

Corporate governance

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Our commitment to corporate governance

During the year, the Board continued to strengthen corporate governance at the Bank to support better stakeholder outcomes.

The Board has been focused on implementing the recommendations of last year's Australian Prudential Regulation Authority (APRA) Prudential Inquiry Report into CBA (Inquiry Report), and are on track to deliver against the milestones detailed in our Remedial Action Plan.

The Board is accountable for implementing recommendations 1 to 5 of the Inquiry Report relating to Board governance (see page 73 for more details).

The Board has set clearer expectations of management, and has increased its oversight and scrutiny of the risks facing the Bank.

The Board continues to review and further enhance the Bank's Corporate Governance Framework and supporting documents in light of new laws, evolving stakeholder expectations and the dynamic operating environment.

The Executive Leadership Team established a Non-Financial Risk Committee in June 2018.

Its role is to assist and advise the Bank's Managing Director and Chief Executive Officer (CEO) on the governance and effective management of the Group's non-financial risks. This includes operational, compliance (including conduct), financial crime and cyber risks, in accordance with the Group's Risk Appetite Statement and Group Risk Management Approach as approved by the Board.

Corporate Governance Framework

The diagram below shows the Bank's current Corporate Governance Framework, including its Board Committees.

The Board is responsible for setting the strategic objectives and risk appetite for the Bank, and for leading the culture, values and behaviours of our people.

The Board appoints the Bank's CEO. It also oversees the management, performance and governance frameworks of the Bank.

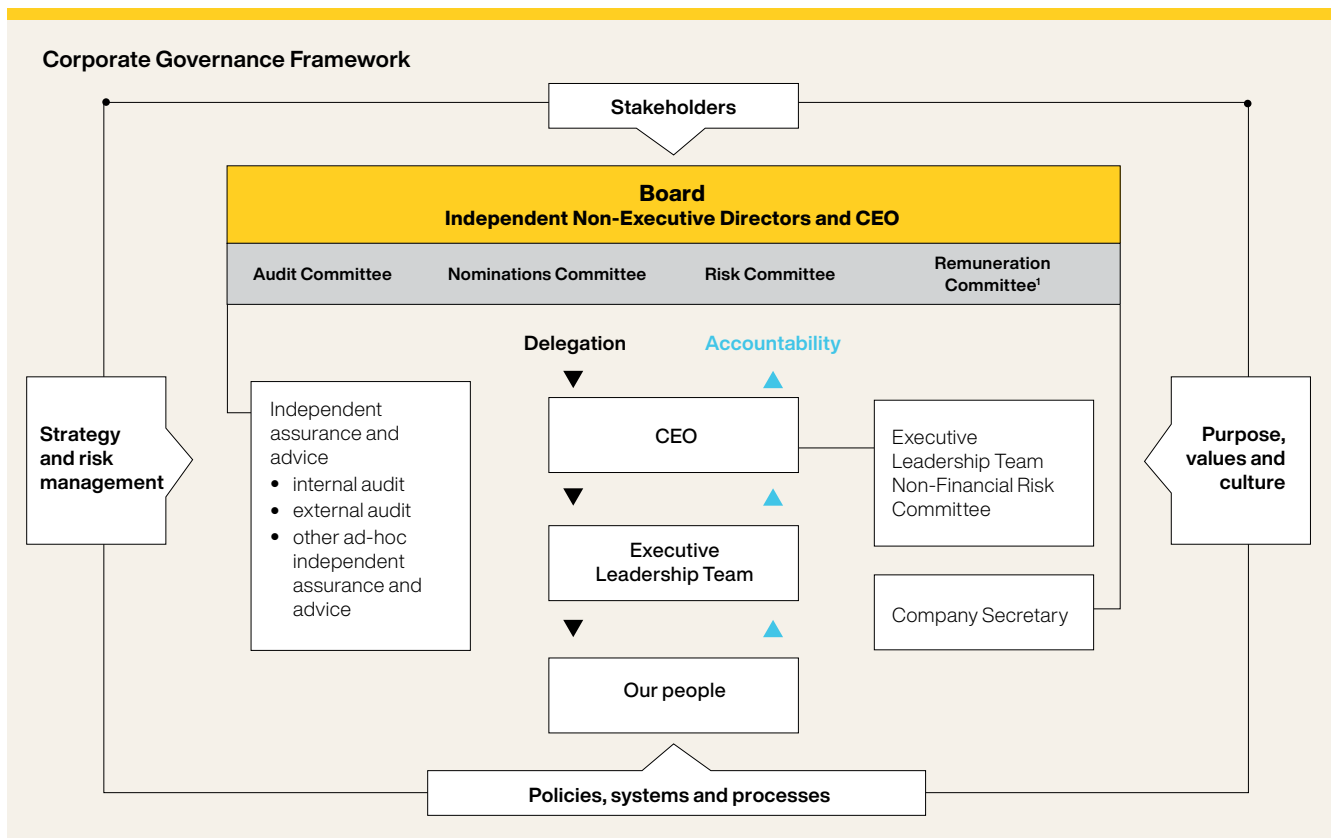
In addition to matters required by law to be approved by the Board, the Board has reserved certain powers for itself as described in the Board Charter and the Board's Reserved Powers and Standing Delegations document.

