Instalment Warrants

Supplementary Product Disclosure Statement ("SPDS")



Issue date: 1 August 2015

1.0 Instalment Warrants SPDS

This document is a supplementary product disclosure statement for the purposes of Part 7.9 of the Corporations Act. It has been issued by Commonwealth Bank in relation to the PDS issued by Commonwealth Bank on 10 December 2014.

This SPDS supplements the PDS dated 10 December 2014 and must only be read in conjunction with that PDS.

This SPDS is dated 1 August 2015.

Terms defined in the PDS have the same meaning in this SPDS.

This SPDS has been issued for the purpose of providing details about individual Series and the related Underlying Securities.

1.1 Commonwealth Bank Instalment Warrants

(a) Summary Table of Instalment Warrants

The Instalment Warrants indicated in the Summary Table below will have the following Reset Dates;

First Reset Date	23 June 2015
Second Reset Date	21 June 2016
Third Reset Date	20 June 2017
Fourth Reset Date	19 June 2018
Fifth Reset Date	18 June 2019

Instalment Warrant ASX Code	Underlying Security	ASX Code of Underlying Security	Completion Payment	Maturity Date	Issue size
AGLIYE	AGL Energy Limited	AGL	\$7.6475	17 June 2020	500,000
AMCIYE	Amcor Limited	AMC	\$6.5915	17 June 2020	500,000
AMPIYE	AMP Limited	AMP	\$3.1816	17 June 2020	1,000,000
ANZIYE	ANZ Bank Group Limited	ANZ	\$15.4138	17 June 2020	600,000
AZJIYE	Aurizon Holdings Limited	AZJ	\$2.3833	17 June 2020	900,000
ASXIYE	ASX Limited	ASX	\$21.2111	17 June 2020	200,000
BENIYE	Bendigo & Adelaide Bank Limited	BEN	\$7.1703	17 June 2020	500,000
BHPIYE	BHP Billiton Limited	BHP	\$14.7685	17 June 2020	400,000
BOQIYE	Bank of Queensland Limited	BOQ	\$6.5832	17 June 2020	500,000
BXBIYE	Brambles Limited	BXB	\$5.5403	17 June 2020	500,000
CCLIYE	Coca-Cola Amatil	CCL	\$5.2823	17 June 2020	500,000
CPUIYE	Computershare Limited	CPU	\$6.3567	17 June 2020	500,000
CSLIYE	CSL Limited	CSL	\$46.4679	17 June 2020	100,000
CWNIYE	Crown Resorts Limited	CWN	\$8.1316	17 June 2020	350,000
IAGIYE	Insurance Australia	IAG	\$3.7318	17 June 2020	1,200,000
LLCIYE	Lend Lease Group	LLC	\$8.5159	17 June 2020	250,000
MPLIYE	Medibank Private Limited	MPL	\$1.3472	17 June 2020	1,500,000
MQGIYE	Macquarie Group Limited	MQG	\$31.7561	17 June 2020	100,000
NABIYE	National Australia Bank	NAB	\$15.4110	17 June 2020	600,000
NCMIYE	Newcrest Mining	NCM	\$7.6375	17 June 2020	450,000

Instalment Warrant ASX Code	Underlying Security	ASX Code of Underlying Security	Completion Payment	Maturity Date	Issue size
ORGIYE	Origin Energy	ORG	\$6.9324	17 June 2020	400,000
QANIYE	Qantas Airways	QAN	\$1.6344	17 June 2020	1,500,000
QBEIYE	QBE Insurance Group	QBE	\$9.2338	17 June 2020	400,000
RIOIYE	RIO Tinto Limited	RIO	\$31.9701	17 June 2020	200,000
SHLIYE	Sonic Healthcare Limited	SHL	\$9.5269	17 June 2020	200,000
STOIYE	Santos Limited	STO	\$4.9058	17 June 2020	400,000
STWIYE	SPDR S&P/ASX 200 Fund	STW	\$28.4376	17 June 2020	200,000
SUNIYE	Suncorp Group Ltd	SUN	\$7.9654	17 June 2020	1,000,000
SYDIYE	Sydney Airport	SYD	\$2.6458	17 June 2020	750,000
TAHIYE	TABCORP Holdings Group	ТАН	\$1.9756	17 June 2020	850,000
TCLIYE	Transurban Group	TCL	\$4.7457	17 June 2020	750,000
TLSIYE	Telstra Corporation	TLS	\$2.6458	17 June 2020	2,500,000
WBCIYE	Westpac Banking Group	WBC	\$15.8363	17 June 2020	600,000
WESIYE	Wesfarmers Limited	WES	\$23.4069	17 June 2020	150,000
WOWIYE	Woolworths Limited	WOW	\$18.2636	17 June 2020	300,000
WPLIYE	Woodside Petroleum	WPL	\$19.7743	17 June 2020	200,000
WFDIYE	Westfield Corporation	WFD	\$4.7754	17 June 2020	500,000
AGLIYF	AGL Energy Limited	AGL	\$9.7822	17 June 2020	500,000
AMCIYF	Amcor Limited	AMC	\$8.4453	17 June 2020	500,000
AMPIYF	AMP Limited	AMP	\$4.3279	17 June 2020	1,000,000
ANZIYF	ANZ Bank Group Limited	ANZ	\$21.3507	17 June 2020	600,000
AZJIYF	Aurizon Holdings Limited	AZJ	\$3.4466	17 June 2020	900,000
ASXIYF	ASX Limited	ASX	\$27.8556	17 June 2020	200,000
BENIYF	Bendigo & Adelaide Bank Limited	BEN	\$9.4001	17 June 2020	500,000
BHPIYF	BHP Billiton Limited	BHP	\$20.6345	17 June 2020	400,000
BOQIYF	Bank of Queensland Limited	BOQ	\$9.0764	17 June 2020	800,000
BXBIYF	Brambles Limited	BXB	\$7.4265	17 June 2020	500,000
CCLIYF	Coca-Cola Amatil	CCL	\$6.9763	17 June 2020	500,000
CPUIYF	Computershare Limited	CPU	\$8.5482	17 June 2020	500,000
CSLIYF	CSL Limited	CSL	\$59.4582	17 June 2020	100,000
CWNIYF	Crown Resorts Limited	CWN	\$11.5095	17 June 2020	350,000
IAGIYF	Insurance Australia	IAG	\$5.0526	17 June 2020	1,200,000
LLCIYF	Lend Lease Group	LLC	\$11.3199	17 June 2020	250,000
MPLIYF	Medibank Private Limited	MPL	\$1.7107	17 June 2020	1,500,000
MQGIYF	Macquarie Group Limited	MQG	\$42.4802	17 June 2020	100,000

Instalment Warrant ASX Code	Underlying Security	ASX Code of Underlying Security	Completion Payment	Maturity Date	Issue size
NABIYF	National Australia Bank	NAB	\$21.8692	17 June 2020	600,000
NCMIYF	Newcrest Mining	NCM	\$9.2012	17 June 2020	450,000
ORGIYF	Origin Energy	ORG	\$8.6587	17 June 2020	400,000
QANIYF	Qantas Airways	QAN	\$2.2541	17 June 2020	1,500,000
QBEIYF	QBE Insurance Group	QBE	\$8.0556	17 June 2020	400,000
RIOIYF	RIO Tinto Limited	RIO	\$43.9402	17 June 2020	200,000
SHLIYF	Sonic Healthcare Limited	SHL	\$12.7176	17 June 2020	200,000
STOIYF	Santos Limited	STO	\$6.9361	17 June 2020	400,000
STWIYF	SPDR S&P/ASX 200 Fund	STW	\$38.3896	17 June 2020	200,000
SUNIYF	Suncorp Group Ltd	SUN	\$10.8668	17 June 2020	1,000,000
SYDIYF	Sydney Airport	SYD	\$3.4507	17 June 2020	750,000
TAHIYF	TABCORP Holdings Group	ТАН	\$2.7695	17 June 2020	850,000
TCLIYF	Transurban Group	TCL	\$6.3354	17 June 2020	750,000
TLSIYF	Telstra Corporation	TLS	\$3.6980	17 June 2020	2,500,000
WBCIYF	Westpac Banking Group	WBC	\$21.8402	17 June 2020	600,000
WESIYF	Wesfarmers Limited	WES	\$32.5882	17 June 2020	150,000
WOWIYF	Woolworths Limited	WOW	\$26.8500	17 June 2020	300,000
WPLIYF	Woodside Petroleum	WPL	\$27.9846	17 June 2020	200,000
WFDIYF	Westfield Corporation	WFD	\$6.4415	17 June 2020	500,000
ANZIYG	ANZ Bank Group Limited	ANZ	\$27.2911	17 June 2020	600,000
BHPIYG	BHP Billiton Limited	BHP	\$24.8718	17 June 2020	400,000
MQGIYG	Macquarie Group Limited	MQG	\$49.0846	17 June 2020	100,000
NABIYG	National Australia Bank	NAB	\$27.8596	17 June 2020	600,000
RIOIYG	RIO Tinto Limited	RIO	\$37.6087	17 June 2020	200,000
TLSIYG	Telstra Corporation	TLS	\$4.5123	17 June 2020	2,500,000
WBCIYG	Westpac Banking Group	WBC	\$28.5938	17 June 2020	600,000
TLSIYH	Telstra Corporation	TLS	\$5.4133	17 June 2020	2,500,000
BHPIYH	BHP Billiton Limited	BHP	\$18.3040	16 June 2020	400,000
CSLIYG	CSL Limited	CSL	\$68.8925	16 June 2020	100,000
MQGIYH	Macquarie Group Limited	MQG	\$53.5759	16 June 2020	100,000
QBEIYG	QBE Insurance Group	QBE	\$11.1857	16 June 2020	400,000
STWIYG	SPDR S&P/ASX 200 Fund	STW	\$45.6781	16 June 2020	200,000
ANZIYZ *	ANZ Bank Group Limited	ANZ	\$29.50	15 June 2016	500,000
NABIYZ *	National Australia Bank	NAB	\$31.00	15 June 2016	600,000
WBCIYZ *	Westpac Banking Group	WBC	\$30.00	15 June 2016	600,000

Instalment Warrant ASX Code	Underlying Security	ASX Code of Underlying Security	Completion Payment	Maturity Date	Issue size
STWIYZ *	SPDR S&P/ASX 200 Fund	STW	\$50.00	15 June 2016	100,000
STWIYY *	SPDR S&P/ASX 200 Fund	STW	\$45.00	15 June 2016	100,000
TLSIYZ *	Telstra Corporation	TLS	\$5.75	15 June 2016	2,000,000

* These Instalment Warrants are not subject to any Reset Dates.

Commonwealth Bank reserves the right to increase the issue size, with the consent of the ASX.

A copy of this PDS has not been and will not be lodged with ASIC, pursuant to sections 1015B and 1015D of the Corporations Act. ASIC and the ASX take no responsibility for the contents of this SPDS or for the Instalment Warrants.

(b) Potential conflicts of interest

Members of the Commonwealth Bank Group may conduct transactions as principal in the Underlying Securities and Instalment Warrants, and may hold financial products (such as options) related to the Underlying Securities and Instalment Warrants. Our employees may also receive remuneration based on the Underlying Securities and Instalment Warrants.

Members of the Commonwealth Bank Group may from time to time advise, lend to, conduct trading activities with and/or be a substantial shareholder in the Listed Entities or companies associated with them. In addition, members of the Commonwealth Bank Group may advise any of the Listed Entities in relation to activities, such as acting as a corporate adviser for debt or equity transactions, which may or may not affect the value of the Underlying Securities. These activities are unrelated to the Instalment Warrants.

(c) Experienced investors

You should not invest in Instalment Warrants unless you:

- > are familiar with securities and options
- > are familiar with leveraged (geared) investment in securities
- understand and are comfortable with the risks of investing in Instalment Warrants

(d) Further advice recommended

An investment in Instalment Warrants involves financial and other risks and is only suitable for you if you fully understand the risks of investing in Instalment Warrants. Before making an investment in Instalment Warrants,

you should:

- carefully read all of this SPDS and the PDS
- seek independent professional legal, taxation and financial advice to determine whether an investment in Instalment Warrants is right for you
- carefully consider the potential benefits and the risks involved in investing in Instalment Warrants, in light of your individual circumstances, including your particular investment needs, objectives and financial and taxation circumstances.

Further details about the risks of investing in Instalment Warrants are set out in the PDS.

(e) Underlying Securities

You are responsible for selecting the Underlying Security for any Instalment Warrant that you acquire. As such, the performance of any Instalment Warrant will depend mainly on investment decisions made by you. There is a risk that the value of, and returns from, your Instalment Warrants will decrease. This may occur because of poor performance of a specific Underlying Security, a sector in the financial markets or the share market generally. You should not rely on this SPDS or the PDS as the sole basis for any investment decision in relation to an Instalment Warrant or any Underlying Security, but should obtain relevant information concerning the Underlying Security and obtain independent financial advice.

Instalment Warrants

Product Disclosure Statement

CAN

Issue date: 10 December 2014

Issued by:

Commonwealth Bank of Australia ABN 48 123 123 124 AFSL Number 234945

You should read all sections of this document before making a decision to acquire this financial product. As the information in this document has been prepared without considering your objectives, financial situation or needs, you should, before acting on the information, consider its appropriateness to your circumstances.

Important information

This Product Disclosure Statement (PDS)

This document is a PDS issued by Commonwealth Bank of Australia ABN 48 123 123 124 dated 10 December 2014.

A copy of this PDS has not been and will not be lodged with ASIC, pursuant to sections 1015B and 1015D of the Corporations Act. Commonwealth Bank will notify ASIC that this PDS is in use in accordance with section 1015D of the Corporations Act. This PDS complies with the requirements of Schedule 10 to the ASX Operating Rules as varied or waived by the ASX. ASIC and the ASX take no responsibility for the contents of this PDS or for the Instalment Warrants.

This PDS and any updated information (updated as set out in "*Changes to information in this PDS*" below), constitute the general terms and conditions that govern the issue by Commonwealth Bank of Instalment Warrants. This PDS is not a standalone document and is not of itself an offer capable of acceptance. The additional terms relating to each Series will be set out in an SPDS which will be supplemental to, and should be read together with, this PDS.

An SPDS will accompany this PDS. If it does not, please contact Commonwealth Bank on 1300 786 039.

Information and representations

This PDS (and any SPDS relating to this PDS) has been prepared and issued by Commonwealth Bank as issuer of the Instalment Warrants. Any other parties distributing this product are only doing so as a distributor for Commonwealth Bank. You should only rely on information in this PDS and any SPDS. No person is authorised to give any information or to make any representation about any Series that is not contained in this PDS or the relevant SPDS. Any such information or representation may not be relied on as having been authorised by Commonwealth Bank.

Commonwealth Bank has prepared this PDS and any SPDS using only publicly available information. No Listed Entity (other than Commonwealth Bank) has been involved in its preparation or given any information specifically to Commonwealth Bank for the purpose of its preparation. Nothing in this PDS or any SPDS can be relied on as implying that there has been no change in the affairs of any Listed Entity or Commonwealth Bank since the date of this PDS or the relevant SPDS (as the case may be), or as a representation as to the future in relation to any Listed Entity or Commonwealth Bank.

Information in this PDS and any SPDS about any Listed Entity (other than Commonwealth Bank) has not been independently verified. Accordingly, Commonwealth Bank does not accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. You should make your own enquiries.

Nothing in this PDS or any SPDS is an express or implied endorsement by Commonwealth Bank of an investment in the Underlying Securities of any Listed Entity.

Applications

If you are receiving this PDS electronically, you should print out the completed PDS and the enclosed Application Forms. You should also note that Applications can only be accepted if Commonwealth Bank receives a completed current Application Form which is enclosed in this PDS. Commonwealth Bank may accept or reject an Application in its absolute discretion.

An Application, once made, cannot be revoked.

You may also invest in Instalment Warrants by acquiring them on the ASX through a broker.

Changes to information in this 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 you, Commonwealth Bank will update the information by posting a notice on its website at www.commbank. com.au/warrants.

You can request a paper copy without charge of updated information by telephoning 1300 786 039.

Terminology

A Glossary is included in section 10 of this PDS in which various words and phrases used in this PDS (and any SPDS) are defined. If you do not understand a word or phrase you should refer to the Glossary. Capitalised words that are used in this PDS have the meaning set out in the Glossary, unless the context requires otherwise. Unless stated otherwise (a) all dollar amounts and performance data in this PDS are quoted in Australian dollars; and (b) all references to time are to Sydney time.

Customer information and privacy

What information we collect

In this clause 'you' includes our customer and any person who holds office in an entity which is a customer. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as transactions on your account. We may also collect publicly available information about you.

Why we collect your information and what we use it for We collect your information because we are required to identify you in accordance with the AML/CTF Act and in order to comply with taxation laws, such as the Taxation Administration Act 1953 and the Income Tax Assessment Act 1936. We also collect it to administer our customer relationships and internal processes including risk management and pricing, to meet our obligations in relation to external payment systems and under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don't want to receive marketing information you can tell us by calling 1300 786 039, or speak to your relationship manager.

If you give us your electronic and telephone details, you agree we may use this to communicate with you electronically, by phone or SMS, including providing updates, reminders and (unless you tell us not to) marketing information.

You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require. If you change your personal details (e.g. address, name or email address) you must tell us straight away.

Who we may exchange your information with

We may exchange your information with other members of the Commonwealth Bank Group who may use your information for any of the purposes we can.

We may also exchange your information with others outside the Commonwealth Bank Group, for example, your representatives, our service providers (including any registrar), other financial institutions (for example, in relation to a mistaken payment claim), enforcement and government authorities, relevant public registers and payment system operators (for example, BPAY Pty Ltd).

Sometimes it may be necessary to send your information overseas – for example, where we outsource functions overseas, send information to Commonwealth Bank Group members overseas, where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. See the Commonwealth Bank Group Privacy Policy for more information.

Commonwealth Bank Group Privacy Policy

The Commonwealth Bank Group Privacy Policy is available on our website at commbank.com.au (follow the Privacy Policy link) or upon request from any branch of Commonwealth Bank and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:

- other ways we may collect, use or exchange your information;
- how you may access and seek correction of the information; and
- how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.

We encourage you to check our website regularly for any updates to the Policy.

How to contact us

For privacy-related enquiries, please contact us by:

- email at CustomerRelations@cba.com.au
- telephone 1800 805 605, or
- writing to the address in the Commonwealth Bank Group Privacy Policy.

Additional Obligations

Commonwealth Bank may be subject to laws or regulations in Australia or another country that affect your relationship with Commonwealth Bank (eg. laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:

- require you to provide information about you or your product;
- disclose any information we are required to concerning you (including sending your information overseas);
- withhold an amount from a payment to you if required to do so, and if we do, we will not reimburse you for the amount withheld; and/or
- take such other action as is reasonably required, including, for example, closing your account.

Foreign jurisdictions

No action has been taken to register or qualify any Series or otherwise to permit a public offering of any Series in any jurisdiction outside of Australia.

This PDS and any SPDS is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS and any SPDS outside Australia may be restricted by law. Persons who come into possession of this PDS and any SPDS who are not in Australia should seek advice on and observe such restrictions. Any failure to comply with such restrictions may be a violation of applicable securities laws.

In particular, no Series has been or will be registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, a US Person (as defined in Regulation S under the US Securities Act).

Experienced investors

You should not invest in Instalment Warrants unless you:

- > are familiar with securities and options; and
- > are familiar with leveraged (geared) investment in securities; and
- understand and are comfortable with the risks of investing in Instalment Warrants.

Further advice recommended

An investment in Instalment Warrants involves financial and other risks and is only suitable for you if you fully understand the risks of investing in Instalment Warrants. Before making an investment in Instalment Warrants, you should:

- carefully read all of this PDS and the SPDS for the Series of Instalment Warrants you are considering;
- seek independent professional legal, taxation and financial advice to determine whether an investment in Instalment Warrants is right for you; and
- carefully consider the potential benefits and the risks involved in investing in Instalment Warrants in light of your individual circumstances, including your particular investment needs, objectives and financial and taxation circumstances.

Further details about the risks of investing in Instalment Warrants are set out in section 3.

Underlying Securities

You are responsible for selecting the Underlying Securities for any Instalment Warrant that you acquire. As such, the performance of any Instalment Warrant will depend mainly on investment decisions made by you. There is a risk that the value of, and returns from, your Instalment Warrants will decrease. This may occur because of poor performance of a specific Underlying Security, a sector in the financial markets or the share market generally. You should not rely on this PDS or any SPDS as the sole basis for any investment decision in relation to an Instalment Warrant or any Underlying Security, but should obtain relevant information concerning the Underlying Security and, where necessary, obtain independent financial advice.

Commonwealth Bank

Instalment Warrants are not bank deposits with, or liabilities of, Commonwealth Bank and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Commonwealth Bank does not guarantee any particular rate of return or the performance of the Instalment Warrants, nor does it guarantee the repayment of capital from the Instalment Warrants.

The value of an Instalment Warrant depends on, amongst other things, the ability of Commonwealth Bank to fulfil its obligations under the Instalment Warrants. Any obligations of Commonwealth Bank to make payments in respect of the Instalment Warrants are unsecured obligations of

Commonwealth Bank and are not deposit liabilities of Commonwealth Bank and are not guaranteed by any other party. If Commonwealth Bank is wound up, these obligations would rank equally with other unsecured obligations of Commonwealth Bank and ahead of subordinated debt and obligations to shareholders but after all deposit liabilities of Commonwealth Bank and other than liabilities preferred by law. In this regard section 13A(3) of the Banking Act provides that if Commonwealth Bank becomes unable to meet its obligations, the assets of Commonwealth Bank in Australia are to be used to meet its deposit liabilities in Australia in priority to all other liabilities of Commonwealth Bank (which include any obligations of Commonwealth Bank in respect of the Instalment Warrants).

Admission to trading status on the ASX

Unless stated otherwise in an SPDS, an application has been made to the ASX or will be made to the ASX within 7 days of the date of the relevant SPDS to enable the Series referred to in that SPDS to be admitted to trading status on the ASX. Commonwealth Bank does not guarantee that a Series will be admitted to trading status on the ASX.

If a Series is not admitted to trading status on the ASX within 3 months from the date of an SPDS, Commonwealth Bank will not issue any further Instalment Warrants in that Series and the Instalment Warrants issued in that Series will be void and any monies you have paid to Commonwealth Bank to acquire the Instalment Warrants will be returned to you as soon as practicable. The fact that the ASX may admit a Series to trading status from time to time is not to be taken in any way as an indication of the merits of Commonwealth Bank or the Instalment Warrants.

The ASX does not warrant the accuracy or truth of the contents of this PDS or the SPDS for a Series. In admitting the Instalment Warrants to trading status and not objecting to the Terms, the ASX has not authorised or caused the issue of this PDS or the SPDS for a Series and is not in any way a party to, or concerned in, authorising or causing the issue of this PDS or the SPDS for a Series, or the making of offers or invitations with respect to any Series. The ASX takes no responsibility for the contents of this PDS or the SPDS for a Series. The ASX makes no representation as to whether this PDS, the SPDS for a Series or the Terms comply with the Corporations Act or the ASX Operating Rules.

To the extent permitted by law, the ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by you or any other person, where that claim arises wholly or substantially out of reliance on any information contained in this PDS or any SPDS, or any error in, or omission from, this PDS or any SPDS.

This PDS and any SPDS comply in all respects with the requirements of Schedule 10 of the ASX Operating Rules, as varied by the ASX with respect to this PDS and the relevant SPDS.

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1.0 Investment overview

To find information on the topics listed below, see the section number listed. This Investment Overview indicates the kind of information you can find in this PDS, but is not intended to be a complete summary. You should read all of this PDS carefully and seek professional legal, taxation, and financial advice to determine whether an investment in Instalment Warrants is appropriate for you.

Торіс	Description	For more information
Who is the Issuer?	Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 Ground Floor, Tower 1 201 Sussex Street Sydney NSW 2000	Section 7
What are Instalment Warrants?	Instalment Warrants offer investors the opportunity to access the benefits of investing in listed securities and build a listed securities portfolio over a period without paying the full price of the securities up-front.	Section 2.1
	Instalment Warrants are listed CHESS approved securities which trade on the ASX. The initial amount that you will pay to acquire an Instalment Warrant is referred to in this PDS as the First Instalment.	
	Each Instalment Warrant provides you with:	
	 a Beneficial Interest in an Underlying Security which is held on trust for you by the Trustee, subject to the Mortgage; 	
	 the ability to benefit from any Dividends, Special Dividends and related franking credits (subject to eligibility and any withholding for Tax); 	
	a limited recourse Loan from Commonwealth Bank;	
	the ability to obtain full legal title to the Underlying Security at any time by paying the Completion Payment; and	
	a listed investment that may be sold on the ASX prior to the Maturity Date.	
What are the Underlying Securities?	Instalment Warrants are expected to be available over a variety of ASX listed securities, as specified in a SPDS.	See the SPDS for the relevant Series, which must be read together with this PDS.
ASX quotation	Instalment Warrants are intended to be quoted and traded on the ASX.	See "Important Information".
What is the Loan?	When you acquire an Instalment Warrant, you will receive a limited recourse Loan from Commonwealth Bank. The Loan Amount will generally be between 50% and 100% of the Underlying Security price on the date of the SPDS for the relevant Series.	Sections 2.2 and 8
What happens while I hold Instalment	 All ordinary Dividends paid (subject to any withholding for Tax) on the Underlying Security will be paid to you. Any Special Dividends paid (subject to any withholding for Tax) on the Underlying 	Section 2.5
Warrants?	Security will be used to reduce your Loan Amount.	
	Subject to eligibility, you may also be entitled to any franking credits attached to the Dividends.	
	Instalment Warrants have predefined Reset Dates as set out in the relevant SPDS.	

Торіс	Description	For more information
What happens on the Reset Date?	Prior to each Reset Date, unless Commonwealth Bank declares a Reset Date to be an Early Maturity Date, Commonwealth Bank will make an announcement to the ASX of the new Interest Amount and new Loan Amount for the relevant Series. On the Reset Date, you will drawdown the new Interest Amount under the Loan and apply that amount to pay to the Commonwealth Bank the new Interest Amount for the Interest Period to the next Reset Date (or if there are no further Reset Dates, the Maturity Date). The new Interest Amount drawn down will be added to the Loan Amount.	Section 2.3
	Commonwealth Bank may, in its absolute discretion, declare the Reset Date to be an Early Maturity Date by giving you at least 20 Business Days' notice and making an announcement to the ASX.	
What happens	You can choose to:	Section 2.3
at the Maturity Date?	 Sell your Instalment Warrants before close of normal trading on the ASX on the Maturity Date and receive the prevailing market price; 	
	Provide a valid Completion Notice and pay the Completion Payment for each Instalment Warrant and receive the Underlying Security;	
	 If available to you, rollover or refinance into a new Series over the same Underlying Security by making a Rollover Application (not available to superannuation funds) or a Refinance Application (only available to superannuation funds); or 	
	Do nothing, in which case Commonwealth Bank will sell the Underlying Securities and you will receive the sale proceeds less the Loan Amount and any other amounts owed to the Trustee and Commonwealth Bank.	
What are some of the key <i>benefits</i>	The potential to earn greater returns than an equivalent unleveraged (ungeared) investment in the Underlying Security due to the leverage (gearing) incorporated in Instalment Warrants.	Section 3.1
of investing	▶ No margin calls.	
in Instalment Warrants?	 The ability to benefit from Dividends (including any related franking credits, subject to eligibility and any withholding for Tax) and any increase in the market price of the Underlying Security over the life of the Instalment Warrant. 	
	The ability to pay the Completion Payment for each Instalment Warrant at any time on or before the Maturity Date to take ownership of the Underlying Security.	
	A level of capital protection through the limited recourse nature of the Loan.	
	The ability to release equity from your existing shareholdings via a Shareholder Application. Shareholder Applications are not available to superannuation funds.	
	The ability to roll an existing Series into a new Series over the same Underlying Securities via a Rollover Application. Rollover Applications are not available to superannuation funds.	
	Superannuation funds may refinance into a new Series with a Refinance Application, being a Loan that is equal to or less than the Loan for the existing Series.	
	An investment that may be bought or sold on the ASX any time up to and including the Maturity Date.	
	An investment which may be an eligible investment for superannuation funds (excluding Shareholder Applications and Rollover Applications).	

Торіс	Description	For more information
What are some of the	The value of the Underlying Securities may fall, which would result in the value of Instalment Warrants falling and you may lose some or all of your investment.	Section 3.2
key <i>risks</i> of investing in Instalment	The leverage (gearing) incorporated in Instalment Warrants will magnify any losses that occur.	
Warrants?	Commonwealth Bank may, in its absolute discretion, declare a Reset Date to be an Early Maturity Date.	
	Instalment Warrants are not bank deposits. Any obligations of Commonwealth Bank to make payments in respect of the Instalment Warrants are unsecured obligations of Commonwealth Bank.	
	The performance by Commonwealth Bank of its obligations under the Instalment Warrants is not guaranteed by the ASX, the National Guarantee Fund, ASX Clear or any other person.	
	 There is some risk that Tax laws may not be enacted as anticipated, or they may have retrospective effect. Refer to Section [13] of the Tax Opinion for further information. You should note that if you make the Completion Payment prior to the next Reset Date (or if there are no further Reset Dates, the Maturity Date), you will not be entitled to any refund of any Interest Amount prepaid for the current Interest Period. 	
How do I invest	There are five ways to acquire Instalment Warrants:	Section 2.7
in Instalment Warrants?	1. Purchase on the ASX	
warrants?	2. Cash Application	
	3. Shareholder Application	
	4. Rollover Application	
	5. Refinance Application	
	Commonwealth Bank can accept or reject any Application in its absolute discretion.	
	See section 2.7 for further information on the different ways to acquire Instalment Warrants.	
	Before investing you should:	
	Carefully read all of this PDS and any SPDS relevant to the Instalment Warrants that you want to invest in.	
	 Consult your professional legal, taxation and financial adviser. 	
	If purchasing on the ASX, you should contact your broker and sign a Warrants Client Agreement Form.	
How do I	There are a number of alternatives:	Section 2.11
realise my investment	During the Term:	
in Instalment Warrants?	Give a valid Completion Notice to Commonwealth Bank and make the Completion Payment to take ownership of the Underlying Securities. You can request a Completion Notice from the Registrar, Link Market Services Limited, by emailing cbainstalments@linkmarketservices.com.au; or	
	Sell the Instalment Warrants on the ASX and receive the prevailing market price less any brokerage fees. You will need to contact your broker to do this and sign a Warrants Client Agreement Form.	
	At the Maturity Date:	
	Please refer to "What happens at the Maturity Date" above.	

Торіс	Description	For more information
Fees and other costs	 Adviser Fees If you are an Applicant, you may direct Commonwealth Bank to collect an Adviser Fee from you and pay it to your Adviser on your behalf. The Adviser Fee is payable: for a Cash Applicant, in addition to your First Instalment (which includes the Interest Amount); for a Shareholder Applicant, out of your Cashback Amount (if any). If your Cashback Amount is insufficient to pay the Adviser Fee in full, you will be required to make a further payment to Commonwealth Bank for that shortfall; for a Rollover Applicant, out of your Rollover Cashback (if any). If your Rollover Cashback is insufficient to pay the Adviser Fee in full, you will be required to make a further payment to Commonwealth Bank for that shortfall; for a Rollover Applicant, out of your Rollover Cashback (if any). If your Rollover Cashback is insufficient to pay the Adviser Fee in full, you will be required to make a further payment to Commonwealth Bank for that shortfall. for a Refinance Applicant, in addition to your Refinance Payment. Other fees and costs You should refer to section 4 for an explanation of the other fees and costs associated with acquiring and holding the Instalment Warrants. 	Section 4
What are the tax considerations of investing in Instalment Warrants?	 Some general information on the indicative tax treatment for Instalment Warrants from Clayton Utz is included in Section 5. Nevertheless, you should seek your own independent taxation advice to determine whether an Instalment Warrant is suitable for you and your circumstances, and what the implications of investing are for you. You should also refer to the ATO website at www.ato.gov.au. Depending on your circumstances, some of the tax consequences you should consider include, but are not limited to: deductibility of the Interest Amount; Dividends, Special Dividends (which may not be received by you) and trust distributions may be treated as assessable income; franking credits on Dividends; and capital gains tax (including discount treatment) upon subsequent disposal of the Instalment Warrants or Underlying Securities. You should also be aware of the 'at risk' holding rules relating to eligibility for the franking tax offset. In this respect, you should refer to the ATO website at www.ato.gov.au. 	Section 5
Dividends and corporate actions	The Trustee will pay to you all ordinary Dividends (subject to any withholding for Tax) paid on the Underlying Securities relating to your Instalment Warrant. Depending on your circumstances, you may also be entitled to any associated franking credits attached to those Dividends paid. Special Dividends paid (subject to any withholding for Tax) will be used to reduce your Loan Amount (and therefore the amount of the Completion Payment). A corporate action is an event which may alter the capital structure of an Underlying Security. You will not generally participate in Entitlement Offers, rights issues, Dividend reinvestment plans or share purchase plans. If such an event occurs, Commonwealth Bank may make adjustments to the Instalment Warrants with the aim of maintaining, as far as possible, the value of the Instalment Warrant. You will not have voting rights nor are you able to attend or speak at any general meetings in relation to the Listed Entity. You will not receive annual reports or notices of meetings of the relevant Listed Entity	Sections 2.4 & 2.6

Торіс	Description	For more information
What other	Underlying Securities	Section 6
matters should I be	Instalment Warrants are available over a variety of ASX listed securities, as specified in the SPDS for the relevant Series.	
aware of?	Each Series has a unique ASX code which will be specified in the SPDS for the relevant Series.	
	You are responsible for selecting any Instalment Warrant you acquire.	
	Reset Date	
	The Reset Date(s) for a Series will be specified in the SPDS for the relevant Series. On each Reset Date, a new Interest Amount will be calculated by Commonwealth Bank for the Interest Period to the next Reset Date (or, if there are no further Reset Dates, the Maturity Date) and the new Interest Amount will be added to the Loan Amount (provided Commonwealth Bank has not nominated the Reset Date to be an Early Maturity Date). You should note that Commonwealth Bank may, in its absolute discretion, declare a Reset Date to be an Early Maturity Date.	
	Maturity Date	
	The Maturity Date for a Series will be specified in the SPDS for the relevant Series.	
	In some circumstances, the Maturity Date may be brought forward, including for example, where a corporate action occurs such that the Underlying Security is delisted.	
Is there a cooling-off period?	There is no cooling-off period when you acquire Instalment Warrants.	Section 9
Term	Generally up to 5 years, however some Instalment Warrants may have a shorter or longer term. You should refer to the SPDS for the Maturity Date of the relevant series.	Refer to the SPDS for the relevant Series, which must be read together with this PDS.
Reset Date	Generally, annually or more frequently as specified in the SPDS for the relevant Series.	Refer to the SPDS for the relevant Series, which must be read together with this PDS.
Minimum Investment Amount	If purchasing on the ASX, the minimum marketable parcel size required by the ASX Settlement Rules from time to time (which as at the date of this PDS is \$500) or \$10,000 per Series when applying via an Application Form.	

