

Group Securities Trading Policy



This policy is a critical part of the risk management framework of the Commonwealth Bank of Australia (**Bank**) and its related bodies corporate (**Group**). It enables the Group to meet its regulatory requirements, protects our people from inadvertently breaching the law and manages reputational risk associated with insider trading. It is your responsibility to comply with this policy and ensure you uphold our value of, integrity. A breach of this policy will result in disciplinary action which may include financial penalties or the termination of your employment or engagement. In addition, insider trading has serious consequences for you personally and for the Group, including criminal and civil liability. Compliance with this policy is regularly monitored.

Key Points

1. This policy applies to individuals performing the following roles:
 - › All directors of the Bank and its related bodies corporate (**Directors**)
 - › All full-time, part-time and casual employees of the Group (**Employees**)
 - › All contractors and secondees to the Group (**Contractors**)
2. You are subject to the following **general restrictions**:
 - › You must not deal (or get others to deal) in securities if **you possess unpublished price-sensitive information about the Group or any other entity**; and
 - › You must not communicate unpublished price-sensitive information to other people.

See Part A for full details of the general restrictions and other restrictions you must comply with.
3. The **general restrictions** outlined in Part A of this Policy apply to securities of external entities as well as those of the Bank and the Group.
4. If your role makes you a Specified Person (see diagram below), the additional restrictions in Part B apply to you and dealings by your Associates (e.g. your partner/family members).
5. A key additional restriction for Specified Persons is that they (and their Associates) must only deal in shares issued by the Bank (and other securities over or relating to those shares) during trading windows. However, if they possess unpublished price-sensitive information, the general restrictions outlined in Part A of the Policy would apply and they must not deal **even if** a trading window is open. See Part B for full details, including how trading windows work.

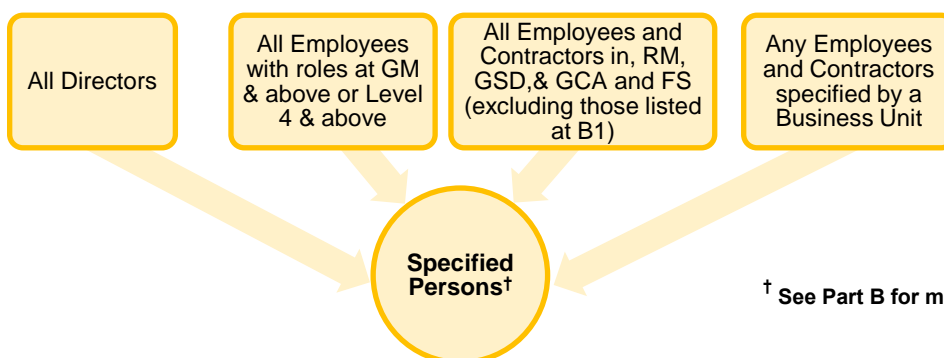
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PART A: Restrictions that apply to all Directors, Employees and Contractors

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PART C: Policy compliance & enforcement

What you must read & comply with	Your role:	Read & comply with:
	An Employee or Contractor who is not a Specified Person	PART A + PART C ONLY
	A Specified Person	PART A + PART B + PART C



† See Part B for more details.



If you have any queries regarding this policy contact your manager, Group Compliance or your Business Unit Compliance representative.

Part A – Restrictions that apply to all Directors, Employees and Contractors



This Part A applies to all Directors, Employees and Contractors. If you are not a Specified Person, you may deal in securities provided that you are not prevented from doing so under the dealing, procuring, communicating and hedging provisions set out below. If you are a Specified Person, you must comply with the provisions set out below as well as the additional restrictions in Part B.

A1. General restrictions

The restrictions that apply to all Directors, Employees and Contractors reflect the insider trading prohibition in the *Corporations Act 2001* (Cth).

If you are aware of any **unpublished price-sensitive information** about the Group or any other entity:

- › You **must not** (either on behalf of yourself or anyone else) **deal** in any **securities** which are affected by the information.
- › You **must not** (either on behalf of yourself or anyone else) cause or procure any other person to deal in those securities.
- › You **must not** communicate directly – or indirectly – the information to anyone else, if you know or reasonably should know that they would or would be likely to use the information, for dealings in the securities.