The Board delegates certain powers to its Board Committees. At its discretion, the Board may form other committees to undertake specific duties.

The Board confers on the CEO the powers of the Board exercisable in management of the business of the Bank.

The CEO, in turn, may delegate some of these powers to Group Executives and other officers. Despite any delegations by the CEO, the CEO is accountable to the Board for the exercise of the delegated powers and management's performance.

The Bank's Corporate Governance Statement describes the key elements of our Corporate Governance Framework and the actions taken during the financial year to enhance it. It can be viewed at commbank.com.au/corporategovernance.



¹ Committee name changed to People & Remuneration Committee effective 1 July 2019.

Board of Directors



Left to right: Shirish Apte, Anne Templeman-Jones, Wendy Stops, Sir David Higgins, Matt Comyn (CEO), Paul O'Malley, Catherine Livingstone AO (Chairman), Professor Genevieve Bell, Robert Whitfield, Mary Padbury.



Catherine Livingstone AO Chairman

Catherine has been a Non-Executive Director since March 2016 and was appointed Chairman on 1 January 2017. She is a former Chairman of Telstra Corporation Ltd and of the CSIRO, and was Managing Director and Chief Executive Officer of Cochlear Ltd. She has served on the boards of Macquarie Group Ltd, Goldman Fielder Ltd and Rural Press Ltd. She is a former President of the Business Council of Australia and the Australian Museum. In 2008, Catherine was awarded Officer of the Order of Australia.

-  Nominations Committee (Chairman), Risk Committee, Audit Committee and People & Remuneration Committee.
-  WorleyParsons Limited, University of Technology Sydney (Chancellor), The Australian Ballet and CSIRO Australia Telescope National Facility Steering Committee.
-  BA Hons (Accounting), FCA, PED, FTSE, FAICD, FAA.




Matt Comyn Managing Director and Chief Executive Officer

Matt was appointed Managing Director and Chief Executive Officer on 9 April 2018. He has 20 years' experience across business, institutional and retail banking and in wealth management. He joined the Bank in 1999 and has held a number of senior leadership roles. Between 2006 and 2010, Matt was Managing Director of CommSec. In 2010, he left the Bank for a short time to become Chief Executive Officer of Morgan Stanley's wealth business in Australia. Matt returned to the Bank to lead local business banking and in 2012 he was appointed Group Executive, Retail Banking Services.

-  UNICEF Australia, Australian Bankers Association and Financial Markets Foundation for Children.
-  BAv, MCom, EMBA, GMP.




Shirish Apte Independent Non-Executive Director

Shirish has been a Non-Executive Director since June 2014. He has more than 32 years' financial services experience having held various senior roles with Citi, including Co-Chairman of Citi Asia Pacific Banking, Chief Executive Officer of Citi Asia Pacific, Co-Chief Executive Officer of Europe, Middle East and Africa, and Country Manager and Deputy President of Citi Handlowy, where he is now a member of the Supervisory Board. Shirish is a former Director of Crompton Greaves Ltd.

-  Risk Committee (Chairman) and Audit Committee.
-  IHH Healthcare Bhd (including two of its subsidiaries), Fullerton India Credit Company Limited, AIG Asia Pacific Pte Ltd, Clifford Capital Pte Ltd, Pierfront Capital Mezzanine Fund Pte Ltd (Chairman), Citi Handlowy (Supervisory Board), Accion International, Virtusa Corporation (Advisor), Acibadem Hospital Group (Turkey) and Fortis Healthcare.
-  CA, BCom, MBA.

Professor Genevieve Bell
Independent Non-Executive Director

Genevieve became a Non-Executive Director on 1 January 2019. Genevieve is a cultural anthropologist, technologist and futurist. Genevieve is a Distinguished Professor at the College of Engineering and Computer Science at the Australian National University (ANU) and is the inaugural Florence Violet McKenzie Chair at the University. Genevieve is a Senior Fellow of Intel Corporation and is the Vice President of Intel's Product Assurance and Security Group.

-  Nil.
-  Florence Violet McKenzie (Chairman), Autonomy, Agency & Assurance Innovation Institute (3A), National Science and Technology Council (Member) and Editorial Board of the Australian Army Journal (Member).
-  PhD, MA, MPhil, BA.