2.0 What are Instalment Warrants and how do they work?

This section provides a summary of some of the terms governing the Instalment Warrants. The complete terms are set out in the relevant Trust Deed (a copy of which is available from Commonwealth Bank and a summary of which is provided in section 9.2) and the Loan Agreement (which is set out in section 8). You should read and understand the Terms before investing in Instalment Warrants. You should also obtain professional advice which takes into account your particular investment needs, objectives and financial circumstances. In the event of any inconsistency between this summary and the Terms, the Terms will prevail.

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2.1 What are Instalment Warrants?

Instalment Warrants offer you the opportunity to access the benefits of investing in listed securities and build a listed securities portfolio over a period without paying the full price of the securities up-front.

An Instalment Warrant is a bundle of contractual and other rights which in aggregate consists of:

- a Beneficial Interest in the Underlying Security which is held on trust for you by the Trustee, subject to the Mortgage;
- the ability to benefit from any Dividends, Special Dividends and related franking credits (subject to eligibility and any withholding for Tax) (see section 5);
- a limited recourse Loan from Commonwealth Bank (see section 2.2(b)). The Loan will be equal to the Completion Payment;
- the ability to obtain full legal title to the Underlying Security at any time by paying the Completion Payment (see section 2.4(b)); and
- a listed investment that may be sold on the ASX prior to the Maturity Date (see section 2.11).

If you require more background information on the nature of Instalment Warrants, you should read the ASX booklet "Understanding Trading and Investment Warrants" which is available free of charge from the ASX at http://www.asx.com. au/products/warrants.htm, or speak to your financial adviser.

There are a number of ways that you can acquire Instalment Warrants. Please refer to section 2.7 for further information.

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	What might affect the market price of Instalment Warrants Corporate actions and Extraordinary Events How do I realise my investment in Instalment

2.2 What is the Loan?

Commonwealth Bank is offering to make a limited recourse Loan available to you in respect of each Instalment Warrant you acquire, which will be secured by a Mortgage over the Underlying Security.

(a) Overview

When you acquire an Instalment Warrant, you will receive a limited recourse Loan from Commonwealth Bank. The Loan Amount will generally be between 50% to 100% of the Underlying Security price on the date of the SPDS for the relevant Series.

The amount of the Loan specified in an SPDS is only valid on the date of that SPDS. The Loan Amount will change on a Reset Date by the Interest Amount and may also change further in accordance with the Terms and the Loan Agreement. You should also note that the effective gearing of an Instalment Warrant will change as the Underlying Security price and the Loan Amount changes.

When you acquire an Instalment Warrant on the ASX from another Holder, the Loan Commonwealth Bank makes to you will be used to pay the Interest Amount in respect of the Interest Period from the day you acquire the Instalment Warrant until the next Reset Date (or, if there are no further Reset Dates the Maturity Date) and to repay the previous Holder's Loan (see section 2.11(c) for more information).

If you want to have ownership of the Underlying Security transferred directly to you, you can pay the Completion Payment at any time up to (and including) 12:00pm (midday) (Sydney time) on the Maturity Date of the Instalment Warrant (see section 2.4(c) for more information) by submitting a Completion Notice and paying the Completion Payment.

(b) Limited recourse

A key feature of Instalment Warrants is that the Loan is made by Commonwealth Bank on a limited recourse basis.

Limited recourse means that if the Completion Payment is not received by Commonwealth Bank before the end of the Business Day which is 5 Business Days after the day a Completion Notice is received by Commonwealth Bank, or by 12:00pm (midday) (Sydney time) on the Maturity Date, the only action Commonwealth Bank will take is to enforce its Mortgage, sell the Underlying Security, and use the sale proceeds to pay the Completion Payment. Commonwealth Bank will not seek recourse against any other monies or assets you may have. If the sale proceeds of the Underlying Security are less than the amount of the Loan, Commonwealth Bank will not seek to enforce your obligation to pay the outstanding balance of the Loan.

Note: Holders who do not provide their TFN or ABN (if applicable) or who are not resident in Australia will need to pay an Equalisation Amount if a Special Dividend is paid on any Underlying Security. If this occurs, the Holder's obligation to pay the Equalisation Amount would not be limited recourse in nature. See section 3 for more information.

(c) What is the Loan Amount?

The Loan Amount is the amount outstanding under the Loan from time to time. The Completion Payment at any point in time will be equal to the Loan Amount at that point in time.

The amount of the Loan for each Instalment Warrant is variable. It is set on the date of the SPDS for the relevant Series and is subsequently adjusted on each Reset Date and may also be adjusted further in accordance with the Terms and Loan Agreement. See section 2.3 for information about what happens on Reset Dates. Every adjustment to the Loan Amount will be notified via an announcement to the ASX.

The current Loan Amount (which will be the amount of the Completion Payment that you would need to make in order to take ownership of the Underlying Security) will be available from www.commbank.com.au/warrants.

(d) What is the Interest Amount?

The Interest Amount is the amount of interest payable by an Applicant or Transferee in respect of the Loan from the date of acquisition of the Instalment Warrant to the next Reset Date (or, if there are no further Reset Dates, the Maturity Date). On each Reset Date, a new Interest Amount will be calculated by Commonwealth Bank (see section 2.3 for information about what happens on Reset Dates). The formula for calculating the Interest Amount (IA) for each Instalment Warrant is:

 $IA = IR \times LA \times IP / 365$

Where:

IR = the Interest Rate applicable to the Instalment Warrant (see section 2.2(g) for more information)

LA = the Loan Amount

IP = the number of days in the Interest Period

Example

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

An Instalment Warrant over XYZ Underlying Securities has the following details:

LA = \$20.00

Reset Date = 30 June 2015

IR at 1 October 2014 = 8%

IP = 272 days

On 1 October 2014, XYZ Underlying Securities are trading at \$38.00. The Interest Amount paid as part of the acquisition price of XYZ Instalment Warrants is:

IA = 8% x \$20.00 x 272 / 365 = \$1.19 (rounded to the nearest cent)

(e) How do I pay the Interest Amount?

For Cash Applicants, the first Interest Amount forms part of the First Instalment amount payable by you.

For all other Applicants (except Refinance Applicants), the first Interest Amount will be paid automatically from the Loan Amount when you acquire your Instalment Warrant provided the Loan Amount is sufficient to cover this amount. If you are a Rollover Applicant and your Loan Amount is not sufficient to cover payment of the Interest Amount due for the new Series, you will be required to make a Rollover Payment. If you are a Refinance Applicant the Loan Amount for the new Series will not be sufficient to cover payment of the first Interest Amount due for the new Series and you will be required to make a Refinance Payment to cover the Interest Amount. On each Reset Date, a new Interest Amount will be calculated by Commonwealth Bank and the new Interest Amount will be added to the Loan Amount (see section 2.3 for information about what happens on Reset Dates).

(f) What is the Interest Period?

The Interest Period for the purposes of the calculation of the Interest Amount is the period from (and including) the Effective Date to (and excluding) the next Reset Date (or, if there are no further Reset Dates, the Maturity Date).

(g) What is the Interest Rate?

The Interest Rate is used to determine each Interest Amount payable in relation to your Instalment Warrants. The Interest Rate applicable to your Instalment Warrants will be determined by Commonwealth Bank on the date you acquire your Instalment Warrants, and will be fixed until the earlier of the next Reset Date (or, if there are no further Reset Dates, the Maturity Date) or when you transfer those Instalment Warrants. The Interest Rate will reflect the fact that the Loan is made on a limited recourse basis and provides you with some capital protection.

The table below shows:

- some of the factors which may affect the Interest Rate applicable to Instalment Warrants at the time that they are issued; and
- how changes in those factors (assuming all other variables are constant) may affect the level of the Interest Rate at the time Instalment Warrants are acquired and on each Reset Date.

Variable	Change in Variable	Effect on Interest Rate
Underlying Security Price		▼
Volatility of Underlying Security Price		•
Current Loan Amount	▼	▼
Future Expected Dividends		
Market Interest Rates		

You should be aware that:

- other factors including current and forecasted economic conditions (for example inflation) may affect the level of the Interest Rate; and
- there may be simultaneous moves in two or more of the variables listed above.

(h) Mortgage

(i) What is the Mortgage?

The Trustee will grant an equitable mortgage over the property of each Separate Trust (including each Underlying Security and all Accretions) in favour of Commonwealth Bank. The Mortgage secures the repayment of the Secured Monies and, subject to the Trust Deed, Commonwealth Bank has a first right to recover the Secured Monies from the sale proceeds of any Underlying Security.

No Encumbrance (except for the Mortgage) may be created in respect of the property of each Separate Trust.

(ii) What are the Secured Monies?

The Secured Monies consist of:

- all advances and Interest Amounts under the Loan Agreement in respect of that Instalment Warrant from time to time; and
- any other amounts required to be paid to Commonwealth Bank under the Terms or the Loan Agreement, which will include:
 - the Equalisation Amount (if any see section 2.6(b) for more information);
 - any Taxes which the Trustee pays on your behalf; and
 - all fees, costs, charges, liabilities and expenses and Taxes incurred by Commonwealth Bank or the Trustee in relation to the sale of the Underlying Security.

(iii) When can the Mortgage be enforced?

Commonwealth Bank may enforce its Mortgage if you fail to pay any monies owing to Commonwealth Bank on the due date for payment, for example you do not pay:

- the Completion Payment on the Maturity Date;
- an Equalisation Amount when it becomes due and payable (refer to section 2.5 and the Trust Deed); or
- any Taxes for which you are liable (see the Trust Deed for more information).

(i) How do I repay the Loan?

- (i) You may, at any time up to (and including) 12:00pm (midday) (Sydney time) on the Maturity Date, pay the Completion Payment and take ownership of the Underlying Security. See section 2.4(b) for details of how you may request a copy of the Completion Notice from Commonwealth Bank at any time (which will be a personalised document and include details of the Completion Payment) and section 2.2(d) above for information on how you can determine the amount of the Completion Payment.
- (ii) Alternatively, you may be able to sell the Instalment Warrant up to the close of normal trading on the ASX on the Maturity Date. This will result in the Loan being repaid automatically with the proceeds of a new Loan made by Commonwealth Bank to the new Holder. Refer to section 2.11(c) for more information on what will happen if you transfer your Instalment Warrant.
- (iii) You may also, if available, on the Maturity Date for an existing Series, refinance the Loan for an existing Series of Instalment Warrants that you hold by acquiring a new Series of Instalment Warrants with the same Underlying Security by making a Refinance Application (only available for to superannuation funds) or a Rollover Application (available to all investors other than superannuation funds) (See section 2.7 for more information about Refinance Applications and Rollover Applications).
- (iv) Finally, you can do nothing and, after the Maturity Date, Commonwealth Bank will sell the Underlying Security and the proceeds of that sale will be used to extinguish the Loan. Refer to section 2.2(b) for more information on the limited recourse nature of the Loan.

2.3 What happens on a Reset Date?

Prior to each Reset Date, if Commonwealth Bank nominates that a Series will continue, it will make an announcement to the ASX of the new Interest Amount and new Loan Amount for the relevant Series. On the Reset Date, you will drawdown an amount equal to the new Interest Amount under the Loan (which increases the Loan Amount by the new Interest Amount) and apply that amount to pay to Commonwealth Bank the new Interest Amount for the Interest Period to the next Reset Date (or if there are no further Reset Dates, the Maturity Date). The new Interest Amount drawn down will be added to the Loan Amount. Where the new Interest Amount has been added to the Loan Amount, you will not be required to make any additional payments from your own funds on a Reset Date. You will continue to hold the same number of Instalment Warrants after the Reset Date.

Commonwealth Bank may, in its absolute discretion, declare a Reset Date to be an Early Maturity Date. Should this occur, Commonwealth Bank will instruct the Registrar to send to all Holders of the relevant Series a notice at least [20] Business Days prior to the relevant Reset Date advising of the Early Maturity Date.

Examples

These examples are illustrative only and do not in any way represent the actual amounts that may apply to an Instalment Warrant. These examples are not projections, indications or forecasts of any amount and actual amounts may be significantly different to those set out in this example. These examples assume that Commonwealth Bank has not, in its absolute discretion, declared the Reset Date to be an Early Maturity Date.

At the time of purchase

Assume you purchase 5,000 Instalment Warrants over XYZ Underlying Securities. The share price (SP) of each Underlying Security is \$20.00. Each Instalment Warrant has a Loan Amount (LA) of \$15.00. The Interest Amount (IA) until the next Reset Date is \$0.50.

The First Instalment (FI) can be calculated as follows:

FI = SP - LA + IA = \$20.00 - \$15.00 + \$0.50 = \$5.50

The investment amount required to purchase the Instalment Warrants would be calculated as follows:

Investment Amount = Number of Instalment Warrants x First Instalment (FI)

= 5,000 x \$5.50 = \$27.500

This example does not include any brokerage fees or costs that may be charged by your broker.

The total Loan Amount for the Instalment Warrants would be calculated as follows:

Total Loan Amount = Number of Instalment Warrants x Loan Amount (LA)

= 5,000 x \$15.00 = \$75,000 The leverage incorporated in the Instalment Warrant is calculated as:

LA / SP = \$15.00 / \$20.00 = 75%

On the Reset Date

Scenario 1: Underlying Security market price has increased

On the Reset Date, the Underlying Security market price has increased since the date of purchase to \$25.00. The market price of the Instalment Warrant (the First Instalment) is now \$10.00.

The total value of the Instalment Warrants would be calculated as follows:

Total value of Instalment Warrants = Number of Instalment Warrants x First Instalment (FI)

- = 5,000 x \$10.00
- = \$50,000

The new Interest Amount until the next Reset Date is \$1.00. The new Loan Amount increases by the value of the new Interest Amount from \$15.00 to \$16.00.

The total Loan Amount for the Instalment Warrants would be calculated as follows:

Total Loan Amount = Number of Instalments Warrants x Loan Amount (LA)

= 5,000 x \$16.00 = \$80,000

The leverage incorporated in the Instalment Warrant is calculated as:

LA/SP = \$16.00 / \$25.00 = 64%

Scenario 2: Underlying Security market price has decreased

On the Reset Date, the Underlying Security market price has decreased since the date of purchase to \$18.00. The market price of the Instalment Warrant (the First Instalment) is now \$3.00.

The total value of the Instalment Warrants would be calculated as follows:

Total value of Instalment Warrants = Number of Instalment Warrants x First Instalment (FI)

= 5,000 x \$3.00 = \$15,000

The new Interest Amount until the next Reset Date is \$1.20. The new Loan Amount increases by the value of the new Interest Amount from \$15.00 to \$16.20. The total Loan Amount for the Instalment Warrants would be calculated as follows:

Total Loan Amount = Number of Instalments Warrants x Loan Amount (LA)

- = 5,000 x \$16.20
- = \$81,000

The leverage incorporated in the Instalment Warrant is calculated as:

LA / SP = \$16.20 / \$18.00 = 90%

2.4 What happens at the Maturity Date?

(a) Summary

You can choose to:

- sell the Instalment Warrant up to the close of normal trading on the ASX on the Maturity Date and receive the prevailing market value less any brokerage fees;
- give a valid Completion Notice and make the Completion Payment in accordance with clause 2.4(c) below to receive full ownership of the Underlying Securities;
- if available to you, refinance into a new Series over the same Underlying Security by making a Rollover Application or Refinance Application (see Section 2.7 for more details).;
- do nothing, and receive the Assessed Value Payment.

(b) What happens if I give a valid Completion Notice and pay the Completion Payment?

If you deliver a valid Completion Notice (which will require you to make the Completion Payment in accordance with clause 2.4(c) below), then the following will occur:

- the Loan will be repaid;
- the Mortgage in respect of the relevant Underlying Security will be discharged;
- > the Instalment Warrant will be cancelled; and
- Commonwealth Bank will organise for the Underlying Security to be transferred to you within 20 Business Days of the date on which you gave the valid Completion Notice.

You may do this at any time as well as on the Maturity Date.

(c) How do I give a Completion Notice and pay the Completion Payment?

- (i) If you wish to give a Completion Notice and pay the Completion Payment for an Instalment Warrant that you hold, then you must:
 - give Commonwealth Bank, no later than 12.00pm (midday) (Sydney time) on the Maturity Date for the Instalment Warrant, a duly completed Completion Notice sent to the address specified in the Completion Notice. You can request a Completion Notice from the Registrar, Link Market Services Limited, by emailing cbainstalments@ linkmarketservices.com.au or call 1300 733 794
 - make the Completion Payment in full. The proceeds of the Completion Payment must be received by Commonwealth Bank in cleared funds before the end of the Business Day which is 5 Business Days after the day the Completion Notice is received by Commonwealth Bank, or by 12:00pm (midday) (Sydney time) on the Maturity Date, whichever is the earlier.
- (ii) Commonwealth Bank will instruct the Registrar to send all Holders a reminder of the Maturity Date and a form of Completion Notice not less than [20] Business Days before the Maturity Date.
- (iii) Commonwealth Bank and the Registrar have the right to rely upon the contact details that have been provided by the Holder and will not be held responsible for the accuracy of that information. It is the Holder's responsibility to notify the Registrar of any change of address (including the Registered Address) or contact details.
- (iv) Holders may request a Completion Notice at any time during their investment. Completion Notices received during the 10 Business Days immediately prior to the Maturity Date will be processed as though they were received on the Maturity Date.

(d) Who can give a Completion Notice and pay the Completion Payment?

A Completion Notice may be given by:

- the person who appears on the Register as the Holder of the relevant Instalment Warrant at the time the Completion Notice is given; or
- a person who, although not registered as the Holder when the Completion Notice is given, is entitled to be registered as the Holder of the Instalment Warrant and who becomes the registered Holder within 5 Business Days after delivery of the Completion Notice.

A Completion Notice given by such person will be recognised as effective provided that no other Completion Notice is given in respect of the same Instalment Warrant by a person who, to the knowledge or in the reasonable opinion of Commonwealth Bank, became entitled to be registered as the Holder at a later time than the person who gave the earlier Completion Notice.

(e) Can I give a Completion Notice and pay the Completion Payment before the Maturity Date?

You may give a Completion Notice and pay the Completion Payment for any Instalment Warrants that you hold at any time up to 12:00pm (midday) (Sydney time) on the Maturity Date and receive the Underlying Securities. Commonwealth Bank will not refund any portion of the pre-paid Interest Amount if you pay the Completion Payment prior to the Maturity Date.

(f) Do I have to give a Completion Notice and pay the Completion Payment?

No, you do not have to give a Completion Notice or pay the Completion Payment. However, you will be in default of your obligation to repay the Loan if you do not and Commonwealth Bank will take action – see section 2.4(g) immediately below.

(g) What will happen if I do not pay the Completion Payment at the Maturity Date?

If you:

- do not give a valid Completion Notice as and when required (which is accepted by Commonwealth Bank); or
- give a valid Completion Notice and Commonwealth Bank does not receive the Completion Payment in cleared funds by 12:00pm (midday) (Sydney time) on the Maturity Date,

then Commonwealth Bank or a Commonwealth Bank Entity will sell the Underlying Securities pursuant to the Mortgage, with the proceeds of that sale distributed in the Priority Order, and your Instalment Warrants will be cancelled. Refer to section 2.2(b) for more information on the limited recourse nature of the Loan and section 2.4(k) for more information on the Priority Order.

(h) What if I do not pay the Completion Payment in respect of an Instalment Warrant in full?

If you do not pay the Completion Payment for an Instalment Warrant covered by the Completion Notice in full, Commonwealth Bank will treat your Completion Notice in respect of that Instalment Warrant as being an incomplete notice. It is not possible to partially pay the Completion Payment in respect of an Instalment Warrant. However, you may pay the Completion Payment (in full) in respect of some but not all of your Instalment Warrants. This is sometimes referred to as a "partial exercise" in respect of the Instalment Warrants.

If you pay the Completion Payment (in full) in respect of some but not all of your Instalment Warrants within a particular Series, then Commonwealth Bank and the Trustee may determine which of your Instalment Warrants (and therefore which of the Underlying Securities to which those Instalment Warrants relate) within that Series the Completion Notice relates to. The Instalment Warrants in which you do not pay the Completion Payment will be treated as described in section 2.4(g).

(i) What if the Underlying Security is trading on a Deferred Settlement basis?

If the Underlying Security or the Instalment Warrant are trading on a Deferred Settlement basis at the time you give a Completion Notice, the Completion Notice shall not be deemed to be given until the end of the Deferred Settlement Period.

(j) What if the Underlying Security includes a fraction of an Underlying Security?

Any fractions of an Underlying Security which are included in your Instalment Warrants will be disregarded in relation to the giving of a Completion Notice.

(k) What is the Priority Order?

The payment of the proceeds of a sale or disposal of the Underlying Security or of a surplus or other amount received by Commonwealth Bank or the Trustee under the Trust Deed will be made in the following order:

- in payment or reimbursement of all costs, charges, liabilities, expenses and Taxes of the Trustee;
- in payment or reimbursement of all fees, costs, charges, liabilities, expenses and Taxes incurred in relation to the Relevant Event;
- in payment to Commonwealth Bank of the Completion Payment in respect of the relevant Underlying Security and any other amounts payable to Commonwealth Bank; and
- ▶ in payment of the balance (if any) to the Relevant Holder.

2.5 What happens while I hold Instalment Warrants?

(a) Will I receive Dividends?

All ordinary Dividends paid (subject to any withholding for Tax) on the Underlying Security will be paid to you.

- Any Special Dividends paid (subject to any withholding for Tax) on the Underlying Security will be used to reduce your Loan Amount (and, therefore, the amount of the Completion Payment).
- Subject to eligibility, you may also be entitled to any franking credits attached to those Dividends (see section 4.3 for more information).

If you have not provided a TFN or ABN (if applicable), or you are not resident in Australia, then you will be required to pay Commonwealth Bank an Equalisation Amount if a Special Dividend is paid on any Underlying Security (see section 2.6(b) for more information).

Other Accretions to an Underlying Security will not be distributed but will form part of the Underlying Security, subject to the Mortgage. To the extent such Accretion arises pursuant to a corporate action described in section 2.10, such Accretion may be dealt with in accordance with the relevant provision of that section, which may include Commonwealth Bank seeking to realise value for the Accretion and applying any value realised to reduce the Loan Amount.

If a distribution is paid to the Trustee after the Maturity Date in respect of an Underlying Security for which a valid Completion Notice has been given (and the Completion Payment paid), then the cash amount of the distribution will be payable by the Trustee to you.

(b) Will I have to make ongoing interest payments?

On each Reset Date, a new Interest Amount will be calculated by Commonwealth Bank for the Interest Period to the next Reset Date (or, if there are no further Reset Dates, the Maturity Date) and the new Interest Amount will be added to the Loan Amount. You will not be required to make any payments from your own funds on a Reset Date. See section 2.3 for more information about what happens on a Reset Date.

(c) Do I receive voting rights in relation to the Underlying Securities?

As a Holder of an Instalment Warrant, you are not entitled to attend, speak or vote at any meeting of members (or class of members) of the relevant Listed Entity.

The Trustee will not exercise any right to vote in respect of any Underlying Security (whether in its own right or on your behalf).

(d) Do I receive annual reports?

As a Holder of an Instalment Warrant, you are not entitled to receive any annual reports or notices of meetings of the relevant Listed Entity.

2.6 Will there be any adjustments of ordinary Dividends and Special Dividends?

(a) Ordinary Dividends and withholding Tax

If a Holder is not an Australian tax resident or is a resident who has not provided their TFN (or ABN in certain circumstances) and the Trustee has an obligation to pay or withhold any Tax with respect to ordinary Dividends, the Trustee will withhold the Tax and pay it to the relevant tax collecting authority. The Trustee will pay the remainder of the ordinary Dividend to the Holder.

(b) Special Dividends and the Equalisation Amount

If a Special Dividend is paid, it will be used to reduce the Holder's Completion Payment instead of being paid in cash. The Completion Payments of all Holders in the relevant Series will be adjusted by the same amount. Some Holders with tax obligations may be required to pay an Equalisation Amount.

This would apply to Holders in the following circumstances:

- If a Special Dividend is paid and the Trustee is legally obliged to withhold an amount of Tax because you have not provided a TFN or ABN to the Trustee (or you have not notified us of a relevant exemption); or
- If a Special Dividend is paid and the Trustee is legally obliged to withhold an amount of Tax because you are a non-resident and withholding Tax applies; or
- If a Special Dividend is paid and the Trustee is legally obliged to withhold an amount of Tax because the Holder holds the Instalment Warrant in their capacity as a Trustee and they have not provided all of the information required for the Trustee to make a "correct TB statement" under section 102UG of the Tax Act.
- If this applies then:
- The Trustee will be required to pay the Tax to the ATO or other relevant tax collecting authority;
- Commonwealth Bank will lend to you an amount equal to the Equalisation Amount and on your behalf pay and apply that amount in accordance with the Priority Order for your relevant Instalment Warrant;
- You will be required to pay the Equalisation Amount to Commonwealth Bank as a debt immediately due and payable; and
- If you fail to pay the Equalisation Amount, Commonwealth Bank may (without notice to you) enforce its Mortgage and terminate some or all of your Instalment Warrants to recover this amount.

The Equalisation Amount is not subject to the limited recourse provision of the Loan.

Example

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

The table below shows how the Loan Amount will vary for a hypothetical Instalment Warrant over XYZ Underlying Securities where you do not provide your TFN or ABN, assuming XYZ pays an unfranked Special Dividend of 4 cents per Share.

Variation of the Loan Amount		
	TFN/ABN Provided	
Loan Amount immediately before Special Dividend	\$1.24	\$1.24
Unfranked Special Dividend of \$0.04	(\$0.04)	(\$0.0204)*
Equalisation Amount advanced by Commonwealth Bank (per Instalment Warrant)	Nil	(\$0.0196)
Reduced Loan Amount	\$1.20	\$1.20
Equalisation Amount owing by Holder (per Instalment Warrant)	Nil	\$0.0196

Net of withholding tax on the dividend for a resident tax payer where the TFN/ABN was not provided (and an exemption does not apply). This example assumes a tax rate of 49%. Actual tax rates may be different. The Holder is required to pay the Equalisation Amount of \$0.0186 per Instalment Warrant to Commonwealth Bank.

2.7 How do I invest in Instalment Warrants?

This section sets out the five ways to acquire Instalment Warrants.

(a) Purchase on the ASX

Instalment Warrants can be purchased on the ASX through a broker.

Example

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example. The example also does not include any brokerage fees or costs that may be charged by your broker.

Assume you decide to purchase 5,000 Instalment Warrants over XYZ Underlying Securities on the ASX. The share price (SP) of each Underlying Security is \$20.00. The Instalment Warrant has a Loan Amount (LA) of \$15.00. The Interest Amount (IA) until the next Reset Date is \$0.50.

The First Instalment (FI) is represented by the market price of the Instalment Warrant. The First Instalment (FI) can be calculated as follows:

FI = SP - LA + IA = \$20.00-\$15.00 + \$0.50 = \$5.50

The investment amount required to purchase the 5,000 instalments would be calculated as follows:

Investment amount = number of Instalment Warrants x FI

= 5,000 x \$5.50 = \$27,500

(b) Cash Application

Instalment Warrants can be purchased by completing the Cash Application and submitting the payment for the First Instalment in cleared funds. The First Instalment for a Cash Application is the cash amount payable by the Cash Applicant to acquire the Instalment Warrant, and includes the Interest Amount. If you are a Cash Applicant, and you choose to pay your Adviser an Adviser Fee, the Adviser Fee is payable in addition to the First Instalment (see Section 2.8 for more information about how Adviser Fees may be paid).

Example 1

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

Assume you have \$10,000 to invest in Instalment Warrants over XYZ Underlying Securities. The share price (SP) of each Underlying Security is \$20.00. Each Instalment Warrant has a Loan Amount (LA) of \$15.00. The Interest Amount (IA) until the next Reset Date is \$0.50.

The First Instalment (FI) can be calculated as follows:

The number of Instalment Warrants that could be purchased for a \$10,000 investment would be calculated as follows:

Number of Instalment Warrants = Investment Amount/ First Instalment

- = \$10,000 / \$5.50
- = 1,818 (rounded down to the nearest whole unit)

(c) Shareholder Application

Existing shareholdings can be converted into Instalment Warrants by completing the Shareholder Application and submitting it with a copy of the holding statement for the existing Securities.

For Shareholder Applicants, payment of the First Instalment is satisfied by the transfer to the Trustee of the Securities you hold. The existing Securities you hold will be transferred to the Trustee and will comprise the Underlying Securities of the relevant Series.

Part of the Loan will be used to pay the Interest Amount due on the Effective Date. The balance of the Loan (if any) will form the Cashback Amount. The Cashback Amount will be paid to you or applied as you direct:

- to use wholly or predominantly for business or investment purposes (and not for personal, domestic or private purposes such as household purposes or to purchase, renovate or improve residential property for investment purposes); or
- if you elect, to acquire further Instalment Warrants in the same or another Series as those specified in your Shareholder Application.

If you authorise the payment of an Adviser Fee in connection with a Shareholder Application, that Adviser Fee will be paid from the Cashback Amount (see Section 2.8 for more information about how Adviser Fees may be paid).

Shareholder Applications are not available to superannuation funds.

There is no guarantee that Commonwealth Bank will accept a Shareholder Application and Commonwealth Bank may accept or reject a Shareholder Application in its absolute discretion.

Example 2

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

This example describes the scenario in which the Shareholder Applicant requires a Cashback Amount.

Assume you hold 5,000 XYZ Underlying Securities. You decide to convert these into Instalment Warrants. The share price (SP) of each Underlying Security is \$20.00.

Each Instalment Warrant has a Loan Amount of \$15.00 (LA). The Interest Amount until the next Reset Date is \$0.50 (IA).

The Cashback Amount (CA) for each Instalment Warrant can be calculated as follows:

CA = LA - IA = \$15.00 - \$0.50 = \$14.50

The total Cashback Amount payable to you for the 5,000 XYZ Underlying Securities will be calculated as follows:

Total Cashback Amount = Cashback Amount (CA) x Number of Underlying Securities

= \$14.50 x 5,000 = \$72,500

If you authorise the payment of an Adviser Fee in connection with a Shareholder Application, that Adviser Fee will be paid from the Cashback Amount (see Section 2.8 for more information about how Adviser Fees may be paid).

The total value of the Instalment Warrants can be calculated as follows:

Total value of Instalment Warrants = Number of Instalment Warrants x First Instalment (FI)

```
= 5,000 x $5.50
= $27,500
```

where

 $\begin{array}{ll} \mathsf{FI} &= \mathsf{SP} - \mathsf{LA} + \mathsf{IA} \\ \mathsf{FI} &= \$20.00 - \$15.00 + \$0.50 \\ \mathsf{FI} &= \$5.50 \end{array}$

Example 3

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

This example describes the scenario where a Shareholder Applicant requires the maximum number of Instalment Warrants. In this instance, the Cashback Amount will be applied towards acquiring additional Instalment Warrants on the Shareholder Applicant's instructions.

Assume you hold 5,000 XYZ Underlying Securities. You decide to convert these into Instalment Warrants. The share price (SP) of each Underlying Security is \$20.00. Each Instalment Warrant has a Loan Amount (LA) of \$15.00.

The Interest Amount (IA) until the next Reset Date is \$0.50.

The Cashback Amount (CA) for each Instalment Warrant can be calculated as follows:

CA = LA – IA = \$15.00 - \$0.50 = \$14.50

The total Cashback Amount for the 5,000 XYZ Underlying Securities can be calculated as follows:

Total Cashback Amount = Cashback Amount (CA) x Number of Underlying Securities

= \$14.50 x 5,000 = \$72,500

The number of additional Instalment Warrants acquired can be calculated as follows:

Total Cashback Amount divided by the First Instalment

- = \$72,500 / \$5.50
- = 13,181 (rounded down to the nearest whole unit)

If you authorise the payment of an Adviser Fee in connection with a Shareholder Application, that Adviser Fee will be paid from the Cashback Amount (see Section 2.8 for more information about how Adviser Fees may be paid).

