



Commonwealth Bank of Australia

Continuous Disclosure Policy

Group Governance

Commonwealth Bank of Australia ABN 48 123 123 124

1. INTRODUCTION

- 1.1 The Commonwealth Bank of Australia (“CBA”) is committed to promoting investor confidence in the markets for its shares and debt securities by complying with its disclosure obligations in a way that provides investors with equal access to timely, balanced and effective disclosures.
- 1.2 This policy’s objective is to ensure that CBA and each of its controlled entities (collectively the “Group”) complies with its continuous disclosure obligations. It is supported by CBA’s Continuous Disclosure Procedures, which include procedures to satisfy applicable foreign laws and the requirements of foreign securities exchanges on which CBA’s debt securities are listed.
- 1.3 This policy applies to all directors of Group companies, all Group employees, contractors and secondees (collectively our “People”).

2. CONTINUOUS DISCLOSURE OBLIGATIONS

- 2.1 As CBA is ASX-listed, it must comply with the continuous disclosure obligations in the Corporations Act and the Listing Rules.

What must CBA disclose?

- 2.2 CBA must immediately (meaning, “promptly and without delay”) disclose to the market any information concerning it that a reasonable person would expect to have a material effect on the price or value of CBA shares.
- 2.3 **Materiality** - Information is material if it would be likely to influence persons who commonly invest in securities in deciding whether to buy, sell or hold CBA’s shares.
- 2.4 Two tests should be used in determining whether a matter is material:
- a qualitative test (that is, the nature of the matter); and
 - a quantitative test (a monetary amount or percentage variation).
- 2.5 **Awareness** - CBA becomes aware of information if a director, company secretary or executive involved in decisions that affect the Group’s business as a whole has, or should have, become aware of the information. Those executives include the Group Executives.
- 2.6 Because CBA’s disclosure obligations are based not only on what directors, company secretaries and executives know, but also what they should know, it is important that the need to identify and report material information is understood by all our People.
- 2.7 **Key questions** - When determining whether information should be disclosed (that is, whether it is “market sensitive”) you should ask:
- would this information influence my decision to buy or sell CBA shares at their current market price?
 - would I feel exposed to an action for insider trading if I were to buy or sell CBA shares at their current market price, knowing the information had not been disclosed to the market?

If the answer to either question is “yes”, then the information may be market sensitive and, unless an exception applies, may require immediate disclosure.

2.8 **Examples** – Examples of information that may be market sensitive include:

- material changes in actual or forecast financial performance;
- changes in the CBA's board of directors (the "Board"), the CEO or Group Executives;
- a material acquisition or disposal;
- a material equity or debt capital raising;
- a change in a credit rating applied to CBA or its securities;
- material changes in CBA's dividend policy;
- CBA's dividend determinations/declarations;
- a material legal dispute;
- occurrence of material fraud;
- decisions by regulatory bodies or industry issues that have, or may have, a material impact on CBA; and
- a matter having a material adverse effect on CBA's reputation.

Not all matters listed above will necessarily require disclosure. Other matters may require disclosure even if they are not listed above.

What exemptions apply?

2.9 Not all material information must be disclosed by CBA. Disclosure of market sensitive information is not required if, and for so long as, all three criteria set out below are met:

- the information is confidential; and
- one or more of the following five situations applies:
 - it would be a breach of a law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for the internal management purposes of CBA; or
 - the information is a trade secret; and
- a reasonable person would not expect the information to be disclosed.

2.10 CBA must disclose the information to ASX as soon as one of those three criteria is not satisfied. Disclosure must be made even if it is contrary to CBA's interests or to CBA's contractual commitments.

2.11 **Confidential information** - Confidential information is information that is confidential as a matter of fact, provided ASX does not form the view that the information has ceased to be confidential. CBA may disclose confidential information to a limited number of third parties (such as professional advisers) on a confidential basis in the ordinary course of its business and satisfy the confidential information exception, provided the information remains confidential.

