-sponsored account and Holder Identification Number (HIN) nominated in your Completion Notice. If the broker-sponsored account

and HIN have not been nominated, or are otherwise invalid, we will transfer the Delivery Parcel to an Issuer-sponsored account in the same name as your Investment.

If you are taking physical delivery of the Delivery Parcel and your holding includes any partial unit, you will receive the relevant dollar value of the partial unit in cash. For example, if the Maturity Value is \$250,000.00 and Delivery Asset is trading at \$45.00 we will buy on your behalf 5,555 units for a value of \$249,975.00 (5,555 X \$45.00) and forward the residual amount of \$25.00 to you (\$250,000 – \$249,975.00). Note that if the residual amount does not exceed \$20.00, we are under no obligation to you to make any payment for the fractional security or unit (as applicable) that comprise the Delivery Asset.

If you are using our Delivery Asset Sale Service we will credit Sale Proceeds to your nominated account as indicated in your Application Form. There may be different tax implications to you if you use the Delivery Asset Sale Service and you should seek your own independent tax advice in this situation. For more information, see “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.

Alternative Delivery Asset

If in the Completion Notice you elect to accept physical delivery of the Delivery Parcel, we may at our discretion substitute an alternative Delivery Asset. Instead of the then current Delivery Asset, you may receive any other security quoted and trading on ASX.

Circumstances may arise where we consider it appropriate to substitute the Delivery Asset for another security. We may substitute the Delivery Asset with any other security quoted and trading on ASX and deliver that substituted security as the Delivery Asset.

At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP. However, if substitution occurs the Delivery Asset will change. When in this PDS we refer to one ordinary fully paid share in BHP as the Delivery Asset at maturity we are assuming that there will be no substitution. However, this may not be the case. You are warned of this and should take this into account when considering investing in Capital Series 14. You will be notified if a substitution occurs.

What are the costs

Application Fee	An Application Fee of 2.00% of your Investment Amount is payable at the start of your Investment, reflecting the costs of establishing a position on the equities, oil, base metals and Asian currencies markets. Some or all of the Application Fee may be paid to your financial adviser.
Brokerage Fee	Brokerage on the sale of the Delivery Asset of 0.55% (including GST) of the Maturity Value at maturity.
Early Termination Fee	An Early Termination Fee of 1.50% of the Early Termination Value on sale before maturity.

Making an application for Capital Series 14

How to apply

Applications may be made only on the Application Form attached to the back of this PDS. All Applications must be received by Commonwealth Bank by no later than 12.00pm (noon) Sydney time on the Closing Date, as specified in this PDS. You should return completed Applications to us.

You may apply for any amount of this product, subject to a Minimum Investment Amount and minimum increments as specified in the Schedule of Terms. You should make payment with your Applications by cheque or direct debit.

The sum you send us is called the Application Amount. We may deduct from this an Application Fee as shown in the Schedule of Terms.

The amount invested by you is your Investment Amount. This is the Application Amount, less any Application Fee. No stamp duty is payable by you under Capital Series 14.

Acceptance of Applications

We may in our absolute discretion refuse or reject any Application (wholly or in part) without giving you a reason. We also reserve the right at any time to close the invitation early. If an Application is rejected or accepted only in part, we will return the Application Amount to you, without interest.

If we decide that we will accept an Application, acceptance of your offer will take place on the Start Date, as specified in the Terms of Sale. Within 10 Business Days of the Start Date, we will provide you with a notice, acknowledging acceptance.

Early Termination

Capital Series 14 is a hold to maturity investment. However, your Investment may be terminated prior to the Maturity Date by:

- (a) agreement between you and Commonwealth Bank; or
- (b) Commonwealth Bank in accordance with the Terms of Sale.

If your Investment is terminated early, you will not receive the 100% protection of your Investment Amount.

At the time of termination we will calculate the Early Termination Value. In doing so we will take into account the Break Costs associated with unwinding the hedge arrangements Commonwealth Bank established in connection with your Investment (which may be an addition (that is, in your favour) or a deduction (that is, not in your favour) in the calculation of the Early Termination Amount).

“Break Costs” are defined in clause 14.1 of the Terms of Sale. They represent the cost to Commonwealth Bank of

Who may apply for Capital Series 14?

Application for Capital Series 14 is open to:

- › Australian residents
- › Companies registered in Australia
- › Australian Trust entities
- › Australian Superannuation Funds

You are bound by the Terms of Sale when you make an Application

Commonwealth Bank issues Capital Series 14 on the Terms of Sale set out in the section headed “Terms of Sale”. You should ensure that you read and understand the Terms of Sale. Signing and lodging an Application Form will bind you to the Terms of Sale, provided that, where you have signed and lodged an Application Form, you may withdraw your application at any time prior to the Closing Date. The Terms of Sale include the Schedule of Terms.

Additional information about Capital Series 14

Please contact your financial adviser or Commonwealth Bank if you have any questions about:

- (a) how to invest in Capital Series 14; or
- (b) how to complete the attached Application Form.

terminating your Investment before maturity. The Break Costs could be in your favour, in which case they will be added in determining the Early Termination Value; or they could not be in your favour, in which case they will be deducted in determining the Early Termination Value. This is what we mean by saying we will take Break Costs into account: they may be added or deducted in calculating the Early Termination Value.

Break Costs may be significant. They are only payable if your Investment is terminated prior to the Maturity Date. If your Investment is terminated prior to the Maturity Date, the Early Termination Value may be less than your Investment Amount. Break Costs payable by you could be a factor in this. This, and the fact an Early Termination Fee is payable, is why Capital Series 14 is a hold to maturity investment.

It is not possible to forecast the amount of Break Costs on your Investment. You should therefore not enter Capital Series 14 if you may need your funds prior to the Maturity Date.

You should be aware that an Early Termination Fee (being 1.50% of the Early Termination Value) is also payable by you on Early Termination.

The table below provides an indication of how changes in some variables can affect Break Costs. The table assumes all other variables remain constant.

How changes in some variables affect Break Costs.

Variable	Change in Variable	Break Costs
Reference Index	↑	↓
Reference Index Volatility	↑	↓
AUD interest rates	↑	↑

There may be different tax implications if you elect Early Termination. You should seek your own independent tax advice in this situation. For more information, see “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.

We may elect Early Termination following the occurrence of an Early Termination Event. In clause 14.1 of the Terms of Sale “Early Termination Event” is defined to mean;

- (a) you are or become Insolvent; or
- (b) any actual or proposed Adjustment Event of which, in our reasonable opinion, it is not possible or desirable for that event to be dealt with in accordance with clause 9 of the Terms of Sale; or
- (c) any actual or proposed event which may reasonably in our opinion be expected to lead to any of the events in (a) and (b) above occurring; or
- (d) if you have funded your Investment with a Capital Investment Loan, a default by you under the terms of your Capital Investment Loan.

What are the significant benefits?

You have the potential to receive capital growth based on the price performance of the Reference Assets.

The underlying Reference Assets on which Capital Series 14 is based are diversified across 4 Asset Classes representing Equities, Oil, Base Metals and Asian Currencies. This asset class and industry diversification reduces investment risk by moderating volatility.

You receive 100% protection of your Investment Amount on the Maturity Date.

Any return on your Investment reflects the performance of the Reference Assets, avoiding the need for analysing and monitoring the performance of individual Australian listed companies, base metals and foreign exchange rates, and helping to reduce volatility. Also, Investors gain exposure to Australian listed stocks, oil, base metals, and foreign exchange rates without the complications of direct investment in oil, base metals, Asian currencies and stock exchanges. Meanwhile, you have the security and convenience of dealing exclusively with Commonwealth Bank, one of Australia’s leading financial institutions.

At the Maturity Date, each Asset Class Return, which is the average of the Reference Asset Returns within an Asset Class, is calculated and used to determine the Final Portfolio Return. This averaging mechanism reduces the impact of a sharp fall in the Final Reference Asset Level of a particular Reference Asset.

The Final Portfolio Return is calculated in accordance with the steps set out in the Schedule of Terms. The weighting mechanism used to calculate the Final Portfolio Return provides greater exposure to the better performing Asset Classes and reduces your exposure to the poorer performing Asset Classes.

There is no direct currency risk associated with your Investment, as Capital Series 14 is denominated in Australian Dollars.

You have a choice at maturity of Capital Series 14:

- (i) you can choose to accept physical delivery of the Delivery Parcel, or
- (ii) you can choose to receive a cash payment (by using our Delivery Asset Sale Service).

If you choose to accept delivery of the Delivery Parcel, you will then have an investment in the Delivery Asset, which will be an investment in BHP if at maturity the ordinary fully paid shares in BHP have not been substituted as the Delivery Asset.

If you choose to accept physical delivery of the Delivery Parcel there may be tax benefits for you, depending on your specific taxation circumstances. You should note that these benefits may not be available to you: please refer “What are the significant risks?” section on page 14 of the PDS. For further information, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.

If you have lodged an application for Capital Series 14, and you wish to withdraw your application, you may withdraw your application at any time prior to the Closing Date. Any money that you have paid with the Application Form will be refunded to you, without interest.

Your Investment should not be subject to the Foreign Investment Fund regime.

An investment in the Delivery Asset gives you exposure to the performance of BHP: this may be of benefit to you. You can obtain Information about BHP from the website www.bhpbilliton.com.au

What are the significant disadvantages?

You have a choice at maturity of Capital Series 14:

- (i) you can choose to accept physical delivery of the Delivery Parcel, or
- (ii) you can choose to receive a cash payment (by using our Delivery Asset Sale Service).

If you intend to invest for the 3 years and 6 month term and do not intend to choose to accept physical delivery of the Delivery Parcel at the end of that term then you are warned of the following:

- (a) if at maturity you intend to receive a cash payment (by using our Delivery Asset Sale Service) or intend to terminate early, there may be tax consequences for you. You should seek your own independent tax advice in this situation. For more information on taxation, see “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.
- (b) If at maturity you intend to receive a cash payment (by using our Delivery Asset Sale Service) you will incur a

Brokerage Fee of 0.55% (including GST) of the Maturity Value for the use of the Delivery Asset Sale Service.

If you choose to accept physical delivery of the Delivery Parcel you will have exposure to the performance of BHP: this may not be advantageous to you.

If you choose to accept a cash payment (by using our Delivery Asset Sale Service) there may be tax disadvantages for you. In particular, you may be treated as holding your Investment on revenue account and may not be eligible for any capital gains discount on the disposal of the resulting Delivery Assets.

Even if you choose to accept physical delivery of the Delivery Assets, the ATO may make a Determination on deferred purchase agreements during the Investment Term of Capital Series 14 that may have tax disadvantages for you. Please refer the “Taxation risk” part of “What are the significant risks?” section on page 15 of the PDS for an explanation of the ATO’s Determination. For more information on this subject, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.

What are the significant risks?

Capital Series 14 may not be suitable for you. You need to ensure that you understand all of the risks of investing before applying. We recommend that you obtain independent financial advice before investing in Capital Series 14.

Starting from the time at which you make your Investment, risk factors may lead to changes in the financial outcomes that are unfavourable to you. Monitoring of any risks associated with this product is your responsibility (subject to the responsibility of Commonwealth Bank for its own operational processes, please refer “Operational risk” on page 15 of this PDS).

Market risk

You will only receive a return on your Investment on the Settlement Date, if on the Maturity Date the final value of your Investment is higher than your Investment Amount. Commonwealth Bank cannot guarantee the performance of the Reference Assets nor your Investment.

If the Final Reference Asset Level of a Reference Asset is lower than its Initial Reference Asset Level, the Reference Asset Return for that particular Reference Asset would be negative. Then, the negative Reference Asset Return would be used to calculate the Asset Class Return. Also, if an Asset Class Return for a particular Asset Class is negative, then the negative Asset Class Return would be used to calculate the Final Portfolio Return.

During the Investment Term, Capital Series 14 will be affected by a number of market variables, including but not limited to, the performance of the Reference Assets, interest

rates, economic variables, time remaining to maturity, technological, legal or political conditions that may occur globally or at a country, industry or asset specific level.

Investors should be familiar with stocks, oil, base metals, foreign exchange contracts and with investments in the financial markets generally. In particular, Investors should be familiar with the financial markets on which the relevant Reference Assets are traded and where the base metals are sourced and consumed.

Capital Series 14 is not a listed investment. It cannot be traded on a market.

The capital protection feature will apply only if your Investment is held to maturity.

If your Investment is terminated prior to the Maturity Date, the Early Termination Value may be less than your Investment Amount. Break Costs payable by you could be a factor in this. “Break Costs” are defined in clause 14.1 of the Terms of Sale. They represent the cost to Commonwealth Bank of terminating your Investment before maturity. The Break Costs could be in your favour, in which case they will be added in determining the Early Termination Value; the Break Costs could not be in your favour, in which case they will be deducted in determining the Early Termination Value. Break Costs may be significant. Break Costs are only payable if your Investment is terminated prior to the Maturity Date. This, together with the fact that an Early Termination Fee is payable on Early Termination, is why Capital Series 14 is a hold to maturity investment. We recommend that you only invest

funds which you will not require for other purposes during the life of your Investment. Please refer to “Early Termination” on page 12 of this PDS for more information.

The performance of Capital Series 14 and the Final Reference Asset Level of each Reference Asset are not affected by the performance of the Delivery Asset, which at the commencement of Capital Series 14 is one ordinary fully paid share in BHP, or any substituted alternative Delivery Asset, over the Investment Term. However, if you elect to accept physical delivery of the Delivery Parcel at maturity you should be aware that following the purchase by Commonwealth Bank of the Delivery Parcel on the Trade Date, the value of the Delivery Parcel will be affected by changes in the price of the Delivery Asset. You can obtain more information about BHP from the website www.bhpbilliton.com.au.

Capital Series 14 is a speculative financial product and its returns may be less than the return you could earn on other investments.

Circumstances may arise where we consider it appropriate to substitute the Delivery Asset for another security. We may substitute the Delivery Asset with any other security quoted and trading on ASX and deliver that substituted security as the Delivery Asset. The substitute Delivery Asset must be a security quoted and trading on the ASX. At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP. However, if substitution occurs the Delivery Asset will change. When in this PDS we refer to BHP as the Delivery Asset at maturity we are assuming that there will be no substitution. However, this may not be the case. You are warned of this and should take this into account when considering investing in Capital Series 14. You will be notified if a substitution occurs.

Taxation risk

The ATO has indicated that it proposes to issue a Determination on the subject of deferred purchase agreements. The draft Determination is expected to be issued on or about 28 November 2007 and a final Determination is expected to be issued on or about 27 February 2008. Capital Series 14 is a deferred purchase agreement. The Determination may have an adverse effect on your Investment. It may mean that the tax outcome of your Investment is not what you were expecting, or is otherwise adverse to you. For example, you may not receive the benefit of capital gains tax discounting in relation to gains accruing up to the Settlement Date even if you choose to accept physical delivery of the Delivery Assets to realise long term returns, and you may be taxed on that gain at the Settlement Date rather than on disposal of the Delivery Assets. Any changes to the tax law, ATO interpretation of the tax law or in the way your Investment affects your tax position could affect the value of your Investment. For more information on tax, including the impending Determination, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.

Whether at maturity you choose to accept physical delivery of the Delivery Parcel or to receive cash payment (by using our Delivery Asset Sale Service) may have different tax consequences for you, depending on your specific taxation circumstances and the ATO's impending Determination on deferred purchase agreements. If you intend to terminate early, there may be tax consequences which you should consider. For more information, please refer “Tax Considerations” and “Tax Opinion” on page 22 of this PDS.

Credit risk

Credit risk is common to all investment products that you may hold with Commonwealth Bank. In all cases, you are reliant on the ability of Commonwealth Bank to meet its obligations to you under the terms of each transaction. This risk is sometimes described as “counterparty risk”. Capital Series 14 is capital protected by us. This means that the Maturity Value of your Investment at maturity cannot be less than your Investment Amount. However, even though we use the word “protected” you are reliant on us – Commonwealth Bank – to meet our obligations. You are warned that this obligation of Commonwealth Bank to ensure that the Maturity Value is not less than your Investment Amount is an unsecured obligation of Commonwealth Bank which ranks equally with other unsecured obligations of Commonwealth Bank. If, for example, in the unlikely event Commonwealth Bank were wound up, there would be a risk you may not receive your capital protection.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events.

You are reliant on the ability of Commonwealth Bank to price and settle your Investment in a timely and accurate manner. Commonwealth Bank in turn is dependent on the reliability of its own operational processes that include communications, computers and computer networks. Disruptions in Commonwealth Bank's processes may lead to delays in the execution and settlement of your Investment. Such disruptions may result in outcomes that are less favourable to you. However, once you have made your Investment the management of risks associated with its own operational processes is the responsibility of Commonwealth Bank.

Adjustment Events and other changes to the Terms of Sale

Certain events may occur affecting the use or suitability of the Delivery Asset or a Reference Asset or basket of Reference Assets that comprise an Asset Class. If these events occur we may substitute the Delivery Asset with another security, or substitute a Reference Asset or basket of Reference Assets that comprise an Asset Class with another asset or other

assets. For more information on adjustment, see clause 9 of the Terms of Sale and the definition of “Adjustment Event” in clause 14.1 of the Terms of Sale.

At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP, and each Asset Class comprises the Reference Assets as set out in the Schedule of Terms. However, if adjustment occurs the Delivery Asset and/or the Reference Asset will change. When in this PDS we refer to one ordinary fully paid share in BHP as the Delivery Asset at maturity and the Reference Assets as set out in the Schedule of Terms, we are assuming that there will be no adjustment. However, this may not be the case. You are warned of this and should take this into account when considering your Investment. If we determine in our reasonable opinion that any adjustments we make are not appropriate to deal with the occurrence of an Adjustment Event we may make alterations to clause 9 of the Terms of Sale or any other term that we consider is reasonably appropriate; or we can nominate the Adjustment Event as an Early Termination Event and deal with it accordingly. We may also adjust or amend any variable, formulae, amount or calculation set out or used in the Terms of Sale and/or the Schedule of Terms. You will be notified if an adjustment occurs.

If we determine that any Early Termination provision in clause 8 of the Terms of Sale is not appropriate in any particular circumstances, or that any event which is not dealt with in clause 8 of the Terms of Sale should have been dealt with, we may make any alterations to these provisions or any other Term in the Terms of Sale that we consider appropriate.

We may from time to time make any modification, variation, alteration or deletion of, or addition to, these Terms of Sale (“Amendment”) by sending you written notice describing the amendments where:

- (a) the Amendment is one determined by us as being required under either of clauses 8 or 9 of the Terms of Sale;
- (b) the Amendment is necessary or desirable in the reasonable opinion of us to comply with any statutory or other requirement of law; or
- (c) the Amendment is desirable to correct an inconsistency or error in these Terms of Sale (but only if such Amendment does not, in our opinion, prejudice your interests).

The risks described here may not include all risk considerations that may be relevant to you when making an investment. Please also refer to “What are the significant disadvantages?” on page 14 of this PDS. Before transacting in Capital Series 14, you should be satisfied that Capital Series 14 is suitable for you. We recommend that you consult your investment adviser or obtain other independent advice on your Investment.

Change of dates and times

Commonwealth Bank may in its absolute discretion change the Start Date and the Closing Date (and time) in which case you acknowledge that the Investment Term will be less than 3 years and 6 months.

Information about the Reference Assets and the Delivery Asset

Role of the Reference Assets

The return you receive at maturity from your Investment is dependent on the performance of the Reference Assets. Under Capital Series 14, the Reference Assets that make up each Asset Class in the portfolio are as follows:

Asset Class				
	Equities	Oil	Base Metals	Asian Currencies
Reference Asset	1. S&P/ASX 200	1. West Texas Intermediate (WTI)	1. Copper	1. Chinese Yuan (CNY)/United States Dollars (USD)
			2. Aluminium	2. Korean Won (KRW)/USD
			3. Zinc	3. Taiwan Dollar (TWD)/USD

Each Reference Asset belonging to an Asset Class is equally weighted.

Reference Asset Provider and Reference Asset Sponsors

The S&P/ASX 200 is determined, composed and calculated by Standard and Poor’s. Standard and Poor’s is referred to as the “Reference Asset Provider”.

West Texas Intermediate is the underlying commodity of New York Mercantile Exchange’s oil futures contracts.

Copper, Aluminium and Zinc trade on the London Metal Exchange.

The CNY/USD, KRW/USD and TWD/USD exchange rates are quoted on Reuters.

New York Mercantile Exchange, London Metal Exchange and Reuters are referred to as "Reference Asset Sponsors".

Capital Series 14 is not sponsored, endorsed, sold or promoted by any Reference Asset Provider or Reference Asset Sponsors and neither the Reference Asset Provider nor Reference Asset Sponsor make any representation, condition or warranty, express or implied, to investors in Capital Series 14 or any member of the public regarding the advisability of investing in securities generally or in Capital Series 14 particularly, or the performance of the relevant Reference Assets.