The total number of Instalment Warrants allocated can be calculated as follows:

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= 5,000 + 13,181
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= 18,181
```

(d) Rollover Applications

If available to you, an existing Series can be rolled into a new Series at any time during the period between the time you receive the Maturity Date Reminder and 12:00pm on the Maturity Date for the existing Series by completing the Rollover Application and submitting it with a copy of the holding statement for the existing Series. The Underlying Securities for the existing Series must be the same as Underlying Securities for the new Series. At no time during the rollover from your existing Series to your new Series is your interest in the Underlying Securities transferred to you by the Trustee. The same Underlying Securities will continue to be held on trust for you by the Trustee for the new Series.

Rollover Applications are not available to superannuation funds.

Some or all of the Loan for the new Series will be used to make the Completion Payment for the existing Series and to pay the Interest Amount for the new Series. If the Loan for the new Series:

- is not sufficient to cover these amounts, you will need to make a Rollover Payment to Commonwealth Bank; or
- exceeds the amount required to cover these amounts, Commonwealth Bank will pay a Rollover Cashback to you.

The Rollover Cashback (if any) will be paid to you or applied as you direct:

- to use wholly or predominantly for business or investment purposes (and not for personal, domestic or private purposes such as household purposes or to purchase, renovate or improve residential property for investment purposes); or
- if you elect, to acquire further Instalment Warrants in the same Series as those specified in your Rollover Application.

If you authorise the payment of an Adviser Fee in connection with a Rollover Application and a Rollover Cashback is payable, that Adviser Fee will be paid from the Rollover Cashback. To the extent that the Rollover Cashback is insufficient to pay that Adviser Fee in full, you will be required to make a further payment to Commonwealth Bank for that shortfall (see Section 2.8 for more information about how Adviser Fees may be paid).

If a Rollover Payment is payable, you must ensure that Commonwealth Bank receives the Rollover Payment (plus any Adviser Fee) in cleared funds by 12.00pm on the Maturity Date of the existing Series.

Example 4

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

Assume you hold 5,000 Instalment Warrants over XYZ Underlying Securities which are about to mature. The Instalment Warrants have a Loan Amount of \$15.00. You wish to roll these into Instalment Warrants over XYZ Underlying Securities which have a Loan Amount of \$10.00 and an Interest Amount of \$0.80. The Underlying Security price at this time is \$20.00.

The Rollover Amount can be calculated as follows:

Rollover Amount = (New Loan Amount – Old Loan Amount - Interest Amount) x Number of Instalment Warrants

= (\$10.00 - \$15.00 - \$0.80) x 5,000

= -\$29,000

If the Rollover Amount is positive, Commonwealth Bank will pay the Rollover Cashback to you.

If the Rollover Amount is negative, you will need to make the Rollover Payment to Commonwealth Bank.

In this example, you will need to pay \$29,000 to Commonwealth Bank to roll into the new Series. This payment includes partial repayment of the Loan Amount from \$15.00 to \$10.00

(\$15.00 - \$10.00 = \$5.00) x 5,000 = \$25,000

In either case you will also pay any Adviser Fee that you have agreed to pay, whether deducted from the Rollover Amount or together with the Rollover Payment (see Section 2.8 for more information about how Adviser Fees may be paid).

(e) Refinance Application

A superannuation fund can refinance an existing Series into a new Series over the same Underlying Securities with a Loan that is equal to or less than the Loan for the existing Series. The new Loan will be used to pay (in whole or in part) the Completion Payment for the existing Series. You will need to make a Refinance Payment to Commonwealth Bank to cover the Interest Amount for the new Series and the amount (if any) by which the Completion Payment for the existing Series exceeds the amount of the new Loan.

If you are a Refinance Applicant, and you choose to pay your Adviser an Adviser Fee, the Adviser Fee is also payable by you (see Section 2.8 for more information about how Adviser Fees may be paid).

You must ensure that Commonwealth Bank receives the Refinance Payment (including any Adviser Fee) in cleared funds during the period between receiving the Maturity Date Reminder and 12.00pm on the Maturity Date of the existing Series.

At no time during the refinancing from your existing Loan to your new Loan is your interest in the Underlying Securities transferred to you by the Trustee. The same Underlying Securities will continue to be held on trust for you by the Trustee for the new Series.

There is no guarantee that Commonwealth Bank will accept a Refinance Application from a trustee of a superannuation fund and Commonwealth Bank may accept or reject a Refinance Application in its absolute discretion.

Example 5

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

Assume you hold 5,000 Instalment Warrants over XYZ Underlying Securities which are about to mature and have a Loan Amount of \$10.00. A Refinance Application can only be into a new series with a Loan that is equal to or less than the Loan for the existing Series. In this instance, the Loan Amount for the new series will be \$10.00 and the Interest Amount will be \$0.45. The Underlying Security price at this time is \$20.00.

The Refinance Amount can be calculated as follows:

Refinance Amount = (New Loan Amount – Old Loan Amount - Interest Amount) x Number of Instalment Warrants

= (\$10.00 - \$10.00 - \$0.45) x 5,000 = -\$2,250

For Refinance Applications the Refinance Amount will always be negative, so you will always need to make the Refinance Payment to Commonwealth Bank.

In this example, you will need to pay \$2,250 to Commonwealth Bank to refinance into the new Series.

If you have agreed to pay an Adviser Fee, refer to Section 2.8 for more information about how Adviser Fees may be paid.

If you are a trustee of a superannuation fund, you will need to obtain your own professional advice as to compliance with the Superannuation Industry (Supervision) Act, as there are serious ramifications that a breach will have on the superannuation fund.

2.8 What additional amounts are payable on acquisition of Instalment Warrants?

- (i) If you are purchasing Instalment Warrants on the ASX, your broker may charge brokerage.
- (ii) If you are not purchasing Instalment Warrants on the ASX, and you agree to pay your Adviser an Adviser Fee, you will need to pay those Adviser Fees to your Adviser. Specifically:
 - If you are a Cash Applicant, and you have agreed to pay your Adviser an Adviser Fee, you will need to pay any Adviser Fee specified in the Application Form in addition to the First Instalment, in cleared funds. At your direction, Commonwealth Bank will collect that Adviser Fee from you and pay it to your Adviser on your behalf.
 - If you are a Shareholder Applicant, and you have agreed to pay your Adviser an Adviser Fee and you direct us to do so, the Adviser Fee will be paid out of your Cashback Amount (if any). If your Cashback Amount is insufficient to pay the Adviser Fee in full, you will be required to make a further cash payment to Commonwealth Bank for that shortfall. At your direction, Commonwealth Bank

will collect that Adviser Fee from you and pay it to your Adviser on your behalf.

- If you are a Rollover Applicant, and you have agreed to pay your Adviser an Adviser Fee and you direct us to do so, the Adviser Fee will be paid out of your Rollover Cashback (if any). If your Rollover Cashback is insufficient to pay the Adviser Fee in full, you will be required to make a further payment to Commonwealth Bank for that shortfall. The Adviser Fee is also payable in addition to any Rollover Payment. At your direction, Commonwealth Bank will collect that Adviser Fee from you and pay it to your Adviser on your behalf.
- If you are a Refinance Applicant, and you have agreed to pay your Adviser an Adviser Fee, you will need to pay any Adviser Fee specified in the Application Form in cleared funds. The Adviser Fee is payable in addition to the Refinance Payment. At your direction, Commonwealth Bank will collect that Adviser Fee from you and pay it to your Adviser on your behalf.

See section 4 for further detail of fees and other costs.

2.9 What factors might affect the market price of Instalment Warrants?

The price of Instalment Warrants on the ASX will vary depending on a variety of factors.

The table below shows:

- some of the factors which may affect the market value of Instalment Warrants on the ASX; and
- how changes in those factors (assuming all other variables are constant) may affect the value of Instalment Warrants in the secondary market.

Variable	Change in Variable	Effect on Market Value
Price of the Underlying Security		
Volatility of the Underlying Security		
Time remaining until the Maturity Date	▼	▼
Level of interest rates in Australia		
Dividend paid on the Underlying Security		▼
Future expected Dividends on the Underlying Security		

You should be aware that:

- other factors including current and forecasted economic conditions (for example inflation and corporate actions) may affect the value of Instalment Warrants; and
- there may be simultaneous moves in one or more of the variables listed above.

2.10 Corporate actions and Extraordinary Events

(a) What will happen to Instalment Warrants if a corporate action occurs?

Although many of the events listed in this section may also constitute an Extraordinary Event, Commonwealth Bank may elect to deal with such events in accordance with this section.

(i) Takeover bids

A takeover offer for the Underlying Security will not be accepted by the Trustee, other than a compulsory acquisition.

The Trustee may nominate an Early Maturity Date with the consent of the ASX.

(ii) Buy backs

If the Underlying Security is subject to a buy back offer, the Trustee will reject such an offer and will not be bound to give any notification of it to any Holder.

Commonwealth Bank may nominate an Early Maturity Date with the consent of the ASX.

(iii) Entitlements Offers

If a Listed Entity makes an Entitlements Offer in relation to the Underlying Security, the Trustee is not obliged to take any action in respect of the rights issue but may (in its absolute discretion) take Reasonable Action as is prudent without incurring additional liability to confer the benefit of the Entitlements Offer on the Holder.

(iv) Other corporate actions

If the Underlying Security is subject to:

- a compulsory acquisition;
- a scheme of arrangement, quasi-scheme of arrangement or merger in the nature of a scheme of arrangement;
- a consolidation or subdivision or similar reconstruction;
- a Bonus Issue;

- an arrangement whereby the Listed Entity reduces its share capital and makes any cash payment in respect of the Underlying Security;
- an Entitlements Offer in relation to which the Trustee takes Reasonable Action; or
- any other event which Commonwealth Bank determines (in its reasonable opinion) to have a dilutive or concentrative effect on the theoretical value of the Underlying Security,

the Instalment Warrants and the proceeds and property received in respect of such corporate action may be dealt with in accordance with section 2.10(a)(v) below.

(v) Adjustments to Instalment Warrants

If an event specified in section 2.10(a)(iv) occurs, Commonwealth Bank or the Trustee at Commonwealth Bank's direction (as the case may be) may do any one or more of the following as permitted by the Trust Deed (some of these options may not apply to Holders who are superannuation funds):

- issue new Instalment Warrants to you over an Underlying Security which is different to the Underlying Security immediately prior to the event occurring;
- sell all or any property received as a result of such event in such manner and at such times as Commonwealth Bank or the Trustee may determine in its absolute discretion and distribute the net proceeds of such sale in accordance with the Priority Order as soon as practicable;
- retain some or all of the property received as a result of such event so as to comprise, or form part of, an Underlying Security;
- distribute some or all of the cash receipts received as a result of such event in accordance with the Priority Order;
- take Reasonable Action;
- reconstruct (with the consent of the ASX) a Series, including without limitation, dividing the Instalment Warrants into a greater number of Instalment Warrants, or consolidating the Instalment Warrants into a lesser number of Instalment Warrants;
- with the consent of the ASX, make any other adjustment to the commercial terms of the Instalment Warrant including the Loan Amount, the Underlying Security, the number of Instalment Warrants you hold, or any other variable relevant to the exercise, settlement, payment or other terms of the Instalment Warrants; or

nominate an Early Maturity Date with the consent of the ASX.

(vi) What is Reasonable Action?

Reasonable Action is action taken or omitted by Commonwealth Bank or the Trustee (after consultation with Commonwealth Bank) which is lawful, practicable, does not create a risk of liability for Commonwealth Bank or the Trustee unacceptable to it and is otherwise reasonable.

(b) What will happen to Instalment Warrants if an Extraordinary Event occurs?

(i) If an Extraordinary Event occurs Commonwealth Bank may nominate an Early Maturity Date and, if the Extraordinary Event occurs due to actual or proposed delisting of the relevant Listed Entity or withdrawal of admission to trading status or grant of quotation or suspension of trading or quotation, and the Underlying Security cannot be transferred to the Holder, then the Holder will receive a Liquidated Damages Amount. Some of the events which could lead to an Early Maturity Date are intended to allow the Holder the flexibility they need to make their own decisions in takeovers or other corporate actions.

If Commonwealth Bank nominates an Early Maturity Date, then Holders will be able to make the same choices that would have been available to them at the Maturity Date as summarised in section 2.4(a).

(ii) What are Extraordinary Events?

Commonwealth Bank may, with the consent of the ASX, treat the occurrence of any of the following events in relation to an Underlying Security or a Series as an Extraordinary Event:

- actual or proposed delisting of the relevant Listed Entity;
- withdrawal of admission to trading status or grant of quotation;
- suspension of trading or quotation;
- a Tax Event; and
- announcement of a commitment (conditional or not) to propose a Scheme or to make a Takeover Bid or a Buy-Back Offer,

except, in the case of a Series, if that delisting, withdrawal or suspension is caused by Commonwealth Bank; and

any other event designated by Commonwealth Bank to be an Extraordinary Event.

2.11 How do I realise my investment in Instalment Warrants?

(a) There are a number of alternatives.

Up to and including the Maturity Date:

- sell the Instalment Warrants on the ASX and receive the prevailing market price for Instalment Warrants; or
- give a valid Completion Notice to Commonwealth Bank and make the Completion Payment to take ownership of the Underlying Securities (see section 2.4(b) for more information).

At the Maturity Date:

See section 2.4(a) for a summary of the choices available to a Holder at the Maturity Date.

(b) How can I transfer my Instalment Warrants? A Transfer:

- may be effected by ASX Settlement in accordance with the ASX Settlement Operating Rules and the Terms, subject to at least a minimum marketable parcel being transferred;
- in all cases, must be a Proper Transfer or a Prescribed Transfer in accordance with the Trust Deed, the Corporations Act and the ASX Settlement Operating Rules (otherwise the Registrar will not register the Transfer); and
- takes effect when the Register is updated.

If the Registrar refuses to register a Transfer, the Holder will be notified within 5 Business Days after the Transfer is lodged (failure to give such notice does not invalidate the refusal to register).

Commonwealth Bank will make the form for a Prescribed Transfer available on request subject to the payment of an administrative fee.

(c) What will happen as a result of the Transfer?

- If you acquire an Instalment Warrant as a Transferee you irrevocably authorise and direct Commonwealth Bank on the Effective Date to apply the Loan Amount as follows for each Instalment Warrant transferred to you:
 - first, to satisfy your obligation to pay the Interest Amount for the remainder of the Interest Period; and
 - the remainder toward repayment of the net amount due by the Transferor to Commonwealth Bank on transfer of the Instalment Warrant.

- If you sell an Instalment Warrant before its Maturity Date, Transfer Costs may be payable by or to you. You irrevocably authorise and direct Commonwealth Bank to set off any refunds of the Interest Amount or Transfer Costs (if any) owed by Commonwealth Bank to you as the Transferor in payment of any Transfer Costs payable by you to Commonwealth Bank (if any) and then in partial repayment of your Loan in respect of the Instalment Warrants transferred to the extent of the refund due. The Interest Amount that Commonwealth Bank will refund to you will be calculated on a pro rata basis based on the number of days remaining in the Interest Period and the Interest Rate applying to your Loan at the time at which the Interest Amount was prepaid. The Transfer Costs will be payable to you if the Interest Amount paid by the Transferee exceeds the Interest Amount refunded to you, and will be equal to the difference. The Transfer Costs will be payable by you to Commonwealth Bank if the Interest Amount refunded to you exceeds the Interest Amount paid by the Transferee, and will be equal to the difference.
- As all amounts will be applied under the Loan Agreement, no Transfer Costs or refund of any Interest Amount will be paid to you.

In other words, each Transfer of an Instalment Warrant will result in the following occurring *automatically* and without any further action required by the transferee or the transferor of the Instalment Warrant:

- transfer of the Beneficial Interest of the transferor in the Underlying Security to the transferee, subject to the Mortgage;
- the Underlying Securities remaining in trust for the benefit of the transferee;
- the transferee receiving a Loan from Commonwealth Bank equal to the current Loan Amount of the Instalment Warrant. The advance made under the Loan will be used to:
 - prepay the Interest Amount for the remainder of the Interest Period; and
 - repay the balance of the transferor's Loan;
- the transferor's Loan being repaid as noted immediately above;
- the transferor's obligation to pay Transfer Costs and any rights to receive Transfer Costs or a refund of the Interest Amount being satisfied; and

the Mortgage remaining in place, but now securing the funds advanced in relation to the new Loan.

Please note that settlement of trades on the ASX takes place on a T+3 basis, or such other basis as set out in the ASX Settlement Operating Rules from time to time. This means that ASX purchasers will generally not appear on the Register as the Holder of the Instalment Warrant until the fourth Business Day (or such other day as required by the ASX Settlement Operating Rules from time to time) following the transaction.

Example of Transfer Costs

Assume that an investor purchased Instalment Warrants with a Loan Amount (at that time) of \$18.75 from another investor who acquired those Instalment Warrants with an Interest Rate of 8.00%p.a. On the Effective Date for the purchase, the time to the next Reset Date was 100 days and the Interest Rate had increased from 8.00%p.a to 9.00%p.a. The Interest Amount payable by the Transferee would be \$0.462 (9.00%p.a. x \$18.75 x 100 / 365) and the refund of interest payable to the Transferor would be \$0.411 (8.00%p.a. x \$18.75 x 100 / 365).

Accordingly, Transfer Costs of \$0.051 (the difference between the two amounts) would be payable by Commonwealth Bank to the Transferor in this example because the Interest Amount is greater than the refund of interest payable to the Transferor. In practice, no cash payments are made as the Transferee's Loan (\$18.75) is applied to pay the Transferee's Interest Amount (\$0.539) and the balance (\$18.211) is applied together with the Transferor's Interest refund (\$0.488) and Transfer Costs (\$0.051) to repay the Transferor's Loan in full.

2.12 What happens if Commonwealth Bank is in default?

Commonwealth Bank has an obligation to deliver the Underlying Securities to you if a valid Completion Notice is received and the Completion Payment paid.

You may give a default notice to Commonwealth Bank if we fail to deliver the Underlying Security to you on the Settlement Date (which will generally be within 20 Business Days after delivery of a valid Completion Notice).

Commonwealth Bank must pay you the Liquidated Damages Amount (if any) within 10 Business Days of the day on which you give us a default notice. The Liquidated Damages Amount is calculated as:

 $A = 1.1 \times S$

where:

- A = the Liquidated Damages Amount;
- S = the aggregate of the values of the items of property comprising the Underlying Security on the date that the valid Completion Notice was given, being:
- where the item of property is traded on the ASX on the relevant date, the Weighted Average Sale Price of that item of property on the ASX;
- otherwise, the value determined by Commonwealth Bank with the consent of the ASX to be the fair market value of that item of property on the relevant date, where the Weighted Average Sale Price is determined by Commonwealth Bank (in its sole discretion), by dividing the total of the sale prices of identical items of property on the ASX on each of the 5 Trading Days immediately following the relevant date (excluding special crossings, option exercises and overseas sales reported on those days) by the number of those items the subject of sales during each of such Trading Days, and then calculating the arithmetic average of such daily volume weighted prices.

Example

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

S (Weighted Average Sale Price) = \$10.00

A = 1.1 x \$10.00

A = \$11.00

You would receive Liquidated Damages of \$11.00 in this example.

3.0 Benefits and risks

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3.1 What are some of the **benefits** of investing in Instalment Warrants?

The potential to earn greater returns than an equivalent unleveraged (ungeared) investment in the Underlying Security due to the leverage (gearing) incorporated in Instalment Warrants.

In other words, Holders will pay less than 100% of the cost of the Underlying Securities but will receive 100% of any and all returns as though they own the Underlying Securities.

- A limited recourse Loan from Commonwealth Bank, which means that you will not be liable for any shortfall to Commonwealth Bank in the event that the market price of the Underlying Security is less than the Completion Payment. Note that any Equalisation Amount will not be subject to the limited recourse provision of the Loan (see section 2.6(b))
- No margin calls. You will not be forced to make an unexpected cash payment at short notice if there is a fall in the price of the Underlying Security.
- The ability to benefit from Dividends (including any related franking credits, subject to eligibility and any withholding for Tax) paid on the Underlying Security and any increase in the market price of the Underlying Security over the life of the Instalment Warrant.

- The ability to pay the Completion Payment for each Instalment Warrant at any time on or before the Maturity Date to take ownership of the Underlying Security. You should note, however, that if you make the Completion Payment early, you will not be entitled to any refund of any Interest Amount prepaid.
- No payments are required to be made by Holders on a Reset Date.
- An investment that may be sold on the ASX on or prior to the Maturity Date.
- If available to you, the ability to release equity from existing shareholdings via a Shareholder Application. Superannuation funds are not eligible to apply as Shareholder Applicants.
- If available to you, the ability to roll an existing Series into a new Series over the same Underlying Security via a Rollover Application. Superannuation funds are not eligible to apply as Rollover Applicants.
- An investment which may be an eligible investment for superannuation funds. Superannuation funds may: (a) refinance into a new Series with a Loan that is equal to or less than the Loan for the existing Series; (b) apply via a Cash Application or purchase Instalment Warrants on the ASX.

3.2 What are some of the risks of investing in Instalment Warrants?

An investment in Instalment Warrants involves a degree of risk. You may lose some or all of the money you invest in Instalment Warrants and accordingly, you should consider all risk factors and obtain your own independent professional legal, taxation and financial advice prior to investing in Instalment Warrants. This section provides a summary of some of the risks that you will be exposed to if you invest in Instalment Warrants, but will not address all of the potential risks associated with Instalment Warrants. Those risks have been divided into two categories:

- risks associated specifically with Instalment Warrants (sections 3.2(a)); and
- ▶ risks associated with any investment (sections 3.2(b)).

Some of the significant risks include the following:

- the value of the Underlying Securities may fall, which would result in the value of Instalment Warrants falling and you may lose some or all of your investment (see section 3.2(a)(i));
- the leverage (gearing) incorporated in Instalment Warrants will magnify any losses that occur (see section 3.2(a)(ii));
- ▶ interest rate risks (see section 3.2(a)(iii));
- potential conflicts of interest for Commonwealth Bank may arise (see section 9.7);
- Commonwealth Bank may exercise any of the discretions it has under the Terms (see section 3.2(a)(v)); and
- ▶ the tax implications of your investment may change.

Summary of risks only - no substitute for independent financial advice

This section provides a summary of some, but not all, of the significant risks that an investment in Instalment Warrants will be exposed to. It does not provide a substitute for independent financial advice that takes into account your particular circumstances.

Experienced investors

You should not invest in Instalment Warrants unless you:

- > are familiar with securities, derivatives and options; and
- > are familiar with leveraged (geared) investment in securities; and
- understand and are comfortable with the risks of investing in Instalment Warrants.

Further advice recommended

An investment in Instalment Warrants involves financial and other risks and is only suitable for you if you fully understand the risks of investing in Instalment Warrants. Before making an investment in Instalment Warrants you should:

- carefully read all of this PDS and the SPDS for the Series you are considering;
- seek independent professional legal, taxation and financial advice to determine whether an investment in Instalment Warrants is right for you; and
- carefully consider the potential benefits and the risks involved in investing in Instalment Warrants in light of your individual circumstances, including your particular investment needs, objectives and financial and taxation circumstances.

Underlying Securities

You are responsible for selecting the Underlying Securities for any Instalment Warrant that you acquire. As such, the performance of any Instalment Warrant will depend mainly on investment decisions made by you. There is a risk that the value of, and returns from, your Instalment Warrants will decrease, potentially to zero. This may occur because of poor performance of a specific Underlying Security, a sector in the financial markets or the share market generally. You should not rely on this PDS or any SPDS as the sole basis for any investment decision in relation to an Instalment Warrant or any Underlying Security, but should obtain relevant information concerning the Underlying Security and, where necessary, obtain independent financial advice.

(a) Risks specific to Instalment Warrants

(i) The market price of Instalment Warrants may rise or fall

The market price of an Instalment Warrant is expected to depend on a number of variables, including those set out in the table below. The table also indicates how the market price of an Instalment Warrant is expected to change given a change in each variable.

Variable	Change in Variable	
Price of the Underlying Security		
Volatility of the Underlying Security		
Time remaining until the Maturity Date	▼	▼
Level of interest rates in Australia		
Dividend paid on the Underlying Security		▼
Future expected dividends on the Underlying Security	•	•

Other factors that may affect the market price of Instalment Warrants include:

- the real or anticipated changes in general economic conditions and the earnings results of the Underlying Security; and
- corporate actions (such as takeovers) associated with the Underlying Security.

There may be simultaneous moves in two or more of the variables listed above.

(ii) Leverage

Losses and gains on Instalment Warrants will be magnified because of the leverage (gearing) incorporated within the Instalment Warrants by the Loan, in comparison with an equivalent unleveraged (ungeared) investment in the Underlying Security. In other words, the value of an investment in an Instalment Warrant will decrease by an amount that is greater than the amount of any decrease in the value of the Underlying Security and Instalment Warrants may expire worthless. More leverage (gearing) means more risk. In other words, a highly leveraged (geared) investment will be exposed to more risk than an equivalent lowly leveraged (geared) investment.

Example

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

Assume you have \$10,000 to invest. We compare an investment in XYZ Underlying Securities trading at \$10.00 with the same dollar investment in Instalment Warrants over XYZ Underlying Securities.

Due to the leverage provided by Instalment Warrants over XYZ, you can purchase a greater quantity giving you a greater exposure to XYZ Underlying Securities, in this case doubling the exposure.

As you can see in the example below, if the share price of XYZ rises, the market price of Instalment Warrants over XYZ will rise, doubling the percentage return when compared to XYZ Underlying Securities.

Equally, if XYZ share price falls, the market price of Instalment Warrants over XYZ will fall doubling the percentage loss when compared to XYZ Underlying Securities.

Investment in XYZ Underlying Securities	versus XYZ Instalment Warra	nts
Assumptions		
Investment Amount		\$10,000
XYZ Underlying Security Price		\$10.00
Instalment Warrant Details		
XYZ Instalments Market Price		\$5.00
XYZ Completion Payment (Loan)		\$6.00
Leverage		60%
	XYZ Underlying Securities	XYZ Instalment Warrants
XYZ Underlying Security Price	\$10.00	\$5.00
Leverage	no leverage	60%*
Quantity Consideration	1,000 \$10,000.00	2,000 \$10,000.00
Underlying Security Price Rises to \$11.00	φ10,000.00	\$10,000.00
	XYZ Underlying Securities	XYZ Instalment Warrants
Underlying Security Price	\$11.00	\$6.00
Value Gain/Loss	\$11,000.00 \$1,000.00	\$12,000.00 \$2,000.00
Return	10%	\$2,000.00 20%
Leverage	no leverage	55%
Underlying Security Price falls to \$9.00		
	XYZ Underlying Securities	XYZ Instalment Warrants
Underlying Security Price	\$9.00	\$4.00
Value	\$9,000.00	\$8,000.00
Gain/Loss	-\$1,000.00	-\$2,000.00
Return	-10%	-20%

* 60% leverage (Completion Payment/Security Price)

This example is for illustrative purposes only and assumes the price of the Instalment Warrant and the price of the Underlying Security will move on a 1:1 basis. It does not take into consideration changes in other variables such as volatility or interest rates.

In the case of Instalment Warrants, the extent of leverage (gearing) at any point in time is determined by dividing the

Loan Amount by the market price of the Underlying Security. Importantly, this means that the extent of the leverage (gearing) incorporated in an Instalment Warrant, and therefore the degree of risk that an investment in Instalment Warrants will be exposed to, will change as the market price of the Underlying Security changes. The initial gearing levels shown for a Series of Instalment Warrants in the Summary Table of Instalment Warrants in an SPDS are only valid on the date of the SPDS for that Series. It is possible that the extent of leverage (gearing) incorporated in an Instalment Warrant will change materially over the life of that Instalment Warrant.

Example

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

How to calculate the leverage of an Ir	nstalment Warrant	
Leverage = (Completion Payment / Price	e of Underlying Securities) * 100	
How the leverage of an Instalment Warrant changes as the price of Underlying Securities moves		
Underlying Security Price	Completion Payment	Leverage
Underlying Security Price \$10.00	Completion Payment \$6.00	Leverage 60%
		U

(iii) Interest rates may change

As the Interest Rate for Instalment Warrants is only fixed until the next Reset Date, the Interest Rate for subsequent Interest Periods may be higher or lower than the Interest Rate for the current Interest Period. If there are no further Reset Dates, the Interest Rate will be fixed until the Maturity Date.

(iv) Potential conflicts of interest

You should be aware that Commonwealth Bank may hedge its economic exposures in relation to Instalment Warrants, although it is not obliged to. Those hedging activities may be conducted in securities, futures contracts, options or other derivatives related to the Underlying Security. Commonwealth Bank may effect or unwind a substantial part of its hedging positions at any time during the term of an Instalment Warrant, including as it approaches its Maturity Date. Such hedging activities may adversely affect the value of the Underlying Security and the Instalment Warrants.

Other conflicts of interest may also arise in relation to Instalment Warrants. See section 9.7 for information on further potential conflicts of interests and other activities of members of Commonwealth Bank Group.

(v) Commonwealth Bank's discretion

The Terms confer discretion on Commonwealth Bank to make decisions which could adversely affect the value of your Instalment Warrants in a number of circumstances. These include the discretion to:

- bring the Maturity Date forward on the occurrence of an Extraordinary Event or declare a Reset Date to be an Early Maturity Date, so that you may be forced to relinquish your Instalment Warrants at a time when you do not wish to, or you may need to source funds to make the Completion Payment earlier than expected if you wish to acquire the full legal title to the Underlying Securities (see section 2.10 for more information);
- determine what adjustments may be appropriate to your Instalment Warrants in the case of a corporate action (see section 2.10 for more information); and
- vary or make any adjustments to the Terms without your consent (see section 9.2(h) for more information). You do not have the power to require Commonwealth Bank to obtain your consent, consult with you, or otherwise give any direction to it, in relation to the exercise of any of its discretions. Commonwealth Bank will be required to obtain the consent of ASX before it may exercise its discretions in some circumstances.

(vi) Dividends

The amount of any Dividends payable on any Underlying Securities is beyond the control of Commonwealth Bank and Commonwealth Bank makes no representation as to the amount of any Dividends which may be payable. Dividends may not always be payable in a given year and the amount may be less than the Interest Amounts for a particular year.

(vii) Entitlement to franking credits

Your entitlement to franking credits is subject to certain conditions being satisfied. Failure to satisfy these conditions may deny you the benefit of any franking credits that may be attached to any Dividends you receive in relation to your Instalment Warrants. In particular, your entitlement to franking credits will be denied if you do not maintain sufficient ownership risk in the Underlying Security for the minimum period required by Tax law (see section 5 for more information).

(viii) Non-provision of a TFN/ABN

If a Special Dividend is paid and you have not provided your TFN or ABN or you are not an Australia tax resident, you will be required to immediately pay an Equalisation Amount to Commonwealth Bank (see section 2.6(b) for more information).

In addition, if you are a not a resident of Australia, the Trustee is obliged to pay or withhold any Tax with respect to Dividends paid on Underlying Securities and pay it to the ATO (see section 2.6(a) for more information).

(ix) Counterparty risk - Commonwealth Bank

The value of the Instalment Warrants depends on, among other things, the ability of Commonwealth Bank to perform its obligations in accordance with the Trust Deed. Those obligations include:

- arranging the transfer of the Underlying Security to the Holder after the Maturity Date (or paying the Liquidated Damages Amount as noted in section 2.12); and
- selling the Underlying Securities pursuant to the Mortgage, and distributing the proceeds of that sale in accordance with the Priority Order, if the Holder fails to give a valid Completion Notice when required (see section 2.3 for more information).

The financial performance and position of Commonwealth Bank may affect its ability to perform its obligations.

Instalment Warrants are not bank deposits with or liabilities of Commonwealth Bank and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. Commonwealth Bank does not guarantee any particular rate of return or the performance of the Instalment Warrants, nor does it guarantee the repayment of capital from the Instalment Warrants.

The value of an Instalment Warrant depends on, amongst other things, the ability of Commonwealth Bank to fulfil its obligations under the Instalment Warrants.

Any obligations of Commonwealth Bank to make payments in respect of the Instalment Warrants are unsecured obligations of Commonwealth Bank and are not deposit liabilities of Commonwealth Bank and are not guaranteed by any other party. If Commonwealth Bank is wound up, these obligations would rank equally with other unsecured obligations of Commonwealth Bank and ahead of subordinated debt and obligations to shareholders but after all deposit liabilities of Commonwealth Bank and other than liabilities preferred by law. In this regard section 13A(3) of the Banking Act provides that if Commonwealth Bank becomes unable to meet our obligations, the assets of Commonwealth Bank in Australia are to be used to meet our deposit liabilities in Australia in priority to all other liabilities of Commonwealth Bank (which include any obligations of Commonwealth Bank in respect of the Instalment Warrants).

Section 7 includes information about Commonwealth Bank. You must, however, make your own assessment of the ability of Commonwealth Bank to meet its obligations in respect of Instalment Warrants.

The performance by Commonwealth Bank of our obligations under the Instalment Warrants is not guaranteed by the ASX, the National Guarantee Fund, ASX Clear or any other person.

The rights of Holders against Commonwealth Bank in respect of Instalment Warrants are set out in the Trust Deed. Commonwealth Bank only has those obligations set out or provided for in the Trust Deed, and does not otherwise owe contractual, fiduciary or other obligations or liabilities to Holders. Accordingly, any profits earned and any losses incurred by Commonwealth Bank, the Administrator and their associates, in relation to Instalment Warrants, the Underlying Security, other warrants, derivatives or other products accrue entirely to those parties, without any claim to or interest in them by Holders or other persons.