Sir David Higgins
Independent Non-Executive Director




Sir David has been a Non-Executive Director since September 2014. He is Chairman of Gatwick Airport Ltd, which operates Gatwick Airport in the UK. Sir David is a senior adviser to Global Infrastructure Partners in the US and to Lone Star Funds. He is the former Chairman of High Speed Two (HS2) Ltd. Previously he was Chief Executive Officer of Network Rail Infrastructure Ltd, Chief Executive Officer of the Olympic Delivery Authority for the London 2012 Olympic Games, Chief Executive Officer of English Partnerships and Managing Director and Chief Executive Officer of Lend Lease.

-  People & Remuneration Committee (Chairman) and Risk Committee.
-  Gatwick Airport Ltd (Chairman), United Utilities Group PLC (Board Member), United Utilities Water Ltd (Board Member) and Senior Advisor of Marshall Industries and BAI Communications.
-  BE (Civil), Diploma (Securities Institute of Australia).

Paul O'Malley
Independent Non-Executive Director

Paul became a Non-Executive Director on 1 January 2019. Paul was Managing Director and Chief Executive Officer of BlueScope Steel Limited from 2007 to 2017, after joining the company as Chief Financial Officer 18 months prior. He was formerly the Chief Executive Officer of TXU Energy, a subsidiary of TXU Corp based in Dallas, Texas, and has held other senior financial management roles within TXU. Paul had previously worked in investment banking and consulting.

Paul is a former Director of the Worldsteel Association, Chair of its Nominating Committee and Trustee of the Melbourne Cricket Ground Trust.

-  People & Remuneration Committee¹ and Nominations Committee.
-  Australian Catholic Redress Limited (Chairman).
-  BCom, M. App Finance, ACA.

Mary Padbury
Independent Non-Executive Director

Mary has been a Non-Executive Director since June 2016. She is a pre-eminent intellectual property lawyer with over 35 years' experience. Mary retired as Partner of Ashurst at the end of April 2018 and from the role of Vice Chairman of Ashurst Australia for eight years prior to the firm's full merger with Ashurst LLP in 2013. Mary spent a number of years in the UK with boutique firm Bristows, and as resident partner of Ashurst Australia. She has undertaken intellectual property work for Australian and multinational corporations in a range of technology areas and has extensive international, legal and governance experience.

-  People & Remuneration Committee and Nominations Committee.
-  Trans-Tasman IP Attorneys Board (Chairman), The Macfarlane Burnet Institute for Medical Research and Public Health Ltd (Chairman), Clinical Genomics Technologies Holdings Limited (Director), Chief Executive Women (Member) and Victorian Legal Admissions Committee (Member).
-  BA LLB (Hons), GAICD.

Wendy Stops
Independent Non-Executive Director

Wendy has been a Non-Executive Director since March 2015. She was Senior Managing Director, Technology – Asia Pacific for Accenture Ltd from 2012 until June 2014. Her career at Accenture spanned some 32 years in which she held various senior positions, including Global Managing Director, Technology Quality & Risk Management, Global Managing Director, Outsourcing Quality & Risk Management and Director of Operations, Asia Pacific. She also served on Accenture's Global Leadership Council from 2008 until her retirement.

-  Audit Committee and People & Remuneration Committee.
-  Altium Ltd, Coles Group, Fitted For Work Ltd, University of Melbourne (Council Member), Chief Executive Women (Member), Australian Institute of Company Directors Technology Governance & Innovation Panel and Chairman of the Melbourne Business School's Centre for Business Analytics Advisory Board.
-  BAppSc (Information Technology), GAICD.




Anne Templeman-Jones
Independent Non-Executive Director

Anne has been a Non-Executive Director since March 2018. She is an experienced listed company Non-Executive Director, currently serving on the boards of GUD Holdings Ltd, The Citadel Group Ltd and WorleyParsons Ltd. She is the former Chairman of the Commonwealth Bank's financial advice companies and is a former director of Cuscal Ltd, HT&E Limited, Pioneer Credit Ltd, TAL Superannuation Fund, and HBF's private health and general insurance companies. Anne had a 30-year executive career developing deep operational risk, governance and strategy experience. Early in her career she held audit and accounting roles with Price Waterhouse working in Australia and overseas. She gained experience in corporate banking with Bank of Singapore and then Westpac Banking Corporation, and in private banking with Australia and New Zealand Banking Group Ltd. Anne returned to Westpac in 2007 and went on to hold various senior management positions in private banking, risk and strategy until 2013. She has served as a Chair or member of audit, risk and remuneration committees on current and past boards.

-  Audit Committee (Chairman) and Risk Committee.
-  GUD Holdings Ltd, The Citadel Group Ltd, WorleyParsons Ltd, Cyber Security Research Centre Ltd (Director) and Cyber Security Research Committee (Member).
-  BCom, EMBA, MRM, CA, FAICD.