2.12 **Incomplete proposal or negotiation** – A proposal is a course of action put forward for adoption (for example, a proposal to declare a dividend). It will generally be complete once approved by the Board, unless the law requires CBA to take additional steps. Examples of a negotiation include a negotiation of a transaction, litigation settlement or supplier contract. Negotiations will generally be complete when a legally binding agreement is signed.

2.13 **Matters of supposition or insufficiently definite information** - A matter of supposition is something which is assumed or believed without knowledge or proof. Information insufficiently definite to warrant disclosure is information which is: embryonic, imprecise or doubtful; or the likelihood of the matter occurring, or its impact if it does occur, is so uncertain, that a reasonable person would not expect it to be disclosed.

2.14 **Information generated for internal management purposes** - Usually management documents such as budgets, forecasts, management accounts, business plans, strategic plans, executive committee papers and board papers will fall into this category, as will professional advice from a third party.

What is a false market?

2.15 A false market exists in CBA shares where there is false or misleading information in the market concerning CBA (for example, a false rumour) or where a part of the market is trading on the basis of market sensitive information concerning CBA that is not available to the market as a whole (for example, where there has been a leak of market sensitive information).

2.16 If ASX considers there is, or is likely to be, a false market in CBA's shares and asks CBA to give it information to correct or prevent that false market, CBA must do so. This is the case even if CBA considers that the information comes within the exception to the requirement for immediate disclosure.

What are the consequences of non-compliance?

2.17 **CBA's liability** – If CBA contravenes its continuous disclosure obligations:

- it may incur criminal liability, a civil penalty under the Corporations Act and/or civil liability (usually by way of a shareholder class action) for any loss or damage suffered by any person as a result of its conduct;
- it may incur significant reputational damage and experience highly adverse publicity;
- ASIC may issue it an infringement notice if ASIC has reasonable grounds to believe CBA has contravened its continuous disclosure obligations; and
- ASX may suspend CBA's shares from trading if, in its opinion, CBA is unable or unwilling to comply with, or breaches, its continuous disclosure obligations.

2.18 **Personal liability** – Any of our People may face criminal liability, civil penalties and civil liability as an accessory if involved in a breach of the continuous disclosure obligations. You could be liable if you:

- participate in the decision-making process;
- have the capacity to affect disclosure; or
- knowingly withhold market sensitive information from your manager,

and your doing so leads to a breach of the continuous disclosure obligations.

2.19 Further, breach of this policy may lead to disciplinary action being taken.

3. DISCLOSURE RESPONSIBILITIES, AUTHORITIES AND INTERNAL REPORTING

3.1 CBA has established a Disclosure Committee which is responsible, and accountable to the Board, for the effective implementation of this policy.

3.2 **Membership** - The members of the Disclosure Committee and their respective alternates are set out below. A quorum for a Disclosure Committee meeting is three members.

Member	Alternate
Chief Executive Officer	Group Chief Risk Officer
Chief Financial Officer	Head of Group Finance
Group General Counsel	Head of Advisory and M&A Legal

3.3 **Attendees** - The Group Company Secretary, Head of Investor Relations and EGM Corporate Affairs are also invited to attend all Disclosure Committee meetings.

Authorities

3.4 **Committee authority** - Subject to the following paragraph 3.5, the Disclosure Committee is authorised to decide whether an ASX announcement should be made and, if so, to approve the form of that announcement.

3.5 **Board reserved powers** -The Board retains the power to decide whether an ASX announcement should be made and, if so, to approve the form of that announcement where it relates to: CBA's half year or full year financial results; major acquisitions or divestments; and any matters which involve significant financial or reputational risk.

3.6 **Trading halts** - The Disclosure Committee is also authorised to request a trading halt to prevent trading in CBA's shares on an uninformed basis and to manage disclosure issues.