The S&P/ASX 200 is determined, composed, calculated, compiled, published and managed, as the case may be, by the Reference Asset Provider without regard to Commonwealth Bank or Capital Series 14. Each of WTI, Copper, Aluminium and Zinc are traded on their respective

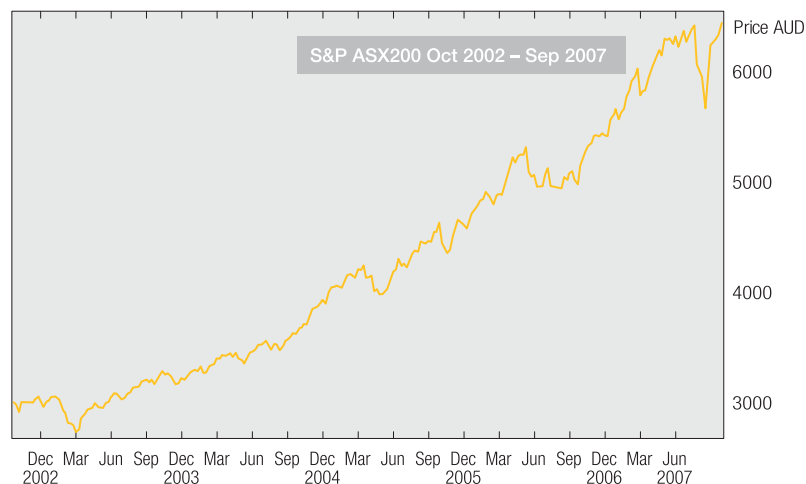
Reference Asset Sponsors and each of CNY/USD, KRW/USD and TWD/USD are quoted by its Reference Asset Sponsor without regard to Commonwealth Bank or Capital Series 14. Neither the Reference Asset Provider nor Reference Asset Sponsor have any obligation to take the needs of Commonwealth Bank or investors in Capital Series 14 into consideration in determining, composing, calculating, compiling, publishing or managing, as the case may be, any Reference Asset. Neither the Reference Asset Provider nor Reference Asset Sponsor are responsible for or has participated in the determination of the timing of, prices at, or quantities of Capital Series 14 to be issued or in the determination or calculation of the equation by which Capital Series 14 is to be converted into cash. Neither the Reference Asset Provider nor Reference Asset Sponsor have any obligation or liability in connection with the administration or marketing of Capital Series 14.

Equities

S&P/ASX 200

The S&P/ASX 200 is a free float index representing the top 200 companies on the ASX. It is the primary gauge for the Australian equity market and covers approximately 78% of Australian equity market capitalisation.

The historical values of the S&P/ASX 200 since 2002 are shown in the graph below.



Source: IRESS.

Note that past performance is not a reliable indicator of future performance.

For your information, the TOP 20 constituents of the S&P/ASX 200 by market capitalisation, as at September 2007 are shown below.

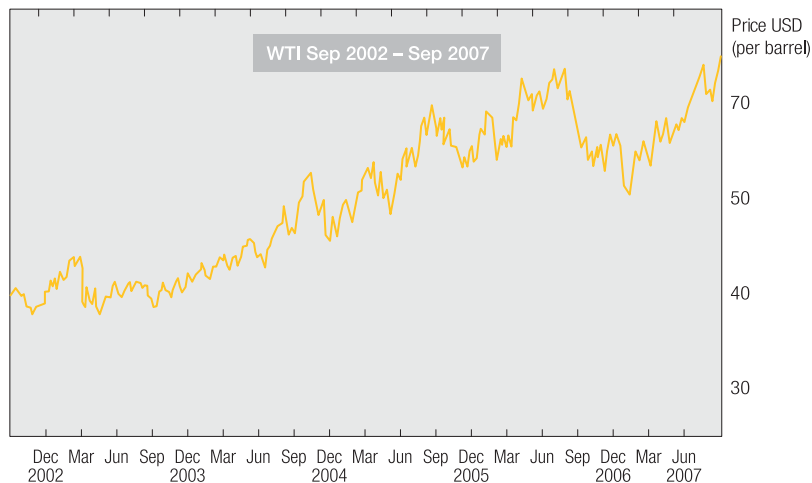
Company			
BHP Billiton Limited	Woolworths Limited	Brambles Limited	Wesfarmers Limited
Westfield Group	Macquarie Bank Ltd	Coles Group Limited	Westpac Banking Corp
Woodside Petroleum	Suncorp-Metway.	ANZ Banking Grp Ltd	Telstra Corporation.
St George Bank	National Aust. Bank	RIO Tinto Limited	CSL Limited
Commonwealth Bank.	QBE Insurance Group	AMP Limited	Stockland

Oil

West Texas Intermediate (WTI)

West Texas Intermediate (WTI), also known as Texas Light Sweet, is a type of crude oil used as a benchmark in oil pricing and the underlying commodity of New York Mercantile Exchange's oil futures contracts.

The historical values of the WTI since 2002 are shown in the graph below.



Source: Bloomberg.

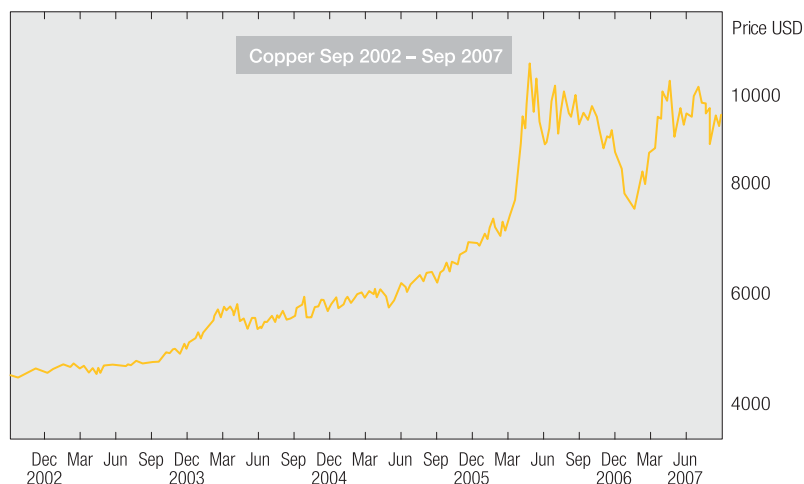
Note that past performance is not a reliable indicator of future performance.

Base Metals

Copper

Copper is currently ranked third among all metals in terms of world production, after iron and aluminium. Copper is highly indicative of economic growth. The leading market is China, which is the first consumer, followed by the US. Copper is strongly correlated to global synchronised industrial demand. Copper is traded on the London Metal Exchange which is the backbone for the base metals derivative market.

The historical values of copper since 2002 are shown in the graph below.



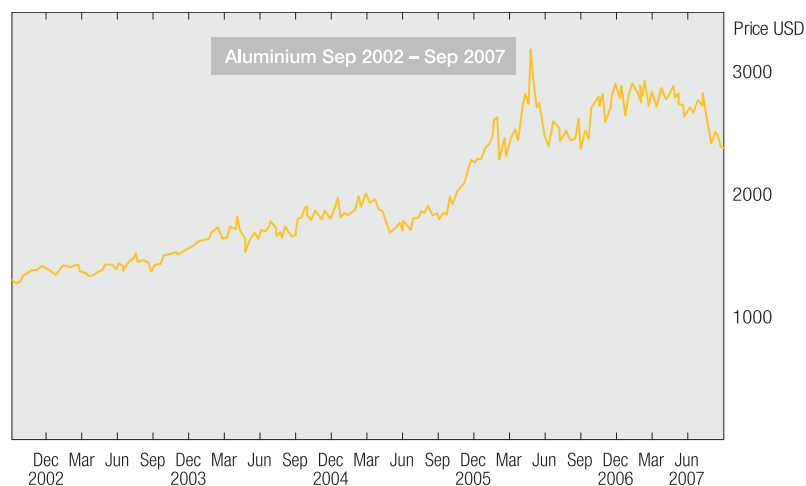
Source: Bloomberg.

Note that past performance is not a reliable indicator of future performance.

Aluminium

Aluminium is currently ranked the second among all metals in terms of world production, after iron. China is a major force in aluminium production and is a growing source of consumer demand. There is positive exposure to growth trends in the transportation, packaging and construction sectors. Aluminium is traded on the London Metal Exchange which is the backbone for the base metals derivative market.

The historical values of aluminium since 2002 are shown in the graph below.



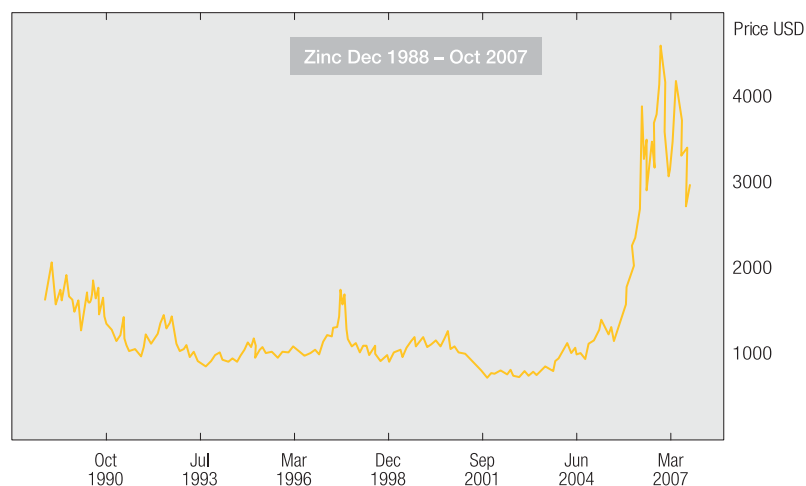
Source: Bloomberg

Note that past performance is not a reliable indicator of future performance.

Zinc

Zinc is currently ranked the fourth among all metals in terms of world production, after iron, aluminium and copper. The zinc market is closely linked to industrial production which determines the metal's demand. China has continued its growth as a key player in the industry, because of its importance both as a miner / smelter and consumer. Zinc is traded on the London Metal Exchange which is the backbone for the base metals derivative market.

The historical values of zinc since 2002 are shown in the graph below.



Source: Bloomberg

Note that past performance is not a reliable indicator of future performance.

Asian Currencies

The Asian Currencies asset class consists of each of the following foreign exchange rates:

- Chinese Yuan (CNY)/United States Dollar (USD);
- Korean Won (KRW)/USD; and
- Taiwan Dollar (TWD)/USD

Foreign Exchange Rates

A foreign exchange rate is the price of one currency expressed in terms of another. It is also the rate at which one currency can be exchanged for another. Therefore, the CNY/USD exchange rate is the rate at which the Chinese Yuan can be exchanged for United States Dollars. The KRW/USD exchange rate is the rate at which the Korean Won

can be exchanged for United States Dollars. The TWD/USD exchange rate is the rate at which the Taiwan Dollar can be exchanged for United States Dollars.

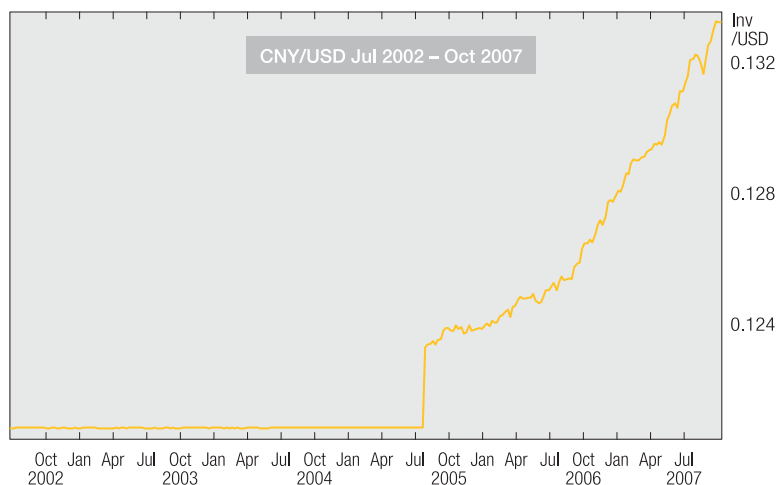
Foreign Exchange Market

The foreign exchange market (forex or FX) is an “over-the-counter” (OTC) market where buyers and sellers conduct foreign exchange transactions. The foreign exchange market operates on a worldwide, 24-hour basis. It is not physically located in a particular place; trading is instead conducted over the telephone or electronically. Information on the exchange rates between various currencies is displayed on electronic news services such as Reuters and Bloomberg.

CNY/USD

The Chinese Yuan (CNY) is also known as the Chinese Renminbi. The CNY abolished its peg to the US Dollar to move to a managed float on 21 May 2005. The CNY now operates under a managed float against an undisclosed basket of currencies of trading partners. Daily movements against the US Dollar are limited to +/-0.5% (+/-3.0% against other currencies) from the previous day. That is, the CNY is allowed to move 0.5 percent above or below the previous day's close against the US Dollar. The conventional quotation is the number of Chinese Yuans per US Dollar. Exchange controls exist.

The historical values of the CNY/USD exchange rate since 2002 are shown in the graph below.



Source: Reuters

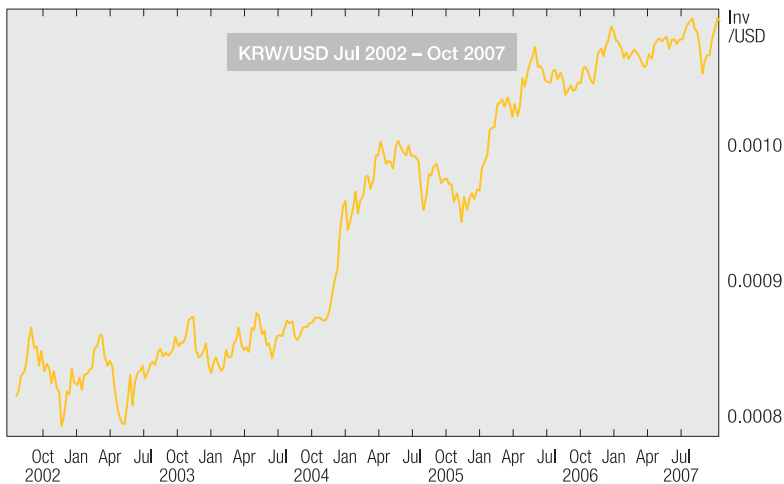
Note that past performance is not a reliable indicator of future performance.

This graph shows an overall increase in the CNY/USD exchange rate since 2002. This shows that the value of Chinese Yuan has increased in terms of United States Dollars, meaning you need to pay more USD for 1 CNY. This reflects that the Chinese Yuan has “strengthened” against the United States Dollar.

KRW/USD

The Korean Won (KRW) was floated in December 1997 and is one of Asia's actively traded currencies. The Korean Won is now freely floating and determined by market forces. The Bank of Korea runs an inflation-targeting policy, but the government dictates currency policy. The conventional quotation is the number of Korean Wons per US Dollar.

The historical values of the KRW/USD exchange rate since 2002 are shown in the graph below.



Source: Reuters

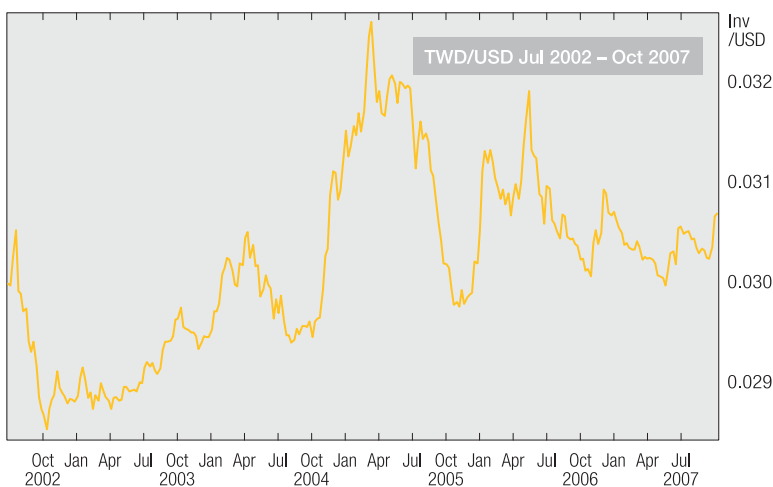
Note that past performance is not a reliable indicator of future performance.

This graph shows an overall increase in the KRW/USD exchange rate since 2002. This shows that the value of Korean Won has increased in terms of United States Dollars, meaning you need to pay more USD for 100 KRW. This reflects that the Korean Won has "strengthened" against the United States Dollar.

TWD/USD

The New Taiwan Dollar (TWD) is freely floating and determined by market forces. The central bank often intervenes in the market by selling US Dollars to maintain currency stability. The conventional quotation is the number of new Taiwan Dollars per US Dollar.

The historical values of the TWD/USD exchange rate since 2002 are shown in the graph below.



Source: Reuters

Note that past performance is not a reliable indicator of future performance.

This graph shows an overall increase in the TWD/USD exchange rate since 2002. This shows that the value of Taiwan Dollar has increased in terms of United States Dollars, meaning you need to pay more USD for 1 TWD. This reflects that the Taiwan Dollar has "strengthened" against the United States Dollar.

The Delivery Asset

At the commencement of Capital Series 14, the Delivery Asset is one ordinary fully paid share in BHP. You can obtain more information about BHP from the website www.bhpbilliton.com.au.

Role of the Delivery Asset Issuer – the Delivery Asset Issuer has had no involvement in this PDS

References in this PDS to BHP are included solely for the purpose of identification of the securities to which Capital Series 14 relates. These references are not an express or implied endorsement of Capital Series 14 by BHP or any related body corporate of BHP. Neither BHP nor any related body corporate of BHP has had any involvement in the preparation of any part of this PDS, accepts responsibility for any statement in this PDS, or has been involved in or consented to the issue of this PDS.

Tax Considerations

Commonwealth Bank does not provide taxation advice. Taxation law is complex and its application will depend on your circumstances.

At the date of this PDS, we are not aware of any definitive public views of the ATO in relation to financial products, such as Capital Series 14, which are structured as deferred purchase agreements. The ATO has indicated that it proposes to issue a Determination on the subject *“Is a deferred purchase agreement a traditional security?”* The ATO is expected to issue a draft Determination on or about 28 November 2007, with a final Determination to be issued on or about 27 February 2008.

This Determination would address deferred purchase agreements generally and not Capital Series 14 in particular. It is possible that any such Determination may be expressed to apply to deferred purchase agreement undertaken both before and after the Determination is issued, and as such, may be relevant to Capital Series 14.

It is not clear what view the ATO will take in the Determination. If the ATO were to conclude that a typical deferred purchase agreement is a “traditional security”, it may form the same view in relation to Capital Series 14. If a deferred purchase agreement does constitute a traditional security, the ATO may take the view that assessable income arises (should there be in fact an increase in value), without the benefit of capital gains tax discounting and even where the Delivery Assets are not in fact sold by an Investor.

Given the current uncertainty surrounding the tax treatment of deferred purchase agreements, potential Investors should consider whether they would be prepared to accept such a tax outcome, before making an investment in Capital Series 14.

Commonwealth Bank has obtained an opinion from Greenwoods & Freehills, which discusses the indicative tax treatment for Investors of Capital Series 14 including the ATO’s pending Determination on deferred purchase agreements. You should read the Tax Opinion carefully and seek independent taxation advice when determining whether an investment in Capital Series 14 is suitable for you. Potential investors should also visit the ATO website www.ato.gov.au to view any changes to the tax law and ATO interpretation of the tax law and consider the tax consequences and whether these make Capital Series 14 suitable for you in light of any possible changes.

Tax Opinion

Greenwoods & Freehills

29 October 2007

The Directors
Commonwealth Bank of Australia
48 Martin Place
SYDNEY NSW 1155

Dear Directors

Capital Series 14 Australian taxation opinion

We have been instructed by the Commonwealth Bank of Australia (**Commonwealth Bank**) to prepare a Taxation Opinion for inclusion in a Product Disclosure Statement (**PDS**) to be dated on or about 5 November 2007, in relation to the issue of interests in the Capital Series 14 investment product.

1 Scope

This letter provides an analysis of the principal Australian income tax and goods and services tax (**GST**) implications arising for persons who invest in Capital Series 14 in accordance with the terms of the PDS. This opinion only examines the indicative tax position of Investors who:

- are residents of Australia for tax purposes including individuals, companies and complying superannuation entities;
- do not carry on the business of trading or dealing in securities; and
- hold their Capital Series 14 investment for the purpose of realising a long term return (i.e. hold their investment on capital account for tax). In particular it is assumed that Investors will take physical delivery of their Delivery Parcel, comprised of ordinary fully paid shares in BHP Billiton Limited (**BHP**) on the Settlement Date and hold the resulting Delivery Parcel for the purpose of deriving assessable income (i.e. dividends and trust distributions). Investors who do not have such an intention (e.g. Investors who intend to utilise the Delivery Asset Sale Service at maturity) and situations involving Early Terminations are not addressed in this opinion.

This opinion is based on Australian tax laws and practices applicable as at the date of this letter. Investors should be aware that such laws and practices may change during the term of Capital Series 14.

Tax Opinion (continued)

All references to legislative provisions made in this opinion are to provisions of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* (each the **Act**), as applicable. Capitalised terms not defined in this letter have the same meanings as in the PDS.

2 Tax characterisation of Capital Series 14

The legal nature of Capital Series 14 as an investment product is explained under the heading “*What is Capital Series 14?*” which is provided in the PDS. In broad terms, Investors who successfully apply to make an investment in Capital Series 14 will enter into a deferred purchase agreement for the acquisition of ordinary shares in BHP.

Investors will acquire their shares in BHP on the Settlement Date, with the total number of shares to be determined by the performance of a portfolio of four Asset Classes, each Asset Class comprising Reference Assets, as specified in the PDS (collectively, the **Reference Assets**).

The initial investment in Capital Series 14 and each of the Delivery Assets which will be acquired on the Settlement Date, will be an asset for capital gains tax (CGT) purposes. The satisfaction of the deferred purchase agreement through the vesting of Delivery Assets should not give rise to any Australian taxation consequences. That is, no “CGT event” should arise on the Settlement Date. However, upon the eventual disposal of the Delivery Assets, an Investor may make a capital gain to the extent that the sale proceeds exceed the tax cost of the BHP shares or a capital loss (refer below).