Robert Whitfield
Independent Non-Executive Director

Rob has been a Non-Executive Director since September 2017. He has significant banking and finance and senior management experience in the private and public sectors. He is a Director of NSW Treasury Corporation and was previously its Chairman. He is a former Secretary of NSW Treasury and NSW Industrial Relations. Prior to NSW Treasury, Rob had a 30-year career with Westpac Banking Corporation and held various senior management positions there, including Chief Executive Officer of the Institutional Bank, Chief Risk Officer, Group Treasurer and Chairman of the Asia Advisory Board. At Westpac, Rob developed a deep knowledge of equity and capital markets and was instrumental in developing Westpac's risk management function and strategies. Rob is a former Deputy Chair of the Australian Financial Markets Association.

-  Risk Committee and Nominations Committee.
-  NSW Treasury Corporation.
-  BCom, Grad Dip Banking, Grad Dip Fin, AMP, SF Fin, FAICD.

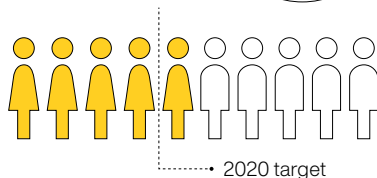
¹ Paul O'Malley will become chair of the People & Remuneration Committee effective 1 January 2020.

The Board adopted a target of 40% female Board members by the end of 2020. The Board first met this target in 2017 and now exceeds it.

Female Directors

50%

as at 30 June 2019



Tenure as at 30 June 2019

0-1
YEARS
2 Directors



1-3
YEARS
3 Directors



3-6
YEARS
5 Directors



Board renewal and composition

Andrew Mohl retired at the conclusion of the 2018 Annual General Meeting, and Brian Long retired on 31 December 2018. In anticipation of Brian Long's retirement, Anne Templeman-Jones was appointed Chairman of the Audit Committee and a member of the Risk Committee on 1 October 2018.

Professor Genevieve Bell and Paul O'Malley were both appointed Non-Executive Directors on 1 January 2019. Genevieve's knowledge and understanding of technology in society and business has brought a unique and valuable perspective to the Board. Paul's broad operational and finance experience, as well as his experience in business leadership, has brought a strategic perspective to the Board.

Paul O'Malley was appointed a member of the Remuneration Committee and the Nominations Committee effective 1 June 2019. Paul will commence as Chairman of the renamed People & Remuneration Committee from 1 January 2020 following Sir David Higgins' retirement on 31 December 2019.

The Board uses a Skills Matrix (Matrix) which sets out the desired skills and experience important for the effectiveness of the Board. It is reviewed annually to ensure it reflects the appropriate mix of skills, expertise and experience required to address existing and emerging business and governance issues, and to enable Directors to effectively review the performance of management.

As a result of this year's review, 'Enhanced customer outcomes' was added to the Matrix. This competency is considered important for Directors to oversee the Bank's efforts to improve the experience and outcomes of our customers through:

- increasing the voice of the customer in Board deliberations
- ensuring regular reporting of customer complaints, insights and management's actions in response
- overseeing CBA conduct risk in relation to customer outcomes
- ensuring speed of customer remediation where failures have occurred.












This year, each Director completed a questionnaire rating their skills, expertise and experience from 0 to 3 for each competency (0 = no experience, 1 = awareness, 2 = practised/direct experience and 3 = high competency, knowledge and experience). The self-assessment ratings were subsequently calibrated with these results reviewed by the Nominations Committee and approved by the Board.

Individual matrices have also been developed for the Audit Committee, Remuneration Committee and Risk Committee.

The Board considers that all of its Non-Executive Directors, including the Chairman, were independent during the year and continue to be independent.

Board skills matrix

Practised skill/direct experience (number of Directors)
 High competency, knowledge and experience (number of Directors)

Enhanced customer outcomes Demonstrated ability to understand the needs of customers and enhance their experience and outcomes		<div style="background-color: #00AEEF; color: white; padding: 5px; border: 1px solid black;">10</div>
Financial acumen Proficiency in financial accounting and reporting, capital management and/or actuarial experience		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">2</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">6</div> </div>
Financial services experience Experience in banking, as relevant to CBA, and financial regulation		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">2</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">4</div> </div>
Global perspective Having a global perspective through exposure or responsibility for international operations		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">3</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">7</div> </div>
Leadership Held CEO or similar position in an organisation of significant size		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">3</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">6</div> </div>
Legal acumen Proven ability and understanding in the application of legal principles		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">6</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">1</div> </div>
Listed company experience Experience as a non-executive director of at least two other listed entities (Australia or overseas)		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">2</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">4</div> </div>
Risk management Proven ability in identifying, assessing and managing macro, strategic, operational and financial risks		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">4</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">6</div> </div>
Stakeholder engagement Demonstrated ability to build and maintain key relationships with industry, government or regulators		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">5</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">5</div> </div>
Strategy Demonstrated experience in developing, implementing and delivering strategic business objectives		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">2</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">6</div> </div>
Technology Experience in technology strategies and innovation		<div style="display: flex; justify-content: center; align-items: center; gap: 5px;"> <div style="background-color: #FFD700; padding: 5px; border: 1px solid black;">3</div> <div style="background-color: #00AEEF; padding: 5px; border: 1px solid black;">4</div> </div>

Stakeholder engagement

The Bank is committed to providing better outcomes for customers, earning the trust of the communities we serve, ensuring our people are energised and accountable, and delivering sustainable, long-term returns for our shareholders.