Participation in any of these activities constitutes ‘insider trading’. Insider trading has serious consequences for you personally and for the Group, including criminal and civil liability.



Unpublished price sensitive information need not relate to the Group, it could relate to any external entity. For example, it could be information about a customer, a supplier, or someone with whom the Group is discussing future opportunities.

Liability for insider trading is strict. This means the purpose or motive for the transaction is irrelevant. It is also irrelevant whether or not you (or another person) benefited from the transaction, or that the transaction had no connection with the inside information (for instance, if you had been planning the transaction for some time before acquiring the inside information). It is also irrelevant that you disclosed your intentions to, or obtained the permission of anyone in the Group or any other person.

If you are a Specified Person additional restrictions apply even if you do not have any unpublished price-sensitive information (see *Part B: Additional Restrictions that apply to Specified Persons and their associates*).

> KEY POLICY DEFINITIONS (applicable to Part A, Part B & Part C of this policy)

► **Deal** or **dealing** means applying for, acquiring or disposing of securities, or entering into an agreement to do any of those things. In practical terms, this covers buying, selling, transferring or entering into arrangements to do any of those things. Other examples include:

- › granting, acquiring or disposing of any beneficial interest in securities (or any option or other right to acquire or dispose of securities), including off-market dealings
- › applying for, acquiring or exercising options or performance rights over securities
- › making an election to participate or cease participation in a dividend reinvestment plan or share purchase plan
- › agreeing to do any of the above things

► **Securities** include but are not limited to:

- › shares
- › options
- › hybrids
- › derivatives
- › debt securities
- › interests in managed investment schemes
- › any other financial products that are able to be traded on a financial market

See the FAQs for an exhaustive list of what the term ‘securities’ includes.

Part A: Restrictions that apply to all Directors, Employees and Contractors

A2. Communication restriction and confidentiality

Directors, Employees and Contractors may not under any circumstances communicate unpublished price-sensitive information about securities of any entity to someone else where that person may be likely to deal in those securities or to procure someone else to do so.



This prohibition extends to:

- › telling someone else about the information;
- › indirectly communicating the information to someone else;
- › giving hints or tips about the information to someone else; and
- › causing another person to communicate information to someone else.

Communicating unpublished price-sensitive information to certain colleagues may for the purposes of performing your duties be necessary, or may be permitted where Information Barrier arrangements are in place. Before disclosing any information, please refer to the FAQs for more information about relevant Business Unit policies or speak to your Business Unit Compliance representative.

In addition, Directors, Employees and Contractors must at all times comply with their duties of confidentiality in relation to any confidential information that comes into their possession directly or indirectly by virtue of their employment or engagement with the Group.

A3. Hedging prohibited

Directors of the Bank and the Bank CEO's direct reports are prohibited from hedging their *existing* holdings of securities of the Bank or any Group entity.

Directors and Employees are prohibited from hedging, or otherwise limiting their exposure to risk in relation to *unvested* shares, options, rights or any other securities issued or acquired under any applicable Group equity arrangements (e.g. Leadership Incentive Share Plan 'LISP').

> KEY POLICY DEFINITION (applicable to Part A, Part B & Part C of this policy)

► **Unpublished price-sensitive information or inside information** is information that is not generally available and which is likely, when it becomes available, to materially affect the price or value of securities issued by the Bank or any other entity. Information is regarded as being likely to have a material effect on the price or value of securities if it would be likely to influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the particular securities.

You may at times have access (through your work or your contacts) to unpublished price-sensitive information. Access to unpublished price-sensitive information does not necessarily depend on your status. For example, an assistant typing a document containing such information is just as much in possession of that information as the manager concerned.

The following are some examples of information which, before it is announced to the market or otherwise made available to the public, may be considered "unpublished price sensitive information", although this should not be considered to be an exhaustive list:

- › Information/estimates about earnings or dividends
- › An imminent share issue or other capital raising
- › An important new contract, new development or new venture
- › A proposed acquisition, merger or takeover
- › A proposed disposal, rationalisation or restructuring
- › Significant financial events such as large-scale fraud, losses or write-offs
- › Possible de-listing, closure, receivership or liquidation

Part B: Additional restrictions that apply to Specified Persons and their Associates



If you are a Specified Person, you must comply with Part A as well as the specific restrictions set out in this Part B.