3 Dividends on Delivery Assets

After delivery of the Delivery Assets (i.e. shares in BHP), an Investor may thereafter receive dividends.

An Investor’s assessable income will include the amount of any dividends, as well as the amount of franking credits, if any, attached to the dividends. The Investor will generally be entitled to a tax offset (rebate) corresponding to the amount of the franking credits.

Where franking credits are attached to dividends paid on the Delivery Assets, to be generally eligible for the franking credit and tax offset, the Investor must have held the Delivery Assets “at risk” for at least 45 days (not including the date of acquisition or the date of disposal). This rule should not apply to an Investor if the Investor is an individual whose tax offset entitlement (on all shares and interests in shares held) does not exceed \$5,000 for the income year in which the franked dividend is paid. If an Investor enters into put or call options (or other derivatives) in relation to their Delivery Assets, this may affect whether the shares are sufficiently held “at risk” for the purposes of the franking rules, and specific advice should be sought.

Although certain changes to the tax law have affected the applicability of the abovementioned holding period rules, the Government indicated in a press release dated 27 September 2002 that it intends to amend the law to ensure that these rules continue to apply without substantive change. However, as at the date of this letter, no legislation has been enacted in this regard. The ATO has also indicated that it will continue to apply the rules as a matter of administrative practice.

Where the Investor is an individual, a complying superannuation entity or a registered charity (in certain circumstances), the Investor will generally be entitled to a refund to the extent that the franking credits attached to the Investor's dividends exceed the Investor's tax liability for the income year.

Where the Investor is a company, any franked dividends the Investor receives will generally give rise to a franking credit in the Investor's franking account.

4 Disposal of Delivery Assets: capital gains tax implications

Based on the assumption that an Investor holds their investment in Capital Series 14 and the Delivery Assets as capital assets, the eventual disposal of the Delivery Assets will be subject to taxation under the CGT rules of the Act.

An Investor will be required to include in their assessable income, as a capital gain, any excess of the sale proceeds of their Delivery Assets over the tax cost of these interests. Significantly, the tax cost of the Delivery Assets will be determined as at the date on which the investment in Capital Series 14 is made, rather than the date on which physical delivery of the Delivery Assets occurs. This will be the initial investment amount (including the Application Fee and any applicable brokerage costs and professional advisory fees), as opposed to the value of the investment amount adjusted to reflect the performance of the Reference Assets. The total cost should be attributed on a pro-rata basis to each Delivery Asset.

An Investor who is a natural person, a trust, or a complying superannuation entity may be entitled to the CGT discount concession on any capital gain realised on the disposal of each Delivery Asset. Individuals and trustees are entitled to a discount of 50%, while complying superannuation entities are entitled to a discount of 33.33% of the net gain.

It is important to note that the CGT discount concession only applies to reduce the net capital gain made in relation to CGT assets which are held for a continuous period of not less than 12 months. This requirement should be met by all Investors, with the exception of those Investors who are permitted to make an Early Termination within 12 months after making an investment in Capital Series 14, given that the 12 month period will be measured from the inception of the Investment (i.e. upon entry into the deferred purchase agreement) and not from the Settlement Date.

Any capital loss realised by an Investor upon the disposal of a Delivery Asset may be applied to offset capital gains realised in the same year of income or may be carried forward to future years. Capital losses are "quarantined" and not able to be applied against ordinary income.

5 Investors should seek their own advice before gearing an investment in Capital Series 14

Investors may borrow funds for the purpose of making an investment, and in so doing may incur interest expenses and other costs. Interest costs are generally deductible only where the Investor has a purpose of deriving assessable income from an investment, however there are provisions in the Act that can operate to deny a deduction for interest costs associated with capital assets.

Where an Investor borrows funds for the purpose of making an investment in Capital Series 14 (whether via a Capital Investment Loan or otherwise), they

Tax Opinion (continued)

should seek their own advice as to the deductibility of interest and any other borrowing expenses, having regard to their own facts and circumstances.

In this respect, Investors should note that no coupons or other items of assessable income are likely to be derived by an Investor during the 3 year 6 month term of Capital Series 14. Accordingly, an Investor will need to consider, in conjunction with their own adviser, whether a deduction for some or all of any interest funding costs is available in their particular circumstances, having regard to their intentions to hold BHP shares after the Settlement Date so as to derive assessable dividend income.

6 Application of other income tax rules

The CGT implications of entering into a deferred purchase agreement and selling Delivery Assets in due course have been considered above. Our comments as to the applicability or otherwise of other provisions in the Act to an investment in Capital Series 14 are as follows.

6.1 Traditional securities

Sections 26BB and 70B of the Act contain rules which, in broad terms, seek to recognise gains and losses upon the disposal in most instances of “traditional securities”, as effectively ordinary income and expense for tax purposes. That is, where such rules apply, any gains effectively would not be subject to the CGT rules, including discounting, and any losses would not be quarantined.

In our opinion, an investment in Capital Series 14 should not be regarded as comprising a “traditional security”, and accordingly we believe that these rules should not apply to an Investor.

Investors should note the comments in section 7 below as regards the possible views of the Australian Taxation Office (**ATO**) on this issue.

6.2 Qualifying securities

Division 16E of Part III of the Act contains provisions that impose tax on an accruals basis on holders of certain debt-like securities in relation to income that is deferred under the security. For example, securities issued at a large discount to face value often bring those rules into operation: the discount is taxed to the holder over the term of the security so as to prevent the deferral of tax.

Division 16E applies only to a “qualifying security”, as that term is defined in the Act. In our opinion, an investment in Capital Series 14 should not be regarded as comprising a “qualifying security” for this purpose, and accordingly we believe the Division should not apply.

6.3 Foreign Investment Fund rules

The Foreign Investment Fund (**FIF**) regime has potential application to all interests held by Australian taxpayers in foreign companies and foreign trusts. Broadly speaking, this regime operates to require Australian taxpayers to include in their assessable income an amount of attributed income which is a proxy for the taxpayer’s share of the undistributed profits of the foreign entity. There are a variety of exceptions which may apply to certain taxpayers meeting specifically articulated criteria.

An Investor holding an investment in Capital Series 14 should not be subject to FIF attribution. This is because Investors will only acquire Australian assets;

being the rights under the deferred purchase agreement and the Delivery Assets. At no stage will an Investor have any right, entitlement, or expectation in relation to any interests in a foreign company or foreign trust.

6.4 The general anti-avoidance rule: Part IVA

The general anti-avoidance rule, contained in Part IVA of the Act, gives the Commissioner of Taxation (**Commissioner**) the power to issue a determination which, generally speaking, cancels a “tax benefit” obtained by a taxpayer in connection with a scheme entered into or carried out by a person where a party to the scheme has a sole or dominant purpose, objectively determined, of obtaining the tax benefit for the taxpayer. An example of a tax benefit is an amount that is not included in the assessable income of a taxpayer, which would have been, or could reasonably be expected to have been, included if the scheme did not take place.

Whether Part IVA is capable of applying to a given Investor in relation to their acquisition, ownership and disposal of an investment in Capital Series 14 will depend to a significant extent on the particular circumstances surrounding the Investor.

However, given the structure of Capital Series 14, in our view it is unlikely that Part IVA would have any application where an Investor holds their investment beyond the Settlement Date and receives Delivery Assets with a view to deriving assessable dividends and distributions over the longer term.

6.5 Tax reform proposals

On 20 September 2007, a Bill was introduced into Parliament in relation to proposals to reform the taxation of financial arrangements (**TOFA**). The TOFA proposals will impact upon the tax treatment of a wide range of financial transactions. If the relevant Bill (which has now lapsed with the calling of the Federal election) was to be re-introduced and enacted in its current form, the new rules would only have mandatory application to financial arrangements acquired on or after 1 July 2009.

Accordingly, given the timing of the transactions anticipated in the PDS (and the currently proposed exceptions to the TOFA regime) the Bill, if re-introduced and enacted as proposed, should have no impact on an Investor as regards Capital Series 14.

However, as the Bill may change before it is re-introduced and enacted, Investors will need to monitor the progress of the TOFA proposals to determine whether any new rules do in fact have implications for their investment.

6.6 Alternative analysis

As noted above, this opinion has been prepared on the assumption that Investors acquire their interest in the Capital Series 14 investment product with the intention of receiving the Delivery Assets, and realising a long term return. Where this assumption applies to an Investor, generally the Investor should only be subject to the CGT rules (as explained above) when the Delivery Assets are sold, rather than the ordinary income tax rules in the Act.

If this assumption proves to be inapplicable to an Investor, it is possible that the Australian taxation position of such an Investor may be different to that described in the foregoing analysis.

Tax Opinion (continued)

More specifically, it is possible that the net profit realised through investing in Capital Series 14 may be assessable as ordinary income, i.e. without the benefit of the CGT discount concession. Investors who do not intend to take delivery of the Delivery Assets to realise a long term return, are strongly advised to seek professional taxation advice which considers their own taxation position. In particular, where an Investor funds their Investment in Capital Series 14 with a Capital Investment Loan, such that they are taken to have chosen to use the Delivery Asset Sale Service, they should obtain their own advice as to the tax consequences arising upon maturity.

7 ATO views on deferred purchase agreement products

At the date of this letter, we are not aware of any definitive public views of the ATO in relation to financial products, such as Capital Series 14, which are structured as deferred purchase agreements.

In an update of its public rulings programme on 3 October 2007 the ATO has indicated that it proposes to issue a public Taxation Determination on the topic: “*Is a deferred purchase agreement a traditional security?*”. As set out in section 6.1 above, we are of the opinion that an investment in Capital Series 14 should not be regarded as comprising a traditional security.

The rulings programme notes that a draft Determination on the subject is expected to be issued by 28 November 2007, with a final Determination to be issued by 27 February 2008.

This Determination will address deferred purchase agreements generally and not Capital Series 14 in particular. It is possible that any such Determination may be expressed to apply to deferred purchase agreements undertaken both before and after the Determination is issued, and as such may have relevance to Capital Series 14.

It is not clear at this stage what view the ATO will take in the Determination. If the ATO was to conclude that a typical deferred purchase agreement is a “traditional security”, it may form the same view in relation to Capital Series 14.

If a deferred purchase agreement is taken to constitute a traditional security, then as a consequence the ATO may take the view that an amount of ordinary assessable income may arise on the Settlement Date of Capital Series 14, being any excess of the then value of the Delivery Assets over an Investor’s initial investment amount. That is, it is possible that the ATO may form the view that assessable income arises (should there in fact be an increase in value), without the benefit of CGT discounting and even where the Delivery Assets are not in fact sold by an Investor.

Given the current uncertainty surrounding the tax treatment of DPAs, Investors may wish to consider whether they would be prepared to accept such a tax outcome, before making an investment in Capital Series 14.

The ATO has not indicated that it is currently considering whether a DPA may alternatively constitute a “qualifying security” (see section 6.2 above). In broad terms, the main tax difference between a qualifying security and a traditional security, is that any gain on a qualifying security is assessable, as ordinary income, on an accruals basis over the life of the security, whereas a gain on a traditional security is only recognised on maturity. As set out in section 6.2, we

are of the opinion that an investment in Capital Series 14 should not be regarded as comprising a qualifying security.

As noted earlier, this opinion is based on Australian tax laws and practices applicable as at the date of this letter. Investors should be aware that such laws and practices may change during the term of Capital Series 14. In particular, the views expressed in this letter may not necessarily accord with any views which the ATO may reach in due course, either as regards deferred purchase agreements generally or Capital Series 14 in particular. Investors will need to monitor developments in this regard.

8 Pay-As-You-Go withholding obligations

Where an Investor accepts physical delivery of shares in BHP on the Settlement Date, the Investor may receive dividends thereafter.

Investors may, if they choose, notify BHP of their tax file number (TFN), Australian business number (ABN) or a relevant exemption from the disclosure regulations. Unless an Investor provides a TFN, ABN or exemption notification, tax will be automatically deducted by BHP from the unfranked component of any dividends, currently at the rate of 46.5%. Investors will be entitled to claim an income tax credit or refund (as applicable) in their income tax returns in respect of any tax withheld by BHP.

9 GST

Investors should not be liable to GST by reason of their acquisition, ownership and disposal of an investment in Capital Series 14 and the Delivery Assets.

10 Disclaimer

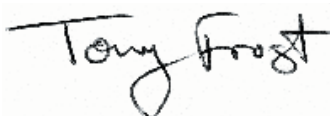
The information contained in this opinion is of a general nature only and does not attempt to address all of the tax implications that may be relevant. Prospective Investors should not rely on the information contained in this opinion and should seek independent taxation advice in light of their own particular facts and circumstances.

The representatives of Greenwood & Freehills Pty Limited involved in preparing this opinion are not licensed to provide financial product advice in relation to dealing in securities. Accordingly, Greenwood & Freehills Pty Limited does not seek to recommend, promote or otherwise encourage any party to participate in the Transaction. Applicants should consider seeking advice from a suitably qualified Australian Financial Services Licence holder before making any investment decision. Applicants should also note that taxation is only one of the matters that may need to be considered.

Yours faithfully

GREENWOODS & FREEHILLS PTY LIMITED

per:



Tony Frost
Director

29 October 2007

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Privacy Statement

Collection of personal information

Commonwealth Bank collects personal information (including full name, address and contact details, as well as credit information) so that Commonwealth Bank may administer its client relationships and provide clients with the products and services they request as well as information on the Commonwealth Bank Group's ('the Group') products and services.

Where it is necessary to do so, Commonwealth Bank also collects information on individuals such as company directors and officers (where the company is Commonwealth Bank's client), as well as clients' agents and persons dealing with Commonwealth Bank on a "one-off" basis.

The law can also require Commonwealth Bank to collect personal information, for example, Commonwealth legislation requires Commonwealth Bank to identify persons who open or operate accounts.

You need to provide us with accurate and relevant information.

If an investor provides Commonwealth Bank with incomplete or inaccurate information, Commonwealth Bank may not be able to provide the investor with the products or services the investor is seeking.

Disclosure and use of personal information

Commonwealth Bank is permitted by the Privacy Act to disclose personal information to other members of the Group. This enables the Group to have an integrated view of its clients.

Personal information may be disclosed to:

- › brokers and agents who refer business to Commonwealth Bank;

Code of Banking Practice

The relevant provisions of the Code of Banking Practice apply to Capital Series 14. You should read Commonwealth Bank's information booklet "The Better Banking Book" copies of which may be obtained by telephoning Commonwealth Bank on 13 2221 (between 8am and 8pm, Monday to Friday), contacting your relationship manager, visiting our website at www.commbank.com.au or from any branch of Commonwealth Bank.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and

- › any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney;
- › organisations to whom we outsource certain functions.

In all circumstances where Commonwealth Bank's contractors, agents and outsourced service providers may become aware of personal information, confidentiality arrangements apply. Personal information may only be used by Commonwealth Bank's agents, contractors and outsourced service providers for Commonwealth Bank's purposes.

Commonwealth Bank may also disclose personal information to other financial institutions and organisations at their request if an investor seeks credit from them.

Commonwealth Bank may be allowed or obliged to disclose information by law, eg, under Court Orders or Statutory Notices pursuant to taxation or social security laws.

Access

A person may (subject to permitted exceptions) access personal information by contacting Customer Relations, Commonwealth Bank Group, Reply Paid 41, Sydney NSW 2001. Commonwealth Bank may charge the person for providing access.

Further information

For further information on our privacy and information handling practices, please refer to our Privacy Policy Statement, which is available at www.commbank.com.au or upon request from any branch of Commonwealth Bank.

obligations that arise out of the banker and customer relationship, account opening procedures, Commonwealth Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing Commonwealth Bank promptly when you are in financial difficulty, and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

What if I have any complaints concerning Capital Series 14?

The Code of Banking Practice requires that we have procedures in place for dispute resolution. The Code states that the process for dispute resolution is to be readily available to customers (investors) free of charge.

Should you wish to make a complaint relating to Capital Series 14 then:

- (a) Contact the adviser through whom you bought the product; or
- (b) If you bought the product directly from us:

Telephone Client Relations from 8:00am to 5:00pm Sydney time, Monday to Friday on **13 15 20** (outside Australia +61 2 8223 7014); or write to,

Client Relations
Locked Bag 22
Australia Square
NSW 1215.

If the internal dispute resolution is unsuccessful, you may take the matter to an external authority such as the Australian Banking Industry Ombudsman.

The Banking and Financial Services Ombudsman
GPO Box 3
Melbourne Victoria 3001
Tel: 1300 780 808

Information about Commonwealth Bank

The continuous disclosure obligations of Commonwealth Bank mean that Commonwealth Bank must disclose to the ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of its ordinary shares. Copies of the information disclosed to the ASX can be viewed on the public file at the ASX for Commonwealth Bank of Australia.

Information about Commonwealth Bank, including documents such as financial statements and annual reports or any documents sent to ASX to fulfil its continuous disclosure obligations, can be provided free of charge to any person who requests such documents.

Persons requiring these documents should write to:

Commonwealth Bank of Australia
48 Martin Place
SYDNEY NSW 2000

Potential investors should obtain their own independent advice in respect to the nature of the business activities in which Commonwealth Bank is participating and to the prospects of those business activities.

Disclosures

Directors' and related entity Interests

Commonwealth Bank will be entitled to receive commission in relation to Capital Series 14. The employees and directors of Commonwealth Bank may participate in that entitlement through remuneration and indirect shareholding.

Commonwealth Securities Limited earns brokerage at normal commercial rates on transactions which it undertakes on behalf of Commonwealth Bank.

Commonwealth Bank, as part of its employee remuneration arrangements, conducts an incentive system based on the success of its activities. The employees of Commonwealth Bank may participate in these incentive remuneration arrangements.

Commonwealth Bank and its related bodies corporate, and their directors and employees, may from time to time:

- (a) hold the Delivery Asset or have other pecuniary or other interests (including the holding of shares, stock, units or options) in the Delivery Asset or the issuer of the Delivery Asset;
- (b) hold any asset comprising the Reference Assets or have other pecuniary or other interests (including the holding of shares, stock, units or options) in any asset comprising the Reference Assets or the issuer of any asset comprising the Reference Assets;
- (c) buy, sell and otherwise deal in (whether as principal or agent) the Delivery Asset or any Reference Asset comprising an Asset Class;

- (d) have business relationships or alliances (including joint ventures) with the issuer of the Delivery Asset, the issuer of any asset comprising the Reference Assets, the Reference Asset Provider or Reference Asset Sponsor or the Relevant Financial Market;
- (e) advise or act for the issuer of the Delivery Asset, the issuer of any assets comprising the Reference Assets, the Reference Asset Provider or Reference Asset Sponsor or the Relevant Financial Market, or advise or act for other clients in relation to the issuer of the Delivery Asset, the issuer of any assets comprising the Reference Assets, the Reference Asset Provider or Reference Asset Sponsor or the Relevant Financial Market, or publish research reports on the Delivery Asset or any asset comprising the Reference Asset as part of its investment banking and stockbroking activities.

Potential Conflicts of Interest

Commonwealth Bank and its related bodies corporate will conduct transactions as principal and as agent in various securities, including the assets comprising the Delivery Asset and assets comprising the Reference Assets generally. These trading activities may affect (positively or negatively) the price at which the assets comprising the Delivery Asset trade in the secondary market or the level of the Reference Asset at any point in time.

Schedule of Terms for Capital Series 14

This Schedule of Terms constitutes the specific terms for Capital Series 14.

You should read this PDS completely, including the Terms of Sale before you make a decision to invest in Capital Series 14.