(x) Counterparty risk - Trustee

The value of the Instalment Warrants depends on, among other things, the ability of the Trustee to perform its obligations in accordance with the Trust Deed.

The Trustee (Share Direct Nominees Pty Limited) is a wholly owned subsidiary of Commonwealth Bank. It is not an authorised deposit-taking institution for the purposes of the Banking Act, and its obligations do not represent deposits or liabilities of Commonwealth Bank. Commonwealth Bank does not guarantee or otherwise provide any assurance in respect of the obligations of the Trustee.

The Trustee is obliged or permitted under the Trust Deed in certain cases to sell trust property, including to Commonwealth Bank, at prices determined by reference to the market. The Trustee is also permitted to sell trust property relating to more than one Instalment Warrant as part of the one transaction. Dealing with Commonwealth Bank, and dealing with aggregated trust property, might result in proceeds that would be different if the Trustee had dealt with a different counterparty or in respect of the trust property of a single Holder only or both.

(xi) Trading risks

A. Possible illiquidity of ASX trading

There is no accurate indication as to the extent to which the Instalment Warrants will trade on the ASX, nor is there sufficient evidence to determine definitively whether that market will be liquid or illiquid. Commonwealth Bank or a Commonwealth Bank Entity will conduct market making activities in relation to the Instalment Warrants by the provision of bids and offers made in a spread around the prevailing market price to help ensure liquidity in the market for the Instalment Warrants in accordance with the ASX Operating Rules.

There are no spread or quantity obligations applied to the market making requirements. Market making activities will be subject to competitive pressures and in times of extreme volatility, the ability of market markers to maintain a market will be put under stress. You should be aware that in these situations, the presence of suitable quotes cannot be assured. Further, the liquidity of an Instalment Warrant may be affected by the liquidity of the Underlying Security to which it relates and there is a risk that you may not be able to sell your Instalment Warrants for the price you prefer to sell in the market, due to there being insufficient orders to buy Instalment Warrants, or the price is lower than your sell price.

- B. Suspension of trading in Instalment Warrants Trading in Instalment Warrants on the ASX may be halted or suspended by the ASX in accordance with the ASX Operating Rules. This may occur, for example, whenever the ASX deems such action appropriate to protect investors or if Commonwealth Bank fails to comply with the ASX Operating Rules or the Terms.
- C. Suspension of trading in, or de-listing of, Underlying Securities.

Trading in Underlying Securities on the ASX may be halted or suspended by the ASX in accordance with the ASX Operating Rules. This may occur, for example, whenever the ASX deems such action appropriate to protect investors.

Except where it constitutes an Extraordinary Event, a suspension in trading, de-listing or withdrawal of trading status in relation to the Underlying Security will not affect the validity of the Instalment Warrants, or in any way affect the obligations of Commonwealth Bank under the Instalment Warrants, unless the Instalment Warrants themselves consequently have their trading status withdrawn or are suspended.

D. Deferred settlement

A Series may, if so specified in the SPDS for the Series, commence quotation on the ASX initially on a Deferred Settlement basis. The SPDS will specify the date on which normal trading of the Instalment Warrants on the ASX is expected to begin. Instalment Warrants may also trade on a Deferred Settlement basis at other times throughout their term.

(xii) Taxation Considerations

The taxation considerations summarised in section 5 of this PDS are of a general nature only and are based on a number of assumptions which are set out in that section. In considering the potential taxation outcomes of investing in Instalment Warrants, it is important that you consider the applicability of those assumptions in relation to your investment in Instalment Warrants. The taxation outcome of investing in Instalment Warrants depends on your individual circumstances and Commonwealth Bank recommends you seek independent taxation advice which takes into account your personal circumstances before making any investment decision. There is some risk that Tax laws may not be enacted as anticipated, or Tax laws may have a retrospective effect. Refer to the Tax Opinion for further information.

(xiii) Takeover bids

If a takeover offer is made for a Listed Entity, the Trustee will not accept the offer in respect of the Underlying Securities. Although a Holder may elect to complete early, Commonwealth Bank gives no assurance that Underlying Securities acquired by a Holder as a result of the completion of Instalment Warrants will be able to participate in any takeover offer for the relevant Listed Entity. Commonwealth Bank does not undertake to do anything other than to enable an exercising Holder to take delivery of the Underlying Security in accordance with the Trust Deed.

The Maturity Date for the Instalment Warrants is not affected by any takeover offer for the Underlying Security unless Commonwealth Bank declares an Early Maturity Date. Commonwealth Bank has no obligation to do so.

(xiv) National Guarantee Fund (not a guarantor in all cases)

If an Instalment Warrant has been acquired through the ASX, you may claim against the National Guarantee Fund if your broker fails to complete a purchase or sale of an Instalment Warrant. You cannot make a claim against the fund for loss caused by an investment decision, or by Commonwealth Bank's failure to issue an Instalment Warrant or to meet its settlement obligations arising from the lapse or exercise or expiry of an Instalment Warrant.

(b) General risks

(i) Investment decisions

It is impossible in a document of this nature to take into account the investment objectives, taxation or financial situation and particular needs of each potential investor. Accordingly, nothing in this PDS is a recommendation by Commonwealth Bank or any other person concerning investment in Instalment Warrants or any other security. You should not rely on this PDS as the sole basis for any investment decision in relation to Instalment Warrants, the Underlying Securities, shares in Commonwealth Bank or any other security. You should assess whether an investment in the Instalment Warrants is appropriate for you having regard to your own investment objectives, financial situation and needs and should seek independent financial, legal and taxation advice before making a decision whether to invest.

Owing to the nature of Instalment Warrants, this PDS does not purport to make any statement or representation about the prospects and risks of investing in the Underlying Securities, either at the date of this PDS or in the future.

(ii) General market conditions

General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the market price of Instalment Warrants. These risks are generally applicable to any investment on the ASX or any other stock market. It is possible that the impact of these matters on Instalment Warrants will differ from their impact on the price of the Underlying Securities.

(iii) Change of law

Changes to laws or their interpretation, or government administrative practices, in Australia including taxation and corporate regulatory laws and practices could have a negative impact on the returns of an Instalment Warrant.

4.0 Fees and other costs

Contents

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4.1 Interest

IA

Holders will effectively pay the portion of the Interest Amount that is referrable to the period of time they are the Holder of an Instalment Warrant. This will be effected through the transfer or reset mechanics for Instalment Warrants. See section 2.2(d) for information on Interest Amount, section 2.3 for information on resets and section 2.11(c) for information on the transfer mechanics.

Example of refund of Interest

This example is illustrative only and does not in any way represent the actual amounts that may apply to an Instalment Warrant. This example is not a projection, indication or forecast of any amount and actual amounts may be significantly different to those set out in this example.

An Instalment Warrant over XYZ Underlying Securities has the following details:

Completion Payment (loan Amount)	= \$20.00
Next Reset Date	
(or the Maturity Date) (as applicable)	= 30 June 2015
Interest Rate at 1 October 2014	= 8%
Interest Period	= 272 days

On 1 October 2014, XYZ Underlying Securities are trading at \$38.00. The Interest Amount paid as part of the acquisition price of the XYZ Instalment Warrant is:

= 0.08 x \$20.00 x 121 / 365

= \$0.53 (rounded to the nearest cent)

Two months later on 1 May 2012, XYZ Underlying Securities are trading at \$42.00. You decide to sell your Instalment Warrant over XYZ Underlying Securities and receive an interest refund as part of your sale proceeds. Assuming that the Interest Rate is still 8%, the refund amount will be:

Refund	= 8% x \$20.00 x 272 / 365
Interest	= \$1.19 (rounded to the nearest cent)

Two months later on 1 December 2014, XYZ Underlying Securities are trading at \$42.00. You decide to sell your Instalment Warrant over XYZ Underlying Securities and receive an interest refund as part of your sale proceeds. Assuming that the Interest Rate is still 8%, the refund amount will be:

4.4	GST and other Taxes	32
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Refund Interest = $8\% \times 20.00 \times 211/365$ = 0.92 (rounded to the nearest cent)

Therefore the interest cost of holding the Instalment Warrant from 1 October 2014 to 1 December 2014 was \$0.27 (being \$1.19 - \$0.92).

You will not receive a refund of interest. Instead, Commonwealth Bank will set off any refunds of the Interest Amount owed to you in partial repayment of your Loan. Refer to section 2.11(c).

4.2 Adviser fees

Commonwealth Bank recommends that you seek independent financial advice if you are considering an investment in Instalment Warrants. If you are an Applicant, and you have an agreement with your Adviser to pay them an Adviser Fee (as specified by you in the Application Form) for the financial product advice they have provided to you, then at your direction:

- Commonwealth Bank will collect that Adviser Fee from you and pay it to the Adviser Group on your behalf.
- the Adviser Group will pay the Adviser Fee to your Adviser on your behalf.

The Adviser Fee is payable:

- for Cash Applications in cleared funds, in addition to the First Instalment (which includes the Interest Amount);
- for Shareholder Applications out of the Cashback Amount (if any). If your Cashback Amount is insufficient to pay the Adviser Fee in full, you will be required to make a further cash payment to Commonwealth Bank for that shortfall;
- for Rollover Applications out of the Rollover Cashback (if any). If your Rollover Cashback is insufficient to pay the Adviser Fee in full, you will be required to make a further payment to Commonwealth Bank for that shortfall. The Adviser Fee is also payable in addition to any Rollover Payment.;
- for Refinance Applications in cleared funds in addition to the Refinance Payment.

4.3 Brokerage and other transfer fees

If you buy or sell an Instalment Warrant on the ASX, in addition to any amount you may have to pay to acquire the Instalment Warrant, your broker may charge you a brokerage fee for that purchase.

4.4 GST and other Taxes

If Commonwealth Bank or the Trustee become liable as a supplier to pay GST under the GST Legislation, the supplier may add an amount in respect of that GST to the agreed amount payable for the affected supply.

Where the Trustee receives a demand or assessment for any Tax in respect of your Instalment Warrants, Underlying Securities or Mortgage, Commonwealth Bank may pay that amount and you must immediately pay an amount equal to such Tax to Commonwealth Bank.

4.5 Other costs

If you do nothing on the Maturity Date, or Commonwealth Bank enforces its Mortgage in respect of your Instalment Warrants, other fees, costs and expenses incurred in connection with the sale of the Underlying Security (i.e. any brokerage, Tax or other transaction costs) must be paid by you.

If you elect to make any payment by direct debit, a processing fee may be payable if there are insufficient funds in your nominated account.

Transfer Costs will be payable to you if the Interest Amount paid by the Transferee exceeds the Interest Amount refunded to you, and will be equal to the difference between those amounts. The Transfer Costs will be payable by you to Commonwealth Bank if the Interest Amount refunded to you exceeds the Interest Amount paid by the Transferee, and will be equal to the difference between those amounts.

5.0 Tax considerations

9 December 2014

CLAYTON UTZ

Confidential

The Directors Commonwealth Bank of Australia Level 23 Darling Park 1 201 Sussex Street SYDNEY NSW 2000

Dear Sirs

Commonwealth Bank Instalment Warrants

You have asked us to advise Commonwealth Bank of Australia (**Commonwealth Bank**) in relation to the main Australian income tax, goods and services tax (**GST**) and stamp duty implications for Holders who acquire Instalment Warrants on the ASX or who apply for Instalment Warrants pursuant to the PDS dated on or about 10 December 2014.

This advice is provided only for the benefit of the Commonwealth Bank and may not be relied upon by any other person. As the taxation implications for each Holder may be different, each prospective Holder should obtain their own independent professional taxation advice on the full range of taxation implications applicable to their own individual facts and circumstances.

This advice is based on Australian taxation laws in force and administrative practices generally accepted as at the date of the PDS. Any of these may change in future without notice and legislation introduced to give effect to announcements may contain provisions that are currently not contemplated. Future changes in taxation laws, their interpretation or associated administrative practices could affect the taxation treatment of the Instalment Warrants.

The summary contained in this advice is of a general nature only and does not address all of the taxation consequences for a prospective Holder. In particular, the summary does not address the taxation consequences of corporate actions in relation to the Underlying Securities.

Unless otherwise defined in this advice, all capitalised terms used in this advice have the meaning given to them in the PDS. All legislative references in this advice are to provisions of the *Income Tax* Assessment Act 1936 or the *Income Tax Assessment Act* 1997 (together, the **Tax Act**).

1. Assumptions

This summary of taxation implications assumes:

- (a) the Holder is an Australian resident for tax purposes;
- (b) the Holder is one of the following:
 - (i) an individual;
 - (ii) a superannuation fund with assets of less than \$100 million; or
 - a non-financial entity with an annual turnover of less than \$100 million, financial assets of less than \$100 million and total assets of less than \$300 million;

GPO Box 9806 Sydney NSW 2001 DX 370 Sydney

rectors, Co	mmonwealth Bank of	Australia	9 December 20
(c)	person who is car	ld the Instalment Warrants on cap rrying on a business of either trad course of which the Holder regular	ing in securities or investing
(d)	at all times the Tr of the Separate T	ustee will be an Australian resider rust will be in Australia;	nt and management and con
(e)	the Instalment Wa	arrants will be denominated in Au	stralian dollars;
(f)	the Underlying Se	ecurities will be either:	
	(i) ordinar purpos	ry shares in a company that is an ses; or	Australian resident for tax
	benefic	n a unit trust that is a resident trus ciaries (treating associates as a si nit trust for the purposes of Sched	ngle beneficiary) and is a win
	that are listed on t	the ASX;	
(g)	no person (togeth Securities of any I	er with their associates) will hold Listed Entity;	20% or more of the Underlyi
(h)	to less than 75% of	dings of Underlying Securities in a of the total issued Underlying Sec es as a single holder);	any Listed Entity will be entitl urities of that Listed Entity
(i)	it is expected that Underlying Securi	assessable distributions will be n ities;	nade in respect of the
(j)	the Trustee will no other than acquiri	ot enter into any positions in relati ng legal title;	on to the Underlying Securiti
(k)	the Underlying Se	t enter into any positions in relatio ecurities other than the Loan, and erest and Loan will be greater than and	the "delta" of the combinatio
(1)	Commonwealth B transactions the T Commonwealth B	e Holder enters into with the Com ank Entities in relation to the Insta rustee (in its capacity as such) er ank or Commonwealth Bank Entit at prevailing market prices and of	alment Warrants, and all hters into with the ties in relation to the Underly

a particular Holder. Any Holder that does not meet the assumptions may have different tax consequences and each Holder should obtain their own independent taxation advice.

2. Tax reform

On 17 January 2011, the previous Government announced that it will amend the Tax Act to treat an investor in instalment warrants meeting certain requirements as the owner of the underlying asset for all income tax purposes.

The Directors, Commonwealth Bank of Australia

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The terms of the proposed changes are set out in the consultation paper headed "Income Tax Treatment of Instalment Warrants Proposals Paper" dated 10 March 2010 (**Proposals Paper**) and in the Assistant Treasurer's Media Release 8/2011 dated 17 January 2011. The relevant requirements should be met by an instalment warrant over underlying securities comprising listed or widely held shares or units, where the loan is compliant with sections 67A and 67B of the SIS Act (relevant for superannuation fund investors only).

On 14 December 2013, the current Government announced that it will proceed with the proposed amendments.

The discussion in this advice is based on the assumption that the abovementioned changes will be enacted in the terms announced and that, under the proposed provisions, the Holder should be treated as the owner of the Underlying Securities as against the Trustee for the purposes of the Tax Act. In those circumstances the taxation consequences outlined in this advice should apply to the Holder.

However, if Exposure Draft legislation is not released or enacted in the terms announced, the taxation implications arising from an investment will be different to those discussed below (as the ATO will likely take the view that the Holder is not absolutely entitled to the Underlying Securities as against the Trustee). A high level summary of the potential taxation consequences for Holders in these circumstances is set out in paragraph 13 below. If the Exposure Draft legislation is not released or enacted in the terms announced, the Holder should consult with their own taxation advisor and obtain comprehensive advice on the taxation implications of investing in the Instalment Warrants.

The ATO has stated that, up until the time of enactment of the proposed changes, it will accept tax returns as lodged and will not take any compliance action (see Tax Relief for Investors in Instalment Warrants at https://www.ato.gov.au/General/New-legislation/In-detail/Super/Tax-relief-for-investors-in-instalment-warrants/). The Holder is solely responsible for obtaining advice in relation to the proposed changes, and should not rely on the Commonwealth Bank or its advisors to remain informed regarding any changes to the Tax Act.

3. Interest

3.1 Deductibility of interest amount

To the extent that the Loan Amount is used to:

- (a) acquire Underlying Securities from which the Holder expects to derive assessable Dividend income; and/or
- (b) prepay the Interest Amount,

the Holder should be entitled to a deduction for the Interest Amount incurred, reduced by an amount that is reasonably attributable to the cost of capital protection.

The amount that is reasonably attributable to the cost of capital protection will be equal to the excess (if any) of:

- (a) the Interest Amount; over
- (b) the interest that would have been paid on the Loan Amount at the "benchmark rate" at the time the Interest Amount was incurred.

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This amount will not be deductible. This amount will be treated as the cost of acquiring a notional put option (see paragraph 4.2 below).

The "benchmark rate" is the Reserve Bank of Australia's indicator lending rate for standard variable housing loans, plus 100 basis points. The benchmark rate as at October 2014 was 6.95%.

The purpose for which the Instalment Warrant is acquired will be a matter determined according to the Holder's individual circumstances. To the extent that any part of the Loan Amount is applied for non-assessable income producing purposes or to acquire assets for the sole purpose of deriving capital gains, some interest may not be allowed as a deduction. If the Holder is a Shareholder Applicant or a Rollover Applicant, the deductibility of the Interest Amount as referred to above should not be affected provided that the Cashback Amount or the Rollover Cashback (as applicable) is used by the Holder to acquire further Instalment Warrants, or for other assessable income producing (non-capital gains) purposes.

The ATO is currently reviewing the deductibility of interest on various investment loans in particular where the deductions for interest expenses exceed assessable income (see in particular the ATO Compliance Program Current Areas of Focus at http://www.ato.gov.au/General/Tax-Planning). As a result, there remains a residual risk that some part of an Interest Amount may be denied deductibility in those circumstances. Accordingly, the Holder should seek independent advice on the deductibility of the Interest Amount in the Holder's particular circumstances.

3.2 Timing of deductions

A deduction for the prepaid Interest Amount should be allowed in the income year in which it is incurred only if it is less than \$1,000 or if all of the following are satisfied:

- the Holder is either an individual who incurs the interest otherwise than in the course of carrying on a business or a small business entity (with a turnover of less than \$2 million per annum) that does not elect for the deduction to be apportioned;
- (b) the Interest Period is 12 months or less and ends before the end of the following income year; and
- (c) the Underlying Securities are shares in a listed company or units in a unit trust that has 300 or more beneficiaries and is a widely held unit trust for the purposes of Schedule 2F of the Tax Act.

In all other circumstances (for example where the Interest Period is more than 12 months), any deduction for the prepaid Interest Amount will be apportioned on a straight line basis over the Interest Period.

The Interest Period will start on the date the Holder acquires an Instalment Warrant (being the Effective Date) and will end on the next Reset Date (or, if there are no further Reset Dates, the Maturity Date). Consequently, the Holder may be entitled to deduct the Interest Amount at the time it is incurred (that is, at the time of payment, including by way of capitalisation to the Loan Amount), provided that the Interest Period to which it relates is 12 months or less and the other conditions above are also satisfied.

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3.3 Refund of interest amount if there is a transfer of the instalment warrants

When the Holder sells an Instalment Warrant before the Maturity Date, the Commonwealth Bank will refund part of the Interest Amount prepaid by the Holder and that refund will be used by Commonwealth Bank in partial satisfaction of the Holder's Loan (see clause 1.8 of the Loan). Any such refund of the prepaid Interest Amount will be included in the Holder's assessable income pro-rata to the extent that the Holder was previously entitled to a deduction for the Interest Amount as outlined in paragraphs 3.1 and 3.2 above on a pre-paid basis. That is, the Holder should be assessable on the portion of the refunded Interest Amount previously claimed as a deduction.

4. Acquisition of instalment warrants

4.1 Acquisition of instalment warrants

Purchase on the ASX

Where the Holder acquires an Instalment Warrant on the ASX, the Holder will acquire the Beneficial Interest in the Underlying Security on the contract date for transfer of the Instalment Warrant. The Holder's cost base in that asset will be equal to the sum of the price paid to acquire the Instalment Warrant and the Loan Amount, less the Holder's Interest Amount (plus certain incidental costs of acquisition).

Cash Application

Where the Holder is a Cash Applicant, the Holder will acquire the Beneficial Interest in the Underlying Security on the Effective Date. The Holder's cost base in that asset will be equal to the First Instalment and the Loan Amount, less the Holder's Interest Amount (plus certain incidental costs of acquisition).

Shareholder Application

Where the Holder is a Shareholder Applicant, the transfer of the Security that will comprise the Underlying Security to the Trustee will not give rise to a disposal of that Security for capital gains tax (**CGT**) purposes. On this basis, the original acquisition date and original cost base in the Beneficial Interest in the Underlying Security will remain unchanged for the Holder. The abovementioned CGT treatment is based on the assumption that the proposed changes (as detailed in paragraph 2 under the heading "Tax Reform") are enacted in the terms announced whereby the Holder is treated as the owner of the Underlying Securities as against the Trustee. As set out in paragraph 2, the ATO has confirmed that up until the proposed changes are enacted, it will accept tax returns as lodged (ie, it will accept tax returns lodged on the basis that there is no disposal of the Security by the Shareholder Applicant to the Trustee) and will not take any compliance action. Please refer to paragraph 12.6 for a discussion of the tax consequences if the reforms are not enacted in the terms announced.

Rollover Application

If on the Maturity Date, a Holder (other than a Holder who is a superannuation fund) rolls an existing Series into a new Series, this will not give rise to a disposal of the Underlying Security for CGT purposes. On this basis, the original acquisition date and original cost base in the Beneficial Interest in the Underlying Security will remain unchanged for the Holder.

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Refinance Application

If on the Maturity Date, a Holder who is a superannuation fund refinances an existing Series into a new Series, this will not give rise to a disposal of the Underlying Security for CGT purposes. On this basis, the original acquisition date and original cost base in the Beneficial Interest in the Underlying Security will remain unchanged for the Holder.

4.2 Notional put option

To the extent that any part of the Interest Amount incurred by a Holder is treated as a cost of capital protection, the Holder will also be treated as having acquired a notional put option (see discussion at paragraph 3.1 above). The notional put option will be a CGT asset acquired on the date of acquisition of the Instalment Warrant. The cost base of this asset will be equal to any part of the Interest Amount incurred by the Holder that is reasonably attributable to the cost of capital protection as set out in section 3.1. The cost base will be relevant in the circumstances set out in paragraphs 6, 7 and 9.

4.3 Modifications to cost base of Underlying Securities

Where the Underlying Security is a unit in a unit trust (other than a public trading trust or a corporate unit trust) and the Holder receives a tax deferred distribution (see below at 5.4), the amount of the distribution may reduce the Holder's cost base in the Beneficial Interest in the Underlying Security.

Where the Underlying Security is partly paid, the Holder's cost base in the Beneficial Interest in the Underlying Security will also include the amount of any call made in respect of its issue price which is satisfied by increasing the Loan Amount and applying the funds for this purpose.

If the Holder sells an Instalment Warrant on the ASX or gives a Completion Notice, repays the Loan and obtains legal title to the Underlying Security, any stamp duty and other incidental costs of transfer will also be included in the cost base of the Underlying Security (see below at paragraphs 6 and 7).

If the limited recourse provisions of the Loan are relied upon, any notional put option will be treated as having been exercised. In these circumstances, the cost base of the notional put option will be included in the Holder's cost base in the Beneficial Interest in the Underlying Security disposed of (see below paragraph 8.1).

4.4 Adviser Fee

If a Holder agrees to pay their Adviser an Adviser Fee for financial product advice obtained in connection with their acquisition of an Instalment Warrant, the Adviser Fee should be included in the Holder's cost base in the Beneficial Interest in the Underlying Security.

Where the Adviser Fee is paid out of the Cashback Amount (for a Shareholder Applicant) or the Rollover Cashback (for a Rollover Applicant), this should not affect the deductibility of the Interest Amount on the Loan Amount (as discussed at paragraph 3 above).

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5. Holding Instalment Warrants

5.1 Dividends and franking credits

Dividends and Special Dividends paid in respect of the Underlying Securities during the term of the Instalment Warrants will be included in the Holder's assessable income, regardless of whether the Dividends or Special Dividends are received in cash or applied against the Holder's Loan Amount.

Provided the Holder is a "qualified person" (see paragraph 5.2 below) in respect of the Dividend or Special Dividend and none of the imputation anti-avoidance provisions apply (see paragraphs 5.3 and 10), the Holder's assessable income will also include any franking credits attaching to the Dividend or Special Dividend, and the Holder will be entitled to a tax offset equal to the amount of franking credits attaching to the Dividend or Special Dividend. This tax offset may be applied against the Holder's tax liability for the relevant income year.

Note that if the Holder has a delta of less than 0.3, the Holder may not be entitled to any franking credits. The delta of the Holder's investment will change over time. A delta of less than 0.3 may occur if the Holder has a high leverage level, grants a call option over the Underlying Securities or if there is a significant change in the value of the Underlying Securities.

If the Holder is a resident individual or complying superannuation fund that receives franking tax offsets in excess of its tax liability, the Holder should be entitled to a refund of those excess tax offsets. If the Holder is a company, it will not be entitled to a refund of any excess franking tax offsets, but may convert any excess tax offsets into tax losses. If the Holder is a company, it will also credit its franking account with the amount of any franking credits received.

If the Holder is not a "qualified person", or the imputation anti-avoidance provisions apply, the Holder will not be entitled to a tax offset as outlined above and will not be subject to tax on the amount of franking credits attaching to the Dividends or Special Dividends.

5.2 Qualified persons

The Holder will be a "qualified person" in respect of a Dividend or Special Dividend paid on an Underlying Security if the Holder has held its interest in the Underlying Security "at risk" for a continuous period of at least 45 days (excluding the days of acquisition and disposal of that interest) during the period commencing on the day after the day the Holder acquired its interest in the relevant Underlying Security, and ending on the 45th day after the ex-date for that Dividend or Special Dividend.

If the Holder is under a related payment obligation in relation to a particular Dividend or Special Dividend (broadly, an obligation to pay away the benefit of the distribution received), the 45-day rule is modified so that the relevant holding period instead commences on the 45th day before the ex-date for that Dividend or Special Dividend.

For the purposes of determining whether an interest in an Underlying Security has been held for 45 days or more, any days on which the Holder has materially diminished risks of loss or opportunities for gain in relation to the Underlying Security will be excluded (but will not break the continuity of the ownership period). For these purposes, the Holder's risk of loss or opportunity for gain will be taken to have been materially diminished on any day that the Holder's net position in relation to the Underlying Security has a "delta" of less than 0.3.

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The net delta of an Instalment Warrant will vary throughout its term as a result of change in a number of variables, including the price of the Underlying Security, Dividends and/or Special Dividends, and volatility. Provided that neither the Holder nor the Trustee acquire any further positions in relation to the Underlying Securities, the net delta of the Holder's position will be calculated only on the date of acquisition of the Instalment Warrants and, if the Holder is under a related payment obligation, on the 45th day prior to the ex-date for the relevant Dividend.

Regardless of the Holder's actual economic exposure to the Underlying Securities, the Holder may be a "qualified person" if the Holder is an individual, is not under a related payment obligation and the Holder's franking tax offset entitlements in any given income year do not exceed \$5,000.

The discussion above assumes that the changes to the Tax Act set out in paragraph 2 above are enacted in the terms announced. If they are not, the Holder should note that it is likely that the ATO will form the view that the Holder is not absolutely entitled to the Underlying Securities as against the Trustee or does not otherwise have a vested and indefeasible interest in the Underlying Securities.

The consequence would be that the Holder would not be entitled to the franking credits unless the Holder's franking tax offset entitlements in any given income year are less than \$5,000 (refer to discussion above). The Holder is solely responsible for obtaining advice in relation to the proposed changes, and should not rely on the Commonwealth Bank or its advisors to remain informed regarding any changes to the Tax Act.

5.3 Imputation anti-avoidance provisions

Specific anti-avoidance provisions apply to prevent inappropriate streaming and trading of franking credits. The rules may apply to an arrangement, including an Instalment Warrant, if a party to the arrangement has a more than incidental purpose of enabling a taxpayer to obtain franking tax offsets in connection with a distribution.

If applicable, the rules allow the Commissioner of Taxation (**Commissioner**) to deny a franking tax offset to which a Holder is otherwise entitled.

Whether the Holder or the Commonwealth Bank has a more than incidental purpose of ensuring the Holder obtains such benefits will depend upon the Holder's individual facts and circumstances including, without limitation:

- (a) exposure to changes in the market value of the Underlying Securities after acquisition of the Instalment Warrants and how this exposure compares with the expected imputation benefits on the Underlying Securities (bearing in mind that these expected imputation benefits need to be able to be regarded as merely "incidental" in comparison to exposure to changes in the market price of the Underlying Securities);
- (b) the term of the Instalment Warrants and how long they are held; and
- (c) whether or not the Underlying Securities are expected to pay franked dividends.

As the potential application of the provisions will depend upon the particular circumstances of each Holder, the Holder should obtain independent tax advice applicable to their personal circumstances.

The Directors, Commonwealth Bank of Australia

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5.4 Trust income

Where the Underlying Securities are units in a trust that is not a public trading trust or corporate unit trust, the Holder will include in its assessable income a proportion of the net income of the trust. Many Australian listed trusts are not public trading trusts or corporate unit trusts. However the trust status may change from time to time.

Where the income of a trust exceeds the net taxable income of that trust (eg where the trust claims tax deductions for amounts that do not represent cash outlays, such as depreciation), and that excess is distributed to the beneficiaries of the trust, the excess distribution constitutes what is typically referred to as a "tax deferred distribution". Any such tax deferred distribution received in respect of the Underlying Securities will not be included in the Holder's assessable income, but will reduce the Holder's cost base in the Beneficial Interest in the Underlying Securities and will therefore be taken into account in determining any capital gain or loss on the disposal of the Underlying Securities. Where the amount of the tax deferred distribution exceeds the Holder's cost base, the excess will be treated as a capital gain. Holders should keep records of their tax deferred distributions.

Where the net income of the trust includes dividend income, and a franked distribution flows indirectly to the Holder in the form of a trust distribution, the Holder will also be entitled to their share of any franking credits attaching to the dividend, provided that both the Holder and the trustee of the trust are "qualified persons" and no other imputation anti-avoidance provisions apply. Where the requirements of these provisions are met, the Holder will be entitled to a tax offset equal to the Holder's share of the franking credits. The Holder should obtain independent tax advice in respect of any entitlement to franking credits flowing indirectly through a trust.

Where the net income of a trust includes an amount attributable to a capital gain made by the trust, the Holder's share of that amount will also be treated as a capital gain in the Holder's hands and will be available to offset any capital losses. Where the trust's capital gain is a discount capital gain, this amount will be required to be grossed up before applying any capital losses. If the Holder is an individual, trust or complying superannuation fund and the capital gain remaining following the application of capital losses by the relevant discount percentage (see also paragraph 9).

Where the net income of a trust includes foreign income, the Holder must also include in its assessable income an amount representing its share of any foreign tax paid in respect of that income. The Holder should be entitled to a foreign income tax offset equal to the foreign tax paid up to the greater of \$1,000 and the Australian tax payable on the double-taxed amounts and other non-Australian sourced assessable income. Any excess offset will not be refundable or carried forward.

5.5 Distributions from a public trading trust or corporate unit trust

Where the Underlying Securities are units in a trust that is a public trading trust or corporate unit trust for the purposes of the Tax Act, distributions in respect of the Underlying Securities will be treated as dividends for tax purposes and the discussion in paragraphs 5.1 to 5.3 will apply to determine whether the Holder is entitled to any franking credits attached to the distributions on the units.