Key stakeholders



Customers

We regularly engage with our customers through customer feedback, surveys and workshops, customer representative bodies, complaint channels and external dispute resolution bodies.

Our Customer Advocate function strengthens accountability for fair customer outcomes and offers a more customer-oriented approach. The function helps improve our products, processes, systems and decision making in order to deliver better and consistently fair customer outcomes.



Community

We engage with members of the community and community organisations through a variety of channels. For example, we participate in community events and forums, are members of industry associations, and meet with Non-Government Organisations. The insights we gain in the process of our engagement help us continuously improve our products and services in light of evolving community expectations.

In addition, the Bank regularly convenes external advisory forums to discuss specific matters – these include the CEO Advisory Panel, the Customer Advocate Community Council and the Indigenous Advisory Council.

Through the CommBank Foundation we offer our people the opportunity to participate in one of Australia's largest workplace giving programs. During the 2019 financial year, the CommBank Foundation provided over \$3.7 million to eligible community organisations, and raised over \$2 million for cancer research.



Our people

We engage with our people formally, twice a year, through an engagement survey, Your Voice. The survey informs the Board about how engaged our people are with our purpose, our values and the team they are working with. We also seek feedback on diversity and inclusion. The responses provide the Board and Executive Leadership Team with key opportunities for improvement for matters that affect our people.

We use a range of digital and social platforms to communicate with our people. During the year we established 'AskMe', an online platform designed to capture our people's feedback about new ideas or initiatives that could help us become a simpler, better bank.

We encourage our people to report any misconduct issues and provide them the ability to do so through our SpeakUP hotline. The Group Whistleblowing Policy outlines the processes for investigating and resolving any misconduct issues that have been reported.



Shareholders

We aim to provide our shareholders with timely information relevant to their investment. There are multiple avenues for shareholders to access information and provide feedback. Detailed company information can be found on our Investor Centre at commbank.com.au/investors.

We communicate regularly with shareholders through the Group's Annual Report, full-year and half-year financial results announcements, quarterly trading updates and ASX announcements. Our shareholders also receive an update from the Chairman and CEO with their interim dividend statements.

All material information is released to the ASX in compliance with the Bank's continuous disclosure obligations under the *Corporations Act 2001* (Cth) and the ASX Listing Rules. Our Continuous Disclosure Policy was reviewed and updated in March 2019 and is available at commbank.com.au/corporategovernance.

We recognise the importance of shareholder participation at our Annual General Meeting (AGM) and shareholders are encouraged to attend and participate. The Bank's AGM is held in different locations to facilitate shareholder attendance. Our AGM is webcast live to allow shareholders who are unable to attend in person, to view the AGM online. We encourage shareholders to submit their questions ahead of the AGM, as they provide useful insights into shareholder concerns, enabling the Bank to provide relevant feedback on consistent themes raised.

Our Investor Relations team is responsible for communication and engagement with investors and provides the Board with regular updates on Investor Relations matters. The Chairman, CEO, CFO and Group Executives meet with domestic and offshore institutional investors throughout the year.

Board Committees – Areas of focus



Catherine Livingstone AO
Nominations Committee Chairman

Nominations Committee Chairman's message

The Nominations Committee is responsible for Board and Board Committee composition, succession planning, Director induction and appointment, election and re-election of Non-Executive Directors. During the year, the Nominations Committee focused on the membership and skills mix of the Board and Board Committees, and the Governance Framework covering key operating subsidiaries.



Anne Templeman-Jones
Audit Committee Chairman

Audit Committee Chairman's message

The Audit Committee is responsible for external reporting of financial information for the Group, the internal control framework and environment, the internal auditor and internal audit function and external auditors, and the Group's Risk Management Framework in conjunction with the Risk Committee. During the year, the Audit Committee focused on the implementation of IFRS 9 'Financial Instruments', and improvements to the issues identification and management process and the Group Audit and Assurance end to end process.



Shirish Apte
Risk Committee Chairman

Risk Committee Chairman's message

The Risk Committee is responsible for the Group's Risk Management Framework, Risk Culture and the Risk Management Function. During the year the Risk Committee focused on non-financial risks areas of cybersecurity, financial crimes compliance, suppliers and data management, ensuring a more efficient flow of non-financial risk information.