Issuer	Commonwealth Bank of Australia (“Commonwealth Bank”).																									
Broker to the Issuer	Commonwealth Securities Limited (“CommSec”).																									
Investment Term	3 years and 6 months (subject to clause 13.15 of the Terms of Sale).																									
Asset Class and Reference Asset	<p>Each Asset Class comprises the following Reference Assets:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #FFD700;"> <th colspan="5">Asset Class</th> </tr> <tr style="background-color: #A9A9A9;"> <th></th> <th>Equities</th> <th>Oil</th> <th>Base Metals</th> <th>Asian Currencies</th> </tr> </thead> <tbody> <tr> <td style="background-color: #A9A9A9;">Reference Asset</td> <td>1. S&P/ASX 200</td> <td>1. West Texas Intermediate (WTI)</td> <td>1. Copper</td> <td>1. Chinese Yuan (CNY)/United States Dollars (USD)</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2. Aluminium</td> <td>2. Korean Won (KRW)/USD</td> </tr> <tr> <td></td> <td></td> <td></td> <td>3. Zinc</td> <td>3. Taiwan Dollar (TWD)/USD</td> </tr> </tbody> </table> <p>Each Reference Asset belonging to an Asset Class is equally weighted.</p>	Asset Class						Equities	Oil	Base Metals	Asian Currencies	Reference Asset	1. S&P/ASX 200	1. West Texas Intermediate (WTI)	1. Copper	1. Chinese Yuan (CNY)/United States Dollars (USD)				2. Aluminium	2. Korean Won (KRW)/USD				3. Zinc	3. Taiwan Dollar (TWD)/USD
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Relevant Financial Market	Each of Australian Stock Exchange, New York Mercantile Exchange, London Metal Exchange and the foreign exchange market.																									
Issue size	Proposed A\$10 million dollars.																									
Minimum Investment Amount	\$A10,000 and increments thereafter of A\$1,000 (not including the Application Fee – see below).																									
Initial Reference Asset Level	For each Reference Asset, the Closing Level of the Reference Asset on the Start Date as determined by the Calculation Agent, in its discretion.																									
Final Reference Asset Level	For each Reference Asset, the Closing Level of the Reference Asset on the Maturity Date as determined by the Calculation Agent, in its discretion.																									
Asset Class Return	For each Asset Class, the average of the Reference Asset Returns as determined by the Calculation Agent, in its discretion.																									
Reference Asset Return	<p>For each Reference Asset, the percentage change from the Initial Reference Asset Level to the Final Reference Asset Level. This can also be expressed by the formula: (Final Reference Asset Level – Initial Reference Asset Level) / Initial Reference Asset Level (expressed as a percentage).</p> <p>Each Reference Asset belonging to an Asset Class is equally weighted.</p>																									
Final Portfolio Return	<p>The portfolio return calculated on the Maturity Date in accordance with the following steps:</p> <ol style="list-style-type: none"> Asset Class Returns are calculated and ordered from highest to lowest. The Asset Class with the highest Asset Class Return is the “Best Performer”, the Asset Class with the second highest Asset Class Return is the “Second Best Performer” and the Asset Class with the third highest Asset Class Return is the “Third Best Performer”. The Asset Class with the lowest Asset Class Return is the “Worst Performer”. The weighting as set out in the table below is then applied to each Asset Class Return: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #FFD700;"> <th></th> <th>Weighting</th> </tr> </thead> <tbody> <tr style="background-color: #A9A9A9;"> <td>Best Performer</td> <td>40%</td> </tr> <tr style="background-color: #A9A9A9;"> <td>Second Best Performer</td> <td>30%</td> </tr> <tr style="background-color: #A9A9A9;"> <td>Third Best Performer</td> <td>20%</td> </tr> <tr style="background-color: #A9A9A9;"> <td>Worst Performer</td> <td>10%</td> </tr> </tbody> </table> The weighted Asset Class Returns are added together to derive the Final Portfolio Return. 		Weighting	Best Performer	40%	Second Best Performer	30%	Third Best Performer	20%	Worst Performer	10%															
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Maturity Value	<p>The Maturity Value of your Investment is equal to the greater of:</p> <ul style="list-style-type: none"> ➤ your Investment Amount + (your Investment Amount x Final Portfolio Return); and ➤ your Investment Amount. 																									
Early Termination	Capital Series 14 is a hold to maturity investment. However, your Investment may be terminated prior to the Maturity Date. In determining the Early Termination Value, we take into account Break Costs. Your Early Termination Value may be less than your Investment Amount.																									
Calculation Agent	Commonwealth Bank of Australia.																									

Minimum Application Amount	\$10,000 plus the Application Fee of 2.00%; that is, \$10,200.
Application Fee	2.00% of your Investment Amount.
Brokerage Fee	Where you choose to accept the Sale Proceeds, you will utilise our Delivery Asset Sale Service. We charge a Brokerage Fee of 0.55% (including GST) of the Maturity Value. This fee will be charged separately to your nominated bank account.
Early Termination Fee	1.50% of Early Termination Value on sale before maturity.
Delivery Asset	At the commencement of Capital Series 14, one ordinary fully paid share in BHP.
Delivery Asset Price	The price per unit of the Delivery Asset paid by us to purchase the Delivery Asset on the Trade Date.
Delivery Parcel	The number of Delivery Assets for which we take delivery on your behalf on the Trade Date.
Delivery Asset Issuer	At the commencement of Capital Series 14, BHP Billiton Limited (ABN 49 004 028 077).
Delivery Asset Market	Australian Stock Exchange Limited.
Maturity Date	21 June 2011
Trade Date	28 June 2011
Settlement Date	1 July 2011
Closing Level	<p>In respect of S&P/ASX 200, the level of S&P/ASX 200 at the scheduled closing time of the ASX on the Maturity Date. If the ASX closes prior to its scheduled closing time, the Closing Level is the level of S&P/ASX 200 at the actual closing time of the ASX on the Maturity Date, Reference Bloomberg AS51 Index.</p> <p>In respect of WTI, the settlement price per barrel of West Texas Intermediate Light Sweet Crude Oil on the New York Mercantile Exchange (NYMEX) of the futures contract for the First Nearby Month, stated in US Dollar, at the time the price is made public by NYMEX and displayed on Bloomberg Page CL1 <CMDTY> on the Maturity Date.</p> <p>In respect of Copper, the official cash seller and settlement price per tonne of Copper Grade A on the London Metal Exchange (LME) for the Maturity Date, stated in US Dollar, as determined by the LME and displayed on Reuters Screen page "MTLE" (or, if not appearing on that page, on Bloomberg Page LOCADY <CMDTY>) that displays prices effective on the Maturity Date.</p> <p>In respect of Aluminium, the official cash seller and settlement price per tonne of Primary Aluminium on the LME for the Maturity Date, stated in USD, as determined by the LME and displayed on Reuters Screen page "MTLE" (or if not appearing on that page, on Bloomberg page LOAHDY <CMDTY>) that displays prices effective on the Maturity Date.</p> <p>In respect of Zinc, the official cash seller and settlement price per tonne of Special High Grade Zinc on the LME for the Maturity Date, stated in USD, as determined by the LME and displayed on Reuters Screen page "MTLD" (or, if not appearing on that page, on Bloomberg page LOZSDY <CMDTY>.) that displays prices effective on the Maturity Date.</p> <p>In respect of CNY/USD, the inverse rate of "CNY SAEC", being the Chinese Yuan / US Dollar official fixing rate, expressed as the amount of Chinese Yuan per one US Dollar, for settlement in two Business Days reported by the State Administration of Exchange Control of the People's Republic of China, Beijing, which appears on Reuters Screen page "SAEC" opposite the symbol "USDCYN=" at approximately 9.15am, Beijing time on the Maturity Date.</p> <p>In respect of KRW/USD, the inverse rate of "KRW KFTC18", being the Korean Won / US Dollar market average rate, expressed as the amount of Korean Won per one US Dollar, for settlement in two Business Days reported by the Korea Financial Telecommunications and Clearing Corporation which appears on Reuters Screen page "KFTC18" to the right of the caption "USD Today" that is available at approximately 3:30pm, Seoul time on the Maturity Date or as soon as thereafter possible.</p> <p>In respect of TWD/USD, the inverse rate of "TWD TAIFX1", being the Taiwan Dollar / US Dollar spot rate, expressed as the amount of Taiwan Dollars per one US Dollar, for settlement in two Business Days reported by Federal Reserve Bank of New York which appears on Reuters Screen page "TAIFX1" under the heading "Spot" as of 11.00pm, Taipei time, on the Maturity Date.</p>
Offer	The offer made by you under clause 1 of the Terms of Sale, in response to this invitation.
Reference Asset Provider	Standard and Poor's
Reference Asset Sponsor	New York Mercantile Exchange, London Metal Exchange and Reuters.
Investment	Your investment in Capital Series 14.
Investment Amount	The amount you invest in Capital Series 14 as confirmed by us to you in the Acceptance Notice.

Terms of Sale

Commonwealth Bank of Australia

These Terms of Sale form the terms and conditions on which the person named in the Application Form (“you” or the “Investor”) agrees to purchase the Delivery Parcel from Commonwealth Bank of Australia (“us”, “we” or “Commonwealth Bank”).

1. Applications

1.1 You may make an Offer to us

You may make an offer to us to purchase the Delivery Parcel from us on a deferred basis in accordance with these Terms of Sale by completing and returning to us a valid Application Form before the Closing Time on the Closing Date and by paying to us the amount equal to the Application Amount on or prior to the Closing Time.

The funds that you pay us must have cleared on or before 12 noon on the Closing Date otherwise we will not be obligated to accept your Application.

1.2 You are bound by these Terms of Sale

By signing the Application Form and lodging it with us, you agree to be bound by these Terms of Sale, provided that, where you have signed and lodged an Application Form, you may withdraw your application at any time prior to the Closing Date.

1.3 Our Acceptance of your offer

- (a) We have the right to decide in our absolute discretion whether or not we will accept your offer to purchase the Delivery Parcel from us.
- (b) If we decide to accept your Application, acceptance of your offer will take place on, and the parties’ rights and obligations under these Terms of Sale will commence on, the Start Date.
- (c) Without limiting clause 1.3(a), it is a condition precedent to our acceptance of any such offer from you that:
 - (i) we receive from you a validly completed and signed Application Form; and
 - (ii) we receive the Application Amount on or prior to the Closing Time and these funds must clear by 12 noon (Sydney Time) on the Closing Date in accordance with clause 2.2 of these Terms of Sale.

If you do not fulfil the conditions precedent under this clause 1.3(c) your Application will be ineffective and we will have no further obligations to you.

- (d) Within 10 Business Days of the Start Date, we will send to you a notice acknowledging whether we have accepted or rejected your offer (“Acceptance Notice”).
- (e) Should we decide to reject your Offer, any money that you have paid with the Application Form will be refunded to you, without interest.
- (f) If we accept your Offer, we will confirm your Investment Amount in the Acceptance Notice.

1.4 Code of Banking Practice

The parties acknowledge that the Code of Banking Practice applies to Capital Series 14.

2. Deferred purchase of Delivery Parcel

2.1 Purchase of Delivery Parcel

- (a) You agree to purchase the Delivery Parcel for your Investment Amount (which will be paid by you in accordance with clause 2.2) from us on the Maturity Date.
- (b) We will then deliver the Delivery Parcel to you in accordance with clauses 3.4 and 3.5.

2.2 Paying the Application Amount to us

- (a) You must pay to us your Application Amount which consists of the Application Fee and your Investment Amount.

- (b) You must make payment of the Application Amount in cleared funds on or prior to the Closing Time on the Closing Date.
- (c) Of the Application Amount, your Investment Amount will be applied to purchase the Delivery Parcel on the Trade Date (in accordance with clause 2.1(a)) and the remainder of the Application Amount (ie, the Application Amount minus the Investment Amount) will be applied towards payment of the Application Fee.
- (d) The Minimum Application Amount that we will accept under these Terms of Sale is set out in the Schedule of Terms.

3. Completion

3.1 Completion Notices

We will send you a Completion Notice at least twenty (20) Business Days before the Maturity Date.

3.2 How to complete

In order to complete the deferred purchase of the Delivery Parcel you must:

- (a) fill out the Completion Notice by electing whether you will accept physical delivery of the Delivery Parcel or use the Delivery Asset Sale Service; and
- (b) send the Completion Notice back to us so we receive it on or before the Completion Time.

3.3 Deemed election

- (a) You are deemed to have elected to accept physical delivery of the Delivery Parcel and physical delivery will take place in accordance with clause 3.4 and the purchase of the Delivery Parcel will complete if:
 - (i) we do not receive a Completion Notice from you by the Completion Time; or
 - (ii) even though you have returned the Completion Notice to us by the Completion Time, you fail to elect in the Completion Notice whether you are either going to accept physical delivery of the Delivery Parcel or use the Delivery Asset Sale Service.
- (b) If you have funded your Investment with a Capital Investment Loan you are deemed to have elected to use our Delivery Asset Sale Service unless, subject to clause 3.10, you inform us in writing that you will be repaying the Capital Investment Loan with your own capital or with other borrowed funds.

3.4 If you elect to accept physical delivery of the Delivery Parcel

Where:

- (a) you have elected in the Completion Notice to accept physical delivery of the Delivery Parcel; or
- (b) you are deemed under clause 3.3 to have elected to accept physical delivery of the Delivery Parcel;

Then we will deliver it to you and for this purpose:

- (i) we will (either us or through our nominee) procure the performance of all acts required of a transferor of marketable securities to enable the Delivery Parcel to be transferred from us to you on the Settlement Date, free from any security interest or third party interest or restriction on transfer (other than one that has been accepted by the ASX for the purposes of quotation of the property comprising the Delivery Parcel); and
- (ii) you irrevocably authorise us and any of our nominees that we may appoint, at our option, to act as your agent to do all things required to be done, to effect physical delivery of the Delivery Parcel to you. This includes but is not limited to supplying your HIN.

3.5 If you elect to accept delivery through the Delivery Asset Sale Service

Where:

- (a) you have elected in the Completion Notice to use the Delivery Asset Sale Service, or

(b) you are deemed under clause 3.3 to use the Delivery Asset Sale Service,

we will provide the Delivery Asset Sale Service and for this purpose:

- (i) we (or our nominee) are irrevocably authorised to hold the Delivery Parcel (which we transfer from us to you) for and on your behalf on the Trade Date;
- (ii) you:
 - (A) irrevocably authorise us or our nominee to sell the Delivery Parcel; and
 - (B) irrevocably direct and authorise us or any of our nominees to take all actions necessary or desirable for us or our nominee to effect the sale of the Delivery Parcel;
- (iii) we or our nominee on behalf of us, will pay you the Sale Proceeds on the Settlement Date and
- (iv) you acknowledge and agree that:
 - (A) we or our nominee agree to sell the Delivery Parcel on your behalf on the Trade Date for an amount equal to the Delivery Asset Price; and
 - (B) to the maximum extent permitted by law, neither we nor our nominee are responsible for any loss, costs or expense that you incur as a result of using the Delivery Asset Sale Service, except to the extent that such loss, cost or expense arises as a result of our or our nominee's negligence, default, fraud or dishonesty.

3.6 Satisfaction of obligations

Upon delivery of the Delivery Parcel to you in accordance with clause 3.4 or payment by us or our nominee (on behalf of us) to you of the Sale Proceeds in respect of the Delivery Parcel under clause 3.5(iii), our obligations to you under these Terms of Sale are satisfied and discharged.

3.7 No delivery of fractional interests in the Delivery Asset

We or our nominee will not transfer a fractional interest or a part of the securities or units (as applicable) that comprise the Delivery Assets. If there are any fractional securities or units that comprise the Delivery Assets, that would be transferable by us on the Settlement Date, we will pay to you an amount equal to the value of the fraction of the securities or units (as applicable) that comprise the Delivery Assets provided that such amount exceeds twenty Australian Dollars (\$20.00). If the amount does not exceed \$20.00, we are under no obligation to you to make any payment for the fractional security or unit (as applicable) that comprise the Delivery Asset. Once we have paid this amount under this clause, we are discharged of our obligation to deliver the fraction of the securities or units (as applicable) that comprise the Delivery Assets which has been forgone.

3.8 Substitution of Delivery Asset

We may substitute the Delivery Asset with any other security quoted and trading on ASX and deliver that substituted security in accordance with these Terms of Sale as if the definition of "Delivery Asset" was amended to refer to the substituted security if delivery of the Delivery Parcel is considered by us to be inappropriate for any reason in our absolute discretion.

3.9 Default by us

If we default in relation to any of our obligations under these Terms of Sale and, as a result, Completion does not occur in accordance with this clause 3, we will refund to you either part or all of the Application Amount.

3.10 Default under Capital Investment Loan

Notwithstanding any other provision of these Terms of Sale, if you are in default under your Capital Investment Loan, at maturity or on Early Termination you are deemed to have elected to use our Delivery Asset Sale Service and you authorise us to apply the Sale Proceeds against your obligation to repay your Capital Investment Loan.

4. Our obligations are unsecured

Our obligations under these Terms of Sale or in relation to the deferred purchase of the Delivery Parcel are direct, unconditional and unsecured obligations and these obligations rank equally with our existing unsecured debt.

5. No transfer of legal or beneficial interest in the Delivery Parcel

You agree and acknowledge that:

- (a) the agreement to purchase the Delivery Parcel as set out in these Terms of Sale and the payment of the Application Amount does not transfer the legal or beneficial interest in the Delivery Parcel or any Delivery Asset to you;
- (b) you will only acquire an interest in the Delivery Parcel when we deliver it to you or hold it on your behalf; and
- (c) should we fail to physically deliver the Delivery Parcel to you or pay to you the Sale Proceeds under these Terms of Sale, you will not be entitled to an injunction, specific performance or any other equitable rights or remedies and the only remedy that you will be entitled to is damages.

6. Accretions

These Terms of Sale do not confer on you any right or interest in respect of Accretions to the Delivery Parcel. Accretions to the Delivery Asset may lead to adjustments as provided for in clause 9 of these Terms of Sale.

7. Taxes

- (a) You must pay all Taxes and other charges including goods and services tax, if any:
 - (i) payable by you in relation to or in connection with these Terms of Sale; or
 - (ii) payable by any person on, as a result of, or in connection with, the purchase, sale or transfer of, or the completion of the purchase and sale of the Delivery Parcel.
- (b) We are not responsible for the payment of any Taxes or other charges:
 - (i) payable by you in relation to or in connection with these Terms of Sale; or
 - (ii) payable by any person on, as a result of, or in connection with, the purchase, sale or transfer of, or the completion of the purchase and sale of the Delivery Parcel.

8. Early Termination

8.1 Issuer elects Early Termination

We may, in our absolute discretion, at any time following the occurrence of an Early Termination Event elect Early Termination for all or a portion of your Investment and deliver an Early Termination Notice to you.

We will determine, in our discretion, the Early Termination Date and the Early Termination Value and will notify you of these, together with the Early Termination Fee, in the Early Termination Notice.

8.2 Where you request Early Termination

You may request an Early Termination by giving us written notice. We may, in our discretion, accept or reject your request. If we accept your request, as soon as practicable after we receive this written notice, we will determine an Early Termination Date, the Early Termination Value and the Early Termination Fee and will complete accordingly.

8.3 Procedure for Early Termination

Subject to clause 8.3(e), if we determine that there will be Early Termination, or if you request and we accept Early Termination, then Early Termination will take place as follows:

- (a) we will notify you prior to the Early Termination Date:
 - (i) of the Early Termination Date, the Trade Date and the Settlement Date;
 - (ii) that purchase and completion will occur in accordance with clauses 2 and 3 of these Terms of Sale, with the necessary changes; and

- (iii) of any other matter that is required to be in a Completion Notice.

The notice that we give you under this clause shall serve as the Completion Notice.

- (b) Early Termination will take place in accordance with the procedures set out in clauses 2 and 3 of these Terms of Sale, with the necessary changes. You must also pay to us the Early Termination Fee on or before the Early Termination Date.

(c) If:

- (i) subject to clause 8.3(d) and 8.3(e), you have elected to accept physical delivery of the Delivery Parcel then after the Delivery Parcel is physically delivered to you under clause 3.4(i); or
- (ii) we (or our nominee) pay you the relevant amount in respect of the Delivery Parcel under clause 3.5(iii),

all of our obligations to you under these Terms of Sale are deemed to be satisfied in full and we are discharged from our obligations under these Terms of Sale.

- (d) If you funded your Investment with a Capital Investment Loan you are deemed to have elected to use the Delivery Asset Sale Service and we (or our nominee) will pay you the relevant amount in respect of the Delivery Parcel under clause 3.5(iii) of these Terms of Sale unless, subject to clause 3.10 of the Terms of Sale, you inform us in writing that you will be repaying the Capital Investment Loan with your own capital or with other borrowed funds.

- (e) If you funded your investment in Capital Series 14 with a Capital Investment Loan and you are in default under your Capital Investment Loan:

- (i) you will be in breach of these Terms of Sale; and
- (ii) if you have informed us that you require the Delivery Parcel to be physically delivered to you, we will no longer be under any obligation to physically deliver to you the Delivery Parcel under clause 3.4(i) or pay you the relevant amount in respect of the Delivery Parcel under clause 3.5(iii), despite any other provision of these Terms of Sale; and
- (iii) we will pay you an amount equal to the Early Termination Value less the Early Termination Fee payable by you to us, subject to the terms and conditions of your Capital Investment Loan, and you authorize us to apply such amount against your obligation to repay the Capital Investment Loan.

8.4 Adjustments to this clause

If we determine that any of the provisions of this clause 8 are not appropriate in any particular circumstances, or that any event which is not dealt with in clause 8 should have been dealt with, we may make any alterations to these provisions or any other Term that we consider appropriate.

9. Adjustment Events

- 9.1 If an Adjustment Event occurs on or before the Maturity Date, we may in our absolute discretion elect to do any or all of the following:

- (a) substitute the Delivery Asset with any other security quoted and trading on ASX or other Delivery Asset Market; and/or
- (b) substitute the Delivery Asset Issuer with any other company or fund listed on ASX or other Delivery Asset Market; and/or
- (c) substitute the Reference Asset with another asset; and/or
- (d) adjust or amend the definition of Delivery Asset and/or Reference Asset; and/or
- (e) adjust or amend any variable, formula, amount or calculation as set out or used in these Terms of Sale,

as we believe to be as equitable as possible for you and us.

- 9.2 If in our reasonable opinion, we determine that any of the provisions of this clause 9 are not appropriate to deal with the occurrence of the Adjustment Event in accordance with this clause 9, we may make any alterations to this provision or any

Term that we consider is reasonably appropriate; or nominate the event as an Early Termination Event and deal with the event in accordance with clause 8.

- 9.3 We will notify you of any adjustment we propose to make under this clause before the adjustment occurs or as soon as reasonably practicable after the adjustment occurs.