The Directors, Commonwealth Bank of Australia

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6. Disposal Of Instalment Warrants on the ASX

6.1 Disposal of Underlying Securities

Disposal of an Instalment Warrant on the ASX will result in the disposal of the Beneficial Interest in the Underlying Security. This will give rise to a CGT event based upon assumption 1(c).

A capital gain may be made where the capital proceeds exceed the Holder's cost base in the Beneficial Interest (as discussed at paragraph 4), and a capital loss where the capital proceeds are less than the Holder's reduced cost base.

The capital proceeds received in respect of the disposal will equal the sale price of the Instalment Warrant plus the amount of the Transferee's Loan Amount less the Interest Amount prepaid by the Transferee.

6.2 Expiry of the notional put option

If an Instalment Warrant is disposed of on the secondary market, any notional put option (see paragraph 4.2 above) will be treated as having expired unexercised. A CGT event will occur at that time. The Holder should make a capital gain or loss equal to any Transfer Costs received, less any Transfer Costs paid, less the cost base of the notional put option to the extent it has not been refunded (as part of the refunded Interest Amount).

7. Completion of Instalment Warrants – Repayment of the Loan

7.1 Transfer of Underlying Securities to a Holder

Repayment of the Loan and transfer of the legal title to the Underlying Securities from the Trustee should not give rise to any CGT consequences. In addition to the amounts outlined in paragraph 4 above, the Holder's cost base and reduced cost base in the Underlying Securities will also include any incidental transfer costs incurred in respect of the Trustee's transfer of legal title to the Underlying Securities.

7.2 Expiry of the notional put option

If the Holder gives a Completion Notice and repays the Loan such that the limited recourse feature is not relied upon, any notional put option will be treated as having expired unexercised. A CGT event will occur at that time. As there will be no capital proceeds received in respect of this expiry, a capital loss will be made equal to the Holder's reduced cost base in the notional put option at that time.

8. No Completion Notice – Expiry of Instalment Warrants

8.1 Exercise of security interest and disposal of Underlying Securities

If the Holder does not give a valid Completion Notice as and when required (which is accepted by the Commonwealth Bank), the Commonwealth Bank may exercise its power of sale under the Mortgage and dispose of the Underlying Securities.

This will give rise to a CGT event in respect of each of the Beneficial Interest in the Underlying Securities and any notional put option and a capital gain or loss on the date of disposal.

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If the proceeds of sale of an Underlying Security exceed the Holder's Loan Amount (such that the limited recourse feature is not relied upon), the Holder will make a capital gain or loss equal to the difference between the proceeds of sale of the Underlying Securities and the Holder's cost base or reduced cost base in the Underlying Securities (which will include any selling costs deducted by the Commonwealth Bank prior to remitting the proceeds to the Holder). In these circumstances, any notional put option will expire unexercised and the Holder will also make a capital loss equal to the Holder's reduced cost base in that asset.

If the proceeds of sale are less than the Loan Amount and the limited recourse feature of the Loan is relied upon, the Holder will make a capital gain or loss equivalent to the difference between the Loan Amount and the Holder's total cost base or reduced cost base in the Beneficial Interest in the Underlying Security, which in these circumstances will include the cost base of the notional put option (if any). Any notional put option will be treated as having been exercised. However, any resulting capital gain or loss will be ignored.

9. Discount CGT

Any capital gain realised on disposal of an Underlying Security, on transfer of an Instalment Warrant or on completion or expiry of an Instalment Warrant, will be treated as a discount capital gain if the Holder is an individual, a complying superannuation fund, or a trust and has held the Instalment Warrant for at least 12 months prior to the relevant CGT event (not including the dates of acquisition and disposal). If available, the CGT discount reduces the nominal capital gain by 50% for individuals and trusts, and by 331/3% for complying superannuation funds.

10. Part IVA

Part IVA is the general anti-avoidance provision of the Tax Act. It applies where the dominant purpose of the taxpayer (or any other person) in entering into a "scheme" is to obtain a "tax benefit". A "tax benefit" is relevantly defined as:

- (a) an amount not being included in assessable income where, but for the scheme, that amount would reasonably be expected to have been included; or
- (b) an amount being allowable as a deduction where, but for the scheme, that amount would not reasonably be expected to have been allowable.

The application of Part IVA to a particular taxpayer can only be conclusively determined on an examination of that taxpayer's individual circumstances. Nevertheless, the following comments are able to be made for a typical Holder.

For the purposes of Part IVA, the dominant purpose of such a Holder acquiring Instalment Warrants, being the only relevant "scheme", should be seen to include:

- (a) obtaining the potential to profit from the sale of the Instalment Warrants or the Underlying Securities; and
- (b) the receipt of dividends or distributions and other benefits attaching to ownership of the Underlying Securities.

We do not believe that it could be reasonably concluded that the dominant purpose of a typical Holder investing in an Instalment Warrant would be to obtain tax deductions for the Interest Amount.

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11. Taxation of Financial Arrangements (TOFA)

The TOFA regime in Division 230 of the Tax Act sets out the methods under which gains and losses from financial arrangements will be brought to account for tax purposes. The broad objective of the TOFA provisions is to treat gains and losses from financial arrangements on a revenue basis and in some cases on an accruals basis over the term.

An Instalment Warrant may be a financial arrangement that is subject to TOFA. However, the TOFA rules should not apply to the Holder if the Holder meets the assumptions set out in paragraph 1(b)above and has not elected for the TOFA rules to apply. Holders should seek their own tax advice in relation to the potential application of the TOFA regime in light of their own individual facts and circumstances.

12. Other tax issues

12.1 TFN/ABN withholding

The Trustee may be required to withhold an amount from any income paid to the Holder if the Holder does not provide the Trustee with its TFN or ABN (where applicable) or proof of exemption.

12.2 Equalisation Amount

An Equalisation Amount may be payable by the Holder in the circumstances described in section 2.6 of the PDS. In those circumstances, the Commonwealth Bank will terminate some or all of the Holder's Instalment Warrants. This will result in the same consequences as are outlined in paragraph 8 above. The payment of the Equalisation Amount should not give rise to any additional taxation consequences.

12.3 Distributions through chains of trusts

Trustees of closely held trusts are required to make a correct statement (being a "trustee beneficiary statement") in the approved form to the Commissioner which discloses the identity and TFN of any trustee beneficiaries who are presently entitled to a share of the net income of the trust. There are certain exceptions to this rule. Assuming that the changes referred to in paragraph 2 above are enacted in the terms announced, it is expected that these rules should not apply to the Separate Trust.

12.4 Other events

During the term of the Instalment Warrants, there may be events or circumstances such as corporate actions relating to the particular Underlying Securities that give rise to tax implications which are not discussed here. Holders should obtain their own advice in relation to those events or circumstances.

12.5 Rollover Applicants' treatment of existing Series

The rollover of an existing Series into a new Series should not give rise to a disposal of the Beneficial Interest in the Underlying Securities or any capital gain or loss in respect of these assets.

If the Rollover Applicant has a notional put option (refer to discussion at paragraph 4.2 above), it will expire unexercised at the time of the rollover. As there will be no capital

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proceeds received in respect of this expiry, a capital loss will be made equal to the Holder's reduced cost base in the notional put option at that time.

12.6 Refinance Applicants' treatment of existing series

The refinance of an existing Series into a new Series should not give rise to a disposal of the Beneficial Interest in the Underlying Securities or any capital gain or loss in respect of these assets.

If the Refinance Applicant has a notional put option (refer to discussion at paragraph 4.2 above), it will expire unexercised at the time of the rollover. As there will be no capital proceeds received in respect of this expiry, a capital loss will be made equal to the Holder's reduced cost base in the notional put option at that time.

13. Consequences if reforms are not enacted

- 13.1 If the proposed amendments discussed in paragraph 2 above are not enacted in the form proposed, the taxation implications for a Holder may differ from those set out above. In particular:
 - (a) the Holder may not be entitled to a deduction for the pre-paid Interest Amount at the time of prepayment, but may be required to spread the deduction over the remaining Loan term, as in these circumstances the Loan Amount will not be treated as having been applied to acquire a share or unit described in paragraph 3.2;
 - (b) the Holder may not be entitled to a franking credit tax offset unless the Holder's total franking tax offset entitlements in any given income year are less than \$5,000;
 - (c) a CGT event will occur at the time of completion of the Instalment Warrant, giving rise to a capital gain or loss for the Holder equal to the difference between the market value of the Underlying Security at that time and the Trustee's cost base or reduced cost base in the Underlying Security (generally this would be the amount paid by the Trustee to purchase the Underlying Security). This will occur notwithstanding the Holder has received and has not yet disposed of the Underlying Security;
 - (d) the transfer by a Shareholder Applicant to the Trustee of the Security that will comprise the Underlying Security may constitute a disposal of that Security for CGT purposes. This may give rise to a taxable capital gain; and
 - (e) the closely held trust rules referred to in paragraph 12.3 may apply where the Holder is a trustee. In these circumstances the Trustee will require the Holder to provide sufficient information (including its TFN or ABN) for the Trustee to make the trustee beneficiary statement referred to in paragraph 12.3. If the Holder does not provide this information, the Trustee will be liable to pay tax at 49% (from 1 July 2014) on any Dividend or other income to which the Holder is entitled. The Trustee will withhold this tax from payments to the Holder.
- 13.2 This is a high level summary of the potential taxation consequences for Holders in these circumstances. In the event that the proposed amendments are not enacted in the form announced, the Holder should consult with its own taxation advisor and obtain comprehensive advice on the taxation implications of the Holder's investment in an Instalment Warrant.

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The Holder is solely responsible for obtaining advice in relation to the proposed changes, and should not rely on the Commonwealth Bank or its advisors to remain informed regarding any changes to the Tax Act.

14. Goods and services tax

The issue of the Instalment Warrants, provision and repayment of the Loan, acquisition of an Underlying Security by the Trustee, transfer of an Instalment Warrant and transfer of an Underlying Security to the Holder will not be subject to GST.

GST should not be payable on the payment or refund of an Interest Amount, the payment of Transfer Costs under the Loan, the payment of a Rollover Payment by a Rollover Applicant, the payment of a Refinance Payment by a Refinance Applicant, or the receipt of Dividends or distributions. Further, the receipt of the balance of the Loan as a Cashback Amount (by a Shareholder Applicant) or as a Rollover Cashback (by a Rollover Applicant) should not attract GST.

However, if GST becomes payable by the Commonwealth Bank or the Trustee in connection with any supply made to the Holder under or in connection with the PDS then the Commonwealth Bank or the Trustee (where appropriate) can require the Holder to pay an additional amount on account of GST.

GST may apply on fees and commissions charged by a Holder's broker or Adviser. Holders should obtain their own advice as to whether an input tax credit is available for any such GST.

15. Stamp duty

The purchase or sale of an Instalment Warrant will not be liable to duty in any Australian jurisdiction under current legislation where that transfer is conducted on-market through a broker or off-market as a Prescribed Transfer. Similarly, the expiry, buy-back or cancellation of an Instalment Warrant should not be subject to duty in any Australian jurisdiction.

No stamp duty should be payable in respect of the transfer of the Underlying Securities to the Trustee relating to a Shareholder Application or the transfer of the Underlying Securities to a Holder following the giving of a Completion Notice and repayment of the Loan or subsequent disposal of the Underlying Securities.

If no Completion Notice is given, the Commonwealth Bank or Commonwealth Bank Entities will sell the Underlying Securities pursuant to the Mortgage and repay the Loan. The Holder may receive an Assessed Value Payment. No stamp duty will be payable.

On the basis that the Trust Property is not in existence at the time the Mortgage is granted or when the arrangement is entered into (other than the Underlying Securities), New South Wales mortgage duty will not be payable on the Mortgage.

Yours sincerely

Mark Friezer, Partner 461 2 9353 4227 mfriezer@claytonutz.com Our ref 11457/16089/80139841

6.0 Description of the Underlying Securities

The Underlying Securities for the Instalment Warrants have been issued by the Listed Entities.

Each Listed Entity is obliged by law to disclose all information that a reasonable person would expect to have a material effect on the price or value of the Underlying Security (subject to certain carve-outs for particular kinds of confidential information). Such information is released to the ASX and may also be available directly from each Listed Entity. Information about the Listed Entities can also be obtained from other sources, including investment advisers and stockbrokers.

Commonwealth Bank makes no recommendation, statement or assurance about the performance of the Listed Entities or the Underlying Securities. You should make your own assessment of the Listed Entities and seek advice from your professional advisers.

7.0 Description of Commonwealth Bank

7.1 Profile

The Commonwealth Bank is Australia's leading provider of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, investment and share broking products and services. The Commonwealth Bank Group is one of the largest listed companies on the ASX and is included in the Morgan Stanley Capital Global Index.

7.2 Directors

The Directors of Commonwealth Bank are listed at the shareholder centre on the Commonwealth Bank website at www.commbank.com.au.

7.3 Recent disclosures to the ASX

Commonwealth Bank is a disclosing entity under the Corporations Act and has a continuous disclosure obligation under the Corporations Act and the ASX Listing Rules. This means that, subject to certain exceptions, 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 Commonwealth Bank's securities. Copies of the information disclosed to the ASX can be viewed on the ASX website, www.asx.com.au.

Information about Commonwealth Bank, including some of the documents listed below, can also be found at the Commonwealth Bank website, www.commbank.com.au.

7.4 Other information

Since the end of the financial year ended 30 June 2014, no circumstance has arisen where information has become available except as disclosed in this PDS or to the ASX that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of Commonwealth Bank to fulfil its obligations under the Terms.

8.0 Loan Agreement

Set out below is the Loan Agreement which you enter into with Commonwealth Bank if you are an Accepted Applicant or Transferee. By entering into the Loan Agreement, you represent that you will use the Loan proceeds wholly or predominantly for business or investment purposes only (and not for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes).

Loan Agreement

Commonwealth Bank is pleased to accept your application for a Loan in respect of each Instalment Warrant, the number of which is identified in your Application or Transfer (as the case may be) or such lesser number as may be determined by Commonwealth Bank.

For valuable consideration, on your entry into this Loan Agreement, Commonwealth Bank will issue to you, or procure the Registrar to register the transfer to you of, the number and type of Instalment Warrants identified in your Application or Transfer (or such lesser number as may be determined by Commonwealth Bank). The terms and conditions of the Instalment Warrants are set out in the Trust Deed, a summary of which is included in the PDS issued by Commonwealth Bank in respect of the Instalment Warrants.

Unless the context requires otherwise, definitions in the PDS and the relevant Trust Deed apply. In the case of a joint Application, "you" means each Applicant or Transferee (as the case may be) on a joint and several basis.

1. Loan

1.1 Effective Date

Commonwealth Bank will make a Loan available to you on the Effective Date.

1.2 Holder agreements

In consideration of the making of the Loan, the Holder:

- (a) hereby agrees that it will not, and will not direct the Trustee to, dispose of any Mortgaged Property during the continuation of the Mortgage provided that the Trustee may lend Underlying Securities to Commonwealth Bank or Commonwealth Bank Entities subject to and in accordance with the Trust Deed and the Stock Loan;
- (b) hereby agrees that it will not exercise its rights as an absolutely entitled beneficiary under the Separate Trust by requesting or requiring the transfer of the Underlying Security to it or its nominee (other than the Trustee) prior to payment of the Completion Payment in respect of that Underlying Security; and
- (c) gives Commonwealth Bank irrevocable authority during the continuation of the Mortgage to give to the Trustee or its nominee, in the name of a Holder, such direction as to the disposal or redemption of Underlying Security as that Holder is entitled to give under the Trust Deed.

1.3 Drawings

- (a) You are deemed to give notice to Commonwealth Bank on the Effective Date that you wish to drawdown under the Loan an amount equal to the Loan Amount.
- (b) You are also deemed to give notice to Commonwealth Bank that you wish to make drawdowns under the Loan on any applicable Reset Date in accordance with this Loan Agreement.

1.4 Repayment

- (a) You must repay the Loan Amount in cleared funds by the earlier of:
 - the end of the Business Day which is 5 Business Days after the day a Completion Notice is received by Commonwealth Bank; and
 - (ii) 12:00pm (midday) (Sydney time) on the Maturity Date.
- (b) You may repay the Loan Amount at any time during the term by requesting a Completion Notice and providing cleared funds to Commonwealth Bank in the manner described in the Completion Notice.
- (c) The Loan will also be automatically repaid upon a Transfer, pursuant to clause 1.8(e) below.
- (d) Any amount you pay to Commonwealth Bank together with any Special Dividend will be held and used by Commonwealth Bank for the purpose of repaying the Loan (or part thereof as the case may be) as set out in the Trust Deed and the PDS.
- (e) If you do not repay the Loan Amount in accordance with the requirements of clause 1.4(a) in respect of an Instalment Warrant, subject to clause 1.10, Commonwealth Bank's only remedy is to enforce the Mortgage in relation to the relevant Instalment Warrant.
- (f) You acknowledge that the Maturity Date may alter in the manner referred to in the Trust Deed and the PDS.

1.5 Interest Amounts

- (a) You must pay the Interest Amount on the Effective Date and on each Reset Date, calculated in accordance with clause 1.5(b).
- (b) The formula for calculating the amount of the Interest Amount (IA) payable is:

$IA = IR \times LA \times IP/365$

Where:

- IR = the Interest Rate;
- LA = the Loan Amount; and
- IP = the number of days in the Interest Period.
- (c) The Interest Amount is not refundable except in accordance with clause 1.8(f).
- (d) On each Reset Date, the new Interest Amount will be calculated by Commonwealth Bank in accordance with clause 1.5(b) for the Interest Period to the next Reset Date (or, if there are no further Reset Dates, the Maturity Date) and will, subject to clause 1.6(b), be paid by you in accordance with clause 1.8(d).

1.6 Annual Reset Procedure

Prior to each Reset Date, Commonwealth Bank will nominate whether a Series will:

- (a) continue, in which case it will make an announcement to the ASX prior to the Reset Date of the new Interest Amount and new Loan Amount for the relevant Series; or
- (b) terminate, in which case it will nominate the Reset Date as the Early Maturity Date (which will then be the Maturity Date for the purposes of clause 1.4(a)(ii)).

1.7 Transfer Costs

- (a) On Transfer of an Instalment Warrant, the Transfer Costs will be equal to the Interest Amount paid by the Transferee minus the Interest Amount refunded to the Transferor in accordance with clause 1.8(f).
- (b) If the Transfer Costs are positive, the Transfer Costs will be paid by Commonwealth Bank to the Transferor.
- (c) If the Transfer Costs are negative, the Transfer Costs will be paid by the Transferor to Commonwealth Bank.
- (d) The Transfer Costs are payable in accordance with clause 1.8(f). For the avoidance of doubt, no Transfer Costs will be payable by or to you.

1.8 Directions

(a) Applicants

You irrevocably authorise and direct Commonwealth Bank to apply the Loan Amount as follows for each Instalment Warrant:

 (i) if you are a Cash Applicant, to acquire the Underlying Security;

- (ii) if you are a Shareholder Applicant, in the following order of priority:
 - A. first, to pay the Interest Amount due on the Effective Date; and
 - second, to pay the Cashback Amount (if any) to you, or as you direct, subject to clause 1.9;
- (iii) if you are a Rollover Applicant, in the following order of priority:
 - A. first, towards payment of the Completion Payment for the existing Series for which the Rollover Application is being made;
 - B. second, towards payment of the Interest Amount due on the Effective Date for the new Series; and
 - C. third, towards payment of the Rollover Cashback (if any) to you, or as you direct, subject to clause 1.9; and
- (iv) if you are a Refinance Applicant, towards payment of the Completion Payment for the existing Series for which the Refinance Application is being made.
- (b) Rollover Payments

For Rollover Applications, if the Loan Amount applied pursuant to clause 1.8(a) is insufficient to cover the Completion Payment for the existing Series and the Interest Amount due on the Effective Date for the new Series, you will be required to make a Rollover Payment to Commonwealth Bank at the time the Rollover Application is made.

(c) Refinance Payments

For Refinance Applications, you will be required to make a Refinance Payment to Commonwealth Bank at the time the Refinance Application which will pay:

- (i) the Interest Amount due on the Effective Date for the new Series; and
- (ii) if the Loan Amount applied pursuant to clause 1.8(a) is insufficient to cover the Completion Payment for the existing Series, the amount of the shortfall.
- (d) On the Reset Date

Unless you pay the Completion Payment in cleared funds by the Reset Date:

- you will drawdown under the Loan for each Instalment Warrant held by you on the Reset Date, the new Interest Amount determined in accordance with clause 1.5(d) and apply that amount (to the extent applicable) to pay to Commonwealth Bank the new Interest Amount due on the Reset Date for the Interest Period to the next Reset Date (or if there are no further Reset Dates, the Maturity Date);
- (ii) the amount of the new Interest Amount drawn down in accordance with clause 1.8(d)(i) will be added to the Loan for each Instalment Warrant you hold on the Reset Date such that the Loan Amount is increased by the new Interest Amount; and
- (iii) upon Commonwealth Bank making any such advance, the new Interest Amount due on the relevant Reset Date will be taken to have been paid on the relevant Reset Date.
- (e) Transferee

If you acquire an Instalment Warrant as a Transferee, you irrevocably authorise and direct Commonwealth Bank on the Effective Date to apply the Loan Amount as follows for each Instalment Warrant transferred to you:

- (i) first, to satisfy your obligation under clause 1.5(a); and
- (ii) the remainder toward repayment of the net amount due by the Transferor to Commonwealth Bank on transfer of the Instalment Warrant.
- (f) Transferor

If you sell an Instalment Warrant before its Maturity Date, you irrevocably authorise and direct Commonwealth Bank to apply:

- any refunds of the Interest Amount owed by Commonwealth Bank to you as the Transferor; and
- (ii) any Transfer Costs payable by Commonwealth Bank to you as the Transferor,

first in payment of any Transfer Costs payable by you to Commonwealth Bank and second in partial satisfaction of your Loan in respect of the Instalment Warrants transferred. For the purpose of this clause 1.8(f), the Interest Amount that Commonwealth Bank will refund to you will be calculated on a pro rata basis based on the number of days remaining in the Interest Period and the Interest Rate applying to your Loan at the time at which the Interest Amount was prepaid. For the avoidance of doubt, no refund of any Interest Amount or any Transfer Costs will be paid to you.

(g) Notwithstanding clause 1.8(e)(ii), if the Transferor is Commonwealth Bank or a Commonwealth Bank Entity, the Transferee irrevocably authorises and directs Commonwealth Bank on the Effective Date to pay the remainder of the Loan Amount referred to in clause 1.8(e)(ii) to Commonwealth Bank or the relevant Commonwealth Bank Entity in consideration for the transfer of the Instalment Warrant.

1.9 Condition of Rollover Cashback and Cashback Amount

Where you are:

- a Rollover Applicant and you receive a Rollover Cashback, you undertake to use the Rollover Cashback wholly or predominantly for business or investment purposes (and not for personal, domestic or private purposes such as household purposes or to purchase, renovate or improve residential property for investment purposes); or
- (b) a Shareholder Applicant and you receive a Cashback Amount, you undertake to use the Cashback Amount wholly or predominantly for business or investment purposes (and not for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes).

1.10 Limited Recourse

Your liability to Commonwealth Bank for repayment of the Loan is limited to the total amount received by Commonwealth Bank in relation to the Underlying Securities relating to the Instalment Warrants held by you (whether by exercising its power of sale or otherwise). Commonwealth Bank will not take any action against you in relation to the Loan to recover any amount beyond enforcing the Mortgage. For the avoidance of doubt, this clause 1.10 does not apply to your liability for the Equalisation Amount (if any) under the Trust Deed.

1.11 Tax

- (a) If you are required to deduct any Tax from any payment (except a Tax on Commonwealth Bank's overall net income), then:
 - you must pay that amount to the appropriate authority and promptly give Commonwealth Bank evidence of payment;
 - the amount payable is increased so that (after deducting that Tax and paying any Taxes on the increased amount) Commonwealth Bank receives the same amount it would have received had no deduction been made; and
 - (iii) you indemnify Commonwealth Bank against the Tax and any amounts recoverable from Commonwealth Bank in respect of the Tax.
- (b) If GST is payable on any supply made by or through Commonwealth Bank under or in connection with this Agreement, you agree to pay an additional amount to Commonwealth Bank equal to the GST payable (and any GST payable on such increased amount) and otherwise indemnify Commonwealth Bank for any GST payable.
- (c) You will be liable to pay any amount of stamp duty payable on this Agreement or the Mortgage and clause 8.18(a) (Notification and payment of Tax) of the Trust Deed applies to this Agreement.
- (d) Commonwealth Bank is not liable for any Taxes or other charges:
 - (i) payable by you in relation to or in connection with this Agreement, the Trust Deed or the PDS; or
 - (ii) payable by Commonwealth Bank or any other person in connection with the purchase, sale, transfer or redemption of any Underlying Securities or rights, or any other supply under or in connection with this Agreement, the Trust Deed or the PDS.

2. General

2.1 Acknowledgement

You acknowledge that the Trustee has granted the Mortgage to Commonwealth Bank. The Mortgage secures the due and punctual repayment of the Secured Monies and is granted in consideration of Commonwealth Bank agreeing to make the Loan available to you.

The terms of the Mortgage and the rights of the Trustee as mortgagor are set out in the Trust Deed.

2.2 Exercise of powers

If the Holder does not repay the Loan in relation to an Instalment Warrant on or before the Maturity Date or pay any other amount on its due date for payment, or becomes bankrupt or insolvent, Commonwealth Bank may appoint a Receiver, enforce its Mortgage and sell the Mortgaged Property, exercise the Trustee's rights comprised in the Mortgaged Property and exercise any other power granted by law to mortgagees in accordance with the Terms and apply the proceeds in repayment of the Secured Monies. To the extent permitted by law the Trustee has dispensed with any notice or lapse of time required by any law for the enforcement of the Mortgage or the exercise of any power by Commonwealth Bank under this Agreement or the Trust Deed.

2.3 Further Assurances

You agree to take all steps, execute all documents and do everything reasonably required by Commonwealth Bank to give effect to the transactions contemplated by this Agreement.

2.4 Notices

Clause [9.1] of the Trust Deed is deemed to be incorporated into this Agreement, except that any reference in that clause to the words "Trust Deed" must be deemed to be a reference to "this Agreement" for the purposes of this Agreement.

2.5 Assignment

Commonwealth Bank may novate, assign or sub-participate this Agreement and any or all of its rights under this Agreement at any time. You may not do any of the above (other than in accordance with the Trust Deed) at any time.

2.6 No Waiver

No failure to exercise a power, and no delay in exercising a power, operates as a waiver.

2.7 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction is ineffective in that jurisdiction to the extent of the prohibition or unenforceability.

2.8 Code of Banking Practice

- (a) Subject to clause 2.8(b), each relevant provision of the Code of Banking Practice adopted by Commonwealth Bank will apply to this Agreement.
- (b) Clause 2.8(a) only applies if you are an individual or "small business" as defined in the Code of Banking Practice at the time the Loan is provided.

2.9 Governing Law

This Agreement is governed by the law of New South Wales. The parties submit to the exclusive jurisdiction of the Courts of New South Wales.

2.10 Amendment

This Agreement may be amended by Commonwealth Bank for a Series where the change:

- (a) is necessary in the opinion of Commonwealth Bank to comply with any statutory or other requirements of law or any requirement of the ASX;
- (b) is to rectify any defect, manifest error or ambiguity provided such change does not materially prejudice the interests of Holders;
- (c) in the reasonable opinion of Commonwealth Bank, does not materially prejudice the interests of Holders;
- (d) is to provide for the consequences of any adjustment (including any corporate action) or Extraordinary Event; or
- (e) is authorised by a resolution of Holders (the procedure for which is set out in the Trust Deed).

9.0 Additional information

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9.1 Issue of SPDSs

Specific details about individual Series and their Underlying Securities are detailed in the relevant SPDS. These will be available with this PDS.

9.2 Summary of Trust Deed

(a) What is Trust Deed?

Commonwealth Bank and Share Direct Nominees Pty Ltd are parties to the Trust Deed. The Trust Deed, the Nominee Deed and the Loan Agreement set out the terms of issue, including transfer and completion mechanics, of the Instalment Warrants offered under this PDS.

The Trust Deed (which includes as a schedule the form of the Nominee Deed) is available for inspection at the Registry or on request. Holders should call 1300 786 039 for a copy of the Trust Deed.

(b) Powers of the Trustee

The Trustee has a limited range of powers, rights and discretions beyond those required by the ASX Operating Rules, the ASX Listing Rules and the ASX Settlement Operating Rules as set out in the Trust Deed. Under clause [2.12] of the Trust Deed, the Trustee has the power to enter into stock lending arrangements in respect of the Underlying Securities in the case of Instalment Warrants in respect of which a Commonwealth Bank Entity is the Holder.

(c) Obligations and duties of the Trustee

The Trust Deed sets out the obligations and duties of the Trustee and includes a range of provisions limiting the responsibilities and liabilities of the Trustee. In particular the Trustee:

will hold each Underlying Security and Accretion transferred to it as bare trustee for you on a Separate Trust until the Maturity Date or, if earlier, the repayment of the Loan;

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- must not pool the interests or property of, or in, each Separate Trust, however, it may administer the Separate Trusts such that it may aggregate holdings in certain circumstances and deposit monies in respect of the Separate Trusts into the same bank account;
- is not required to monitor Listed Entities, Commonwealth Bank, the Registrar or any other person;
- has no responsibility for any acts or omissions of a nominee appointed pursuant to the Nominee Deed, nor for any breach of the Nominee Deed or the Trust Deed caused by the nominee;
- is not required to prepare accounts or tax returns for the Separate Trusts; and
- is not liable for the neglect, dishonesty or default of Commonwealth Bank, a Holder, the Registrar or any other person.

(d) Liability of the Trustee

The Trustee's liability is limited to the extent to which the liability can be satisfied under the Trust Deed out of the property of the Separate Trusts, except for a liability arising in certain circumstances (for example as a result of the Trustee's dishonesty, a wilful act known by the Trustee or its officers to be a breach of trust or gross negligence).

(e) Payments to the Trustee

The Trustee has no recourse to the Separate Trusts for any remuneration or reimbursement of expenses except in limited circumstances. The Trustee is entitled to reimbursement by Commonwealth Bank in respect of all liabilities incurred by it in connection with the administration of the Separate Trusts and execution of its duties and functions under the Trust Deed.

(f) Provision of tax information

The Trustee must, at Commonwealth Bank's direction, take all Reasonable Action to disclose to you information necessary to determine your entitlement to any franking credit, or tax offset and shall, if required by law, provide you with a statement disclosing that information at least once a year.

(g) Replacement of the Trustee

If the Trustee resigns or breaches the Trust Deed, Commonwealth Bank may appoint a replacement trustee approved by the ASX in accordance with the Terms.

(h) How can the Trust Deed be amended?

(i) How can the Terms be varied?

The Terms can be varied in a number of circumstances including:

- the Loan Amount, the number and/or type of Instalment Warrants and/or the Underlying Security in respect of a Series may be varied in the event of corporate actions (see section 2.10 for more information). Special Dividends or other distributions (subject to any withholding for Tax) may also be applied to reduce the Loan Amount (see sections 2.5(a) and 2.5(b) for more information);
- ▶ where the change has been approved by the ASX and:
- in the reasonable opinion of Commonwealth Bank is necessary or desirable to: (A) comply with any requirement of law; or (B) provide for the consequences of any corporate action taken or to be taken by a Listed Entity in respect of the Underlying Securities and which, in the reasonable opinion of Commonwealth Bank, is not materially prejudicial to the rights of Holders;
 - in the reasonable opinion of Commonwealth Bank does not materially prejudice the rights of Holders;
 - relates to an Extraordinary Event; or
 - is otherwise permitted under the Terms.

You should also be aware that the Trust Deed is to be interpreted so as to conform with the ASX Operating Rules and the ASX Settlement Operating Rules. As a result, any change to the ASX Operating Rules and/or the ASX Settlement Operating Rules may affect the way the Trust Deed is interpreted.

The Maturity Date may not be amended in this way, although in certain circumstances set out in this PDS, Commonwealth Bank may nominate an Early Maturity Date.

(ii) Can Holders seek approval to a change of the Terms?

No. Holders of a Series are not permitted to propose and seek the approval of other Holders to any proposed change to the Terms.

(iii) Votes by Commonwealth Bank Group as Holder

Commonwealth Bank or its associates must not vote on a proposal to change the Terms unless they are voting as trustee or nominee for a person who is not an associate.

9.3 Information for superannuation funds

Superannuation funds, such as self-managed superannuation funds, approved deposit funds or pooled superannuation trusts, are subject to restrictions on borrowings and the types of investment undertaken pursuant to the SIS Act and the SIS Regulations.

Given the serious ramifications that a breach of the SIS Act and the SIS Regulations could have for a superannuation fund (including the loss of the entity's concessional tax status), it is strongly recommended that before undertaking any investment in Instalment Warrants, or dealing with your investment in Instalment Warrants or other instalment warrants, superannuation funds obtain their own independent professional advice as to whether Instalment Warrants are an appropriate investment.

The application of the SIS Act and the SIS Regulations will be dependent upon the circumstances of each superannuation fund.

As a general overview, subject to the satisfaction of certain conditions, the SIS Act now permits superannuation funds to borrow money to invest in certain instalment warrants as well as 'refinance' an existing borrowing, provided that the investment satisfies each of the following conditions:

- the borrowed money is or has been applied to acquire an 'acquirable asset' that the superannuation fund would not otherwise be prohibited from acquiring (as in, investment restrictions, including those pertaining to in-house assets and the acquisition of certain assets from a related party of the superannuation fund, continue to apply);
- the asset acquired is held on trust so that the superannuation fund receives a beneficial interest in the asset;
- the superannuation fund has the right to acquire legal ownership of the asset; and
- the lender's right of recourse under the arrangement in the event of default must be limited to rights referable to the asset acquired under the arrangement (as in, the lender must not have a right of recourse to the superannuation fund's existing assets).

Superannuation funds investing in Instalment Warrants are still required to comply with other rules pertaining to investments, including the prohibition preventing the trustee of a superannuation fund giving a charge over, or in relation to, an existing asset of the superannuation fund. Further, the trustee of a superannuation fund is still required to demonstrate the appropriateness of including instalment warrants in the entity's overall investment strategy. Superannuation funds are not permitted to invest in Instalment Warrants by way of Shareholder Applications or Rollover Applications.

Commonwealth Bank may consider requests by a superannuation fund to refinance Instalment Warrants already owned by the superannuation fund and can accept or reject such an application in its absolute discretion.

Only superannuation funds who are able to provide a TFN or ABN should consider investing in Instalment Warrants. Importantly, the payment of an Equalisation Amount is likely to result in a superannuation fund being deemed to be borrowing in contravention of the SIS Act.

9.4 Information for Holders regarding the Foreign Acquisitions and Takeovers Act

The acquisition of Instalment Warrants may have implications for Holders under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (FATA). The following paragraphs are a very general summary of the requirements of FATA that may be relevant to an acquisition of Instalment Warrants. The summary does not purport to be exhaustive nor to give legal advice and should not be relied on by potential investors, who should seek their own legal advice in relation to all aspects of the proposed investment including but not limited to those referred to below.

FATA empowers the Treasurer of Australia to prohibit a proposed acquisition of shares in an Australian corporation if the result of the acquisition will be that a foreign person, together with its associates, would have an interest of not less than 15% of the issued shares in the corporation, or two or more foreign persons (together with its associates) would in aggregate have an interest of not less than 40% of the issued shares in the corporation and the result would be contrary to the national interest (similar provisions exist in relation to acquisitions resulting in voting power at or above the 15% and 40% thresholds). If such an acquisition has already occurred, the Treasurer has the power to order a person who acquired the shares to dispose of them. The concepts of acquisition, interest, associate and foreign person are very widely defined in FATA. In addition, FATA requires certain persons who propose to make such acquisitions first to notify the Treasurer of their intention to do so. The acquisition of Instalment Warrants on market will be equivalent to an acquisition by the Holder of the shares for the purposes of FATA.

Foreign ownership of shares in Australian corporations may also be restricted under other Commonwealth legislation or under Commonwealth Government policy for example, in relation to Australian banks.

9.5 Substantial shareholders, takeovers and associations

The acquisition of an Instalment Warrant may have implications for you (particularly substantial shareholders) under Chapters 6, 6A and 6C of the Corporations Act. The precise implications depend on your particular circumstances.

The following summary of the law as at the date of this PDS is intended to assist you in identifying some possible practical obligations that may arise as a result of holding an Instalment Warrant. Your obligations will, however, be affected by your individual circumstances and you should obtain your own advice.

As soon as you acquire an Instalment Warrant, you will have a relevant interest in each Underlying Security in which you have a Beneficial Interest. Disclosure obligations (including obligations on substantial shareholders) and limitations on acquisitions, under Chapters 6, 6A and 6C of the Corporations Act, may affect you in respect of acquiring, holding and disposing of an Instalment Warrant.

ASIC has granted a modification of Chapter 6 and Chapter 6C of the Corporations Act (by Class Order CO 13/526) such that neither Commonwealth Bank nor the Trustee will be deemed to have a relevant interest in the Underlying Securities through their involvement in the Instalment Warrants structure.

9.6 Shareholding limits or restrictions

Some Listed Entities may be subject to legislation which prescribes maximum shareholding limits for shareholders or other restrictions which may prohibit or limit the interests in that Listed Entity that you may acquire. You should inform yourself of the restrictions that may apply to your investment in Instalment Warrants.

9.7 Potential conflicts of interest

Potential conflicts of interest arise because some of the entities involved in this offer are related parties. The Trustee is a wholly-owned subsidiary of Commonwealth Bank and has one or more directors who are also senior executives of Commonwealth Bank. Some potential conflicts of interest are set out below. Members of the Commonwealth Bank Group may conduct transactions as principal in various securities, including in the Underlying Securities and Instalment Warrants, and may hold Underlying Securities, Instalment Warrants and other financial products related or linked to Underlying Securities and Instalment Warrants (such as exchange traded options in respect of Underlying Securities and Instalment Warrants). The directors and employees of Commonwealth Bank and other members of the Commonwealth Bank Group may receive remuneration based on the issue or performance of the Underlying Securities and Instalment Warrants, in whole or in part.

Members of the Commonwealth Bank Group may from time to time advise, lend to or conduct trading activities with the Listed Entities or companies associated with them. Those activities are unrelated to the Instalment Warrants.

In the event the Trustee were to sell Underlying Securities it may cause the Underlying Securities to be sold through a broker who will be a wholly owned subsidiary of Commonwealth Bank in which case the broker would charge commercial brokerage rates.

Members of the Commonwealth Bank Group may have business relationships or alliances (including joint ventures) with any of the Listed Entities and/or be a substantial shareholder of any of the Listed Entities. In addition, members of the Commonwealth Bank Group may from time to time advise any of the Listed Entities in relation to activities unconnected with the Instalment Warrants which may or may not affect the value of the Listed Entities or its Underlying Securities. Such relationships and advisory roles may include, but are not limited to:

- acting as manager or joint lead manager in relation to the offering or placement of rights, options or other securities including Underlying Securities;
- underwriting the offering or placement of rights, options or other securities including Underlying Securities;
- advising in relation to mergers, acquisitions or takeover offers; and
- acting as general financial adviser in respect of, without limitation, corporate advice, financing, funds management and property and other services.

Commonwealth Bank may also have a commercial relationship with various senior executives of a Listed Entity and may sell financial products to, or advise, such senior executives in relation to Shares and Instalment Warrants or matters unconnected with Underlying Securities or Instalment Warrants. These activities may have an effect on the value of Underlying Securities and/or the Instalment Warrants.

Members of the Commonwealth Bank Group may apply for Instalment Warrants to facilitate market making activities that may be undertaken in relation to the Instalment Warrants. In accordance with the ASX Operating Rules, Commonwealth Bank will, on an ongoing basis, ensure a reasonable bid and volume is maintained in the market for a Series.

Members of the Commonwealth Bank Group reserve the right to buy back Instalment Warrants that have been issued in or to facilitate those Instalment Warrants being either cancelled or resold by Commonwealth Bank. Instalment Warrants may also be issued after the commencement of trading on the ASX if the issue is not fully subscribed. Commonwealth Bank reserves the right to issue more Instalment Warrants in each Series without your consent, subject to the consent of the ASX.

The Trustee may deal with the Underlying Securities in any manner permitted under the Trust Deed, including the transfer of Underlying Securities to members of the Commonwealth Bank Group. These dealings, and any subsequent dealings undertaken in relation to such Shares or Instalment Warrants, may affect the value of the Underlying Securities and consequently the Instalment Warrants.

9.8 Other Disclosures

(a) Electronic PDS and FSG

From the date of this PDS until the Maturity Date, a copy of this PDS and the FSG will be available at www. commbank.com.au/warrants.

If you are resident in Australia, you can request a paper copy of this PDS or the FSG, free of charge, by telephoning 1300 786 039.

Where you are receiving this PDS electronically, you should download a complete copy of this PDS, including the Application Forms.

(b) Dealing in Instalment Warrants

Commonwealth Bank reserves the right to purchase Instalment Warrants that have been issued and to re-sell them after the initial issue. Commonwealth Bank may also buy back Instalment Warrants after the initial issue and re-issue them. Commonwealth Bank may also cancel Instalment Warrants of which it, or a subsidiary of it, is the Holder. The proceeds of the sale of the relevant Underlying Securities will be applied in the Priority Order. The Interest Amount payable on an Instalment Warrant held by Commonwealth Bank that is cancelled may be reduced if the cancellation occurs before the relevant Maturity Date.

(c) Trading of Instalment Warrants

Each transfer of an Instalment Warrant will represent a transfer of the Beneficial Interest of the Holder in the Underlying Security to the Transferee, subject to the Mortgage.

(d) Timing of dividend distributions

As ordinary Dividends and other similar benefits in respect of the Underlying Security flow through to Holders, Commonwealth Bank will set a record date to determine which Holders will be entitled to those dividends or other distributions. Commonwealth Bank, the Trustee and the Registrar will try to ensure that all record dates for Instalment Warrants will coincide as closely as possible with the respective record date for the Underlying Security.

Holders must therefore take care as to the timing of sale or other disposition of their Instalment Warrants having regard to the time at which the Instalment Warrants commence to trade ex-dividend, not just the timing of the record date in respect of the Underlying Security.

(e) Dividends or distributions other than ordinary dividends

If a Special Dividend is declared in relation to an Underlying Security, the Holder irrevocably offers such dividend to Commonwealth Bank to be used to reduce the Loan Amount (and thereby the Completion Payment).

Dividends that are not paid as cash and are not Special Dividends applied in the manner described above will form part of the Underlying Security.

(f) Withholding from payments

Commonwealth Bank may be required to withhold an amount from any payment to you to meet our obligations under foreign or domestic law, including those imposed pursuant to sections 1471 to 1474 of the United States Internal Revenue Code 1986.

(g) Stamp duty

Under current law, stamp duty is not expected to be applicable (other than \$500 nominal stamping duty in respect of the Trust Deed if executed in New South Wales). However, it may apply sometime in the future if there is a change of law. In that case, the Holder will be liable to reimburse the Trustee, Commonwealth Bank and any Commonwealth Bank Entity for any payment of any amount of stamp duty assessed by any revenue authority in Australia on the transfer of Underlying Securities to the Trustee, the transfer of Underlying Securities from the Trustee to a Holder or Commonwealth Bank, the creation of the Loan or the Mortgage, the constitution of each Separate Trust and the execution of this Deed and the Nominee Deed in respect of that Holder's Instalment Warrant.

(h) Market making

Commonwealth Bank or a Commonwealth Bank Entity intends to apply for a sufficient number of Instalment Warrants to facilitate any market making activities they may undertake in relation to Instalment Warrants. Special arrangements apply in relation to such applications.

Commonwealth Bank may cancel Instalment Warrants of which it or any Commonwealth Bank Entity is the Holder.

These provisions above override any other provision of this PDS and apply despite any inconsistency with other provisions of this PDS.

Commonwealth Bank intends that it or a Commonwealth Bank Entity will make bids and offers to deal in Instalment Warrants each ASX Trading Day, as far as practicable and to the extent permissible by law.

(i) Securities lending

Under the Terms, the Trustee or its nominee may lend the Underlying Securities if the Holder is Commonwealth Bank or a Commonwealth Bank Entity. Underlying Securities held by all other Holders will not be lent.

(j) Role of the Registrar

(i) The Register

Commonwealth Bank will arrange (at its own cost) for a register of Holders of each Series to be established and maintained at the offices of the Registrar, Link Market Services Limited (see Directory on the back cover). The Register will be open at all reasonable times during business hours for inspection by any Holder. The Register will comprise the Issuer Sponsored Subregister and, as the Instalment Warrants will be CHESS Approved Securities, the CHESS Sub-register established in respect of each Series.

In order to hold Instalment Warrants on the CHESS Sub-register, you will need to be either a participant in CHESS or be sponsored by a participant in CHESS. If you are not a CHESS participant or not sponsored by a CHESS participant, any Instalment Warrants held by you will be entered on to the Issuer Sponsored Subregister.

(ii) Holders to notify Registrar if a trustee

Unless you otherwise notify the Registrar, if you hold Instalment Warrants you warrant to the Trustee that your Instalment Warrants are not held by you in your capacity as a trustee of a trust estate. If you hold Instalment Warrants as trustee of a trust, you must immediately notify the Registrar and, if required, provide to the Trustee all information required for the Trustee to comply with its obligations under Division 6D of the Tax Act.

(iii) Record Times

Commonwealth Bank must ensure that the Registrar fixes Record Times for Instalment Warrants at the same time (or as near as possible) as the time fixed by the relevant Listed Entity for a distribution, entitlement or delivery in respect of an Underlying Security.

(iv) Joint Holders

There must not be more than three joint Holders of an Instalment Warrant, except in the case of the legal representatives of a deceased Holder. All notices, payments and other correspondence to joint Holders may be directed, given or made to the first named joint Holder on the Register.

(v) Deceased Holders

If there are joint Holders of an Instalment Warrant, and one of those joint Holders dies, the surviving Holder will be the only person recognised by Commonwealth Bank as having any interest in that Instalment Warrant

(vi) Property in Instalment Warrants

Property in Instalment Warrants is situated at the place where the Register is situated.

(k) Client money

Client money and securities paid or given by you to Commonwealth Bank in connection with Instalment Warrants must be held by Commonwealth Bank on trust in accordance with the Corporations Act.

Commonwealth Bank may combine your money with the money of other investors and deposit those monies into a trust account or a client segregated account, provided that Commonwealth Bank maintains records sufficient for Commonwealth Bank to determine at any point in time the money in that account that is referable to an Applicant and provided that no money is held in that account that belongs to Commonwealth Bank.

Commonwealth Bank may retain any interest we earn on client money held by us in a trust account. The rate of interest is determined by the relevant bank or financial institution where the trust account is held.

(I) AML/CTF and sanctions obligations

Commonwealth Bank is required to comply with the AML/CTF Act regarding the prevention of money laundering and the financing of terrorism as well as sanctions obligations.

By completing an Application Form, you agree that:

- Commonwealth Bank is required to carry out procedures that verify your identity before providing services to you, and from time to time thereafter;
- (ii) you are not applying for Instalment Warrants under an assumed name;
- (iii) any money used by you to invest in Instalment Warrants is not derived from or related to any criminal activities;
- (iv) any proceeds of your investment will not be used in relation to any criminal activities;
- (v) you will not initiate, engage in, or effect a transaction that may breach the AML/CTF Act or sanctions;
- (vi) if Commonwealth Bank asks you, you will provide us with additional information we reasonably require for the purposes of the AML/CTF Act or sanctions – this includes information about you, your estate, anyone acting on your behalf, or a holder of a beneficial interest in Instalment Warrants or the source of funds used in connection with the investment;

- (vii) Commonwealth Bank may obtain information about you, your estate, anyone acting on your behalf, or a holder of a beneficial interest in Instalment Warrants or the source of funds used in connection with the investment from third parties if we believe this is necessary to comply with the AML/CTF Act or sanctions;
- (viii) in order to comply with the AML/CTF Act and sanctions, Commonwealth Bank may be required to take action, including delaying or refusing the processing of any application, withdrawal, maturity or any transaction related to your investment in Instalment Warrants if we believe or suspect that the application or transaction may breach any obligation of, or cause us to commit or participate in an offence under the AML/CTF Act or sanctions. Commonwealth Bank will not incur any liability in doing so;
- (ix) where legally obliged to do so, Commonwealth Bank may disclose the information gathered to regulatory and/or law enforcement agencies or other entities. Commonwealth Bank may share this information with other members of the Commonwealth Bank Group; and
- (x) Commonwealth Bank can terminate some or all of your Instalment Warrants if we suspect that there is a breach of any of the matters set out in this section, such as unsatisfactory conduct by you or if you fail to provide required information and documentation as requested within a designated time period, or if we consider that we need to terminate some or all of your Instalment Warrants for any other reason in order to manage appropriately any risks to which we are exposed (including the risk of damage to our reputation).

(m) Unclaimed money

At the time you become a Holder, you are deemed to irremovably:

- (i) direct that any payments made to Holders (including any Dividends) but remaining unclaimed for more than 12 months after the date of payment may, at the discretion of the Trustee but subject to any applicable laws, be paid to Commonwealth Bank for the sole benefit of Commonwealth Bank; and
- (ii) you will have no claim to any such amount paid to Commonwealth Bank.

(n) Residual amounts

If your Application Form specified a dollar amount for investment in a Series, you will be issued with the nearest whole unit of Instalment Warrants which can be purchased with that dollar amount.

(o) Code of Banking Practice

The relevant provisions of the Code of Banking Practice apply to Instalment Warrants. You should read Commonwealth Bank's information booklet "The Better Banking Book" copies of which may be obtained by telephoning Commonwealth Bank on 13 22 21 (between 8am and 8pm, Monday to Friday), contacting your relationship manager, visiting our website at www.commbank.com.au or from any branch of the Commonwealth Bank.

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

(p) Labour standards, environmental, social and ethical standards

Commonwealth Bank will not take into account labour standards or social, environmental or ethical considerations in selecting, retaining or realising investments under this PDS. If you want to take into account labour standards or social, environmental or ethical considerations in selecting, retaining or realising your investment in Instalment Warrants, you should make your own enquiries as to whether the issuer of the Underlying Securities of your Instalment Warrants takes into account labour standards or social, environmental or ethical considerations. Such information may be found on the relevant issuer's website or information disclosed by the issuer in accordance with its continuous disclosure obligations.

Commonwealth Bank does not take labour standards or social, environmental or ethical considerations into account when selecting, retaining or realising the Instalment Warrants.

(q) Dispute resolution

Should you wish to make a complaint relating to Instalment Warrants then please telephone Customer Relations between 8:00 am to 7:00 pm Sydney time, Monday to Friday on 13 15 19 (outside Australia +61 2 8223 7014); or, write to:

CBA Group Customer Relations, Reply Paid 41, Sydney, NSW 2001.

If after giving us the opportunity to resolve your complaint, you feel that we have not resolved it satisfactorily, you may also lodge a written complaint with the Financial Ombudsman Service:

Financial Ombudsman Service GPO Box 3 Melbourne Victoria 3001 Tel: 1300 780 808 Web: www.fos.org.au

(r) Responsibility for PDS

Each of the Trustee, the Registrar and Commonwealth Bank on behalf of the Commonwealth Bank Entities have given, and have not, before the date of lodgement of this Product Disclosure Statement with the ASX, withdrawn their consent to be named in this Product Disclosure Statement.

The Trustee has not had any involvement in the preparation of any part of this PDS, other than being named as Trustee. The Trustee has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS (or any statement on which a statement in this PDS is based), and expressly disclaims and takes no responsibility for, any part of this PDS.

The Registrar has not had any involvement in the preparation of any part of this PDS, other than being named as Registrar. The Registrar has not authorised or caused the issue of, does not make, or purport to make, any statement in this PDS (or any statement on which a statement in this PDS is based), and expressly disclaims and takes no responsibility for, any part of this PDS.

The Commonwealth Bank Entities have not had any involvement in the preparation of any part of this PDS, other than being named. They have not authorised or caused the issue of this PDS, do not make, or purport to make, any statement in this PDS (or any statement on which a statement in this PDS is based), and expressly disclaim and takes no responsibility for, any part of this PDS. Clayton Utz has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Clayton Utz has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS (or any statement on which a statement in this PDS is based), and takes no responsibility for any part of this PDS other than section 5.

Link Market Services Limited has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named. Link Market Services Limited has not authorised or caused the issue of this PDS, does not make, or purport to make, any statement in this PDS (or any statement on which a statement in this PDS is based), and takes no responsibility for any part of this PDS.

(s) What are Holding Statements?

Commonwealth Bank will not issue you with a certificate evidencing your title to an Instalment Warrant but will comply with the ASX Settlement Operating Rules and the ASX Operating Rules about the issue of notices relating to Instalment Warrants.

CHESS will generate a Holding Statement for each Instalment Warrant transferred to you (as required by the Corporations Act, the ASX Operating Rules and the ASX Settlement Operating Rules). The Holding Statement will state your Holder Identification Number (HIN) in the case of a CHESS holding or your Shareholder Reference Number (SRN) in the case of an Issuer Sponsored Holding. A Holding Statement will also be issued to you after the end of any month during which there has been a change in the balance of your holding.

A Holding Statement is not an item of separate property and is not conclusive evidence of a holding of Instalment Warrants.

(t) Compulsory disposal of Underlying Security

If the Trustee is legally required to sell an Underlying Security in respect of which you have a Beneficial Interest, the proceeds of sale will be applied by the Trustee in accordance with the Priority Order (see section 2.4(k) for more information) and on the completion of the sale the relevant Instalment Warrant will cease to exist. In these circumstances, the Trustee may determine which of the Underlying Securities will be retained and remain subject to the Mortgage.

(u) No third party interests

No person may control the transfer or disposal of an Underlying Security (other than in accordance with the Trust Deed and Nominee Deed).

(v) Provision of information

You are required to provide information reasonably requested by Commonwealth Bank or the Trustee, and you must provide the Registrar, on request, with details of your holdings of Instalment Warrants.

(w) Consent to recording

You agree to Commonwealth Bank recording all telephone conversations about Instalment Warrants, and the retention and use of such tape recordings as evidence of the content of the conversation in any proceedings.

(x) No cooling-off period

There is no cooling-off period when you acquire Instalment Warrants

10.0 Glossary

Many of these definitions are from the Trust Deed.

Instalment Warrants will be admitted to trading status by the ASX as warrants under the Warrant Rules in Schedule 10 of the ASX Operating Rules. The terminology used in this PDS varies from that used in ASX Operating Rules as follows:

- Instalment Warrant(s) corresponds to "Warrant" and "Warrants";
- Completion Payment corresponds to "Exercise Price";
- Maturity Date corresponds to "Exercise Date";
- Completion Notice corresponds to "Exercise Notice"; and
- > Terms corresponds to "Terms of Issue".

ABN or **Australian Business Number** means the unique identifier issued to an entity under the A New Tax System (Australian Business Number) Act 1999 (Commonwealth) that is recorded in the Australian Business Register established by that Act.

Accepted Applicant means any applicant whose Application is accepted by Commonwealth Bank.

Accountant means any member of the Australian Society of Certified Practising Accountants or member of The Institute of Chartered Accountants in Australia.

Accretion means any benefit or right of any kind which is issued, declared, paid, made, arises or accrues directly to or in respect of an Underlying Security including, without limitation, any accretion, Dividend, security benefit, distribution, entitlement or right to participate in or to own any property of any kind, Bonus Issue, Entitlements Offer or Replacement Underlying Security, but does not include:

- (a) any reduction of capital; or
- (b) any Dividend wholly in cash, or the cash component of a Dividend not wholly in cash, which may be declared in respect of the Underlying Security.

Adviser means the entity or persons identified as the "Adviser" in the Application Form.

Adviser Fee means the fee specified as the "Adviser Fee" in the Application Form.

Adviser Group means the holder of an Australian financial services licence that has appointed the Adviser as its authorised representative to provide financial services in respect to the Instalment Warrants.

AML/CTF Act means the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Commonwealth).

Applicant means a Cash Applicant, Shareholder Applicant, Rollover Applicant or Refinance Applicant.

Application means an application by one or more persons to Commonwealth Bank for a Loan and to subscribe for Instalment Warrants using an Application Form, being an application on terms in accordance with the Trust Deed (including any application made pursuant to a Cash Application, Refinance Application, Rollover Application or Shareholder Application).

Application Form means the "Application Form" attached to this PDS, which forms part of this PDS, pursuant to which an Applicant applies for Instalment Warrants.

ASIC means the Australian Securities and Investments Commission.

Assessed Value Payment means, in respect of an Instalment Warrant, the greater of:

- (a) the payment to be made to a Relevant Holder under paragraph (d) of the definition of Priority Order in respect of that Instalment Warrant; and
- (b) nil.

ASX means ASX Limited ABN 98 008 624 691 or the market operated by ASX Limited, as the context requires.

ASX Clear means ASX Clear Pty Limited ABN 48 001 314 503

ASX Listing Rules means the "Listing Rules" of ASX.

ASX Operating Rules means the "Operating Rules" of ASX.

ASX Settlement means ASX Settlement Pty Limited ABN 98 008 504 532.

ASX Settlement Operating Rules means the "Settlement Operating Rules" of ASX Settlement.

ATO means Australian Taxation Office.

Banking Act means the Banking Act 1959 (Commonwealth).

Beneficial Interest means the beneficial interest which a Holder has in a specified Underlying Security.

Beneficiary means an Accepted Applicant, a Holder, or both, as the context requires.

Bonus Issue means any issue, grant or other distribution, without contribution by or liability of the recipient, of any shares, securities or any other property of any kind other than any cash Dividend or Special Dividend component of any such issue, grant or distribution.

Business Day means a Trading Day on which commercial banks are open for business in Sydney.

Buy-Back Offer means an offer by a Listed Entity to buy-back some or all of the Underlying Securities pursuant to the Corporations Act. **Cash Application** means an Application to Commonwealth Bank for Instalment Warrants pursuant to which the First Instalment (which includes the Interest Amount due on the Effective Date) is paid in cleared funds and Cash Applicant has a corresponding meaning.

Cashback Amount means, in respect of a Shareholder Application, the amount (if any) payable to a Shareholder Applicant by Commonwealth Bank.

CHESS means the Clearing House Electronic Subregister System operated in accordance with the ASX Settlement Operating Rules.

Commonwealth Bank means Commonwealth Bank of Australia (ABN 48 123 123 124).

Commonwealth Bank Entities means the related bodies corporate of Commonwealth Bank.

Commonwealth Bank Group means Commonwealth Bank and the Commonwealth Bank Entities.

Completion Notice means a notice in the form prescribed by Commonwealth Bank and approved by the Trustee from time to time, which indicates it is to take effect as a Completion Notice (by the means required in the form).

Completion Payment means the amount payable to discharge the Loan specified for this purpose in this PDS, as adjusted in accordance with the Trust Deed and the Loan Agreement.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Corporations Regulations means the regulations made under the Corporations Act.

Deferred Settlement means a settlement in which the obligation to settle on a trade date plus 3 business days (T + 3) basis (or such other basis as set out in the ASX Settlement Operating Rules from time to time) is deferred until the time following the despatch date fixed by the ASX.

Disenfranchisement means, in relation to an Underlying Security, the cancellation, suspension, restriction or disregard of any rights (including a Beneficial Interest or those rights connected with voting or Dividends) attaching to or in respect of that Underlying Security, if as a result of:

- (a) a Disposal Event;
- (b) an action taken by a Listed Entity which is permitted by the ASX Listing Rules; or
- (c) the operation of any law, decree, order or judgment.

Disposal Event means, an event by which, as a result of the application of:

- (a) any law of the Commonwealth of Australia or of any State or Territory of it, whether or not such law exists at the date of the Trust Deed; or
- (b) any ordinance, rule, regulation or by-law made pursuant to them; or
- (c) any decree, order or judgment of any competent court,

the Trustee is obliged to dispose of any Underlying Securities but excluding compulsory acquisitions following a Takeover Bid, disposals under a Scheme and disposals under a reduction of capital.

Dividend in respect of an Instalment Warrant over Underlying Securities that are shares, means a dividend of the relevant company and, in respect of an Instalment Warrant over Underlying Securities that are units, means a distribution of income or gains of the relevant trust, but does not include a Special Dividend.

Early Maturity Date means for a Series, the date fixed by Commonwealth Bank as the "Early Maturity Date" by notice to Holders in accordance with clause [6.4] of the Trust Deed.

Effective Date means the date the Accepted Applicant or Transferee (as applicable) becomes a Holder.

Eligible Holder means the Holder on the Register at the relevant Record Time.

Encumbrance means any mortgage, pledge, lien, charge, security interest, title retention, preferential right, trust arrangement, contractual right of set off or any other security agreement or arrangement in favour of any person or any act, arrangement or omission by which a right or an asset may be or is liable to be vested in any person but does not include the Mortgage.

Entitlement Offer means any offer made to all Security Holders (or to all Security Holders other than those to which ASX Listing Rule 7.7.1 applies) in their capacity as registered holders of Securities (whether the offer is made by a Listed Entity or by any other person) to subscribe for or otherwise acquire issued or unissued Securities, whether of a Listed Entity or of any other body, and includes but is not limited to offers which the ASX determines should be treated for the purposes of the ASX Listing Rules as though they were governed by Appendix 7A, paragraph 3 of the ASX Listing Rules.

Equalisation Amount means, in relation to an Instalment Warrant, an amount equal to the amount withheld or deducted pursuant to clause [8.18(c)(i)] of the Trust Deed from any amount that is applied toward payment of the Completion Payment.

Extraordinary Event means:

- (a) any of the following occurs in relation to an Underlying Security or a Series:
 - actual or proposed delisting of the relevant Listed Entity;
 - (ii) withdrawal of admission to trading status or grant of quotation;
 - (iii) suspension of trading or quotation;
 - (iv) a Tax Event; and
 - (v) announcement of a commitment (conditional or not) to propose a Scheme or to make a Takeover Bid or a Buy-Back Offer,

except, in the case of a Series, if that delisting, withdrawal or suspension is caused by Commonwealth Bank; and

(b) any other event designated by Commonwealth Bank to be an Extraordinary Event.

First Instalment means:

- (a) in the case of a Cash Applicant, the cash amount payable to acquire an Instalment Warrant and includes the Interest Amount;
- (b) in the case of a Shareholder Applicant, the Securities to be transferred to the Trustee, being the Securities that will comprise the Underlying Securities of the relevant Series;
- (c) in the case of a Refinance Applicant, the Securities that make up the Underlying Securities of the existing Series, being the Securities that will comprise the Underlying Securities of the new Series;
- (d) in the case of a Rollover Applicant, the Securities that make up the Underlying Securities of the existing Series, being the Securities that will roll into or comprise the Underlying Securities of the new Series; and
- (e) in the case of a Transferee, the purchase price paid to acquire an Instalment Warrant as a result of a Transfer.

FSG means the financial services guide issued by Commonwealth Bank and the Trustee dated on or about the date of this PDS in relation to Instalment Warrants.

Government means a government of any state, territory or country, and includes any administrative or regulatory entity, body, agency or authority.

GST Legislation means the A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth) and related legislation and "GST" means the goods and services tax imposed and payable pursuant to the GST Legislation. **HIN** has the same meaning as given in the ASX Settlement Operating Rules.

Holder means, at any time, a person whose name is entered in the Register as the holder of an Instalment Warrant and, if there are more than one, Holder means each of them individually and every two or more of them jointly.

Instalment Warrant means an Instalment Warrant issued by Commonwealth Bank on the terms of the Trust Deed.

Interest Amount means, in respect of an Instalment Warrant and an Interest Period, the amount of interest payable in respect of the Loan in accordance with paragraph 1.5 of the Loan Agreement.

Interest Period means the period from and including the Effective Date to (and excluding) the next Reset Date (or, if there are no further Reset Dates, the Maturity Date)

Interest Rate means, in respect of an Interest Period, the interest rate applying on the Effective Date or the Reset Date (whichever is applicable), as determined by Commonwealth Bank.

Liquidated Damages Amount has the meaning given by clause 6.3 of the Trust Deed.

Listed Entity means, for each Series, each of the corresponding Listed Entities referred to in the Summary Table of Instalment Warrants.

Loan means, in respect of an Instalment Warrant, any and all advances made under the Loan Agreement provided by Commonwealth Bank to the Holder from time to time, including any new Loan made at the time of a Transfer.

Loan Agreement means, in respect of an Instalment Warrant, the agreement between Commonwealth Bank and each Holder (or the Transferor in the circumstances contemplated by clause 4(f) of the Trust Deed) from time to time in relation to the Loan as set out in this PDS.

Loan Amount means, in respect of an Instalment Warrant, the amount outstanding from time to time under the Loan, being the initial amount of the Loan for that Instalment Warrant as specified in the SPDS (as the 'Completion Payment'), as adjusted by the Trust Deed and the Loan Agreement from time to time (including as adjusted on a Reset Date).

Maturity Date means, for each Series, the Maturity Date shown in the Summary Table of Instalment Warrants or any other date as substituted in accordance with the Trust Deed or this PDS. Maturity Date Reminder means a reminder notice sent by the Registrar to all Holders in accordance with section 2.4(c) (i) of this PDS.

Mortgage means the equitable mortgage held by Commonwealth Bank in respect of the Mortgaged Property to secure repayment of the Secured Monies pursuant to clause 2.5(a) of the Trust Deed.

Mortgaged Property means any property mortgaged by the Trustee in favour of Commonwealth Bank pursuant to clause 2.5(a) of the Trust Deed.