Sir David Higgins
People & Remuneration Committee Chairman

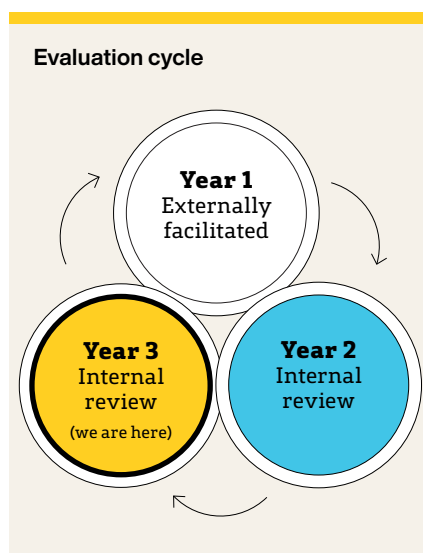
People & Remuneration Committee Chairman's message

The Remuneration Committee is responsible for remuneration strategy and policy, remuneration arrangements and outcomes, and the performance management framework. During the year it also focused on more formal processes for ensuring that risk-related behaviours and outcomes are reflected in variable remuneration outcomes together with the Group's implementation of the recommendations of the Sedgwick Report on Payments in Retail Banking.

Assessing Board effectiveness

The Board recognises the importance of continuously monitoring and improving its performance and the performance of its Committees.

Performance evaluations are externally facilitated every three years, or as otherwise determined by the Board. In the intervening years, an internal evaluation is conducted. The next external evaluation is scheduled for 2020.



2019 evaluation of the Board's performance

The Board has been evaluating its performance throughout the year having regard to the focus areas identified as a result of the 2018 performance evaluation, the implementation of the Banking Executive Accountability Regime and the governance recommendations in the Inquiry Report.

The Board commenced an internal evaluation in May to formally assess its performance, and the performance of each Board Committee. The process was led by the Chairman of the Board with the support of the Group Company Secretary.

The internal evaluation process was expanded this year, to include a series of questions designed to assess whether the Board:

- continues to have heightened visibility of conduct, culture and reputation within the Bank
- has promoted a clear tone from the top in both clear and consistent messaging and actions
- has an effective working relationship with, and engages in regular constructive discussions with management
- effectively inducts, and provides sufficient professional development opportunities to Directors to ensure it has the rights balance of skills and expertise
- is receiving adequate reporting for effective decision making
- demonstrates rigour and urgency in respect of key issues and closure of control weaknesses.

Feedback was also sought from the Executive Leadership Team.

The Chairman held individual meetings with each Director to discuss their evaluation responses, as well as their individual performance throughout the year. The Chairman was assessed by a Non-Executive Director. The outcomes of the internal performance evaluation were provided to the Board in June and the findings discussed in August.

The evaluation concluded that the performance of the Board and its Board Committees was effective for the year under review.

The Board agreed to the following four areas of focus for the 2020 financial year:

- the working relationship between the Board and management
- culture including customer outcomes, conduct, compliance and reputation
- longer-term strategy including the impact of emerging technology and innovation
- enhanced Board reporting and processes.

Governance in practice

Group policy framework

Policies play a key role in guiding decision making and conduct across the Group. To ensure that our policies are fit for purpose, we have enhanced the Group's policy framework and embarked on a comprehensive review of policies and supporting procedures.

Enhancements to the policy framework have:

- streamlined and standardised policy governance and management across the Group
- clarified roles, responsibilities and accountabilities
- introduced a systematic approach for determining whether policies should be developed, consolidated or revoked.

The comprehensive policy review currently underway is streamlining our policies and procedures and ensuring that they:

- are clear, consistent and easy to understand
- articulate minimum standards for compliance and operational risk management
- promote cultural change
- support our purpose of improving the financial wellbeing of our customers and communities.

APRA Prudential Inquiry Report: Board governance recommendations

The Bank has developed a Remedial Action Plan to address the recommendations outlined in the Inquiry Report.

Recommendations 1-5 relate specifically to Board governance. The Board continues to make progress from designing to implementing actions to address each recommendation. To provide clarity on objectives, the Board has developed target states.

The Board's external performance evaluation, scheduled for 2020, is expected to include an independent assessment of the progress towards these target state objectives.

#1 Board visibility

Target state:

The Board continues to have a positive influence on the behaviours within the Group, and is engaged and visible with senior management.

- The CEO and the Group Company Secretary report key matters arising from Board and Board Committee meetings to the Executive Leadership Team (ELT). This includes sharing feedback from the meeting review process to ensure alignment on actions and agenda items for the next meeting.
- The annual Board evaluation process includes engagement with the ELT on Board and Board Committee performance. The evaluation focuses on whether the Board continues to have heightened visibility and promotes a clear tone at the top.

#2 Board better practice

Target state:

The Board, and its Audit and Risk Committees, are operating at a level consistent with global better practice.

- A review of risk management processes and practices of the Board, Risk Committee and Audit Committee was conducted. The findings of the review were tabled and discussed by the Board.
- The Board Corporate Governance Guidelines were amended to include periodic reviews of the processes and practices of the Board and Board Committees to consider if they are appropriately aligned with global better practice for risk management.