10. Your representations and warranties

By signing the Application Form and submitting it to us, you represent and warrant to us (as a continuing representation and warranty) that:

- (a) you have full legal capacity to make this Application and be bound by these Terms of Sale and you have taken all actions that are necessary to authorise the Application and be bound by these Terms of Sale;
- (b) you have reviewed and fully understood these Terms of Sale and have made your own independent investigations and appraisals of the financial, taxation, legal, commercial and credit aspects associated with the purchase of the Delivery Parcel prior to making this Application;
- (c) you have and will rely on your own judgment and you have not relied in any way on any statements or representations made by us or our related entities or their servants, agents, employees or representatives in relation to these Terms of Sale or the deferred purchase of the Delivery Parcel and you acknowledge that we have not made any representations to you regarding the suitability or appropriateness of the deferred purchase of the Delivery Parcel pursuant to these Terms of Sale;
- (d) you understand that nothing in these Terms of Sale or any marketing material associated with these Terms of Sale can be considered investment advice or a recommendation to buy the Delivery Parcel;
- (e) you have obtained all consents which may be required by law to enable you to purchase the Delivery Parcel and to become registered as the holder of the Delivery Assets and that the registration of you as the holder of the Delivery Parcel will not contravene any law, regulation or ruling or the constitution of the Delivery Asset Issuer;
- (f) you (and no other person) are not in breach of any law or any obligation to another person by entering into or becoming bound by these Terms of Sale;
- (g) your applying for Capital Series 14 will not be in breach or result in a breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to Capital Series 14 or you;
- (h) you are not a resident or national of any jurisdiction where the Application for or the Completion of Capital Series 14 is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by us or any of our related bodies corporate;
- (i) you acknowledge that information in the section of this PDS headed "Tax Considerations" set out on page 22 of this PDS is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. You acknowledge that you have sought your own independent advice on the taxation implications relevant to your own circumstances before making an investment decision;
- (j) all the information you have given us is correct and not misleading; and
- (k) you have not withheld any information that might have caused us to reject your Application.

11. Notices

- (a) Unless otherwise required or permitted by us, all notices and other communications must be in writing.
- (b) Any notice or statement to be given or demand to be made on you under these Terms of Sale:
 - (i) will be effectively signed on behalf of us if it is executed by us, any of our officers, our solicitor or our attorney;

- (ii) may be served by being delivered personally to, by being left at, by being emailed to, or by being posted in a prepaid envelope or wrapper to your address (or email address) notified to us or your registered office, place of business, or residence last known to us, or by being sent to you by facsimile transmission.

(c) A demand or notice if:

- (i) posted will be deemed served 2 Business Days after posting;
- (ii) sent by facsimile or electronic transmission will be deemed served on conclusion of transmission.

(d) Service by any of these methods will be valid and effectual even if you do not receive the document or if the document is returned to us unclaimed.

12. Amendment of Terms of Sale

12.1 We may from time to time make any modification, variation, alteration or deletion of, or addition to, these Terms of Sale ("Amendment") by sending you written notice describing the amendments where:

- (a) the Amendment is one determined by us as being required under either of clauses 8 or 9 of these Terms of Sale;
- (b) the Amendment is necessary or desirable in the reasonable opinion of us to comply with any statutory or other requirement of law; or
- (c) the Amendment is desirable to correct an inconsistency or error in these Terms of Sale (but only if such Amendment does not, in our opinion, prejudice your interests).

12.2 We will give you notice of any Amendment to these Terms of Sale and you will be bound by any such Amendment at the time you are served with such notice.

13. General provisions

13.1 Priority between Terms of Sale, Schedule of Terms and the remainder of the PDS

- (a) Subject to clause 13.1(b), if there is an inconsistency between these Terms of Sale, the Schedule of Terms or the remainder of this PDS, then the statements made in the Schedule of Terms or the remainder of this PDS will prevail.
- (b) If there is an inconsistency between either or both of clauses 8 or 9 of these Terms of Sale, the Schedule of Terms or the remainder of this PDS, then clauses 8 and/or 9 will prevail.

13.2 Currency

All amounts payable by either party under these Terms of Sale will be paid in Australian Dollars unless otherwise specified in the Schedule of Terms.

13.3 No merger

Our rights under these Terms of Sale are additional to and do not merge with or affect and are not affected by any mortgage, charge or other encumbrance held by us or any of your other obligations to us, despite any rule of law or equity or any other statutory provision to the contrary.

13.4 Rounding

All calculations that we make for the purposes of these Terms of Sale will be made to not fewer than three decimal places. Other than as provided in these Terms of Sale, rounding of numbers will not occur until the final calculation of a relevant amount or number at which time your entitlements will be aggregated and that aggregate will be rounded so that all money amounts are rounded down to the nearest whole cent and all numbers relating to the amount of securities or units that comprise the Delivery Assets are rounded down to the nearest whole number.

13.5 Indemnity

- (a) You indemnify each of Commonwealth Bank ("us") and its officers, agents and employees against all loss, damage, costs, expense or liability suffered or incurred by us as a direct or indirect consequence of:

- (i) entering into or acting in accordance with these Terms of Sale; or

- (ii) any act, omission, breach or default by you under or in relation to these Terms of Sale; or

- (iii) your default under these Terms of Sale (including without limitation your failure to complete) or breach of these Terms of Sale.

(b) The indemnities in these Terms of Sale are:

- (i) continuing, separate and independent obligations of the parties from their other obligations and survive the termination of the agreement between the parties; and
- (ii) absolute and unconditional and unaffected by anything that might have the effect of prejudicing, releasing, discharging or affecting in any other way the liability of the party giving the indemnity.

13.6 Certificates

Any document or thing required to be certified by you or us must be certified by (as the case requires):

- (a) you, if you are an individual; or
- (b) a director, secretary or authorised officer of the company, if you are a company; or
- (c) us; or
- (d) in any other manner that we may approve.

13.7 Execution by attorneys

Each attorney executing the Application Form which binds you to these Terms of Sale states that he, she or it has no notice of revocation or suspension of the power of attorney under which the attorney executes the Application Form.

13.8 Power of attorney

You irrevocably appoints us, Commonwealth Bank and our nominee and any of our directors, secretaries and managers from time to time jointly and severally as your attorney to do (either in your name or the attorney's name) all acts and things that you are obliged to do under these Terms of Sale or which, in our opinion, are necessary or desirable in connection with the Delivery Assets or the protection of our interests or the exercise of the rights, powers and remedies of us, including without limitation the authority to sell the Delivery Parcel on your behalf in accordance with clause 3.5(ii).

13.9 Invalid or unenforceable provisions

If a provision of these Terms of Sale is invalid or unenforceable in a jurisdiction, it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability, and that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

13.10 Waiver and exercise of rights

A single or partial exercise of a right by us does not preclude another exercise or attempted exercise of that right or the exercise of another right. Failure by us to exercise or delay in exercising a right, does not prevent its exercise or operate as a waiver.

13.11 Assignment and transfer of interests

- (a) We may transfer our rights and obligations under these Terms of Sale at any time by giving you notice.
- (b) The rights and obligations under these Terms of Sale may not without our prior consent:
 - (i) be assigned (whether in law, in equity or otherwise) by you; or
 - (ii) be made the subject of any encumbrance, charge, trust or fiduciary obligation, and any action that purports to do so is invalid, void and without effect as between you, us and any third party.

13.12 Recording conversations

You acknowledge that conversations between you and us (or any of our officers) may be tape-recorded. You acknowledge and consent to the tape-recording and its use (or any transcript of the recording) in any proceedings that may be commenced in connection with these Terms of Sale.

13.13 Calculations and references to dates and times

Calculations or determinations which are to be made on or by reference to a particular day, are to be made on or by reference to that day in the place and time zone of Sydney, Australia unless otherwise specified in the Schedule of Terms.

13.14 Governing law and jurisdiction

These Terms of Sale are governed by the laws of New South Wales. You irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales and waive, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

13.15 Change of dates

Notwithstanding any other provision of these Terms of Sale, Commonwealth Bank may in its absolute discretion change the Start Date and the Closing Date (and time) in which case you acknowledge that the Investment Term will be less than 3 years and 6 months.

14. Definitions and interpretation**14.1 Definitions**

In these Terms of Sale, unless the context requires otherwise, the following terms have the following meanings:

"Acceptance Notice" has the meaning given to this item in clause 1.3(d);

"Accretions" – all rights, accretions and entitlements attaching to the Delivery Asset after the Start Date including without limitation, all voting rights, all dividends and all rights to receive dividends and other distributions or shares, notes, options or other securities exercisable, declared, paid or issued in respect of the Delivery Asset;

"Adjustment Event" in respect of a Reference Asset or Delivery Asset (the "Relevant Asset" for the purpose of this definition) any of the following events:

- (a) where the Relevant Asset is a security or an interest in a managed investment scheme:
 - (i) the actual or proposed adoption of any procedure, event or action which is or which is likely to result in any cash return of capital, pro-rata cash distribution, capital reduction, liquidator's distributions, share buy-back, bonus issue, rights issue, arrangement, scheme of arrangement, compromise, merger, demerger, reconstruction, compulsory acquisition, redemption, cancellation, replacement, modification, subdivision or consolidation, takeover bid, special dividend, non cash dividend, share split or any other similar or like event;
 - (ii) any event which is or which results in the actual or proposed administration, liquidation, winding up or termination of the issuer of the Relevant Asset or other similar or like event (however described);
 - (iii) any event which is or which results in the actual or proposed de-listing of the Relevant Asset or the actual or proposed removal from quotation of the Relevant Asset or the actual or proposed Suspension from trading of the Relevant Asset;
- (b) where the Relevant Asset is an index:
 - (i) the Relevant Asset is suspended or ceases to be published for a period of 24 hours or more;
 - (ii) the Relevant Asset is not calculated and announced by the Relevant Asset Provider, but is calculated and announced by a successor to the Relevant Asset Provider;

- (iii) the Relevant Asset is replaced by a successor index using the same or a substantially similar formula for and method of calculation;
 - (iv) the Relevant Asset Provider or any successor makes a material change in the formula for or the method of calculating the Relevant Asset or in any way materially modifies that Relevant Asset; or
 - (v) there is a Suspension or material limitation on trading of securities generally on a Relevant Financial Market for a period of 24 hours or more;
 - (vi) there is a suspension or material limitation of trading in a futures contract relating to the Relevant Asset (or any equivalent futures contract) traded on a Relevant Futures Exchange (or any successor) for a period of 24 hours or more;
- (c) if we determine (in good faith) that the performance of our obligations in relation to or under these Terms of Sale has or will become, in circumstances beyond our reasonable control:
- (i) impossible;
 - (ii) unlawful;
 - (iii) illegal; or
 - (iv) otherwise prohibited as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any government, administrative, legislative or judicial authority or power;
- (d) any actual or proposed event that may reasonably (in our opinion) be expected to lead to any of the events referred to in paragraphs (a) to (c) above occurring;

"Application" – an offer by you to us to purchase the Delivery Parcel on a deferred basis on the terms and conditions set out in these Terms of Sale;

"Application Amount" – the total amount payable by you to us in consideration for acquiring the Delivery Parcel on the Maturity Date being an amount equal to your Investment Amount plus Application Fee;

"Application Fee" – in relation to each series of Capital Series 14, the amount set out as the "Application Fee" in the Schedule of Terms;

"Application Form" – the application form attached to the PDS;

"Asset Class Return" – has the meaning specified in the Schedule of Terms;

"ASIC" the Australian Securities and Investments Commission;

"ASX" – Australian Stock Exchange Limited ACN 008 624 691;

"Australian Dollars and \$" – the lawful currency of Australia;

"Break Costs" all costs, expenses and losses incurred by us and notified by us as payable by you or to you as a result of:

- (a) the acceleration of the Maturity Date or other Early Termination of Capital Series 14;
- (b) the termination or reversal of any arrangements or hedge position entered into by us in connection with Capital Series 14 which is terminated early; or
- (c) any loss of profits that we may suffer by reason of the early termination of Capital Series 14;

"Business Day" – a day on which all Australian banks, the ASX and the Relevant Financial Market are open for business, but does not include a Saturday, Sunday or public holiday;

"Calculation Agent" the Calculation Agent specified in the Schedule of Terms;

"Capital" or **"Capital Series 14"** – the agreement under which you purchase the Delivery Parcel from us on the terms and conditions set out in these Terms of Sale;

"Capital Investment Loan" or **"Loan"** – a loan made by us to you under which you borrow your Investment Amount for the purposes of investing in Capital Series 14;

“Closing Time” – 12:00 noon Sydney time on the Closing Date;

“Closing Date” – the date specified as the “Closing Date” in the PDS;

“Closing Level” has the meaning specified in the Schedule of Terms;

“Commonwealth Bank” or **“us”** or **“we”** or **“the Bank”** – Commonwealth Bank of Australia of 48 Martin Place Sydney, New South Wales, Australia;

“Completion” – the completion by you of the deferred purchase of the Delivery Parcel in accordance with clause 3 of these Terms of Sale, and “Complete” has a corresponding meaning;

“Completion Time” – 5:00pm Sydney time on the Maturity Date;

“Completion Notice” – a notice issued by us in accordance with clause 3.1 or 8.3(a)(ii) as the case may be;

“Corporations Act” – the Corporations Act 2001 (Cth);

“Delivery Asset” – the “Delivery Asset” as specified in the Schedule of Terms or any other delivery asset determined by us in accordance with these Terms of Sale;

“Delivery Asset Issuer” – the entity specified as the “Delivery Asset Issuer” in the Schedule of Terms or any other entity substituted in accordance with these Terms of Sale;

“Delivery Asset Market” – the relevant financial market that reports and disseminates traded prices of the Delivery Asset, as specified in the Schedule of Terms;

“Delivery Asset Price” – has the meaning specified in the Schedule of Terms;

“Delivery Asset Sale Service” – the arrangement whereby we sell the Delivery Parcel for and on behalf of, at the direction of and as agent for you on the Trade Date in accordance with clause 3.5 of these Terms of Sale;

“Delivery Parcel”

- (a) the number of Delivery Assets to be purchased by you on the Maturity Date as determined by the following formula:

$$\text{Delivery Parcel} = \frac{\text{Maturity Value}}{\text{Delivery Asset Price}}$$

rounded down to the nearest whole unit; or

- (b) (this only applies if there is an Early Termination under clause 8), the number of Delivery Assets to be purchased by you on the Early Termination Date as determined by the following formula:

$$\text{Delivery Parcel} = \frac{\text{Early Termination Value}}{\text{Delivery Asset Price}}$$

rounded down to the nearest whole unit.

“Early Termination” – the early completion of the deferred purchase of the Delivery Parcel as determined and completed in accordance with clause 8;

“Early Termination Date” – the date notified to you as the “Early Termination Date” in the Early Termination Notice, being the Maturity Date for the purpose of applying clauses 2 and 3 to Early Termination;

“Early Termination Fee” a fee equal to 1.50% of the Early Termination Value;

“Early Termination Event”

- (a) you are or become Insolvent;
- (b) any actual or proposed Adjustment Event of which, in our reasonable opinion, it is not possible or desirable for that event to be dealt with in accordance with clause 9;
- (c) any actual or proposed event that may reasonably in our opinion be expected to lead to any of the events in paragraphs (a) and (b) above occurring; or
- (d) if you have funded your investment in Capital Series 14 with a Capital Investment Loan, a default by you under the terms of your Capital Investment Loan;

“Early Termination Notice” – the notice provided by us to you notifying you either that an Early Termination Event has occurred or that we have accepted your request to terminate Capital Series 14 early and that an Early Termination will take place in accordance with the notice;

“Early Termination Value” – the fair economic value of your Investment at 5:00pm Sydney time on the Early Termination Date as we determine in our absolute discretion. Without limiting the foregoing, in determining the “Early Termination Value” we may deduct any costs, losses or expenses that we incur in relation to the Early Termination, including without limitation, Break Costs, administrative costs, costs of unwinding any hedge put in place for the purposes of meeting its obligations under these Terms of Sale, any cost of funding or any loss of bargain;

“Final Portfolio Return” has the meaning specified in the Schedule of Terms.

“Final Reference Asset Level” has the meaning specified in the Schedule of Terms;

“HIN” – Holder Identification Number;

“Insolvent” or **“insolvent under administration”** (each as defined in the Corporations Act), bankrupt, in receivership, in receivership and management, under administration, in liquidation, in provisional liquidation, wound up, subject to any arrangement, assignment or composition, or dissolved

“Initial Reference Asset Level” – has the meaning specified in the Schedule of Terms;

“Investment Amount” – the amount invested by you in Capital Series 14 and specified as confirmed in the Acceptance Notice;

“Investment Term” – the length of time specified as such in the Schedule of Terms;

“Investor” or **“you”** – the person or entity whose Application is accepted by us in accordance with clause 1 of these Terms of Sale;

“Maturity Date” – the date specified as such in the Schedule of Terms; if there is an Early Termination under clause 8, the Maturity Date will be that specified in the Early Termination Notice;

“Maturity Value” – the amount determined using the formula set out in the Schedule of Terms to determine the Maturity Value;

“Minimum Investment Amount” – the amount specified as such in the Schedule of Terms;

“Offer” has the meaning specified in the Schedule of Terms;

“PDS” the product disclosure statement dated 5 November 2007, of which these Terms of Sale form part;

“Reference Asset” – each of the Reference Assets specified as such in the Schedule of Terms, or any other index, commodity, security, interest in managed investment scheme or other asset substituted in accordance with these Terms of Sale;

“Reference Asset Provider” – the entity specified as the “Reference Asset Provider” in the Schedule of Terms;

“Reference Asset Sponsor” – the entity specified as the “Reference Asset Sponsor” in the Schedule of Terms;

“Reference Asset Return” – has the meaning specified in the Schedule of Terms.

“Relevant Asset Provider” – as the context requires, the entity who is responsible for (as applicable and as the context requires) the calculation, dissemination or provision of the Relevant Asset (as defined in “Adjustment Event”), or any other provider substituted in accordance with these Terms of Sale;

“Relevant Financial Market” – the financial market to which a Reference Asset relates as specified in the Schedule of Terms;

“Relevant Futures Exchange” – the futures exchange upon which the futures contract entered into by us to hedge the Reference Assets is traded;

“Sale Proceeds” – the proceeds of the sale of the Delivery Parcel that we (or our nominee) obtain on your behalf under

the Delivery Asset Sale Service, being an amount equal to the number of Delivery Assets comprising the Delivery Parcel multiplied by the Delivery Asset Price;

“Schedule of Terms” – the Schedule of Terms contained in the PDS;

“Settlement Date” – the date specified as such in the Schedule of Terms; if there is an Early Termination under clause 8, the Settlement Date will be that specified in the Early Termination Notice;

“Start Date” – the date specified as such in the Schedule of Terms;

“Suspension” – any temporary cessation of quotation of a Reference Asset;

“Tax” or **“Taxes”** – any income tax, capital gains tax, goods and services tax (GST), withholding tax, stamp, financial institutions, registration and other duties, bank accounts debits tax and other related taxes, levies, imposts, deductions, interest, penalties and charges;

“Term” – a provision in these Terms of Sale;

“Terms of Sale” – these terms and conditions, including the Schedule of Terms, under which you agree to purchase the Delivery Parcel from us as set out in this document in the section headed “Terms of Sale”;

“Trade Date” the date specified as such in the Schedule of Terms; if there is an Early Termination under clause 8, the Trade Date will be that specified in the Early Termination Notice;

14.2 Interpretation

- (a) In these Terms of Sale, unless the context requires another meaning, a reference:
- (i) to the singular includes the plural and vice versa;
 - (ii) to a document (including these Terms of Sale) is a reference to that document (including any Schedule of Terms and annexures) as amended, consolidated, supplemented, novated or replaced;
 - (iii) to a party means a party to these Terms of Sale;
 - (iv) to a person (including a party) includes:
 - (A) an individual, company, other body corporate, association, partnership, firm, joint venture, trust or government agency; and
 - (B) the person’s successors, permitted assigns, substitutes, executors and administrators;
 - (v) to a law:
 - (A) includes a reference to any legislation, treaty, judgment, rule of common law or equity or rule of any applicable stock exchange; and
 - (B) is a reference to that law as amended, consolidated, supplemented or replaced; and
 - (C) includes a reference to any regulation, rule, statutory instrument, by-law or other subordinate legislation made under that law.
- (b) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) Headings are for convenience only and do not affect interpretation.
- (d) If a payment or other act must (but for this clause) be made or done on a day that is not a Business Day, then it must be made or done on the next Business Day.
- (e) If a period occurs from, after or before a day or the day of an act or event, it excludes that day.

Overview of the Loan

The Commonwealth Bank Capital Investment Loan (the “Loan”) is an interest only, fixed rate Loan designed for investors who want to borrow to invest in Capital Series 14 (“Product”).

You should read the *Terms and Conditions* of the *Loan*, and seek professional advice on your rights and obligations under the *Terms and Conditions* of the *Loan*.

Italicised terms in this section are as defined in the *Terms and Conditions* of the *Loan*.

Loan Features

Application Amount	Minimum of \$10,000 and increments of \$1,000 thereafter to a maximum of \$1,000,000.
Loan Term	From the start date of the <i>Loan</i> to the <i>Final Maturity Date</i> of the <i>Loan</i> .
Loan Start Date	The start date of the <i>Loan</i> coincides with the <i>Start Date</i> of the <i>Product</i> in respect of which you will be using the <i>Loan</i> to invest in. The <i>Start Date</i> of the <i>Product</i> may change and this will result in a change of the <i>Loan Start Date</i> . The <i>Start Date</i> of the <i>Product</i> is determined by Commonwealth Bank.
Final Maturity Date	The <i>Final Maturity Date</i> of the <i>Loan</i> is the Settlement Date as defined in this PDS. Any changes to the Settlement Date of the <i>Product</i> may result in changes to the <i>Final Maturity Date</i> of the <i>Loan</i> .
Interest Rate	Either a fixed rate payable yearly in advance or a fixed rate payable monthly in arrears. You can contact our Client Service team on 13 15 20 to obtain the indicative fixed interest rate.
Interest Payment	You can either pay interest each month in arrears or pay for a year’s interest in advance. Interest payment will be made by direct debit from your nominated Australian bank account.
Fees	There is no establishment fee for personal investors. Other fees and costs may arise from: <ul style="list-style-type: none"> › government charges and stamp duty › regulatory establishment fees for Company and Trust applicants › early termination of your <i>Loan</i> › transaction fees on your nominated bank account (including direct debit dishonour fees) and your <i>Loan Account</i>.