B1. Specified Persons

The Group maintains lists of all Specified Persons. If you are unsure about whether you are a Specified Person, please clarify this matter with your manager or contact your Business Unit Compliance representative. You must not deal in shares issued by the Bank and other securities over or relating to those shares pending such clarification.

The following table shows who are Specified Persons and the securities to which the additional restrictions in this Part B apply:

Specified Persons	Restrictions apply to:
<ol style="list-style-type: none"> 1. All Directors 2. All Employees with roles at General Manager or Level 4 and above* 3. All Employees and Contractors in Risk Management, Group Strategic Development and Group Corporate Affairs, 4. All Employees and Contractors in Financial Services but excluding Employees and Contractors in Group Property, Group Security and Group Procurement.** 5. Any Employees and Contractors specified by a Business Unit 	<p>All shares issued by the Bank and other securities over or relating to those shares</p>

* Level 6 and above for Bankwest, Senior Leadership Team and above for ASB.

** Except to the extent employees or contractors are otherwise specified by virtue of 1,2 or 5.

The following section B2 ('Trading windows') sets out the only circumstances where Specified Persons and their Associates may deal in shares issued by the Bank and other securities over or relating to those shares.

Shares issued by the Bank and other securities over or relating to those shares includes, for example, shares issued by the Bank (i.e. CBA shares) (including shares received under the Employee Share Acquisition Plan 'ESAP' or the Group's other equity schemes), hybrids such as PERLS, Commbank Retail Bonds, Colonial Group Subordinated Notes, options or other derivatives over CBA shares. It also includes bonds issued by the Bank.

B2. Restrictions that apply to Associates of Specified Persons

Specified Persons must take all reasonable steps to ensure that dealings by or for their Associates comply with Part B of this policy. This includes taking all reasonable steps to ensure that Associates do not deal in shares issued by the Bank and other securities over or relating to those shares, outside notified trading windows.

The restrictions in this Part B apply to all dealings by or for your **Associates**, which includes:

- › All dealings by or for any immediate family who live with you, for example, partner or spouse, de facto partner, children (includes step children), parents. *
- › All dealings by or for people or entities such as companies or trusts (including Self Managed Superannuation Funds), where you have any influence over the investment process; and
- › All dealings by any professional adviser engaged by you, to manage investments on your behalf.

*Except for dealings in their professional capacity (i.e. directly connected to their paid employment).

If a Specified Person fails to take all reasonable steps in relation to dealings by or for their Associates it will constitute a breach of this policy by the Specified Person.

B3. Trading windows

There are certain times when the public has very current information about the condition and financial position of the Group. The Group aligns its 'trading windows' with these periods.

Specified Persons and their Associates are **prohibited** from dealing in shares issued by the Bank and other securities over or relating to those shares outside notified trading windows. However, if Specified Persons or their Associates possess unpublished price-sensitive information they must not deal **even if** a trading window is open – see *Part A: Restrictions that apply to all Directors, Employees and Contractors*.

The following trading windows apply to Specified Persons and their Associates for shares issued by the Bank and other securities over or relating to those shares. However, Specified Persons will be notified of trading windows and must not assume that a trading window is open in the absence of any such notification, even after the relevant announcements. The availability of trading windows may be varied, suspended or terminated at any time.

Trading window	Indicative dates
After the release of the half-yearly results and full-year results	30 days commencing the day after results are released.
After the release of the quarterly trading update in May and November	14 days commencing the day after quarterly trading updates are released.

In addition, trading windows may apply:

- › For a new issue of ordinary shares, while rights are being traded or where the shares are being offered under a prospectus, rights issue or share purchase plan, during such period as notified by the Bank; and
- › During any one-off special windows as determined by the Bank's Board.



B4. Margin loans

Directors of the Bank and the Bank CEO's direct reports are prohibited from entering into or maintaining margin loan arrangements over shares issued by the Bank or securities of any Group entity.

All other Specified Persons are warned against entering into or maintaining margin loan arrangements over shares issued by the Bank and other securities over or related to those shares due to the risk of forced sale of those securities outside a trading window, in breach of this policy. Exemptions under section B8 below will not be granted in such circumstances.