#3 Board coordination

Target state:

There will be clear accountabilities between Board Committees, timely and effective information flows between the Board Committees and oversight and resolution of relevant issues.

- In June 2018, the Board reviewed and approved appropriate referral of matters between its Board Committees. Concurrent meetings of the Board Committees are held periodically to consider material financial and non-financial risks relevant to executive performance and remuneration, and share information about key matters where appropriate.

#4 Audit Committee

Target state:

Owners of material issues are held accountable for the resolution and effective closure of issues within their remit.

- The Bank has reviewed and updated its end to end internal audit practices with a specific focus on assisting the Audit Committee to drive greater accountability for resolution of issues, including the way in which the remediation of issues associated with red rated audit reports and associated issues are monitored and reported.

#5 Board reporting

Target state:

The Board is able to understand, examine and identify the issues arising across the categories of non-financial risk, including new and emerging risks. The Board will receive granular information with respect to the Bank's position against its risk appetite in order to drive discussion and actions to manage non-financial risk.

- Non-financial risk reporting, and the process in which it is escalated to the Board, Risk or other Committee, has been enhanced. Regular reporting is received by the Board on key areas of focus discussed at the ELT Non-Financial Risk Committee.

Executive Leadership Team



Left to right: Adam Bennett, Pascal Boillat, Sian Lewis, Nigel Williams, David Cohen, Angus Sullivan, Matt Comyn (CEO), Andrew Hinchliff, Vittoria Shortt, Alan Docherty, Anna Lenahan.

Adam Bennett

Group Executive, Business and Private Banking

Adam was appointed Group Executive, Business and Private Banking (B&PB) in January 2015. He has responsibility for Business Banking, Private Banking and CommSec. He joined the Bank in 2004 and was the Chief Information Officer for Retail and Business Banking. He joined the B&PB Leadership Team in 2009, serving as Executive General Manager of Local Business Banking from 2012 to 2014.

Adam's key priorities include: strengthening the customer proposition across everyday banking, merchants and payments, and commercial lending; improving the end-to-end customer experience through investment in digital, analytics, and frontline bankers; and enhancing risk management.

Previously, Adam was Principal at strategic consulting practice A.T. Kearney, working across industries in Australia, New Zealand, Asia and Europe. He also worked as a consultant at Ernst & Young.

Pascal Boillat

Group Executive, Enterprise Services and Chief Information Officer

Pascal joined the Bank as Group Executive, Enterprise Services and Chief Information Officer, in October 2018. He has responsibility for information technology, cyber security, technology infrastructure and digital delivery across the Group. He also leads operations and procurement.

Pascal's priorities focus on strengthening the safe, sound and secure provision of technology and operations services; agility to enable the delivery of new products and services for customers at pace; and improving performance to ensure Enterprise Services produces the right outcomes for the Bank.

Previously, Pascal held a number of senior executive roles at Deutsche Bank, Fannie Mae, Citibank and Credit Suisse. He has more than 30 years' international experience in the financial services sector.

David Cohen

Deputy Chief Executive Officer

David was appointed Deputy Chief Executive Officer in November 2018. In this role he is responsible for the Group's Customer and Community Advocacy team, as well as the Group's Mergers and Acquisitions team and the International Financial Services business. David also oversees Colonial First State, and until its sale is complete, Commlnsure Life. On 1 July 2019, he assumed interim responsibility for Group General Counsel. David joined Commonwealth Bank in 2008 and has held a number of roles including Group General Counsel, Group Executive Group Corporate Affairs and Chief Risk Officer.

In addition to his business responsibilities, David's key priority is supporting the Chief Executive Officer on Group-wide initiatives to build a simpler and better bank for the future, with a focus on building and enhancing the Bank's engagement with government, regulators, industry and community groups, and chairing the Bank's Royal Commission Implementation Taskforce.

Previously, David was General Counsel of AMP and a partner with Allens Arthur Robinson for 12 years.

Alan Docherty**Group Executive, Financial Services and Chief Financial Officer**

Alan was appointed Group Executive, Financial Services and Chief Financial Officer in October 2018 after acting in the role from May 2018. He has responsibility for the Group's finance function. Alan joined the Bank in 2003 and has held a variety of senior finance leadership positions, before serving as Chief Financial Officer of the Institutional Banking and Markets division.

Alan's priorities are to ensure that the finance function supports the execution of the Bank's purpose and strategy through a long term focus on fostering a highly engaged and talented team who: build trust with all stakeholders and help them make informed decisions; ensure the Bank remains resilient through prudent management of our key financial risks; and deliver strong and sustainable capital generation for the benefit of our shareholders.

Alan's career began in the UK, working in PwC's Financial Services practice before joining Arthur Andersen in Australia. Alan is a Member of the Institute of Chartered Accountants of Scotland.

Andrew Hinchliff**Group Executive, Institutional Banking and Markets**

Andrew was appointed Group Executive, Institutional Banking and Markets (IB&M) in August 2018. He has responsibility for serving the financial needs of large institutions and governments across Australia and New Zealand, and in select international markets. Andrew joined the Bank in 2015 as Executive General Manager, Global Markets.