How the *Loan* works

Setting up the *Loan*

It is important that you read the Overview of the Loan and the attached *Terms and Conditions* of the *Loan*. You should also consult your investment adviser before making an application.

Once you have decided to invest in the *Product*, you need to complete all sections (including Section C) of the Application Form in this PDS. If Commonwealth Bank approves your *Loan* application, the funds will be used on your behalf to make an investment in the *Product*. You will receive a *Loan Confirmation* from Commonwealth Bank setting out the details of your *Loan*.

During the Term

The *Loan* is an interest only loan, so you make no repayments of the *Loan* principal until your *Loan* matures.

You pay a fixed interest rate either monthly in arrears or one year’s interest in advance. If you elect to pay fixed interest monthly in arrears, your interest payment will be debited from your *Nominated Account* on the last *Business Day* of each month. If you elect to pay fixed interest yearly in advance, your first yearly interest payment will be debited from your

Nominated Account on the *Loan Start Date*.

If the *Final Maturity Date* does not coincide with the anniversary of the start date of the *Loan* then the final interest payment will cover the remaining period and may be payable on the *Final Maturity Date*.

Your *Loan Confirmation* will contain a full interest payment schedule. If you elected to pay interest annually in advance you will also receive an interest payment notification 2 weeks before interest is due to be debited from your *Nominated Account*.

Early Termination

The central strategy of the *Loan* is that you invest in the *Product* and continue that investment until maturity. In limited circumstances, you may wish to terminate your *Loan* before the *Final Maturity Date*. Early termination will result in additional costs, including:

- › a prepayment fee of a month’s interest;
- › the costs of closing out a fixed rate interest arrangement;
- › any government fees, charges or taxes, including stamp duty; and
- › any accrued but unpaid interest and bank fees.

This PDS contains an explanation of how the capital protection works. Capital protection will only apply if you hold the *Product* for the full Investment Term (as defined in this PDS). It is subject to the *Product* being held for the full term.

If you terminate your investment in the *Product* early, you will be required to repay to Commonwealth Bank the full *Loan* principal and any other amounts which you owe to Commonwealth Bank under your *Loan* (including the additional costs referred to above) at the same time as you terminate your investment in the *Product*. In addition, provided you are not in default under the *Terms and Conditions* of the *Loan*, you will be taken to have chosen to use the Delivery Asset Sale Service under this PDS (as that term is defined in this PDS) so that, on completion, you will receive sale proceeds ("Sale Proceeds") in respect of the Delivery Assets (as that term is defined in this PDS), rather than the Delivery Assets themselves. The *Terms and Conditions* of the *Loan* provide that Commonwealth Bank is authorised to apply the Sale Proceeds against amounts you owe to Commonwealth Bank under the *Loan*. It may be possible, if you terminate early and use the Sale Proceeds to repay the *Loan*, that the Sale Proceeds may be less than the principal of the *Loan* and other amounts (if any) that you owe to the Bank in connection with the *Loan*.

If you are in default under the *Loan*, then under the Terms of Sale in this PDS, Commonwealth Bank can require you to terminate your investment in the *Product* early. You will not be entitled to receive the Delivery Assets or the Sale Proceeds if you are in default under the *Loan*. Instead, you will be entitled to receive an amount ("Early Termination Payment") equal to the Early Termination Value, less the Early Termination Fee (as those terms are defined in this PDS). The *Terms and Conditions* of the *Loan* provide that Commonwealth Bank is authorised to apply the Early Termination Payment against amounts you owe to Commonwealth Bank under the *Loan*. It may be possible, if you are in default and are required by Commonwealth Bank to terminate your investment in the *Product* early and you use the Early Termination Payment to repay the *Loan*, that the Early Termination Payment may be less than the principal of the *Loan* and other amounts (if any) that you owe to Commonwealth Bank in connection with the *Loan*.

You will still be liable for the full *Loan* principal and any costs associated with early termination, whether or not you are in default under the *Loan*.

At Maturity

Before your *Loan* matures, you can elect to:

- repay the *Loan* with the Sale Proceeds. Any amount above the outstanding *Loan* amount will be paid to your *Nominated Account*; or
- repay the *Loan* with your own capital (and take possession of the Delivery Asset as specified in this PDS) or with other borrowed funds.

We must receive your election at least 10 *Business Days* prior to the *Loan* maturity to make a repayment election. The notification date will be specified on your *Loan Confirmation*. If we do not receive any notification you will be deemed to have elected to use the Delivery Asset Sale Service and to have authorised us to use the Sale Proceeds to pay all moneys you owe us in connection with the *Loan*.

Where do I start?

1	It is important that you read the Overview of the <i>Loan</i> and the <i>Terms and Conditions</i> of the <i>Loan</i> carefully.
2	Complete and sign the Application Form in this PDS. Attach supporting documentation as required.
3	Your completed Application Form should be forwarded to: Capital Series 14 Commonwealth Securities Locked Bag 34 Australia Square NSW 1214
4	Should you require assistance, you can contact our Client Service team on 13 15 20 or call your investment adviser.

What if I have any complaints regarding the *Loan*?

The Code of Banking Practice requires that we have procedures in place for dispute resolution. The Code states that the process for dispute resolution is to be readily available to customers (investors) free of charge.

Should you wish to make a complaint relating to your *Loan*:

(a) Contact the adviser through whom you bought the *Product*; or

(b) If you bought the *Product* directly from us:

Telephone Client Relations from 8:00am to 5:00pm Sydney time, Monday to Friday on 13 15 20 (outside Australia +61 2 8223 7014); or,

Write to Client Relations, Locked Bag 22, Australia Square, NSW 1215

If Commonwealth Bank's internal dispute resolution is unsuccessful, you may take the matter to an external authority such as the Banking and Financial Services Ombudsman.

The Banking and Financial Services Ombudsman
GPO Box 3
Melbourne Victoria 3001

Tel: 1300 780 808

Terms and Conditions of the Loan

Terms and Conditions

These are the Terms and Conditions on which we make a Commonwealth Bank Capital Investment Loan (the "Loan") available and on which we accept offers to provide security for the Loan. We refer to them collectively as the "Terms and Conditions".

The Terms and Conditions are made up of:

Part 1 General Provisions

Part 2 Loan Agreement

which appear under those headings in the Terms and Conditions.

In the event of any inconsistency with other material in the Overview of the Loan, or in the Application Form in this PDS, the Terms and Conditions shall prevail.

PART 1 GENERAL PROVISIONS

1. Definitions

In these Terms and Conditions:

Authorised Officer means each of our officers and each officer of Commonwealth Securities whose title, in both cases, is or includes the word "manager" or the word "executive";

Borrower means how we refer to the applicant for a Loan and to those whose application is accepted by us;

Business Day means each day on which we are open for business in Sydney;

Commonwealth Securities means Commonwealth Securities Limited ABN 60 067 254 399;

Default Event means any Default Event set out in clause 8 of the Loan Agreement;

Delivery Asset has the meaning given to it under the Terms of Sale of this PDS;

Delivery Asset Sale Service has the meaning given to it under the Terms of Sale of this PDS;

Final Maturity Date means the day which is notified to you in a confirmation letter from us for full repayment of the Loan;

Guarantee means the guarantee referred to in the Application Form and given to us by the directors of a Borrower company guaranteeing the Borrower's obligations under the Loan Agreement;

Guarantor means any director of a Borrower company that provides a Guarantee;

Interest Rate means the interest rate we charge on the Loan Account;

Loan means a loan we make available to the Borrower under the Terms and Conditions;

Loan Account means the account we keep, in the Borrower's name, to which we debit the amount of any Loan and any other liability of the Borrower under the Terms and Conditions;

Loan Agreement means the Loan Agreement in Part 2 of the Terms and Conditions created when we accept the Borrower's application for a Loan;

Loan Balance means at any time, the balance on the Loan Account at that time;

Loan Confirmation means a letter of confirmation we give you setting out particulars of our approval of the Loan;

Loan Limit means the amount that we are prepared to lend to the Borrower under the Loan;

Loan Start Date means the Start Date of the Product;

Material Adverse Change means a change which, in our opinion, has a material adverse effect on your assets, revenue or financial position, or your ability to perform your obligations under the Terms and Conditions;

Money Owning means any money payable by the Borrower under or in connection with the Loan and includes any interest payable in connection with the Loan pursuant to clause 3 of the Loan Agreement;

Nominated Account means an account (for which a statement issues other than a loan or credit card account) opened by and in the name of the Borrower with us or with another financial institution and in relation to which you have given us an authorisation to debit;

our means belonging to us;

Prepayment Fee means a prepayment fee equal to one (1) month's interest on the amount prepaid, calculated by reference to the interest rate applicable to the Loan at the time of the prepayment. Such fee will not be applicable if prepayment occurs within three (3) months of the Final Maturity Date except if clause 8 of the Loan Agreement applies;

Product means Capital Series 14 issued by us to you which you are using the proceeds of the Loan to invest in;

Product Disclosure Statement or PDS means this PDS, being the Product Disclosure Statement issued by us in respect of the Product;

Product Issuer Obligations means any obligations or liabilities which we owe to you under this PDS including under or in connection with the Terms of Sale, including but not limited to distribution of any coupon payment or payment of any amount on early termination or on completion;

Sale Proceeds means the proceeds of sale which you are entitled to under the Terms of Sale upon the sale of the Delivery Assets through the Delivery Asset Sale Service;

Security Interest means and includes an interest arising under a mortgage, charge, pledge or other encumbrance of any nature and an interest arising from any reservation of title;

Start Date has the meaning given to it under the Terms of Sale of this PDS;

Term means the period from and including the Start Date of the Product and including the Final Maturity Date;

Terms of Sale means the terms of sale set out in this PDS in the section entitled "Terms of Sale";

we or **us** means Commonwealth Bank of Australia ABN 48 123 123 124, its successors or assigns;

you means:

- in Part 1 General Provisions of these Terms and Conditions, any person who agrees to be bound by any of the Terms and Conditions;
- in Part 2 Loan Agreement, the Borrower;
- in each case, that person's executors and administrators and, in the case of a corporation, its successors and assigns;

your means belonging to you.

2. Interpretation

The Terms and Conditions must be interpreted according to the following:

- when more than one person enters into any of the Terms and Conditions the obligations of those persons will be joint and several;
- words indicating the singular number include the plural number and vice versa;
- words indicating persons include bodies corporate; and
- the words "including" or "for example" and similar words or expressions when introducing an example do not limit the meaning of the words, to which the example relates, to that example or examples of a similar kind.

3. Our consent

Whenever you ask for our consent we may give or refuse our consent as we consider appropriate. We may impose conditions on the giving of our consent.

4. Trustee provisions

If you enter into any of the Terms and Conditions as a trustee:

- (a) you acknowledge that the relevant Terms and Conditions bind you personally and in your capacity as trustee of the trust.
- (b) you represent that:
 - you have full power and are legally entitled to appoint us and

each of our officers separately as your agent and Attorney under the Terms and Conditions;

- you have full power and are legally entitled to enter into and perform your obligations under the Terms and Conditions;
- any conflict of interest and duty which might arise from your entry into any of the Terms and Conditions is satisfactorily overcome by the trust instrument or has been overcome by a resolution by all unitholders of the trust;
- you are entitled to be indemnified out of trust assets to the full extent of the liabilities you enter into in your trustee capacity;
- you are not aware of any threatened or pending action or claim which may affect your indemnity out of trust assets; and
- you have taken every necessary action to ensure you are effectively bound by the Terms and Conditions and that you are authorised to perform your obligations under the Terms and Conditions.

- (c) you must inform us if you are removed from office as trustee.
- (d) you agree to satisfy us, in the manner we require, that the Terms and Conditions will be valid and enforceable against you in your trustee capacity.

5. Change in your constitution, name or style

Where you are a partnership, firm, committee, trustee or unincorporated body or any of the Money Owing is advanced on or are otherwise owing or payable on a joint account your obligations under the Terms and Conditions remain effective and binding despite any change in your constitution, name or style.

6. Authorities you give us

- (a) You authorise us to act on any of your instructions (and if there is more than one of you, on the instructions of any one or more of you), or the instructions of the person you authorise, in writing to us, to act on your behalf. Initially the person you authorise, in writing to us to act on your behalf, will be the person you nominate in the Application Form in this PDS. We will act on instructions given to us by any person you authorise in writing – until you give us written notice not to do so.
- (b) If you are a Company and there is more than one (1) Director, we may act on the instructions of any one (1) or more Directors.
- (c) You authorise us to act on instructions sent to us from time to time, in relation to the Terms and Conditions, by telephone, facsimile transmission, telex, cable or other electronic means.

7. Obligations are not affected by unauthorised instructions

- (a) If we have exercised due care, your obligations are not affected or limited by:
- any falsity, inaccuracy, insufficiency or forgery of or in any instructions given to us; or
 - our failure to enquire whether any instruction has been transmitted or received accurately or has been given or sent by an unauthorised person.
- (b) If we act or continue to act on the basis of your instructions, you agree as follows:
- (i) All risks of unauthorised instruction or fraud lie with you and are not to be borne by us.
- (ii) You agree to indemnify us and hold us harmless against:
- A. any and all claims which you or any third party may have against us for any damage, loss, cost or expense which you or that third party may suffer or incur (whether directly or indirectly and whether foreseeable or not); and
 - B. any damage, loss, cost or expense which we may suffer or incur (whether directly or indirectly and whether foreseeable or not) as a result of or in connection with:
 - i. us acting upon any instruction purporting to be from you, your agent or your employee (whether by telephone, facsimile, telex, cable or other electronic means); or
 - ii. us not acting upon any instruction purporting to be from you, your agent or your employee (whether

in writing by telephone, facsimile, telex, cable or other electronic means) where we (in our subjective determination) consider or suspect that such instruction has been communicated to us fraudulently, mistakenly or without authority, or contain material omissions or errors.

Nothing in this clause shall be construed as requiring us to make enquiries as to the genuineness or validity of an instruction.

- (iii) The indemnity contained in this clause is subject to us acting only upon instructions from persons purporting to be you or persons authorised by you from time to time by notice to us. For the purposes of this clause a person shall be deemed to be a person authorised by you if you have held out that person to us as a person authorised by you and have not notified us in writing that such person has ceased to be authorised.

8. Variation

- (a) On giving you at least thirty (30) days' notice in writing, we may:
- impose any new fee; and/or
 - vary the amount of any fee.
- (b) We may vary any other provision of the Terms and Conditions on giving notice in writing no later than the day the variation takes effect.

9. Exercise of rights

- (a) We may exercise any right, remedy or power in any way we consider appropriate in our sole and absolute discretion. If we do not exercise a right, remedy or power fully or at a given time, we can still exercise it later.
- (b) We are not liable for any loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy.

10. Payments under the Terms and Conditions

- (a) We may apply any moneys received or recovered towards the satisfaction of the Money Owing under the Terms and Conditions in the manner and order in which we see fit.
- (b) All payments by you under the Terms and Conditions must be made in Australian dollars without deduction or set-off.
- (c) Unless there is a specific provision to the contrary in the Terms and Conditions regarding payment of an amount owing to us, you must pay that amount on demand.
- (d) If your liability under the Terms and Conditions is merged in any judgment or order, you will pay interest on the amount owing under that judgment or order at the higher of the rate at which default interest is charged under clause 5 of the Loan Agreement and the interest rate charged on the court order.

11. Giving of notices

- (a) Notices take effect from the time they are received unless a later time is specified in them.
- (b) If notices are sent by post, they are taken to be received on the day they would be received in the ordinary course of post.
- (c) If notices are sent by a facsimile machine which produces a transmission report, they are taken to be received at the time shown in a transmission report which indicates that the whole facsimile transmission was sent.
- (d) You must tell us as soon as possible if you change your name or your address.

12. Assignment

- (a) You can assign your rights under the Terms and Conditions only with our prior written consent.
- (b) We may assign or otherwise deal with our rights under the Terms and Conditions, without your consent, in any way we consider appropriate free from any equities, set-off or cross claim which you could otherwise set up against us.
- (c) You authorise us to disclose to any assignee or potential assignee (including any employee, agent or contractor engaged by that assignee or potential assignee) any information relating

to you, the Loan and (if applicable) the Guarantee that we reasonably consider appropriate in the circumstances.

13. Continuing rights

- (a) Under law, a trustee in bankruptcy or a liquidator or administrator might demand the refund of a payment we receive pursuant to the Terms and Conditions. To the extent we are obliged to make a refund or we agree to do so, we may treat the original payment as if it had not been made. We are then entitled to our rights against you under the Terms and Conditions as if the payment had never been made.
- (b) Each indemnity you give under the Terms and Conditions is a continuing obligation which survives termination of any other obligation you owe us under the Terms and Conditions.

14. Commission

We may pay:

- a commission to any broker or financial planner or other financial intermediary who introduces you to us; and
- Commonwealth Securities their fees and costs relating to administration of the Loan.

15. Telephone Recording

You authorise us to record any telephone conversation between you (including your agents and employees) and us with or without an audible tone warning device.

16. Governing law

The laws of New South Wales govern the Terms and Conditions and the parties irrevocably and unconditionally submit themselves to the non-exclusive jurisdiction of the courts of that State (and courts of appeal from them) and waive any right they have to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum or to claim that those courts do not have jurisdiction.

17. Code of Banking Practice

If you are an individual or small business, the relevant provisions of the Code of Banking Practice apply to these Terms and Conditions.

PART 2 LOAN AGREEMENT

1. Drawings on the Loan Account

- (a) Our obligation to make available to you the Loan in one amount equivalent to the Loan Limit on a date for drawdown that you and we agree upon is subject to the following conditions:
- your compliance with the Terms and Conditions; and
 - where we require a Guarantee, our receipt of a duly executed Guarantee.

If you have not drawn down the amount equivalent to the Loan Limit within 60 days of the date agreed upon as the date for drawdown, we may regard the Loan as lapsed.

- (b) Upon drawdown, you authorise us to apply the Loan to invest in the Product on your behalf and pay any related expenses.
- (c) We are not liable for any loss you may suffer because the Start Date occurs during the time we take to lend you the money or forward any communications on your behalf.

2. Your undertaking and representation

- (a) Where you are an individual you undertake to use the Loan wholly or predominantly for business or investment purposes.
- (b) You undertake to provide us, upon request, any financial information in relation to you, your business, property, management, operations, financial condition and prospects as we may reasonably request.
- (c) You represent, on each occasion that you draw an amount from your Loan Account, that you are not insolvent and, if you are an individual, that you are not an undischarged bankrupt and have not assigned your estate or entered into any arrangement or composition for the benefit of your creditors.

3. Interest on your Loan Account

- (a) You must pay interest on the outstanding debit balance on your Loan Account at the times and in the manner set out in the Loan Confirmation unless we agree otherwise.

- (b) Interest:

- begins to accrue from the date we first debit your Loan Account.
- If it is being paid annually in advance at a fixed interest rate, is calculated and charged to your Loan Account on the first day of the period for which the interest rate is fixed for the whole of that period on the basis of a 365 day year.
- If it is being paid monthly in arrears at a fixed rate, is calculated daily by applying the fixed interest rate to the outstanding balance of your Loan Account at the end of that day and is charged to your Loan Account monthly and on the day your Loan Account is repaid in full and the account is closed.

- (c) The interest charged to your Loan Account is then debited to your Nominated Account. We charge interest on unpaid interest, fees and charges to your Nominated Account. We can do this at any time without informing you.

4. Where we agree that interest can be prepaid

We may consent to your request to prepay interest on a Loan. If we consent to your request, we will debit the Nominated Account with the interest we charge for the whole of that period on the date the period starts.

5. Default interest on the Loan

You must pay us default interest on any amount you fail to pay on the due date in relation to the Loan.

Default interest:

- is charged at an interest rate equal to our monthly index rate for overdraft accounts plus a margin which we set from time to time;
- is calculated daily on the overdue amount from the due date of payment of the amount until the amount is paid, is debited to the Nominated Account monthly (and on the date your Loan Account is repaid in full and the account is closed) and is due for payment on the date it is debited to the Nominated Account.

6. Payments

All monies payable by you shall be paid in full without set-off or counter-claim of any kind and free and clear of and without any deduction or withholding of any kind.

7. Repayment, Prepayment and Termination

- (a) Subject to clauses 7(d) and 7(e) of the Loan Agreement, you must repay or arrange repayment of the Loan and all other Money Owing to us in one amount on the Final Maturity Date.
- (b) You must, at least ten (10) Business Days prior to the Final Maturity Date and no later than the date specified in the Loan Confirmation, by irrevocable notice in writing to us, inform us that:
- you will repay the Loan and all other Money Owing to us on the Final Maturity Date with your own capital or with other borrowed funds; or
 - you will repay the Loan and all other Money Owing on the Final Maturity Date with the Sale Proceeds and authorise us to apply the Sale Proceeds in repayment of the Loan and all other Money Owing in accordance with clause 12 of the Loan Agreement.

If you do not provide a notice to us under this clause 7(b), you will be taken to have elected to use the Delivery Asset Sale Service under the Terms of Sale and to have authorised us to apply the Sale Proceeds to repay the Loan and all other Money Owing in accordance with clause 12 of the Loan Agreement.