B5. 30-day minimum hold period

Specified Persons must not engage in short term or speculative trading of shares issued by the Bank and other securities over or relating to those shares. They must hold such securities for a minimum of 30 days.

B6. Contracts for difference (CFDs) short selling and stock lending

Specified Persons are prohibited from entering into CFDs and using instruments or arrangements for short selling or stock lending in relation to shares issued by the Bank or securities of any Group entity.

B7. Prior notification of dealing required for Directors of the Bank

Directors of the Bank must also notify the Bank Company Secretary prior to dealing in shares issued by the Bank and securities over or relating to those shares or securities of any Group entity, even during trading windows.

Part B: Additional restrictions that apply to Specified Persons and their associates

B8. Severe hardship exemption

The Bank will only grant a specific waiver from the prohibition on dealing in shares issued by the Bank or securities over or relating to those shares outside a trading window in very limited circumstances.

A request for a specific waiver must be submitted to the Group General Counsel in writing and must provide evidence that each of the following requirements is satisfied:

- › the Specified Person is experiencing severe personal hardship
- › after investigating all reasonable alternatives, the sale of shares issued by the Bank or securities over or relating to those shares is the only practical method of overcoming that hardship the Specified Person does not possess any unpublished price-sensitive information affecting the relevant security. Upon receipt of a waiver request, the Group General Counsel may ask the applicant to provide further relevant information. Upon receipt of all relevant information, a committee comprising the Group Chief Risk Officer, the Bank Company Secretary and the Group General Counsel (or their delegates) will consider the request and determine in its absolute discretion whether to grant a waiver in writing (with or without conditions).

Part C: Policy compliance and enforcement



This Part C applies to all Directors, Employees and Contractors.

C1. Policy exclusions

This policy does not apply to:

- › dealings that do not result in a change in beneficial interest in the relevant securities;
- › acquisitions or disposals under an offer made to all or most security holders of an entity (for example, acquisition of securities under a dividend reinvestment plan or share purchase plan, acceptance of takeover offer or equal access buy back); and
- › withdrawals from **unlisted** managed investment schemes at the prevailing market price (this limited exclusion does not apply to any dealings in respect of listed managed investment schemes or any other dealings in respect of unlisted managed investment schemes).

C2. Breach management

If you breach this policy (including a direct breach by you or, if you are a Specified Person, a breach by you because an Associate has not complied with the Policy) you must promptly notify:

- › in the case of Directors, the Bank Company Secretary; and
- › in all other cases, Group Compliance.

For Employees, **any** breach of this policy will result in disciplinary action, which may include financial penalties or termination of employment. In instances of insider trading this action will usually be summary dismissal. For Directors and Contractors, a breach of this policy may result in termination of engagement.

Liability for insider trading is strict and so is the requirement to comply with this policy. In considering the consequences of a breach of this policy, the purpose or motive for the dealing is irrelevant. It is also irrelevant whether or not you (or another person) benefited from the dealing, or that the transaction had no connection with the inside information (e.g. if you had been planning the transaction for some time before acquiring the inside information).

This policy applies at all times including when you are on leave, whether paid or unpaid, or on other absences from work such as a career break or parental leave.

C3. Compliance monitoring

Compliance with this policy is regularly monitored.

If requested, all Directors, Employees and Contractors must provide or instruct their broker to provide trade confirmations and contract notes to the Group for the purposes of monitoring compliance with this policy.

C4. Business Unit policies

Dealing in securities or communicating information may also be subject to Business Unit policies relating to personal dealing, insider trading, conflicts of interest or similar. You must also comply with the requirements of those policies in addition to the requirements set out in this Group policy.

For more information about the relevant Business Unit policies, please contact your Business Unit Compliance representative.

If you are on a CommSec employment contract, additional requirements apply in addition to the requirements set out in this Group policy. Refer to your CommSec employment contract or contact your Business Unit Compliance representative for more information.

C5. More information

If you intend to enter into any arrangements in respect of securities and you are unsure whether this policy applies, refer to the FAQs or contact Group Compliance or your Business Unit Compliance representative to seek clarification before any proposed dealing.

Effective date: 12 August 2014