Andrew is focused on IB&M being the bank of choice for Australian corporations and governments, as well as corporations looking to do business in Australia. Andrew is committed to ensuring IB&M brings a new perspective to its clients and utilises its global network to help its clients build a better Australia.

Andrew's career in institutional banking and markets spans more than 15 years, having held a variety of leadership positions with Goldman Sachs and Credit Suisse First Boston across Fixed Income, Currencies, Commodities Sales and Trading teams.

Anna Lenahan**Group General Counsel and Group Executive, Group Corporate Affairs**

Anna joined the Bank as Group General Counsel and Group Executive, Group Corporate Affairs in November 2016. She advised the CEO and the Board on legal matters and was also responsible for delivering an integrated and consistent approach to the Group's external and internal affairs, communications, sustainability and corporate governance.

Anna's priorities have been to ensure the effective and efficient resolution of the Group's legal matters; support the effectiveness of the Board; provide timely, meaningful information on the Group's activities to our stakeholders; and meet the Group's commitment to invest in the community.

Prior to joining the Bank, Anna was the Chief Risk and Legal Officer at Suncorp Group. Previously she was a Corporate Partner at Allens Arthur Robinson and a crown prosecutor with the Department of Public Prosecutions in Perth.

Anna retired on 30 June 2019.

Sian Lewis**Group Executive, Human Resources**

Sian was appointed Group Executive, Human Resources (HR) in August 2018. Sian joined the Bank in 2014 as General Manager, Distribution Transformation and more recently led 2,500 people across the retail bank's customer contact centres.

Sian's priorities are to help the Bank maintain an energised and accountable workforce that is committed to delivering the Bank's purpose; integrate the Bank's values to guide the right actions and behaviours; strengthen and support a diverse and inclusive workforce; promote employee wellbeing; skill the Bank's workforce for the future; and simplify HR processes for our people.

Previously, Sian spent nine years at Westpac, working across retail and business banking and two years working with the Australian banking regulator, APRA. Originally from the UK, Sian spent 10 years in senior HR consulting roles at Atos Consulting and KPMG as change and program management director.

Vittoria Shortt**Chief Executive and Managing Director, ASB**

Vittoria was appointed Chief Executive and Managing Director of ASB in February 2018. She has responsibility for leading the Group's New Zealand subsidiary. Vittoria joined Commonwealth Bank in 2002 and has held a number of leadership roles across the retail banking businesses of Commonwealth Bank and Bankwest, including as Group Executive, Marketing and Strategy.

Vittoria's priorities are to provide leading customer experiences that deliver good customer outcomes; harness new technology to provide innovative solutions; and support community programs that have a significant positive impact.

Vittoria's career began in New Zealand, working in Corporate Finance and Mergers and Acquisitions with Deloitte and Carter Holt Harvey.

Angus Sullivan**Group Executive, Retail Banking Services**

Angus was appointed Group Executive, Retail Banking Services, in July 2018 after acting in the role from April 2018. He is responsible for Retail Banking Services, which serves over 10 million customers, and Bankwest. Angus joined the Bank in 2012 as Executive General Manager, Group Strategy. In 2013, he moved to Retail Banking Services where he held a number of senior positions across products, payments and the retail branch network.

Angus' priorities are to deliver exceptional customer service and outcomes, with leading technology and innovation in products and services. He is also committed to continuing the Retail Bank's legacy of supporting Australian communities.

Previously, Angus was a Partner at McKinsey & Co. in New York, specialising in retail and commercial banking, wealth management, payments and general insurance.

Nigel Williams**Group Chief Risk Officer**

Nigel joined the Bank as Group Chief Risk Officer in November 2018. He is responsible for the effective risk management of all risk types across the Group – including credit risk, operational risk, compliance, liquidity, financial crime compliance and insurance.

Nigel is focused on achieving better customer and risk outcomes by driving more conscious risk/return decisions and better compliance across the Group.

Nigel was the Chief Risk Officer at Australia and New Zealand Banking Group and previously Managing Director for ANZ's Institutional Bank in Australia. Nigel has 35 years of banking experience across Australia, New Zealand and abroad.

George Confos ceased as Acting Group Executive, Institutional Banking and Markets on 31 July 2018.

Melanie Laing ceased as Group Executive, Human Resources and retired on 31 July 2018.

Paul Newham ceased as Acting Group Executive, Enterprise Services and Chief Information Officer on 30 September 2018.

Michael Venter Chief Operating Officer Wealth Management, ceased as Key Management Personnel on 2 December 2018.

Coenraad (Coen) Jonker ceased as Group Executive, International Financial Services on 31 December 2018.

Priscilla Sims Brown assumed the role of Group Executive, Marketing and Corporate Affairs on 1 August 2019.