- (c) If you tell us that we may apply the Sale Proceeds under clause 7(b)(ii), you irrevocably authorise us to apply the Sale Proceeds in repayment of the Loan and all other Money Owing and in addition to draw under any periodical debit or payment authority to ensure that, on the Final Maturity Date, we receive the full loan principal and any interest owing under the Loan and all other costs, charges and expenses for which we are entitled to reimbursement under the Terms and Conditions.
- (d) You may prepay the Loan provided you give us not less than 5 business days notice.

- (e) You must prepay the Loan and all other Money Owed if you terminate early your investment in the Product under the Terms of Sale. You agree that we may apply the Sale Proceeds in repayment of the Loan in accordance with clause 12 of the Loan Agreement.
- (f) If you prepay the Loan pursuant to paragraph (d) or (e), you must pay any interest, fees, break costs and other costs losses or damages which we may incur as a result of the Loan being repaid before the Final Maturity Date, together with any other moneys then accrued under this Loan Agreement to the date of prepayment (whether or not payable).
- (g) On or before the date of any optional prepayment pursuant to paragraph (d) or any mandatory prepayment pursuant to paragraph (e), you must pay to us the Prepayment Fee if applicable.
- (h) Amounts prepaid may not be re-borrowed under this Loan Agreement.
- (i) If there occurs any change in law or interpretation which makes it unlawful for us to give effect to the Loan Agreement, we may, in our absolute discretion, terminate the Loan upon giving you thirty (30) days prior written notice.

8. Default

- (a) A Default Event occurs if:
 - you fail to pay any sum payable by you under the Loan Agreement on the date the payment is due, or to give us a notice under clause 7(b) of the Loan Agreement;
 - a judgment of any court or any order of an authority is executed against any or all of your assets;
 - you fail to immediately comply with any direction by us to you;
 - you, without our prior written consent, create or purport or attempt to create any Security Interest over all or part of your rights in respect of the Product in favour of any person;
 - in our opinion a Materially Adverse Change occurs in respect to you or any Guarantor;
 - you, or the Guarantor make any representation or warranty to us in relation to the Terms and Conditions that, in our reasonable opinion, is misleading or incorrect in any material respect when made (whether the lack of correctness is apparent at the time or becomes apparent subsequently); or
 - you fail to provide financial information which is requested pursuant to clause 2(b) of the Loan Agreement.
- (b) If a Default Event occurs:
 - (i) we may declare, by notation of one of our officers or by our agent on our records to that effect, that you are in default and that all amounts owing under the Terms and Conditions are immediately payable without our having to make any demand on you or serve any notice on you to that effect; and
 - (ii) if we make a declaration under clause 8(b)(i) of the Loan Agreement, you will be in breach of the Terms of Sale and your investment in the Product will be terminated in accordance with the terms of the Terms of Sale. You agree that we may apply any amounts that you are entitled to under the Terms of Sale as a consequence of your investment in the Product being terminated against any amounts which you owe to us under or in connection with the Loan, in accordance with clause 12 of the Loan Agreement.
- (c) We may exercise our right to make the declaration referred to in clause 8(b)(i) of the Loan Agreement despite any delay in our exercising the right or our having waived the right previously.
- (d) In addition to any other amount you must pay, after we make a declaration under clause 8(b)(i) of the Loan Agreement and on our demand, you must pay our estimate of the loss we will incur due to the Loan not being conducted for the whole of the then current period for which the Interest Rate is fixed (if any).

9. Fees and Charges

- (a) You must pay us:
 - our fees and charges (as varied from time to time) as soon as they are due and payable, whether or not you draw on your Loan Account. We set out particulars of the fees and charges you must pay and when they are payable in the schedule of fees and charges accompanying the Terms and Conditions. On your request, we will supply you with a copy of our current fees and charges for the Loan.
 - government stamp duty and any other government tax or duty payable in relation to the Terms and Conditions, or any Guarantee provided to us or any transaction on the Loan Account.
 - all amounts which we are charged or charge or pay or incur in connection with establishing and administering the Loan, or any transaction contemplated by the Terms and Conditions, terminating the Loan, or our exercising or enforcing any right, power, claim or remedy of any kind arising out of the Terms and Conditions.
- (b) We may debit your Loan Account with our usual bank account fees and charges and all unpaid fees and charges you must pay us under the Terms and Conditions. Any amounts we receive from you for crediting to your Loan Account are applied to pay unpaid fees and charges on the Loan Account first.

10. Disclaimers

- (a) We take no responsibility for any decision you make to obtain the Loan, to enter into any arrangement incidental to the Loan, about the investment you make with the Loan proceeds, or the performance of your investment in the Product.
- (b) In so far that they act on our behalf and not as your broker or financial advisor, our officers and agents do not have our authority to recommend an investment in the Product, make any predictions about what might happen to Interest Rates or the value of your investment in the Product or to make any other representation, prediction or statement of opinion about any other matter or thing affecting the Terms and Conditions.

11. Indemnity

- (a) You agree to indemnify us from and against all actions, suits, claims, demands, losses, liabilities, damages, costs and expenses which may be made or brought against or suffered or incurred by us arising out of or in connection with:
 - any Default Event;
 - the exercise or non-exercise of any right, power or remedy contained, referred to or implied in the Terms and Conditions;
 - any prepayment including, without limitation, any loss or expense incurred in respect of:
 - (i) any cost associated with us obtaining an appropriate form of risk management agreement (or instrument of similar effect) with respect to the Terms and Conditions or the funding of the Loan; or
 - (ii) the exercise, non-exercise or the prevention or inability by us to exercise any rights under any risk management agreement; or
 - (iii) the liquidation or redeployment of funds acquired from third parties to make or maintain the Loan; or
 - (iv) the termination or reversal of any arrangements entered into in connection with the funding of the Loan; or
 - (v) any loss or profits that we may suffer by reason of the early liquidation or redeployment of such funds or the termination or reversal of such arrangements.

- (b) You agree to compensate us on demand if we determine that any new or amended law, order, official policy, directive or request of any governmental agency, or any change in any interpretation or administration of any law, order, official policy, directive or request of any governmental agency, directly or indirectly:
- increases the cost to us of providing, funding or maintaining the Loan Account; or
 - reduces any amount received or receivable by us, or its effective return, in connection with the Loan Account; or
 - reduces our return on capital allocated to the Loan Account, or its overall return on capital.
- (c) Any amount which we certify to you that we have expended, incurred or will incur, or which we will forego pursuant to paragraphs (a) and (b) shall, prima facie, be binding for all purposes.
- (d) We are not responsible for any loss of any kind whatsoever (including, without limitation, the negligence, default or dishonesty of any servant, agent or auctioneer employed by us, any attorney of ours or a receiver) which may occur in or about the exercise, attempted exercise or non-exercise of any of the rights, powers or remedies of ours under the Terms and Conditions.

12. Set off

You authorise us (but without imposing any obligation on us) to apply:

- (a) any credit balance, whether or not matured, in any of your accounts (each an "Account") with any branch of ours; and
- (b) any amounts actually or contingently owing to you by us under or in relation to the Product Issuer Obligations, in any currency, in or towards satisfaction of any sum at any time due and payable by you to us under or in relation to this Loan. You undertake not to attempt to assign your property in any Account or in the Product Issuer Obligations.



CAPITAL Series 14

Application Form

Application Form Instructions

Please contact your adviser or ring us on 13 15 20 if you have any general questions about Capital Series 14 or any questions about how to complete the Application Form.

- A – COMPULSORY:** Write the full name(s) that you wish to appear on your Acceptance Notice. The name or names that appear in this section will be those in which Commonwealth Bank Capital Series 14 issued to you will be held. Complete your details as required. If more than one Applicant applies jointly, then correspondence will only go to one address.
- B – COMPULSORY:** Write the amount you wish to invest in Capital Series 14. Indicate your intended method of payment by ticking the appropriate box.
- C – OPTIONAL:** You must complete this section in its entirety if you are applying for Capital Investment Loan. If you are applying for Capital Investment Loan, you must also complete section H.

For Applicant who is a Company Borrower OR Trustee Borrower, there may be additional fee applicable to you. Please call 13 15 20 for further information.

- D – OPTIONAL:** If you select Cheque as the method of payment in section B, write the details of the cheque(s) you are attaching. You must make sure that the attached cheque amount corresponds to the amount you indicated in section B. The cheque(s) must be made out to Commonwealth Bank of Australia and marked not negotiable. In addition, the cheque(s) must be payable in Australian currency and drawn on an Australian bank.
- E – COMPULSORY:** We will have any cash payment credited directly into your account. Please enter the details of your nominated bank account here. This option is only available for accounts held with banks, building societies and credit unions within Australia.
- F – OPTIONAL:** You may nominate a person to be your authorised representative in this section.
- G – COMPULSORY:** Complete with your identification details.
- H – OPTIONAL:** If you select Direct Debit as the method of payment in section B, write your bank account details in this section. If the bank account is in joint names, both account holders must sign. This section is compulsory if you are applying for Capital Investment Loan.
- I – OPTIONAL:** Compulsory for financial advisers.
- J – COMPULSORY:** All applicants must sign the Application Form. If application is made under joint names, both applicants must sign.

Please read in full the Terms of Sale and the Terms and Conditions of the Loan in this PDS. The Terms of Sale contain important information about Capital Series 14 and the Terms and Conditions of the Loan contain important information about Capital Investment Loan. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Terms of Sale and the Terms and Conditions of the Loan. While the Terms of Sale and the Terms and Conditions of the Loan are current, Commonwealth Bank or a securities dealer or other licensed financial intermediary who has provided an electronic copy of it will send a paper copy of the Terms of Sale and Terms and Conditions of the Loan and the Application Form on request and without charge.

Correct form of registrable title. Applications must be in the name(s) of natural person, companies or other legal entities acceptable to Commonwealth Bank. At least one full given name and the surname are required for each natural person. A non-registrable name may be included by way of account designation if completed exactly as described below.

Type of Investor	Correct Form	Examples of Incorrect Form
Individual. Use given names not initials	John Adam Smith	J.A. Smith
Company. Do not use abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts. Use Trustee's personal name Do not use the name of the Trust	John Smith <John Smith Family A/C>	John Smith Family Trust
Partnerships. Use personal names not the name of the partnership	John Smith and Michael Smith <John Smith & Sons A/C>	John Smith & Son
Clubs/Incorporated Bodies/Business Names.	Amanda Smith <ABC Bowling Club>	ABC Bowling Club
Superannuation Funds. Use Trustee's name not the name of the Trust	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



Send Applications to:

Capital Series 14
Commonwealth Securities
Locked Bag 34
Australia Square NSW 1214

Office use only

Capital Series 14 Application Number

Capital Investment Loan Application Number
(if applicable)

This Application Form is to be used for investing in Capital Series 14. If this PDS is distributed electronically, then those receiving it electronically should note that applications can only be accepted if the Commonwealth Bank receives a completed current Application Form which accompanied the electronic or paper copy of this PDS dated 29 October 2007. Paper copies of this PDS are available free on request. Terms used in this Application Form which are defined in the Terms of Sale and Terms and Conditions of the Loan in this PDS have the same meaning in this Application Form.

Tick this box if you are applying for Capital Investment Loan to fund your investment in Capital Series 14. If you are applying for Capital Investment Loan, you must complete section C and section H in this Application Form.

A Applicant Details

COMPULSORY

SECTION A1: APPLICANT 1 / DIRECTOR 1 / TRUSTEE 1

Title Mr Ms Mrs Miss Dr Other (specify) _____

Surname

Given Name
(no initials)

Gender Male Female Date of Birth:

Residential address
(not a PO Box) State Postcode

Postal address State Postcode

Phone Numbers Home () Work ()

Fax () Mobile

please tick your preferred contact number

Email address

TFN/Exemption Number/Category



A Applicant Details (continued...)

COMPULSORY

APPLICANT 2 / DIRECTOR 2 / TRUSTEE 2

Title Mr Ms Mrs Miss Dr Other (specify) _____

Surname

Given Name (no initials)

Gender Male Female Date of Birth:

Residential address (not a PO Box) State Postcode

Postal address State Postcode

Phone Numbers Home () Work ()

Fax () Mobile

please tick your preferred contact number

Email address

TFN/Exemption Number/Category

SECTION A2: COMPANY APPLICANT

> If you are a company applicant, you must also complete section A1 with Director 1 and/or Director 2 details.

Company Name

ABN Number

Registered address (not a PO Box) State Postcode

Postal address State Postcode

Phone Numbers Business 1 () Business 2 ()

Fax () Mobile

please tick your preferred contact number

Email address

A Applicant Details (continued...)

COMPULSORY

SECTION A3: TRUST / SUPERANNUATION FUND APPLICANT

- › Individual(s) as trustee(s): you must complete section A1 with Trustee 1 and/or Trustee 2 details.
- › Company as a trustee: you must complete section A1 with Director 1 and/or Director 2 details and section A2 with your Company details.

Trustee(s) Name *(Insert individual Trustee name(s) or Company name)*

Trust/Superannuation Name

ABN Number

TFN/Exemption Number

SECTION A4: PASSWORD

- › Your password will allow us to confirm your identity over the phone and the internet.
- › Your password must be 5 numbers (eg. 12345).

B Application Amount & Method of Payment

COMPULSORY

APPLICATION AMOUNT

Investment Amount	<input style="width: 90%;" type="text"/>		A	
Application Fee	<input style="width: 90%;" type="text"/>	+	B	
Application Amount	<input style="width: 90%;" type="text"/>		C	= A + B

- › Minimum Investment Amount is \$10,000 with increments of \$1,000
- › Application Fee is 2.00% of the Investment Amount (for example, \$10,000 Investment Amount has an Application Fee of \$200)
- › Application Amount would be the sum of the Investment Amount and the Application Fee.

PAYMENT METHOD

Please indicate by ticking one of the boxes below:

- Cheque (made out to Commonwealth Bank. You **must** complete section D)
- Direct Debit (you **must** complete and sign the Direct Debit Request in section H)
- Capital Investment Loan (subject to approval). You **must** complete section C and section H.

C Capital Investment Loan

› **Only complete section C if you are applying for a Capital Investment Loan to fund your investment in Capital Series 14. Note that a Superannuation Fund cannot borrow to invest.**

› **If you are applying for Capital Investment Loan, you must complete:**

- **Section C1 (Financial Details);**
- **Section C2 (Risk Disclosures);**
- **Section C3 (Privacy and Authorisations);**
- **Section C4 (Acknowledgement & signatures); and**
- **Section H (Direct Debit Request).**

C1. FINANCIAL DETAILS
What to include with your Application Form

› **For Application submitted through a Financial Adviser with loan amount less than or equal to \$400,000**

1. Applicant must complete statement of income and expenditure in Section C of the Application.
2. The Financial Adviser must complete Section I of the Application.

› **For Application submitted through a Financial Adviser with loan amount greater than \$400,000**

1. Applicant must complete statement of income and expenditure in Section C of the Application.
2. The Financial Adviser must complete Section I of the Application.
3. Applicant must attach the following supporting documents:
 - 3.1 For salaried Individual Borrower or Joint Borrowers, provide one of the following supporting documents together with your Application:
 - Last three pay advices OR letter from your employer confirming length of employment, base income and regular overtime / bonuses; OR
 - Evidence of asset ownership, which includes bank statements, CHESS certificates, managed funds statements, rates notices; OR
 - Accountant's certificate confirming income, asset and liability position.
 - 3.2 For Company Borrower, Trustee Borrower or Self-employed Borrower, provide the following supporting documents together with your Application:
 - Last two years tax returns and financial statements

› **For Application with loan amount less than or equal to \$100,000 (Not submitted through a Financial Adviser)**

1. Complete statement of income and expenditure in Section C of the Application.
2. Applicant must attach the following supporting documents:
 - 2.1 For salaried Individual Borrowers or Joint Borrowers, provide the following supporting documents together with your Application:
 - Latest copy of pay slip and latest copy of bank statements
 - 2.2 For Company Borrower, Trustee Borrower, or Self-employed Borrower, provide the following supporting documents together with your Application:
 - Last one years tax returns OR financial statements
 - Latest copy of bank statements.

› **For Application with loan amount greater than \$100,000 (Not submitted through a Financial Adviser)**

1. Complete statement of income and expenditure in Section C of the Application.
2. Applicant must attach the following supporting documents:
 - 2.1 For salaried Individual Borrower or Joint Borrowers, provide one of the following supporting documents together with your Application:
 - Last three pay advices OR letter from your employer confirming length of employment, base income and regular overtime / bonuses; OR
 - Evidence of asset ownership, which includes bank statements, CHESS certificates, managed funds statements, rates notices; OR
 - Accountant's certificate confirming income, asset and liability position
 - 2.2 For Company Borrower, Trustee Borrower or Self-employed Borrower, provide the following supporting documents together with your Application:
 - Last two years tax returns and financial statements

› **For all Applicants, additional information may be requested at the Commonwealth Bank's discretion.**

C Capital Investment Loan (continued...)

You offer to borrow from us (minimum \$10,000) \$ or such lesser amount as we agree from the Start Date of the Loan to the Final Maturity Date of the Loan, with fixed interest paid (tick the appropriate box):

Monthly in arrears or;

Annually in advance

If you are applying for a Capital Investment Loan and your Capital Investment Loan is approved, we will only lend the Investment Amount to you. The Application Fee will be debited separately from your bank account as nominated in section H of this Application Form.

STATEMENT OF INCOME AND EXPENDITURE

Borrower 1 / Director 1 / Trustee 1

Annual Income	\$	Annual Expenditure	\$
Salary (after tax)	\$	Mortgage Payments	\$
Rental Income (after tax)	\$	Other Loans/Lease Payments	\$
Dividend Income (after tax)	\$	Tax payable (due / /)	\$
Other Income Details –	\$	Living Expenses	\$
Total Income	\$	Total Expenditure	\$

Borrower 2 / Director 2 / Trustee 2

Annual Income	\$	Annual Expenditure	\$
Salary (after tax)	\$	Mortgage Payments	\$
Rental Income (after tax)	\$	Other Loans/Lease Payments	\$
Dividend Income (after tax)	\$	Tax payable (due / /)	\$
Other Income Details –	\$	Living Expenses	\$
Total Income	\$	Total Expenditure	\$

BALANCE SHEET

Assets	\$	Liabilities	\$
Residential Property Address –	\$	Mortgage Lenders' name –	\$
Investment Property Address –	\$	Mortgage Lenders' name –	\$
Shares	\$	Other Loans and credit/ store cards Details –	\$

C Capital Investment Loan (continued...)

Motor Vehicles	\$	Leases and/or Loans Details –	\$
Other Tangible Assets Details –	\$	Other Liabilities Details –	\$
Total Assets	\$	Total Liabilities	\$

GUARANTEE DOCUMENTS

- › Each Director of a Company Borrower must provide a Guarantee in respect of the Company Borrower's obligations under the Capital Investment Loan. Following receipt of your application, we will send to each Director the Guarantee documents for execution. The Guarantee documents must be executed and returned to us before your Capital Investment Loan can be funded.

C2. RISK DISCLOSURE

Risk statement for Loan Applicants

Before you apply for a Commonwealth Bank Capital Investment Loan, you must consider:

- whether the Loan is right for you; and
- the risks associated with the Loan; and
- the risks involved in investing in the Product in which you are applying the proceeds of the Loan.

We strongly suggest that you obtain independent legal, tax and financial advice to get a better idea of the risks involved and the way in which you can manage the Loan.

You and your advisers should be aware of the following risks:

- borrowing money to invest in a Product (gearing) can magnify the financial effect on you of any decrease in the value of your investment in the Product;
- income from your investments (if any) may fluctuate. Also, the time at which you pay interest on your Loan Account may be different from the time at which you can earn income on your investment;
- repayment of any part of the Loan before the Final Maturity Date may result in significant costs being payable by you to us;
- the Terms and Conditions of the Loan as they apply to you and the choices you make may have significant tax implications for you.

There may be circumstances in which we can require you to pay all of what you owe to us immediately. Those circumstances include where:

- you fail to pay any sum payable by you to us on the date the payment is due;

- we consider that your financial position has deteriorated to a point where you may not be able to meet any obligation you owe to us.

You should familiarise yourself with the other circumstances in which we can ask you to pay us immediately (for example, see Clause 7 to Clause 9 and Clause 11 of the Loan Agreement).

You should obtain independent legal, tax, and financial advice on the effect on your investment, tax and financial obligations if the Loan is repaid early.

Payments to Loan Account

Other than when we require you to pay your Loan Account in full, we do not require you to make any principal payments on your Loan Account. The amount you owe to us can increase with unpaid interest and unpaid fees and charges we debit to your Loan Account.

We charge interest on the debit balance of your Loan Account. The balance of your Loan Account may increase with unpaid interest, fees and charges sufficient to require us to terminate the Loan Account.

Taxation

You should speak to an independent taxation adviser to determine whether you can deduct part of the interest incurred by you on your Loan Account. Depending on your individual circumstances, some or all of the interest otherwise deductible might be disallowed by the Australian Tax Office.

You have sole responsibility for deciding to invest in the Product for which this Loan is supplied. We do not:

- recommend the Product; or
- give any opinion on the performance of the Product, even if we are willing to lend money against the Product.

C Capital Investment Loan (continued...)

You may wish to negatively gear investments you make with loan proceeds, however, it may not be possible to do so.

I/We have read and understood the Risk Disclosure Statement appearing above.

Signed by Borrower 1/Director 1

Print name

Date / /

Signed by Borrower 2/Director 2

Print name

Date / /

Note: For a Company Borrower, two (2) Directors or a Director and Secretary (unless you are a sole director) must sign.