National Guarantee Fund is a compensation fund available to meet certain claims which arise from dealings with participants of the ASX and, in limited circumstances, participants of ASX Clear.

Nominee Deed means a declaration of trust executed by the Trustee substantially in the form set out in Schedule 1 to the Trust Deed.

Officer has the meaning given to that term in relation to a body corporate in section 9 of the Corporations Act.

PDS means the product disclosure statement dated [*] December 2014 pursuant to which Commonwealth Bank makes the invitation to persons to apply for Instalment Warrants and includes any supplementary or replacement product disclosure statement issued by Commonwealth Bank in respect of the Instalment Warrants.

Prescribed Transfer means a transfer of Instalment Warrants by means of a duly completed Transfer Form.

Priority Order means the payment of a Relevant Amount by the Trustee (or as otherwise directed under the Trust Deed) in the following order:

- (a) first, in payment or reimbursement of all costs, charges, liabilities, expenses and Taxes (other than in respect of its taxable income) incurred by or on behalf of the Trustee which have been incurred in or are incidental to the exercise or performance of a power or duty, or an attempt to exercise or perform, in respect of the Relevant Underlying Securities or any other amount payable to the Trustee in accordance with the Trust Deed;
- (b) second, in payment or reimbursement of all fees, costs, charges, liabilities, expenses and Taxes incurred in relation to the Relevant Event;

- (c) third, in payment to Commonwealth Bank of:
 - (i) the Completion Payment in respect of the Relevant Underlying Security (including, if the proceeds are insufficient to pay the Completion Payment in respect of all Relevant Underlying Securities, the apportionment of the proceeds available equally among the Relevant Underlying Securities); and
 - (ii) any other amounts payable to Commonwealth Bank under the Trust Deed;
- (d) fourth, in payment of the balance (if any) to the Relevant Holder,

and for the purposes of this definition alone: "*Relevant Amount*" means the proceeds or surplus or other amount of or in relation to a Relevant Event; "*Relevant Event*" means a sale, disposition or other transfer (including by way of cancellation or extinguishment), or other event giving rise to a surplus or other amount, of one or more Underlying Securities; "*Relevant Underlying Securities*" means the Underlying Securities to which the Relevant Event relates; "*Relevant Instalment Warrants*" means the Instalment Warrants in respect of the Relevant Underlying Securities; and "*Relevant Holder*" means the person who was the Holder of the Relevant Instalment Warrants immediately before the Relevant Event.

Proper Transfer means a transfer (as defined in section 1073B of the Corporations Act) which is effected pursuant to, or substantially complies with, the ASX Settlement Operating Rules.

Qualified Sale Agent means in relation to:

- (a) any security, a market participant of ASX (including any associate of Commonwealth Bank charging normal commercial rates); and
- (b) any other asset or right, such person experienced in the sale of that type of asset or right as the Trustee in its discretion and acting on the advice of a market participant of ASX, or of an Accountant, may select.

Reasonable Action means action taken or omitted by Commonwealth Bank or the Trustee (after consultation with Commonwealth Bank) which is lawful, practicable, does not create a risk of liability for Commonwealth Bank or the Trustee unacceptable to it and is otherwise reasonable.

Receiver means a receiver or receiver and manager.

Record Time means the date and time as at which any right is conferred or obligation is imposed by the holding of Instalment Warrants or the holding of Underlying Securities, as the case may be, including, without limitation, of the right to receive distributions or other security benefits, as determined and for the purposes of the ASX Settlement Operating Rules has the same meaning as "Record Date".

Refinance Application means an Application to Commonwealth Bank for Instalment Warrants pursuant to which the Applicant refinances the existing Loan for an existing Series into a new Loan over the same Underlying Securities and **Refinance Applicant** has a corresponding meaning.

Refinance Payment means, in respect of a Refinance Application, the amount (if any) which a Refinance Applicant is required to pay to Commonwealth Bank.

Register means the register maintained under clause 7.1(a) of the Trust Deed.

Registered Address means, in relation to a Holder and whether or not there is one or more than one Holder registered in respect of an Instalment Warrant, the single address recorded in the Register in respect of that Instalment Warrant.

Registrar means the registrar of the Register.

Replacement Underlying Security means, where an Underlying Security is consolidated, re-constructed, subdivided or replaced with some other form of security issued by the Listed Entity, each sub-divided, reconstructed or consolidated Underlying Security or replacement security which is issued by the Listed Entity.

Reset Date means each of the dates specified as a "Reset Date" for the Series in the relevant SPDS.

Rollover Application means an Application (if available) to Commonwealth Bank for Instalment Warrants pursuant to which the Applicant rolls an existing Series into a new Series over the same Underlying Securities and Rollover Applicant has a corresponding meaning.

Rollover Amount means a Rollover Cashback or a Rollover Payment (as applicable).

Rollover Cashback means, in respect of a Rollover Application, the amount (if any) payable to a Rollover Applicant by Commonwealth Bank.

Rollover Payment means, in respect of a Rollover Application, the amount (if any) which a Rollover Applicant is required to pay to Commonwealth Bank.

Scheme means any arrangement, compromise, merger or reconstruction of a Listed Entity which falls within Part 5.1 of the Corporations Act and which, if implemented in those terms, would result in an Accretion or in the reconstruction, cancellation, replacement or modification (not being a modification within the meaning of clauses 3.2(e)(i) to 3.2(e)(iii) inclusive of the Trust Deed) of the Underlying Securities.

Scheme Outcome means any Accretion, Security or other property or right conferred in addition to, or in replacement of, an Underlying Security pursuant to a Scheme. Secured Monies means, in respect of an Instalment Warrant:

- (a) any and all advances and interest under the Loan Agreement in respect of that Instalment Warrant from time to time; and
- (b) any other amounts required to be paid to Commonwealth Bank in connection with the Trust Deed or the Loan Agreement.

Security means:

- (a) one ASX-listed share issued by a Listed Entity; or
- (b) one ASX-listed unit issued by a Listed Entity.

Security Holder means a person for the time being registered in the Listed Entity's register as the holder of a Security.

Separate Trust means each of the trusts relating to Underlying Securities, with one such trust for each Underlying Security, established under a Nominee Deed.

Series means the Instalment Warrants which all relate to an Underlying Security of the same Listed Entity and which otherwise have identical rights.

Settlement Date means, in respect of a validly given Completion Notice:

- (a) in respect of a Completion Notice given 20 or fewer Business Days in advance of the Maturity Date, the 20th Business Day after the Maturity Date; and
- (b) in respect of all other Completion Notices, the 20th Business Day after the day on which the notice was given.

Shareholder Application means an Application (if available) to Commonwealth Bank for Instalment Warrants pursuant to which the Applicant transfers their existing shareholdings to the Trustee and Shareholder Applicant has a corresponding meaning.

SIS Act means the Superannuation Industry (Supervision) Act 1993 (Commonwealth).

SIS Regulations means Superannuation Industry (Supervision) Regulations 1994 (Commonwealth).

SPDS means any Supplementary Product Disclosure Statement that supplements this PDS.

Special Dividend means a dividend or distribution:

- (a) which is described as a special dividend or distribution; or
- (b) in relation to which ASX makes an adjustment to a price payable in respect of options relating to the relevant Underlying Security as traded on ASX; or
- (c) which is a non-cash dividend or distribution which Commonwealth Bank determines to be a special dividend.

Stock Loan has the meaning given in clause 2.12 of the Trust Deed.

Stock Loan Rights means, in respect of an Underlying Security, all present and future rights of the Trustee under a Stock Loan of the property comprised in the Underlying Security and any proceeds of enforcement of such rights.

Summary Table of Instalment Warrants means the table appearing under that name in each SPDS.

Takeover Bid means:

- (a) in the case of an off-market bid, the lodging with ASIC of a copy of a bidder's statement and offer document;
- (b) in the case of an on-market bid, the announcement of the bid to the relevant securities exchange; and
- (c) the commitment (conditional or not) to make offers of the type to which section 414 of the Corporations Act applies,

whether or not any of those bids or offers are subsequently not made, are varied or are withdrawn.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a foreign or domestic Government or Government agency, and any related interest, penalty, charge, fee or other amount.

Tax Act means:

- (a) the Income Tax Assessment Act 1936 (Commonwealth); and
- (b) the Income Tax Assessment Act 1997 (Commonwealth).

Tax Event means any change to the Tax Act with the effect that trustees are or will be taxed in a manner similar to corporations or trust distributions are taxed in a manner similar to corporate distributions or any other change to the Tax Act or its interpretation or administration by the ATO which has a material financial effect on the issue, holding, reconstruction, cancellation, expiry or completion of Instalment Warrants or dealing in Underlying Securities contemplated by the Trust Deed.

Terms means terms of the Trust Deed.

TFN or Tax File Number means the number issued to a person by the Commissioner of Taxation under the Tax Act.

Trading Day has the meaning given in or pursuant to the ASX Operating Rules.

Transfer means a transfer of an Instalment Warrant.

Transfer Cost means costs payable by Commonwealth Bank or the Transferor on a Transfer in accordance with clause 1.7 of the Loan Agreement. **Transfer Form** means a form in the form prescribed by Commonwealth Bank from time to time or any other form or transfer approved by Commonwealth Bank and ASX and provided that any such instrument has been duly executed by the Transferor and the Transferee.

Transferee means a person who becomes entitled to be registered as a Holder in respect of a particular Instalment Warrant.

Transferor means a Holder who transfers an Instalment Warrant in accordance with the Trust Deed.

Trust Property includes:

- (a) in relation to a Beneficiary, the property transferred to or directed to be held by the Trustee in respect of that Beneficiary;
- (b) in relation to a Beneficiary, all income or other property arising from the property referred to in paragraph (a) of this definition;
- (c) in relation to a Holder, any Underlying Security issued or transferred to the Trustee which corresponds to the Instalment Warrant in a Series issued pursuant to this PDS and the relevant SPDS in relation to which the Holder is recorded as the Holder;
- (d) any Security or Accretion delivered to the Trustee under a Stock Loan; and
- (e) any rights in relation to Stock Loans.

Trustee means the trustee of the Separate Trusts and includes any subsequent Trustee or nominee, custodian, delegate or agent of the Trustee as the context requires.

Trust Deed means the document titled '*Commonwealth* Bank of Australia – Instalment Warrants Trust Deed' dated [*] December 2014 between Share Direct Nominees Pty Ltd as trustee and Commonwealth Bank.

Underlying Security means a Security, and all Accretions in respect of that Security, that is referred to in the Summary Table of Instalment Warrants or any replacement or substituted asset as adjusted in accordance with the Trust Deed.

II.O Directory

For further information about Commonwealth Bank or for a copy of any information Commonwealth Bank agrees to provide under this Product Disclosure Statement, contact Commonwealth Bank Equity Products Group on Ph: 1300 786 039 or at the address below.

Issuer:

Commonwealth Bank of Australia 201 Sussex Street Sydney NSW 2000

Administrator: Commonwealth Securities Limited 1 Harbour Street Sydney NSW 2000

Trustee: Share Direct Nominees Pty Limited 201 Sussex Street Sydney NSW 2000 Registrar:

Link Market Services Limited Level 12 680 George Street Sydney NSW 2000

Legal and Tax Counsel to the Issuer Clayton Utz Level 15 1 Bligh Street Sydney NSW 2000

To request a Completion Notice 1300 733 794

Share Direct Nominees Pty Limited has been appointed as an Authorised Representative to provide custodial services on behalf of the Administrator (the Administrator provides administrative support services to Commonwealth Bank).



Instalment Warrant Application Form

Part A – How to Apply

Read the Important Documents

Please read in full the Product Disclosure Statement dated 10 December 2014 (PDS), the relevant Supplementary Product Disclosure Statement (SPDS), Financial Services Guide (FSG) and Terms and Conditions. These documents contain important information about Instalment Warrants. 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 PDS and FSG. While the PDS and FSG are current, Cruno ealth Bank or a licensed or authorised financial intermediary who has provided an electronic copy of these documents. It send a paper copy of the PDS and FSG on request and without charge.

Consult your Financial and Taxation Advisers

Commonwealth Bank recommends that you discuss with your financial and taxation advisers whether that we ment in Instalment Warrants is suitable to your individual circumstances.

Complete the relevant Parts in this Application Form

- Part B Adviser Details / Nominated Representative and Client Verification: The informatic verification verification in Part B must be supplied by all Applicants, otherwise the Application will be deement to be surressful and will not be processed by Commonwealth Bank.
- Part D Applicant Details: must be completed by all Applicants, including the rect by it authorisation. There are a number of ways that Commonwealth Bank can verify Applicants, so please read careful the ption available in Part D.
- Part F Cash Application: for investors who wish to purchase Instalment Warra with cash.
- Part G Shareholder Application: for investors who wish to convert existing street dings into Instalment Warrants. Note: not available to superannuation funds.
- Part H Rollover Application: for investors who wish to convert a prior ories instalment Warrants into a new Series of Instalment Warrants over the same Underlying Securities. Notice of available to superannuation funds.
- Part I Refinance Application: for superannuation funds we wis the refinance a prior Series of Instalment Warrants into a new Series of Instalment Warrants over the same Underlying Sector we a new Loan that is equal to or less than the existing Loan.
- Part J National Credit Code Declaration: must be my ted and signed by all Applicant(s).
- Part K Applicant(s) Signatures: must be compared and signatures of by all Applicants, otherwise Commonwealth Bank will not process the Application.

Applications for Instalment Warrants can or be ccepte Nia completion on this Form and must be completed in accordance with the instructions for the relevant Part.

Shareholder Applications and Rollover by superannuation funds are not permitted and will not be accepted.

Applicant Identity Verification/

- Please indicate how your identi (will be) rified by ticking the relevant box below:
- Your adviser will verify your vite our adviser will complete Part B, Section 3;
- Vou have an existing mmonyealth Bank account, Commonwealth Bank credit card or a CommSec account, complete Part D, Sectio
- If you are provident of the second se

Please send ve completed Application Form and any supporting documentation to:

Com wear Bank Instalment Warrants

Locked q 34 Australia Square NSW 1214

Or email to: warrants@cba.com.au

For more information about how to apply for Instalment Warrants please call 1300 786 039.

Capitalised words used in this Application Form have the same meanings given to them in the PDS, unless the context requires otherwise.

Part B – Adviser Details/Nominated Representative Details and Client Verification

Commonwealth Bank has client verification requirements that need to be satisfied for all:

- Individual customers
- Individual signatories for a company and/or trustees of a trust

Section 1 – Adviser Details and Declaration

Compulsory for Advisers - to be completed by Advisers.

Client Adviser Number (CAN)	Adviser Name
AFS Licensee Name and AFSL No	Preferred Email Address
Mobile Number	Adviser Stamp
Business Number	

If the Applicant has agreed to submit an application through their adviser, the Adviser must supply the Clip (A iser Number (CAN) even if it has previously been provided by Commonwealth Bank. If the adviser does not have a Cook, the should call 1300 786 039. Capitalised words used in this Application Form that are defined in the PDS have the same of an in the PDS, unless the context requires otherwise.

Adviser Declaration

I acknowledge and declare that:

- 1. I hold, or I am an authorised representative of an entity that holds, a current Aus An Financial Services Licence and that no application has been made or is pending to vary, amend or remove this
- 2. I hold, or I am an authorised representative of an entity that holds, all a propriate cences and authorities and I am accredited to sell the financial products described in this PDS.
- 3. I have not held myself out to any of the Applicants specified in the Applicant orm, unless I am entitled to do so by law, as being a representative of Commonwealth Bank or any member of the Commonwealth Bank Group.
- 4. I have, or I am an authorised representative of an entity that white into a distribution agreement with Commonwealth Bank.
- 5. I agreed the Adviser Fee specified in this Application form with Applicant(s) and have advised the Applicant(s) that the Applicant(s) is/are authorising me to receive the Adviser Fe, before the Applicant(s) signed this Application Form. I will immediately notify Commonwealth Bank in write A an our ger entitled to receive the Adviser Fee.
- 6. The payment of the Adviser Fee to me will no at an to be ach any law.
- 7. I consent to the payment of the Adviser K short in this Application Form. I acknowledge that Commonwealth Bank is only obliged to pay the Adviser Fee to my Advise and the Adviser Fee to my Adviser and the Adviser an
 - a. if Commonwealth Bank accepts
 - b. to the extent the Adviser Forma Cashback Amount, a Rollover Cashback, the proceeds of an existing Series of Instalment Warrants or from a pay encecived from the Applicant(s).
- 8. I have verified the necessary cumen tion required by Commonwealth Bank for the purposes of this Application Form.
- 9. Commonwealth Ban will rely of formation contained in this Application Form.
- 10. I have not misled, or more severe dealer the financial products described in the PDS, to the Applicant(s) specified in this Application Form and I have acted how for the providing financial products and services described in and associated with the inverties referred to in the PDS and this Application Form.
- 11. Where indic dual Applicants apply for a Loan, the proceeds of the Loan will be used by the Applicants wholly or predominantly for bus essive investment purposes (and not for personal, domestic or household purposes or to purchase, renovate or improve residentia rop for investment purposes).
- 12. W vicant(s) make a Shareholder Application and receive a Cashback Amount, the proceeds of the Cashback Amount will by opplied by the Applicant(s):
 - a. whole or predominantly for business or investment purposes (and not for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes); or
 - b. to acquire additional Instalment Warrants in the same Series as those specified in this Application Form.
- 13. Where the Applicant(s) make a Rollover Application and receive a Rollover Cashback, the proceeds of the Rollover Cashback will be applied by the Applicant(s):
 - a. wholly or predominantly for business or investment purposes (and not for personal, domestic or household purposes for to purchase, renovate or improve residential property for investment purposes); or
 - b. to acquire additional Instalment Warrants in the same Series as those specified in this Application Form.

Part B – Adviser Details/Nominated Representative Details and Client Verification (continued)

- 14. Where superannuation funds are used to apply for an Instalment Warrant, the proceeds will be applied by the Applicant(s) to acquire an asset that would not breach any of the superannuation investment rules and requirements under the SIS Act, SIS Regulations or any other law.
- 15. I have explained the risks of Instalment Warrants, and drawn the attention of the Applicant(s) specifically to the risks of investing in Instalment Warrants as outlined in the PDS to which this Application Form is attached.
- 16. I have provided the Applicant(s) with the PDS, relevant SPDS, FSG and Trust Deed.
- 17. I have provided the FSG Issued by my Adviser Group to the Applicant(s), together with any Financial Services Guide required to be given to the Applicant(s).
- 18. I am accredited to advise on Instalment Warrants.

The Adviser must sign this section and complete Section 1 "Adviser Details and Declaration".



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Section 2 – Adviser Fee and appointment of Nominated Representative

Date

Capitalised words used in this Application Form that are defined in the PDS have the same meaning the DS, ss the context requires otherwise.

By completing and signing this Section 2, I/we acknowledge and declare:

- 1. I/We confirm that I/we wish to pay the Adviser specified in Section 1 an Adviser Fee specific in the Part F: Cash Application; Part G: Shareholder Application; Part H: Rollover Application; or Part I: Refinance Applitation.
- 2. I/We authorise and direct:
 - a. Commonwealth Bank to collect the Adviser Fee and pay, the Adviser Fee to fe Adviser Group on my/our behalf; and
 - b. the Adviser Group, to pay the Adviser Fee to the Adviser on my/our behalf.
- 3. For a Cash Application,
 - a. I/we undertake to pay the Adviser Fee to Commonwealth Bank with the First stament;
 - b. I/we direct Commonwealth Bank to collect the Adviser Fee and pay the dviser Group on my/our behalf; and
 - c. I/we direct the Adviser Group to pay the Adviser Fee to the ser on myrour behalf.
- 4. For a Shareholder Application:
 - a. where I am/we are entitled to receive a Cashback A Jount of is sufficient to cover the Adviser Fee:
 - i. I/we direct Commonwealth Bank to apply the elever poin of the Cashback Amount to pay the Adviser Fee to the Adviser Group on my/our behalf; and
 - ii. I/we direct the Adviser Group to pay the Adviser on my/our behalf; or
 - b. where I am/we are entitled to receive a Ca back A punt but the Cashback Amount is insufficient to cover the Adviser Fee:
 - i. I/we direct Commonwealth Bank to op. The Cashback Amount towards part payment of the Adviser Fee to the Adviser Group on my/our be
 - ii. I/we undertake to pay the remainder of the Adviser Fee to Commonwealth Bank and I/we direct Commonwealth Bank to collect this amount an pay in Adviser Group on my/our behalf; and
 - iii. I/we direct the Advise Group to pay the Adviser Fee to the Adviser on my/our behalf; or
 - c. where I am/we are not entry ceive a Cashback Amount:
 - i. I/we undertake pay the Adviser Fee to Commonwealth Bank; and
 - ii. I/we direct Comme with Bank to collect the Adviser Fee and pay it to the Adviser Group on my/our behalf; and
 - iii. I/we rect Adviser Group to pay the Adviser Fee to the Adviser on my/our behalf.
- 5. For a Rollo r Applic ion:

a. whe la we dentitled to receive a Rollover Cashback that is sufficient to cover the Adviser Fee:

- L/we virect Commonwealth Bank to apply the relevant portion of the Rollover Cashback to pay the Adviser Fee to the Adviser Fee
 - ii. Ve direct the Adviser Group to pay the Adviser Fee to the Adviser on my/our behalf; or
- b. where I am/we are entitled to receive a Rollover Cashback but the Rollover Cashback is insufficient to cover the Adviser Fee:
 - i. I/we direct Commonwealth Bank to apply all of the Rollover Cashback towards part payment of the Adviser Fee to the Adviser Group on my/our behalf;
 - ii. I/we undertake to pay the remainder of the Adviser Fee to Commonwealth Bank with the Rollover Payment and I/we direct Commonwealth Bank to collect this amount and pay it to the Adviser Group on my/our behalf; and
 - iii. I/we direct the Adviser Group to pay the Adviser Fee to the Adviser on my/our behalf; or
- c. where I am/we are not entitled to receive a Rollover Cashback:
 - i. I/we undertake to pay the Adviser Fee to Commonwealth Bank with the Rollover Payment;
 - ii. I/we direct Commonwealth Bank to collect the Adviser Fee and pay it to the Adviser Group on my/our behalf; and
 - iii. I/we direct the Adviser Group to pay the Adviser Fee to the Adviser on my/our behalf.

Part B – Adviser Details/Nominated Representative Details and Client Verification (continued)

- 6. For a Refinance Application (only available to superannuation funds),
 - a. I/we undertake to pay the Adviser Fee to Commonwealth Bank with the Refinance Payment;
 - b. I/we direct Commonwealth Bank to collect the Adviser Fee and pay it to the Adviser Group on my/our behalf; and
 - c. I/we direct the Adviser Group to pay the Adviser Fee to the Adviser on my/our behalf.
- 7. I/We confirm that I/we agreed the Adviser Fee with the Adviser before signing this Application Form.
- 8. I/We confirm that:
 - a. the Adviser Fee relates to the issue or sale of a financial product by the Adviser to me/us, or financial product advice given by the Adviser to me/us; and
 - b. the payment of the Adviser Fee to the Adviser Group or the Adviser will not at any time breach any law.
- I/We acknowledge and agree that Commonwealth Bank will only make payment of the Adviser Fee on my/our behalf if Commonwealth Bank accepts my/our Application and to the extent that:
 - a. in relation to a Cash Application, I/we have paid the Adviser Fee to Commonwealth Bank together with the First vent;
 - b. in relation to a Shareholder Application:
 - i. where I am/we are entitled to receive a Cashback Amount, the Cashback Amount is sufficient to cover the A severe;
 - ii. where I am/we are entitled to receive a Cashback Amount but the Cashback Amount is insufficient of the dviser Fee, I/we have paid the shortfall amount to Commonwealth Bank; or
 - iii. where I am/we are not entitled to receive a Cashback Amount, I/we have paid the Adviser to the model of the Bank.
 - c. in relation to a Rollover Application:
 - i. where I am/we are entitled to receive a Rollover Cashback, the Rollover Cashback i (uffight to over the Adviser Fee;
 - ii. where I am/we are entitled to receive a Rollover Cashback but the Rollover Cashack sufficient to cover the Adviser Fee, I/we have paid the shortfall amount to Commonwealth Bank; or
 - iii. where I am/we not entitled to receive a Rollover Cashback, I/we have pair the Asser Fee to Commonwealth Bank together with the Rollover Payment;
 - d. in relation to a Refinance Application (only available to superannuation funds), we have paid the Adviser Fee to Commonwealth Bank with the Refinance Payment.

Adviser as your Nominated Representative

If you have an Adviser and you would like your Adviser to be resentative, please tick this box.

Powers of Nominated Representative/s.

The Nominated Representative may do any of the following in your name or in its own name as a personal act of yours in relation to your Facility:

- a. to sign and enter into Transactions;
- b. issue general requests relating to securities, (ecutive value), own, portfolio management, corporate actions, repayment, redemptions, resets and switches;
- c. issue instructions relating to maturity and to
- d. receive duplicate copies of investme , sissued to you; and
- e. complete any blanks, supplem and any document, where such changes are not material;
- f. amend your instructions and prms;
- g. change your contact details;
- h. make enquiries regaring your interment;
- i. do anything incidental to by of the above.

This appointment of the following Terms and Conditions of Appointing Nominated Representative/s.

Terms and C (ditions) f Appointing Nominated Representative/s.

- 1. Direction of autors from, or the exercise of powers by, a person we reasonably believe to be your Nominated Representative, sput be defined to be your personal acts or the personal exercise by you of those powers.
- 2. We Commerce to act upon any instructions from your Nominated Representative until we receive a written cancellation of the appoint vent by you.
- 3. We are authorised to share information about your investment with your Nominated Representative.
- 4. We may cancel or vary the terms of appointment of your Nominated Representative by giving you 14 days notice.
- 5. Your Nominated Representative may do any of the acts or things set out in the Powers of Nominated Representative.
- 6. If your Nominated Representative is your Adviser, their authority is limited so that they cannot change the amount of the contribution fee or Adviser Fee applying to your investment or alter payment/distribution of proceeds to Australian bank account details.
- 7. You agree to release, discharge and indemnify us from and against all losses, actions, liabilities, claims, demands and proceedings arising from your appointment of a Nominated Representative.
- 8. You agree that neither you nor any person claiming through you will have any claim against us in respect of any act or omission by your Nominated Representative, whether authorised by you or not, including without limitation any payment by us on the instruction of your Nominated Representative.

Signature of Applicant 2/Director 2 or 3 Full Name) / MM / YYYY		
Signature Date			
Signature of Applicant 2/Director 2 or 3 Full Name			
Signature of Applicant 2/Director 2 or 3 Full Name			
Signature of Applicant 2/Director 2 or 3 Full Name			
Full Name	Secretary/Individual Trust		
		tee 2	
Signature Date			
X) / MM / YYYY		
Signature of Applicant 3/Director 3/Ind	lividual Trustee 3		
Full Name			
Signature Date			
) / MM / YYYY		
<u></u>			
Section 3 – Adviser Verification Proce	edure		
Important: Please complete the table/s	below to confirm how you	verifie me, ph mt(s) and Tru	usts (if applicable).
		verne the on this and the	
Verification for Individuals/Directors/T	rustees		
ID Document Details Doc	cument 1	Pocument 2	Document 3
Verified From	Driginal Certifie	inal Certified Copy	Original Certified Copy
Document Type (eg passport)		\mathbf{b}	
Document Issuer			
Issue Date	\sim		
Expiry Date			
Document Number	$\langle - \rangle$		
Accredited English Translati	A Sighted	□ N/A □ Sighted	□ N/A □ Sighted
Verification for Trusts			
Tick () Verification of or (select	ct one of the following optio	ons used to verify the Trust)	
	C, ATO or relevant regulator' at www.abn.business.gov.au		
a copy of a Product D	nt of the managed investme	ents scheme	
A copy or relevant extract of government website.	of the legislation establishin	ng the government superannuati	on fund sourced from a
An original or certified copy the Trust deed.	y of the Trust deed or if not	t reasonably available an origir	nal or certified extract of

Part B - Adviser Details/Nominated Representative Details and Client Verification (continued)

ID Document Details			
Verified From	Performed search	Original	Certified Copy
Document Issuer/ Website			
Issue date / Search date			
Accredited English Translation	□ N/A	Sighted	
Client Adviser Number (CAN)	Date Documents Verified		
Adviser's Name			
Signature of Adviser	Date		

Part C – Important Information

You should complete this Application Form carefully and must supply all information required. Ut fail complete this Application Form correctly, it is likely that your Application will be rejected.

JU ON If your Application is unsuccessful, Commonwealth Bank will contact you to notify s result. It is your responsibility to provide the correct contact details on your Application Form. Commonwealth ank / con no responsibility if it is unable nwealth Bank is not liable for any loss to contact you by using the contact details specified in this Application Form. Con suffered by unsuccessful Applicant(s) if Commonwealth Bank has been up ing its reasonable endeavours, to contact JE. the Applicant(s) using the contact details specified in this Application For (. You w be deemed to have been contacted if Commonwealth Bank receives confirmation of receipt of a fax or email se to a fa number or email address (as applicable) specified in this Application Form.

Correct form of registrable title

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

Type of Investor	Co ect A	Examples of Incorrect Form
Individual. Use given names not initials.	a tan smith	J.A. Smith
Company. Do not use abbreviati	ABC Pty Ltd	ABC P/L ABC Co
Trusts. Use Trustee's persona name. Do not use the name of the Trus	John Smith <john a="" c="" family="" smith=""></john>	John Smith Family Trust
Superannuation Funds. Tr. tee's name not the name of the Tr.	John Smith Pty Ltd <super a="" c="" fund=""></super>	John Smith Pty Ltd Superannuation Fund

This Application Form must not be distributed or passed on to any person unless accompanied by the complete and unaltered PDS (when the paper electronic form).

Part D – Applicant Identification

Section 1 - Identification - Investors with an existing Commonwealth Bank account

Do you have an existing Commonwealth Bank account, Commonwealth Bank credit card or CommSec account?

□ Yes ► Please record the information for <u>one account for each Applicant</u> and Trust (if applicable) below then go to Part C.

 \Box No \rightarrow Please proceed to Section 5 below.

Commonwealth Bank accounts

	Applicant 1	Applicant 2	Applicant 3
Accounts in the name(s) of			
BSB Number			
Account Number			

Commonwealth Bank Credit Cards

	Applicant 1	Applicant 2	Applical
Accounts in the name(s) of			
Credit Card Number			

CommSec accounts

			$(\land \land$	<u> </u>
	Applicant 1	Applicant 2		Applicant 3
Account Type			\sim	
Account Number			\mathbf{i}	
Account Name			·	

Section 2 - Identification - Investors without a Commony alth onk or CommSec account

For Applicants (Individual Applicants, Director/s operating in the ompany account or Trustee/s operating on the Trust account) and Trusts that do not have a Commonwealth Bank account red, Card, CommSec account or are not submitting the application through an Adviser, certified photocopy identification is red. The acceptable identification documentation as well as the list of eligible persons who are allowed to certify identification is red. Elow.

How to certify acceptable identification docu entatio

The certified photocopy must include a state of the view of the this is a true copy of the original document" (or similar wording). The certifier must also include the date contribution, their full name, signature and qualification or occupation which makes them eligible, on the photocopied ID.

Please do not attach original dor men Stad only certified copies of original documents.

The list of eligible persons who e allowe to certify identification:

- 1. Agent of the Austral Postal ration who is in charge of an office so, lying postal services to the public
- 2. Australian Consular Offic Australian Diplomatic Officer (within the neaning of the Consular Fees Act 1955)
- 3. Bailiff
- 4. Bank ich with r more continuous years of service
- 5. viding shiety officer with 2 or more years of
- 6. Chief vecutive officer of a Commonwealth court
- 7. Clerk of a court
- 8. Commissioner for Affidavits
- 9. Commissioner for Declarations
- 10. Credit union officer with 2 or more years of continuous service
- 11. Employee of the Australian Trade Commission who is:
 - in a country or place outside Australia; and
 - authorised under paragraph 3 (d) of the Consular Fees Act 1955; and
 - exercising his or her function in that place

- 12. Employee of the Commonwealth who is:
 - in a country or place outside Australia; and
 - authorised under paragraph 3 (c) of the Consular Fees Act 1955; and

 $\wedge \vee \langle \rangle$

- exercising his or her function in that place
- 13. Fellow of the National Tax Accountants' Association
- 14. Finance company officer with 2 or more years of continuous service
- 15. Judge of a court
- 16. Justice of the Peace
- 17. Magistrate
- Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961
- 19. Master of a court
- 20. Member of Chartered Secretaries Australia
- 21. Member of Engineers Australia, other than at the grade of student
- 22. Member of the Association of Taxation and Management Accountants

Form continued next page

Part D – Applicant Identification (continued)

24. Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants

25. Member of:

- the Parliament of the Commonwealth; or
- the Parliament of a State; or
- a Territory legislature; or
- a local government authority of a State or Territory
- 26. Minister of religion registered under Subdivision A of Division 1 of Part IV of the Marriage Act 1961
- 27. Notary public
- 28. Permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public
- 29. Permanent employee of:
 - the Commonwealth or a Commonwealth authority; or
 - a State or Territory or a State or Territory authority; or
 - a local government authority;

with 2 or more years of continuous service who is not already listed above.

Individual Applicants / Directors / Individual Trustees

The following must be verified:

- the client's full name; and
- either:
 - the client's date of birth: or
 - the client's residential address

Acceptable identification documentation comprises a certified opy

- 1 x Primary Photographic Identification (refer to Section 2.1 (w); or
- 2 x Primary Non Photographic Identification (refer K Sect n 2.2 elow); or
- 1 x Primary Non Photographic (refer to Section x 2 condary Identification (refer to Section 2.3 below). an

Section 2.1

Primary Photographic Identification (Sufficien D vitse

- Australian Passport issued by the C mon with, which has not been expired for 2 years or more;
- Drivers licence issued in Australia that ontains a photograph of the person in whose name the account is issued;
- Proof of Age Cards issued/ nder a W a state or territory (all States) that contains a photograph of the person in whose name the document is issue
- NSW birth card (not currently wilab / in other states);
- similar document issued for the purpose of international travel which*: International Passpon
 - contains a photograp nd signature of the person in whose name the document is issued; and
 - eign government, the United Nations (UN) or an agency of the UN; is issued
- A national entity ca d issued for the purpose of identity which*:
 - whote raph and signature of the person in whose name the document is issued; and con
 - ssued by a foreign government, the United Nations (UN) or an agency of the UN; ie issue
- ns licence issued under law (All States); Fire
- Sorce Identity card; Defenc
- NSW Photo card.

* If written in a language other than English, we require an English translation, verified by a translator acceptable to a bank.

OR

Form continued next page

- 30. Police officer
- 31. Registrar, or Deputy Registrar, of a court
- 32. Senior Executive Service employee of:
 - the Commonwealth or a Commonwealth authority; or
 - a State or Territory or a State or Territory authority

- 34. Sheriff's officer
- 35. Teacher employed on a full-time basis at a school or tertiary education institution