3.7 **Rapid response** - If an announcement must be made or a trading halt requested in circumstances in which the Disclosure Committee or the Board cannot be assembled promptly and without delay, the CEO (or in the CEO's absence, the CFO) is authorised:

- to decide whether an ASX announcement should be made and, if so, to approve the form of that announcement; and
- to request a trading halt.

3.8 **Group Company Secretary** - The Group Company Secretary is responsible for lodging all ASX announcements and communicating with ASX and other relevant securities exchanges in relation to disclosure matters, as well as for this policy's general administration.

Internal reporting

3.9 **GEs and other CEO direct reports** – CBA Directors, Group Executives and other CEO direct reports must:

- report any of the following matters to the CEO immediately on becoming aware of them:
 - any information that is potentially market sensitive; and
 - the potential existence of a false market in CBA's shares, and
- put in place and monitor processes in their respective business unit or support unit for identifying and immediately reporting potentially market sensitive information.

3.10 **Other officers and employees:** All our other People must:

- report any of the following matters to their manager immediately on becoming aware of them:
 - any information that is potentially market sensitive; and
 - the potential existence of a false market in CBA's shares, and
- comply with the processes in their respective business unit or support unit for identifying and immediately reporting potentially market sensitive information.

3.11 **Breach reporting** – If any of our People suspects or becomes aware that market sensitive information has been deliberately or inadvertently disclosed before released to the ASX, they must:

- in the case of CBA Directors, Group Executives and other CEO direct reports, immediately report this matter to the CEO; and
- in the case of all our other People immediately report this matter to their manager.

4. CONTINUOUS DISCLOSURE IN PRACTICE

- 4.1 **Inform ASX first** – CBA will not release any market sensitive information publicly until it has received formal confirmation of release of that information by ASX. Following confirmation of release, a similar release may also be made to other relevant securities exchanges in accordance with any applicable laws and listing rules.
- 4.2 **Speculation and rumours** – CBA will not respond to market speculation or rumours, unless a response is required by law or ASX, including to correct or prevent a false market.
- 4.3 **Analysts and institutional investors** – CBA conducts briefings for analysts and institutional investors from time to time. To seek to ensure that CBA complies with its continuous disclosure obligations, briefings with analysts and institutional investors will be co-ordinated by Investor Relations who will maintain records of the information disclosed. At those briefings, CBA will not comment on or answer any questions in relation to market sensitive information not already disclosed to the market.
- 4.4 **Analyst reports** – CBA will only review analyst reports to clarify historical information and correct factual inaccuracies if this can be achieved using information that has been disclosed to the market. No comment or feedback will be provided on analyst forecasts or on conclusions or recommendations set out in an analyst report. CBA does not endorse analyst reports or the information they contain and does not:
- externally distribute analyst forecasts or reports;
 - post analyst research or refer to analyst recommendations on its website; or
 - selectively refer to specific analysts, or as a general rule publicly comment on analyst's research or recommendations.
- 4.5 **Consensus estimates** – If CBA becomes aware that consensus estimates of its forecast earnings differ materially from its internal earnings forecast, whether due to incorrect facts in analyst reports or where analysts have changed their views, CBA will follow ASX Guidance Note 8 in relation to making an announcement in those circumstances¹.
- 4.6 **Pre-results period** – CBA will generally not discuss its performance or forecasts during the period between the end of the half year or full year and the release of the half year or full year financial results announcements.
- 4.7 **Media relations and public statements** – Market sensitive information must not be given to the media before it is given to ASX, even on an embargoed basis. All communication with the media, including through social media, must comply with CBA's Media Management Policy.

5. REVIEW AND AMENDMENT OF THIS POLICY

- 5.1 The Disclosure Committee will review this policy from time to time and recommend any amendments it considers should be made to the Board.
- 5.2 This policy may only be amended by resolution of the Board.

¹ See section 7.3 and 7.4 of Guidance Note 8 in particular.

Approval Authority

Version	Date	Approval Body or Person
1.0	19 June 2018	CBA Board