C3. PRIVACY AND AUTHORISATIONS

Privacy

Collection of personal information

The Bank collects personal information (including full name, address and contact details, as well as credit information) so that it may administer its client relationships and provide clients with the products and services they request as well as information on the Commonwealth Bank Group's ('the Group') products and services.

Where it is necessary to do so, the Bank also collects information on individuals such as company directors and officers (where the company is the Bank's client), as well as clients' agents and persons dealing with the Bank on a "one-off" basis.

The law can also require the Bank to collect personal information, eg, Commonwealth legislation requires the Bank to identify persons who open or operate accounts.

You need to provide us with accurate and relevant information.

If an investor provides the Bank with incomplete or inaccurate information, the Bank may not be able to provide the investor with the products or services the investor is seeking.

Disclosure and use of personal information

The Bank is permitted by the Privacy Act 1988 as amended ("the Act") to disclose personal information to other members of the Group. This enables the Group to have an integrated view of its clients.

Personal information may be disclosed to:

- brokers and agents who refer business to the Bank;
- any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney; or
- organisations to whom the Bank outsources certain functions.

In all circumstances where the Bank's contractors, agents and outsourced service providers may become aware of personal information, confidentiality arrangements apply. Personal information may only be used by the Bank's agents, contractors and outsourced service providers for the Bank's purposes.

The Bank may also disclose personal information to other financial institutions and organisations at their request if an investor seeks credit from them.

The Bank may be allowed or obliged to disclose information by law, eg, under Court Orders or Statutory Notices pursuant to taxation or social security laws.

Access

A person may (subject to permitted exceptions) access their personal information by contacting:

Customer Relations, Commonwealth Bank Group, Reply Paid 41, Sydney NSW 2001. The Bank may charge the person for providing access.

Further Information

For further information on our privacy and information handling practices, please refer to our Privacy Policy Statement, which is available at commbank.com.au or upon request from any branch of the Bank.

Authorisations

All Borrowers

You authorise us

- (a) to give to any Guarantor or proposed Guarantor (i) any credit information or record that has any bearing on your creditworthiness, credit standing, credit history or credit capacity in connection with such credit facilities for the purpose of deciding whether to act or continue to act as Guarantor in respect of, or to offer property as security for, your credit facilities; (ii) a copy of the Loan Agreement, of any formal demand we send to you and, if the Guarantor asks, a copy of the latest statement of your Loan Account;

**C Capital Investment Loan (continued...)**

- (b) to give to and/or receive from your Stockbroker and/or Authorised Representative any record or personal information about you or your credit facilities in connection with the processing and accepting of any application to us for credit and/or the subsequent management of the credit provided;
- (c) to exchange with Commonwealth Securities (which manages the Commonwealth Bank Capital Investment Loan product on our behalf) any record or personal information about you in connection with the processing and accepting of this application and/or the subsequent management of any credit which we may agree to provide; and
- (d) to exchange (for market purposes) with our subsidiaries which provide related or ancillary financial services, any record or personal information about you concerning any credit which we may agree to provide.
- (c) to give to and obtain from any credit provider named in a credit report issued by a credit reporting agency or a commercial reporting agency respectively information about your credit arrangements including your creditworthiness, credit standing, credit history and credit capacity. The information may be given and used for purposes that include assessing an application by you for credit, assisting you avoid defaulting on your credit obligations, notifying other credit providers of a default by you, assessing your creditworthiness, and, where the information is given to participants in a securitisation scheme, assessing the risk in purchasing any loan given to or applied for by you and/or the risk in undertaking credit enhancement of any such loan; and
- (d) when we are performing tasks reasonably necessary to the provision and management of securitised loans, to obtain from a credit reporting agency a credit report containing personal credit information about you for the securitisation purposes permitted by Section 18E(1)(b)(ia) of the Act.

Individual Borrowers

(not applicable to a Borrower that is a company)

You authorise us

- (a) to give a credit reporting agency certain personal information about you including the fact that you have applied for credit and the amount, any payments which become overdue more than 60 days and, in specified circumstances, that in our opinion you have committed a serious credit infringement;
- (b) to obtain from a credit reporting agency information relating to your commercial credit activities and a credit report containing personal and credit information about you to assess this application or for the purpose of collecting overdue payments in respect of any credit which we have provided to you or your company/firm;

C Capital Investment Loan (continued...)

C4. ACKNOWLEDGEMENT & SIGNATURES

Note: Each Borrower must sign.

By signing this application you acknowledge that:

1. If you are an individual Borrower, the Loan which may be provided to you is to be applied wholly or predominantly for business or investment purposes or for both purposes. You should not sign this acknowledgement unless the Loan is to be applied wholly or predominantly for business or investment purposes or for both purposes. By signing this acknowledgement you may lose your protection under the Consumer Credit Code.
2. All information which you have given in this application is correct and not misleading in any way.
3. You have read and understood the Terms and Conditions of a Commonwealth Bank Capital Investment Loan.
4. If you are a Borrower you have read and understood the Risk Disclosure Statement.
5. You have not relied on any tax advice from us and have sought your own independent legal and financial advice in relation to your obligations under the Commonwealth Bank Capital Investment Loan.
6. We may pay a commission to any broker or financial planner or other financial intermediary who introduces the Borrower to us and pay Commonwealth Securities their fees and costs relating to administration of the Loan.
7. If we approve and accept the Borrower's application for a Commonwealth Bank Capital Investment Loan then you will automatically be legally bound by the Terms and Conditions of the Commonwealth Bank Capital Investment Loan applicable to you. No drawings will be allowed, and we may void the contract, unless our security requirements are satisfied.
8. You consent to the use and disclosure of your information as indicated in Section C3 of this Application Form. If you are an individual Borrower, you may indicate that you do not wish to receive marketing information from us by ticking the box provided below.
 - Tick this box if you do not want to receive any promotional material from CommSec (including information about Initial Public Offers).

Use these signing clauses if you are an Individual.

Signatures should be witnessed by someone who is not a party to this Loan.

Signed by Borrower 1 (individual)

Print name in the presence of (witness)	Signature of <i>Borrower</i>	Date
<input style="width: 100%;" type="text"/>	<input checked="" type="checkbox"/> <input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text" value="/ /"/>
Print name (witness)	Signature of witness	Date
<input style="width: 100%;" type="text"/>	<input checked="" type="checkbox"/> <input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text" value="/ /"/>
Address (witness)	<input style="width: 100%;" type="text"/>	
	State	Postcode

Signed by Borrower 2 (individual)

Print name in the presence of (witness)	Signature of <i>Borrower</i>	Date
<input style="width: 100%;" type="text"/>	<input checked="" type="checkbox"/> <input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text" value="/ /"/>
Print name (witness)	Signature of witness	Date
<input style="width: 100%;" type="text"/>	<input checked="" type="checkbox"/> <input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text" value="/ /"/>
Address (witness)	<input style="width: 100%;" type="text"/>	
	State	Postcode

C Capital Investment Loan (continued...)

Use these signing clauses for each Borrower that is a company.

If you are a Director of a Borrower company:

- you sign this application in your capacity as a Director;
- by signing, you confirm that there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due.

Executed by

do not affix company seal

Company Name

ABN/ACN number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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To be signed by two (2) Directors or a Director and Secretary (unless you are a sole director) in accordance with s127 of the Corporations Act 2001 (Cth):

Director 1

Print name

Signature of Director

Date

<input checked="" type="text"/>

 / /

Print name (witness)

Signature of witness

Date

<input checked="" type="text"/>

 / /

Address (witness)

<input type="text"/>
<input type="text"/> State <input type="text"/> Postcode

Director 2

Print name

Signature of Director

Date

<input checked="" type="text"/>

 / /

Print name (witness)

Signature of witness

Date

<input checked="" type="text"/>

 / /

Address (witness)

<input type="text"/>
<input type="text"/> State <input type="text"/> Postcode

D Cheque Details

OPTIONAL

› **This section is compulsory if you are attaching a cheque with your Application Form. Complete this section with details of your cheque.**

Drawer

Bank

Branch

Amount

E Direct Credit Details

COMPULSORY

➤ **Any cash payment will be credited to the bank account nominated by you in this section. The bank account must be in the exact same name/s as your Capital Series 14 investment.**

Bank Name

Branch

Account Name

BSB No.

Account No.

F Authorised Representative Details

OPTIONAL

➤ **Complete this section if you authorise Commonwealth Bank to share information about Capital Series 14 (and Capital Investment Loan, if applicable) with the person/s you nominate as Authorised Representative/s and to act under the instructions of your Authorised Representative/s.**

➤ **This section should be completed by the Applicant/s and signed by the Authorised Representative/s.**

Note: You can either choose your Financial Adviser or other person or **both** as your Authorised Representative/s.

Financial Adviser as your Authorised Representative

If you have a Financial Adviser and you would like your Financial Adviser to be your Authorised Representative, please tick this box. The Financial Adviser must sign this section and complete Section I "Adviser Details and Declaration".

Signature of Authorised Representative Date

Other person as your Authorised Representative

Title Mr Ms Mrs Miss Dr Other (specify)

Surname

Given Name
(no initials)

Gender Male Female

Company Name

Residential address
(not a PO Box) State Postcode

Postal address State Postcode

Phone Numbers Home Work

Fax Mobile

please tick your preferred contact number

Email address

Signature of Authorised Representative Date

H Direct Debit Request

Section H is compulsory:

- › If you would like to pay for your Application Amount by Direct Debit. We will arrange a Direct Debit from your bank account nominated in section H for the Application Amount (C) indicated in section B of this Application Form. We will debit your bank account on or after the Closing Date of Capital Series 14.
- › If you are applying for Capital Investment Loan. We will direct debit the following from the bank account nominated in section H of this Application Form:
 - The Application Fee (B) – which is equal to 2% of the Investment Amount – on or after the Closing Date of Capital Series 14; and
 - Interest payment on your Loan. If you choose to pay your interest annually in advance, we will debit your bank account on the Start Date of Capital Series 14. If you choose to pay your interest monthly in arrears, we will debit your bank account at the end of each month.

- › **The Account Name must be a holder of Capital Series 14 Investment and must be held with banks, building societies and credit unions within Australia. Direct Debit is not allowed on the full range of accounts. If in doubt, please refer to your bank.**

Form of Request for debiting amounts to accounts through the Bulk Electronic Clearing System (BECS). If you wish to make any payment relating to Capital Series 14 by Direct Debit, we can arrange a Direct Debit from your Bank Account. If you are applying for Capital Investment Loan, the Application Fee and interest payment for your loan will be debited from the Bank Account nominated in this section. By completing this Direct Debit Request you are authorising Commonwealth Securities Ltd to both direct debit and direct credit your account.

I/We (Name that appears on your account)

I/We (Name that appears on your account if held jointly)

authorise and request, Commonwealth Securities (APCA User ID No.062934) as agent for Commonwealth Bank of Australia to arrange for funds to be debited from my/our account at the financial institution identified below and as prescribed below through the Bulk Electronic Clearing System (BECS). This authorisation is to remain in force in accordance with the terms described in the Direct Debit Request Service Agreement on the next page.

H Direct Debit Request (continued...)

I/We authorise the following:

1. Commonwealth Bank to verify the details of the account with my/our Financial Institution.
2. The Financial Institution to release information allowing Commonwealth Bank to verify the account details.

Signature of Applicant 1/Director 1/Trustee 1/Borrower 1

Signature of Applicant 2/Director 2/Trustee 2/Borrower 2

Note: For Company Applicants, two (2) Directors or a Director and Secretary (unless you are a sole director) must sign.

Date

Date

(If the Bank Account is in joint names, both account holders must sign.)

Bank Account Details

Bank Name

Branch

Account Name

BSB No.

Account No.

Note: Direct Debit is not allowed on the full range of accounts. If in doubt, please refer to your bank.

Please detach and keep for future reference

COMMONWEALTH BANK CAPITAL SERIES 14 AND CAPITAL INVESTMENT LOAN DIRECT DEBIT SERVICE AGREEMENT

Debit arrangements

1. We reserve the right to charge a transaction fee if any debit item already debited from your nominated account is returned as unpaid by the Financial Institution.
2. We will keep the information about your nominated account at the Financial Institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
3. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
4. We will advise you 14 days in advance of any changes to the Direct Debit arrangements.

Your Rights

5. You may terminate the Direct Debit arrangement with us, however this termination must be in writing.
6. Where you consider the debit is incorrect in either the due date or amount or both, you should raise the matter with Commonwealth Bank on **13 15 20**.

Your Responsibilities

7. It is your responsibility:
 - to check with the Financial Institution where your account is held before completing the Direct Debit Request (DDR) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. You should also complete your account details (including Bank State Branch (BSB) number) directly from a recent account statement from your Financial Institution;
 - to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by Commonwealth Bank;
 - to ensure that the authorisation to debit the nominated account is in the same name as the account held by the Financial Institution;
 - to advise us if the account you have nominated to debit is transferred or closed;
 - to ensure that suitable arrangements are made if the Direct Debit is cancelled;
 - by yourself;
 - by your nominated Financial Institution; or
 - for any other reason



I Adviser Details and Declaration

**COMPULSORY FOR
FINANCIAL ADVISER**

Adviser's Name

Authorised Representative of (Australian Financial Services Licence)

Street address
State Postcode

Postal address
State Postcode

Adviser Stamp

Phone Numbers

Business Phone 1	<input type="text"/>	Business Phone 2	<input type="text"/>
Fax	<input type="text"/>	Mobile	<input type="text"/>

Preferred email address

- Tick this box if you have agreed with Commonwealth Bank to receive commission. You must supply your Client Adviser Number (CAN) if it has previously been provided to you by us.
- Tick this box if you are an Authorised Representative for the purpose of Section F "Authorised Representative" of the Application Form (Please see Section F and ensure you have signed that section).

If you do not have a CAN, you must supply your date of birth and Authorised Representative Number. If you do not have an Authorised Representative Number, you must supply an Authorised Representative Certificate from your dealer group.

CAN **OR**

Date of Birth **AND** Authorised Representative Number

Commonwealth Bank of Australia is authorised to take instruction from this Financial Adviser on behalf of the Borrower(s).

Adviser Declaration

I declare that:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. I hold or I am an Authorised Representative of an entity that holds, a current Australian Financial Services Licence and that no application has been made or is pending to vary, amend or remove this licence; 2. I hold or I am an Authorised Representative of an entity that holds all appropriate licences and authorities and I am authorised to sell Capital Series 14 and the Capital Investment Loan; 3. I am entitled to receive the commission payable to licensed financial planners or brokers for Capital Series 14 and the Capital Investment Loan; 4. I have not misled, or misrepresented Capital Series 14 and the Capital Investment Loan, to the Applicant(s)/Borrower(s) disclosed in this Application Form and I have acted honestly, | <ol style="list-style-type: none"> 5. responsibly and lawfully in providing financial products and services described in and associated with Capital Series 14 and the Capital Investment Loan brochure to the Applicant(s)/Borrower(s) disclosed in this Application Form; 6. The Capital Investment Loan will be applied by the Borrower(s) wholly or predominantly for business and/or investment purposes; 7. I have explained the risks of Capital Series 14 and the Capital Investment Loan to the Applicant(s)/Borrower(s) and drawn the attention of the Borrower(s) specifically to section C2 "Risk Disclosure" of the Application Form; and 7. I certify that the information provided on the Applicant/Borrower is correct and consistent with my understanding of the Applicant's/Borrower's financial position. |
|---|---|

Signature of Adviser

Date

J Declaration and Signature(s)
COMPULSORY

› **Please read section J in its entirety. You must provide the required signatures at the end of section J before returning the Application Form to us.**

General Declaration: I/We whose full name(s) and address(es) appear above, hereby apply for Commonwealth Bank Capital Series 14 as set out on this Application Form, to be issued in accordance with the Terms of Sale issued by Commonwealth Bank of Australia. I/We have read and understood the Product Disclosure Statement, Terms of Sale and Schedule of Terms for Capital Series 14. I/we agree to accept Commonwealth Bank Capital Series 14 on the basis of and be bound by the Terms of Sale.

I/we acknowledge that we have read and understood the declarations set out above in this Application Form and by signing below I/we agree to be bound by them and make the declarations contained therein.

Your signature below also indicates your consent to such use and disclosure of your personal information as are indicated above.

You may, however, indicate that you do not want to receive marketing information from us by ticking the box.

Applicant 1 / Director 1 / Trustee 1

Applicant 2 / Director 2 / Trustee 2

Representations and Warranties: I/We represent and warrant that:

- › I am/we are not bankrupt nor insolvent, am/are able to pay my/our debts as and when they become due, no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors;
- › I/we have full legal capacity to make the Application and be bound by the Terms of Sale and have taken all actions that are necessary to authorise the Application and be bound by the Terms;
- › I/we have reviewed the Terms of Sale and I/we have made my/our own independent investigations and appraisals of the taxation, legal, commercial and credit aspects associated with the purchase of the Delivery Assets;
- › I/we have not relied in any way whatsoever on any statements made by Commonwealth Bank of Australia or any of its related entities or their servants, agents, employees or representatives in relation to the Terms of Sale or the deferred purchase of the Delivery Assets and I/we acknowledge that Commonwealth Bank of Australia has not made any representations to me/us regarding the suitability or appropriateness of the deferred purchase of the Delivery Assets;
- › I/we understand that nothing in the Terms of Sale or any marketing material associated with Capital Series 14 can be considered investment advice or a recommendation to buy the Delivery Assets; and
- › I/we have obtained all consents which may be required by law to enable me/us to acquire the Delivery Assets and to become registered as the holder of the Delivery Assets and that the registration of me/us as the holder of the Delivery Assets will not contravene any law, regulation or ruling or the constitution of any company.
- › I/we (and no other person) are not in breach of any law or any obligation to another person by entering into or becoming bound by the Terms of Sale;
- › by applying for Capital Series 14, I/we will not be in breach nor there be any resulting breach of any exchange controls, fiscal, securities or other laws or regulations for the time being applicable to Capital Series 14 or me/us;
- › I/we are not a resident or national of any jurisdiction where the Application for or the Completion of Capital Series 14 is prohibited by any law or regulation or where compliance with the relevant laws or regulations would require filing or other action by the Commonwealth Bank of Australia or any of its related bodies corporate.
- › I/we acknowledge that the Commonwealth Bank does not provide taxation advice and the information contained in section of the PDS headed "Tax Considerations" is necessarily general in nature and does not take into account the specific taxation circumstances of each individual Investor. I/we acknowledge that I/we have been advised to seek my/our own independent advice on the taxation implications relevant to my/our own circumstances before making an investment decision;
- › all the information that I/we have given to the Commonwealth Bank of Australia is correct and not misleading;
- › I/we have not withheld any information that might have caused the Commonwealth Bank of Australia to reject my/our Application;

J Declaration and Signature(s) (continued...)

COMPULSORY

- › I/we acknowledge that I/we have read the Privacy Statement in this PDS and consent to the use and transfer of my information as set out in that section; and
- › I/we acknowledge that my/our signatures below indicates my/our authorisation of the payment instructions provided to the Bank in this Application Form.

Power of Attorney: For valuable consideration I/we irrevocably appoint Commonwealth Bank of Australia, its nominees and any of their directors, secretaries and managers or any employee whose title includes the words “director”, “head” or “manager” severally as my/our attorney to do (either in my/our name or the name of the attorney) all acts and things that I am/we are obliged to do under the Terms of Sale or which, in the opinion of Commonwealth Bank of Australia, are necessary or desirable in connection with the Delivery Assets (as defined in the Terms of Sale) or the protection of Commonwealth Bank of Australia’s interests or the exercise of the rights, powers and remedies of Commonwealth Bank of Australia, including without limitation the authority to sell the Delivery Assets on my/our behalf in accordance with clause 3.5(b) of the Terms of Sale.

PLEASE READ THE TERMS CAREFULLY BEFORE SIGNING THIS APPLICATION FORM

- › Every statement and direction made above is, in the case of persons who jointly apply for Capital Series 14, made jointly and severally by each applicant.

ACKNOWLEDGEMENT AND SIGNATURES

Each Joint Applicant must sign this Application Form.

For Company Applicants, two (2) Directors or a Director and Secretary (unless you are a sole director) must sign.

Signature / Execution clause Signed by:

Applicant 1/ Trustee 1 Signature

Date

Director 1 Signature

Date

Applicant 2/ Trustee 2 Signature

Date

Director 2/Secretary Signature

Date

Bank use only

Branch number

RM name

Client’s CRIS code

Check List – Capital Series 14 Application Form

› **Before you send in your Application Form for Capital Series 14, use this list to check that you have provided all the information required.**

Tick	Section	
	A	Your personal and contact details
	B	How much you are investing and how you are going to pay for your investment
	C	You must complete this section if you are applying for a Capital Investment Loan
	D	Only if you have attached a cheque
	E	Your direct credit details
	F	Your representative details
	G	Identify yourself, and attach the relevant documents for identification
	H	Only if you have selected to pay using Direct Debit in section B. You must complete this section if you are applying for a Capital Investment Loan
	I	Compulsory for Financial Adviser
	J	Read and sign the Declaration statement

Send your completed and signed Application Form to:

Capital Series 14
Commonwealth Securities
Locked Bag 34
Australia Square NSW 1214

How did you hear about Capital Series 14?:

- CommSec email / direct mail
- CommSec website
- CommSec call centre
- Other, please specify _____

Directory

Registered office of the Issuer:

Commonwealth Bank of Australia
48 Martin Place,
Sydney, NSW 2000