- 36. Member of the Australasian Institute of Mining and Metallurgy.

33. Sheriff

Part D – Applicant Identification (continued)

Section 2.2

2 x Primary Non Photographic Identification:

- Birth certificate or birth extract issued by an Australian State or Territory;
- Birth certificate issued by a foreign government, the United Nations or an agency of the UN*;
- Citizenship certificate issued by the Commonwealth;
- Citizenship certificate issued by a foreign government*;
- A pension card issued by Centrelink that entitles the person whose name the card is issued, to financial benefits.
- * If written in a language other than English, we require an English translation, verified by a translator acceptable to a bank.

OR

Section 2.3

1 x Primary Non Photographic (Refer PART D above) and 1 x Secondary Identification

- A notice that was issued to an individual by the Commonwealth, a State or Territory within the preceding 12 m the whole here within the preceding 12 m the whole here within the preceding 12 m the state of the stat
- contains the name of the person and his or her residential address; and
- records the provision of financial benefits to the individual under a law of the Commonwealth, State or
- Taxation Notice issued to individual within the preceding 12 months which contains the name of the invidue of the
- A notice that was issued by a local government or utilities provider e.g. gas, electricity, wath rates with the preceding 3 months that:
 - contains the name of the person and his or her residential address: and
 - records the provision of services by the local government body or utilities provide to the document of the provided of the provided of the document of the document of the provided of the document of the d
- For those individuals under 18, a notice issued by a School Principal within pre-eding months with name address of the person and the period of time the person attended the school;
- Drivers licence issued overseas;
- Security Guard / Crowd Safety Officer Identity Card.

Trusts

If there is a Trust Deed, please provide a certified photocopy of the Trust Deed containing the Trust name.

Part E – Applicant Details Type of Application Applicant Type Section to complete Individual Applicant(s) Section 1: Applicant(s) Details - Individual Applicant(s)/ Director(s)/Individual Trustee(s)/Sole Trader Superannuation Fund and Trust A Hica Section 2: Applicant(s) Details – Additional Information for Trusts Company Applicant Section 3: Applicant(s) Details – Company/Corporate Trustee(s)/Additional Information for Sole Trader

Entity Type

Write the full name that you with to appear on your Instalment Warrant holding statement. Any Instalment Warrants issued to you will be held in the me(s) specified in this Section and the name(s) must be the correct name(s) of the Individual(s), Joint Name(s), Sole (ader, C) mpany Name(s) or Trustee and Trust Name.

For Sharehover Applicants (not available to superannuation funds), Rollover Applicants (not available to superannuation funds) and Refine Applicants (only available to superannuation funds), the name(s), address and CHESS details must EXACTLY MATCH the name (s) on the current holding statement in respect of the existing Securities or on the current holding statement in respect of the Install of Warrants that you wish to rollover or refinance (as applicable).

ory;

Part E – Applicant Details (continued)	
Section 1 – Applicant(s) Details – Individual Applicant(s)/Dire	ctor(s)/Individual Trustee(s)/Sole Trader
Applicant 1	
Title I Mr Ms Mrs Miss Dr Other	
Given Name/s	Surname
Other name/s commonly known by (if applicable)	Date of Birth
	DD / MM / YYYY
Full business name (if any) (Sole Traders only)	ABN (if any) (Sole Traders only)
Tax File Number/Exemption Number/Category NOTE: While it is not compulsory to provide a TFN, failure to do so may result in with may have to sell down your Instalment Warrants to pay withholding tax.	holding tax being deducted from Dividend payments a Commin vealth Bank
Residential Address (PO Box is not acceptable)	
State	Postcode Cor try
Postal Address (if different to Residential Address): NOTE: All corresp	ondence will be sent to the erson od a valisted as Applicant 1.
State	Poste de Country
Home Phone Number Work Phone Number	Mobile Phone Number
Email Address	
Country(ies) of residence (please list the country(ies) you read	
Country(ies) of citizenship (please list the country(ies) of citizenship (please list the country)	Zen of)
Country(ies) of tax residence (please list the vul v(ies) here yo	u are liable to pay tax or submit a tax return)
Applicant 2	_
Title Mr Ms Mrs Other	
Given Name/s	Surname
Other name/s pmmol known by (if applicable)	Date of Birth
Other name/s (mmo) known by (if applicable)	
Full business (me many) (Sole Traders only)	ABN (if any) (Sole Traders only)
Tax File Number/Exemption Number/Category NOTE: While it is not compulsory to provide a TFN, failure to do so may result in with may have to sell down your Instalment Warrants to pay withholding tax.	holding tax being deducted from Dividend payments and Commonwealth Bank
Residential Address (PO Box is not acceptable) If address is same	e as Applicant 1 write "same"
State	Postcode Country
Postal Address (if different to Residential Address): NOTE: All corresp	ondence will be sent to the person and address listed as Applicant 1.
State	Postcode Country
005-651 171214	Form continued next page Page 10 of 28

Part E – Applicant Details (continued)			
Applicant 2 (continued)			
Home Phone Number	Work Phone Number		Mobile Phone Number
()	()		
Email Address			
Country(ies) of residence (please list the co	ountry(ies) you reside in)		
Country(ies) of citizenship (please list the c	ountry(ies) you are a citizen o	f)	
Country(ies) of tax residence (please list th	e country(ies) where you are I	iable to pay tax	or submit a tax return)
Applicant 3			
Title Mr Ms Mrs Miss Dr	Other		
Given Name/s	Surna	ame	
Other name/s commonly known by (if appl	icable) Date of Birth	ו 🗸	
	DD / MM		\sim
Full business name (if any) (Sole Traders of			N (if any) (Sole Traders only)
Tax File Number/Exemption Number/Cate	norv	7()	
NOTE: While it is not compulsory to provide a TFN, fail may have to sell down your Instalment Warrants to pay	lure to do so may result in withholding	ta eing de licteo	from Dividend payments and Commonwealth Bank
		\smile	
Decidential Adduces (DO Device not eccent			"(a a usa a ??
Residential Address (PO Box is not accept	able) If address is san (as Ap	oplicant 1 write	same
	qte	Postcode	Country
Postal Address (if different to Residential A			person and address listed as Applicant 1.
		e will be sent to the	
	State	Postcode	Country
Home Phone Number	Work Phone Number		Mobile Phone Number
Email Address			
Country(ies) of residence (pleases is the co	ountry(ies) you reside in)		
Country(is of tizens) (please list the c	ountry(ies) you are a citizen o	f)	
		')	
Country s) of tax residence (please list th	e country(ies) where you are l	iable to pay tax	or submit a tax return)
		abio to pay tax	
× · · · · · · · · · · · · · · · · · · ·			

Form continued next page

Page 11 of 28

Part E – Applicant Details (continu	.ed)		
Section 2 – Applicant(s) Details –	- Additional Information for	Trusts	
 If you are a company 	trustee, you also need to con	omplete the details for Individual Applicant mplete the details for Individual Applicants apany Applicants in Section 2.	
Name of Trust / Superannuation Fur	nd		
Type of Trust (SMSF, Discretionary,	Minor, Family, Other (please	specify))	
Is the trust a registered Managed Inv	estment Scheme, Governme	nt Superannuation Fund or a regulated trust	t (other the MSF)?
Is there is a Trust Deed? Ves	No		
If the Trust is operating as a charity,	, what is the purpose of the c	:harity?	
Tax File Number/Exemption Numbe NOTE: While it is not compulsory to provide a may have to sell down your Instalment Warrar	TFN, failure to do so may result in w	vithholding tax being deducted from D dend ym	and Commonwealth Bank
Is the Trust primary business activity NOTE: Answer Yes if the Company earns mor Company's/Sole Trader's assets produce or a	e than 50% of its total income from i	investment activities g. reprinter or dividends) or	more than 50% of the
Additional Trustee Details			
Full Name of Trustee 4	Address		
Full Name of Trustee 5	Address	$\mathcal{D}_{\mathcal{A}}$	
Full Name of Trustee 6	Address	× ×	
Beneficiary Details		/	
Full name of Beneficiary 1		Full name of Beneficiary 2	
Full name of Beneficiary 3		Full name of Beneficiary 4	
Full name of Beneficiary 5		Full name of Beneficiary 6	
	\succ		
OR Membership Closses			
Sec Vicant(s) Details -	- Company/Corporate Trus	tee(s)	
Company			
Industry Description			
Industry Code	Place of F	Registration	Date of Registration
ACN A	ABN or Reason for Exemption	1	
005-651 171214		► Fo	orm continued next page

Part E – Applicant Details (continued)

Tax File Number/Exemption Number/Category NOTE: While it is not compulsory to provide a TFN, failure to do so may re- may have to sell down your Instalment Warrants to pay withholding tax.	sult in with	nolding tax being deducted fro	m Dividend paymen	ts and Commonwealth Bank
If the Company is operating as a charity, what is the purpo	ose of the	e charitv?		
Company's Principal Place of Business Address				
	State	Postcode	Country	
Registered Office Address (PO Box is not acceptable)				
	State	Postcode	Country	
Postal Address (if different to Registered Office)				
	State	Postcode	Courty	
Is the Company's primary business activity investing?	ne from inve	No	ere or div [*] ends) o	nore than 50% of the
Company Type Domestic Proprietary Domestic	Public		/	
If the Company is registered as a Proprietary Company Name of Director 1		Name of Direc	\mathbf{i}	
Name of Director 3		Name f Directo 4		
Name of Director 5		N e of Director 6		
	\sim			
Are any of the Company's shareholders individuals?	¥} □	N		
Do any of the Company's shareholders who are divide to Company?	s m	ore than 25% of the issu	ue share capital	of the
		No		
Do any of the Company's shareholders of arean vidual: Company?	s hold m	ore than 25% of the issu	ue share capital	of the
Shareholder 1				
Title 🗌 Mr 🗌 Ms 🗌 🖍 🔲 Miss 🗖 Dr Other				
Given Name/s		Surname		
Residential Advess (PO Box is not acceptable)				
	<u></u>			
	State	Postcode	Country	
Shareholder 2				
Γitle □ Mr □ Ms □ Mrs □ Miss □ Dr Other □				
Given Name/s	1	Surname		
Residential Address (PO Box is not acceptable)				
	State	Postcode	Country	
			-	

Section 4 – CHESS Details

Write the details of your sponsoring broker if you are already a CHESS participant. Complete this section by providing the Participant Identifier (PID) of your sponsoring broker and your Holder Identification Number (HIN). If you do not provide your CHESS details, Instalment Warrants issued to you will be Issuer Sponsored and you will be allocated a Shareholder Reference Number (SRN).

If you are a Shareholder Applicant, you need to provide a copy of your latest holding statement. Please note that the name(s) on the application must match those on the Holding Statement submitted as part of a Shareholder Application.

If you are a Rollover Applicant, you need to write the details of your holdings as specified on your Instalment Warrants holding statement. A copy of the holding statements for the prior Series that you wish to rollover into the new Series specified in this Application Form must be attached to this Application Form. Instalment Warrants will be allocated to the same HIN or SRN as your existing holding of Instalment Warrants.

If you are a Refinance Applicant, you need to write the details of your holdings as specified on your Instalment Warness ding statement. A copy of the holding statements for the prior Series that you wish to rollover into the new Series spected in the Application Form must be attached to this Application Form. Instalment Warrants will be allocated to the same AIN SRN's your existing holding of Instalment Warrants.

Sponsoring Broker			
Broker PID		HIN	
			\land
			$\langle \rangle$
CHESS Registered Name			\checkmark
		$\langle \! \! \! \! \! \rangle \rangle$	
Section 5 – Direct Debit / Dire			
You will need to complete and si the Bulk Electronic Clearing Syst Section. All amounts payable to bank account nominated must m	em (BECS). All amounts payable you in relation to your applicatio	e by you ust be form the bank a n will be c منطقة o the account	unts from your account through account you nominate in this nominated in this Section. The
Details of the bank account to be	e debited and credited.	\checkmark	
Financial Institution		X Ž	
	\longrightarrow	\rightarrow	
Branch		Account Name	
Bank State Branch (BSB)		Account Number	
for Commonwealth Bank of Aus	alia to a lange for funds to be o	APCA User ID No. 019108 (Debit) debited from my/our account at th ring System (BECS). This authoris t Service Agreement below.	ne financial institution identified
I/We authorise the following			
	mited to verify the details of the	bank account with my/our financ	ial institution.
• The financ (institut) h to rele	ease information allowing Comm	nonwealth Securities Limited to ve	erify the bank account details.
Signature of non-11/Direc	tor 1/Individual Trustee 1	Signature of Individual 2/Dire	ector 2/Individual Trustee 2
Full No Ve		Full Name	
	Data	Ciara atura	Dete
Signature		Signature	
X	DD / MM / YYYY		DD / MM / YYYY
-]		
Signature of Individual 3/Direc	tor 3/Individual Trustee 3	Note: If the bank account is in joint nan If two individuals are applying as Applic	nes, all bank account holders must sign.
Full Name		the account from either party involved. Company Applicants, two (2) directors	For Company Applicants and Trustee
Signature	Date	are a sole director) must sign. Note: Direct Debiting and Direct Crediti	ing is not allowed on the full range of
	DD / MM / YYYY	accounts. If in doubt, please contact yo	
X			
L	1		Form continued next page

Direct Debit Request Service Agreement

Debit Arrangements

- 1. We reserve the right to charge a dishonour 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.
- 5. If you provide an incorrect bank account number, you may incur a fee if we have processed a transaction to that account.

Your Rights

- 6. You may terminate the Direct Debit arrangement with us, however this termination must be in writing.
- 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 1300 786 039.

Your Responsibilities

8. It is your responsibility:

- a. to check with the financial institution where your account is held before completing the Direct Det of the public (D A) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of activity shuld also complete your account details (including Bank State Branch (BSB) number) directly from a cert count statement from your financial institution;
- b. to ensure sufficient cleared funds are available in the nominated account to meet the the settlement date of your transactions executed by Commonwealth Bank;
- c. to ensure that the authorisation to debit the nominated account is in the same and the account signing the instruction held by the financial institution where the account is held;
- d. to advise us if the account you have nominated to debit is transferred or clo
- e. to ensure that suitable arrangements are made if the Direct Debit is
 - i. by yourself;
 - ii. by your nominated financial institution; or
 - iii. for any other reason.

Part F – Cash Application

Adviser Fee

As specified in Part B, Section 2 of this Application Form, you have authorised Commonwealth Bank to receive and pay the Adviser Fee set out below to your Adviser on your behalf.

Amount

Investment Selection

Write the dollar amount you wish to invest in Instalment Warrants for each Series, and total these amounts in the space provided. Commonwealth Bank will process your Application and when the Instalment Warrants have been allocated, confirm all details in writing.

\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	10,000 per Series)
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\$	
Total amount \$	

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Part G – Shareholder Application (Not Available To Superannuation Funds)

Adviser Fee

As specified in Part B Section 2 of this Application Form, you have authorised Commonwealth Bank to receive and pay the Adviser Fee set out below to your Adviser on your behalf.

Amount

Investment Selection

The details of the Shareholder Application must be written here. The first step is to decide how many Securities from your existing holding you would like to lodge with the Trustee or its nominee. The next step to do is to decide if you would like either to receive a Cashback Amount or to purchase additional Instalment Warrants with the Cashback Amount.

You can choose to lodge a certain number of shares and either:

- receive the same number of Instalment Warrants and a Cashback Amount by completing Table 1 below
 or
 - apply the Cashback Amount to purchase additional Instalment Warrants by completing both Tatle 1 Table 2 below. If you complete Table 2, you will be deemed to have elected to apply the Cast cack mot towards purchasing additional Instalment Warrants.

Commonwealth Bank will process your Application and will confirm all details in writing with the line with Warrants have been allocated.

Holding Statements

Attaching holding statements in relation to the shares to be transferred to the Trustee or *it* not ee wit assist in the processing of your Application.

Table 1

Instalment Warrant ASX Code	Number of Underlying Securities to roll in	HIN / SRM of the Underlying Securities to VI	PID of your sponsoring broker
		// [*]	

Table 2

Complete Table 2 if you wish the Cashba Amount to be used to purchase additional Instalment Warrants. Please indicate the additional Instalment Warrant you should be percentage of the Cashback Amount to be applied to each Series. This must sum to 100%.

Instalment Warrant AFX Code	Percentage of the Cashback Amount
Total	100%

Part H - Rollover Application (Not available to superannuation funds)

Adviser Fee

As specified in Part B Section 2 of this Application Form, you have authorised Commonwealth Bank to receive and pay the Adviser Fee set out below to your Adviser on your behalf.

Amount

Investment Selection

The first, second and third columns relate to the Series, the number and HIN / SRN of Instalment Warrants you currently hold. Those details can be taken from your Instalment Warrant holding statement.

You need to indicate the number of Instalment Warrants you wish to roll into a new Series in the fourth column and indicate the new Series that you wish to roll into in the last column. Refer to the relevant SPDS for information on the new Series.

Commonwealth Bank will process your Application and when the Instalment Warrants have been allocated, will confirm all details in writing.

Holding Statements

Attaching holding statements in relation to the Underlying Securities to be transferred to the Trustee or its mine will st in the processing of your Application.

ASX Code of current Series (Write the code of the prior Series you currently hold)	Number of Instalment Warrants you currently hold	HIN / SRN of the Instalment Warrants you currently hold	Number of Instrume Warrants you wish to Relber	Series (Write the code of the new Series you wish to roll into)
		((
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Part I – Refinance Application (Only Available To Superannuation Funds)

Adviser Fee

As specified in Part B Section 2 of this Application Form, you have authorised Commonwealth Bank to receive and pay the Adviser Fee set out below to your Adviser on your behalf.

Amount

Investment Selection

The first and second columns relate to the Series and the number of Instalment Warrants you currently hold. Those details can be taken from your Instalment Warrant holder statement.

You need to select the new Series that you wish to refinance into in the last column. Refer to the relevant SPDS for information on the new Series.

You must refinance all Instalment Warrants you in hold a particular Series into a new Series.

The Loan Amount per Instalment Warrant in the new Series will be equal to or less than the Completion Payment runstal ent Warrant for the existing Series being refinanced (as at the Maturity Date of your existing Series of Instalment Warrant s. You hould refer to the relevant SPDS for full details of the new Series.

Commonwealth Bank will process your Application and when the Instalment Warrants have been allocated, vill offirm details in writing.

Holding Statements

Attaching holding statements in relation to the Underlying Securities to be transferred to the Trate of nominee will assist in the processing of your Application.

ASX Code of current Series	Current Completion Payment	Number of Instalment Warrants you currently hold	HIN / SRN of the Instalment Warrants you currently hold	Number of Instalm nt Warr its wisi of Final P	New Completion Payment	ASX code of new Series
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	+ $($)				



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Part J – National Credit Code Declaration

By signing this declaration, you will be declaring that the National Credit Code does not apply to you.

IMPORTANT: You should not sign this declaration unless the Loan is to be used wholly or predominantly for business or investment purposes (and not for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes). By signing this declaration, you may lose your protection under the National Credit Code and the National Credit Code does not apply to you in relation to the Loan.

Where you are a Shareholder Applicant or a Rollover Applicant, any Cashback Amount or Rollover Cashback can only be paid to you if such amount is to be used wholly or predominantly for business or investment purposes (and not for personal, domestic or household purposes or to purchase, renovate or improve residential property for investment purposes).

- I/We declare that the credit to be provided to me/us by the Commonwealth Bank is to be applied wholly or predominantly for:
- business purposes; or
- investment purposes (other than to purchase, renovate or improve residential property for investment purposes). ٠

You should only sign this declaration if the Loan and Cashback Amount (for Shareholder Applicant(s)) is used wholly predominantly for:

- business purposes; or
- investment purposes (other than to purchase, renovate or improve residential property for investment purposes oses

Signature Applicant 1/Director 1/Individual Trustee 1/Holder 1

Full Name		
Signature	Date	\sim
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	nt 2/Director 2 or Secretary/Individual Trustee 2/	Holde
Full Name		
Signature	Date	
X		
	nt 3/Director 3 or Secretary/Indiv qual Tn. tee 3/	7 Holder 3
Full Name		
Signature		
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Part K – Applicants' Declarations

I/We make the following irrevocable declarations and acknowledgments:

General Declarations

- 1. I/We, whose full name and address appear above, declare that I am/we are over 18 years of age (where I am/we are individual Applicants) and have full legal capacity and power to perform all my/our rights and obligations under this Application and have taken all actions that are necessary to authorise the Application and be bound by the terms of the PDS, Loan Agreement and Trust Deed.
- 2. I/We confirm that the information contained in this Application Form, supporting documentation or otherwise provided to Commonwealth Bank is in all respects complete and correct and is not misleading or intended to mislead.
- 3. I/We acknowledge and agree that by signing and lodging this Application Form, I am/we are:
 - applying for Instalment Warrants; and
 - applying for a Loan.
- 4. I/We acknowledge that my/our Application is made and addressed to both Commonwealth Bank and the Trustee.
- 5. I/We declare that before completing this Application Form, I/we received and was/were given access to the PDC ocluding his Application Form) and relevant SPDS, FSG and Trust Deed.
- 6. I/We have received, in hard copy or printable form, and read the PDS and relevant SPDS to which this Application For the lates, the FSG, the Trust Deed and the Direct Debit Request Service Agreement contained in this Application For the agree to accept the Instalment Warrants applied for by me/us on the terms and conditions of the PDS and relevant **9** 05
- 7. I/We have read the Trust Deed and agree to be bound by the Terms.
- 8. For valuable consideration and to facilitate the granting of the Loan and Mortgage, I/we irreverably apoint Share Direct Nominees Pty Limited ABN 56 006 437 065 as the Trustee or its nominee as my nominee of the total of the Trust Deed in respect of any Securities to which this Application Form relates and any Accretions in respect with the Security. I/We authorise and direct the Trustee or its nominee to become the registered holder of the Securities do anything incidental or necessary to become the registered holder.
- 9. I/We confirm that by delivery of this Application Form, I/we irrevocably apply for the pomb of Instalment Warrants indicated above in this Application Form and calculated in accordance with the PDS and want SPDS.
- 10. I/We consent to Commonwealth Bank entering into Instalment Warrants attack of Commonwealth Bank's own behalf.
- 11. I/We agree to release Commonwealth Bank and the Trustee and any of is past, pesent or future directors, officers, employees, agents or assigns from any claim, liability or loss whatsoever arising from or in relation to, the processes described in this Application Form or in relation to the Instalment Warrants.
- 12. I/We acknowledge that in providing the PDS and relevant Stars, O monowealth Bank does not provide any personal financial product or investment advice or recommendations in relevant stars or any Underlying Securities and nothing in the PDS or relevant SPDS can be considered or characterised as personal financial product or investment advice or recommendations to invest in Instalment Warrants.
- 13. I/We acknowledge that Commonwealth Bank be son end a that I/we seek and obtain and given me/us the opportunity to seek and obtain independent professional ad ce in tio o my/our investment in Instalment Warrants and the risks involved and tax consequences of investing in Instalment to Warra in I/We have either obtained that advice from independent professional advisers or declined the opportunity to ob in t advice.
- 14. We acknowledge that if I/we have no obtained independent professional advice, then I/we have read the entire PDS, and understand my/our obligations and the understand my/our obliga
- 15. I/We acknowledge that in proving s, Commonwealth Bank does not provide any personal financial product advice or recommendations in relation the Institute Warrants or any Underlying Securities.
- 16. I/We acknowledge that I/we userstary the risks in investing in Instalment Warrants and have not relied on any representation (whether written or or 1 from Commonwealth Bank as investment, financial, legal or taxation advice as to the suitability of Instalment Warrants to your or cumstances.
- 17. I/We acknowledge that Convolution onwealth Bank has not made, and I/we have not relied on, any promise or inducement to me/us entering intrastant intrastant in Warrants (other than as set out in this Application Form, the PDS and relevant SPDS). I/We agree that to the fullest (tent per) tited by law, Commonwealth Bank excludes liability for any such promise or inducement.
- 18. I/We as yound ge that:
 - on inverting in Instalment Warrants is not a deposit with Commonwealth Bank or any member of the Commonwealth and the common and the commonwealth and the common and the co
 - In Ament Warrants are a liability of Commonwealth Bank but not any other member of the Commonwealth Bank Group and are subject to investment risk, including possible delays in repayment and loss of income or capital invested; and
 - Commonwealth Bank, the Commonwealth Bank Group and the Trustee do not guarantee any particular rate of return or the
 performance of Instalment Warrants and do not guarantee the repayment of capital from Instalment Warrants and there is a
 risk that I/we may sustain a complete loss of my/our investment in Instalment Warrants.
- 19. I/We agree that no Encumbrance may be created or arise over an Underlying Security underlying my/our Instalment Warrants or which gives any person a right to those Underlying Securities unless and until the Completion Payment is paid and the Mortgage is otherwise released or discharged in accordance with the Trust Deed.
- 20. I/We understand that Commonwealth Bank may pay to an adviser or broker (including Commonwealth Securities Limited) fees in connection with the offer and approval of Instalment Warrants and that the adviser or broker may pay all or a portion of these fees to other persons. I/We consent to the payment of these fees and acknowledge that Commonwealth Bank will provide details upon request.

Part K – Applicants' Declarations (continued)

- 21. I/We understand and acknowledge that Commonwealth Bank has an absolute right to reject my/our Application and that, even if the terms and conditions contained in the PDS and relevant SPDS have been satisfied, Commonwealth Bank may, in its absolute discretion, refuse to issue Instalment Warrants to me/us.
- 22. I/We have read and understood the "Customer Information and Privacy" section of the PDS and consent to the use and disclosure of my/our information as indicated in that section.
- 23. If I/we provide Commonwealth Bank with personal information about another individual, I/we confirm that I am/we are authorised to do so and agree to inform that individual of the matters set out in the "Customer Information and Privacy" section of the PDS as they relate to that individual.
- 24. I/We consent to Commonwealth Bank providing information on the status of my/our investment in Instalment Warrants to my/our Adviser, nominated representative or a member of the Commonwealth Bank Group.
- 25. I/We acknowledge and agree that:
 - any instructions or notices I/we give to Commonwealth Bank has been authorised and Commonwealth Bank is not required to investigate or confirm that authority. This applies whether or not circumstances exists which might suggest that the instruction or notice was not authorised by me/us, unless Commonwealth Bank has actual knowledge that the instruction unauthorised;
 - Commonwealth Bank may refuse to act on any instruction or notice until its validity has been confirmed and Common alth Bank will have no liability to me/us or any other person for any consequences as a result of such refusal to and and alth bank will have no liability to me/us or any other person for any consequences as a result of such refusal to and alth bank will have no liability to me/us or any other person for any consequences as a result of such refusal to and alth bank will have no liability to me/us or any other person for any consequences as a result of such refusal to and alth bank will have no liability to me/us or any other person for any consequences as a result of such refusal to and alth
 - I/we indemnify and will keep indemnified, the Commonwealth Bank Group and any of its past, present of the correct of the gross, agents or assigns against any cost, expense, liability, loss, damage or clain courrent of them as a consequence of accepting an instruction or notice, unless the cost, expense, liability, loss, damage or claim is a direct result of the gross negligence or wilful default of the Commonwealth Bank Group or any of its past reservor ture directors, officers, employees, agents or assigns.
- 26. I/We represent and warrant that I am/we are, together with any other joint holder identifier on this operation Form, not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they can be due, and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a control or as inistrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with my or my/our creditors.
- 27. I/We represent and warrant that I/we have never been a director or officer of the control of
- 28. For valuable consideration, I/we irrevocably appoint any employee of Commonweal h Bank whose title includes the words "director", "head", "associate" or "manager" (or their delegates) severally as my/our a meriod of any of the following in my/our name:
 - complete any blanks in this Application Form or the Loan A ent,
 - execute the Loan Agreement substantially in the form set ut in
 - do anything which I am/we are obliged to do under on rely in to Loan Agreement, the Trust Deed or any other agreement or arrangement between me/us and Commonwealth ank ating to any Loan or any Instalment Warrants issued to me/us;

DS:

- do anything incidental or necessary in relation to any the above (including, but not limited to, appointing any person as subattorney to do any of the above); and
- do anything in relation to the Underlying S (urities) if an event occurs which would make a Mo rag enforce ble.
- 29. I/We confirm that the power of attorney granding graph 28 above does not limit any power of attorney otherwise contained in the PDS.
- 30. Where I am/we are a trustee of represent and warrant that:
 - the trust has been validly postitute and is subsisting at the date of this Application;
 - I/we have been properly a vointed trustee and I am/we are the sole trustee(s) of the trust;
 - I am/we are empowered and insed by the terms of the trust deed to enter into and bind the trust to the transactions contemplated by the Trust Deed, the Loan Agreement and the PDS;
 - the terms of the trust of the strict my/our right to be fully indemnified out of the assets of the trust to satisfy any liability to Common Bank or any member of the Commonwealth Bank Group properly incurred by me/us as trustees of the trust arising to f the ansactions contemplated by the Trust Deed, the Loan Agreement and the PDS; and
 - the is conflid of interest or duty of the trustee, and if the trustee is a company, of any of its directors, which would preclude the trust of into the transactions contemplated by the Trust Deed, the Loan Agreement and the PDS.
- 31. If the united States and undertake to inform you should I/we become a review of the United States and undertake to inform you should I/we become
- 32. I/We age to be given any terms and conditions, any disclosure documents (including PDS and FSG) and any updates and supplements to any disclosure documents from Commonwealth Bank or the Commonwealth Bank Group (including the Trustee) by:
 - having them made available at [www.commbank.com.au/warrants] or such other website notified to me/us; or
 - any other electronic means (including by email).
- 33. We acknowledge and confirm that Commonwealth Bank will rely on any representations and warranties given and any declarations made by me/us in making its decision to enter into any contract with me/us.
- 34. I/We understand that if I/we:
 - fail to provide any information requested in this Application Form; or
 - do not agree to any of the possible exchanges or disclosures detailed above,
 - Commonwealth Bank may not accept my/our Application.
- 35. If I/we make this Application and these declarations and give these instructions as attorney or other similar representative, I/we have not received notice of or information about revocation of that power granted to me/us, whether by death of the grantor or otherwise.

Part K – Applicants' Declarations (continued)

Additional Declarations by Cash Applicants

- 36. I/we instruct Commonwealth Securities Limited on an execution-only basis to acquire on my/our behalf the Securities which will be the Underlying Securities for the Instalment Warrants nominated in my/our Application Form. I/We acknowledge that the Securities may be bought on the relevant exchange or may be wholly or partly sold by Commonwealth Securities Limited as principal.
- 37. I/We instruct Commonwealth Bank to provide Commonwealth Securities Limited in payment for the Securities the balance of the First Instalment and Loan Amount (after retaining all fees and charges and payment of the Interest Amount as referred to in the PDS). I/we confirm that Commonwealth Securities Limited may retain such amounts as are necessary for payment of stamp duty, GST and like imposts and for brokerage not exceeding the amount normally charged by Commonwealth Securities Limited for such transactions. The Securities allocated to me/us are to be held by the Trust on Separate Trust for me/us in application for the Instalment Warrants in accordance with the Trust Deed.
- 38. I/We authorise the Trustee, Commonwealth Bank and their respective nominees, including Commonwealth Securities Limited, to do all things necessary (including obtaining consents, signing and producing documents and getting documents constructed and signed) for any of them to become the registered holder of any of my/our Securities or to effect the transfer to the trustee r its nominee of those Securities.
- 39. I/We acknowledge and irrevocably direct that, following the acceptance of my/our Application, the Securitie referre of this Application Form are to be transferred to the Trustee or its nominee as security to be held on my/our behavior of the Trust Deed as Underlying Securities.

Additional Declarations by Shareholder Applicants

- 40. I/We represent and warrant that I am/we are the sole legal and beneficial owner(s) of the Secreties received to in this Application Form, and those Securities are free from any Encumbrances.
- 41. Where I am/we are a trustee of a trust, I/we represent and warrant that I/we have all the owner, with y and discretion vested as trustee to apply as a Shareholder Applicant in relation to the Securities which are the upper of the rust.
- 42. I/We have instructed my sponsoring broker (or the relevant registrar of an issuer ponsoring d sub-register) to deliver the quantity of Securities as indicated in this Application Form above to Common walth eccures Limited, PID 1402 as an "Off-Market" transaction.
- 43. I/We will not deal in, Encumber or transfer the Securities at any time after fodging the specific provide the securities to the Trustee. I/We acknowledge that failure to do so could sult in a mages being claimed against me/us.
- 44. I/We instruct and direct Commonwealth Bank to use the proceeds of the wild in for the new Series in the following order of priority: first, towards payment of the Interest Amount on the proceeds of the Effective Date; and second, towards payment of the Cashback Amount (if any).
- 45. If I/we have elected to apply for additional Instalment W and the Cashback Amount, I/we irrevocably direct and authorise any of Commonwealth Bank or any member of the Commonwealth Bank Group and their respective nominees and agents to complete a Cash Application as my attorney on my ball relation to the Cashback Amount.
- 46. I/We acknowledge and irrevocably direct that, for a septance of my/our Application, the Securities referred to in this Application Form are to be transferred to the uster its ominee as security to be held on my/our behalf on the terms of the Trust Deed as Underlying Securities.
- 47. I/We authorise the Trustee, Commonwealth and neir respective nominees Commonwealth Securities Limited to do all things necessary (including obtaining constrained and producing documents and getting documents completed and signed) for any of them to become the registered adder or any of my/our Securities or to effect the transfer to the Trustee or its nominee of those Securities.

Additional Declarations by Ro ver Ap icants

- 48. I/We represent and wyrrant that we are the sole legal and beneficial owner(s) of the Instalment Warrants referred to in this Application Form, and use Underlying Securities are free from any Encumbrances.
- 49. At the time of signing this cation Form, I/we have not exercised any rights over, or paid the Completion Payment, in relation to the existing of Instalment Warrants specified in this Application Form.
- 50. Where I and we are a justee of a trust, I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee a vy as a collover Applicant in relation to the Instalment Warrants which are the subject of the Rollover Application.
- 51. My existing Senes of Instalment Warrants are free from any Encumbrances.
- 52. I/V with a lin, Encumber or transfer my/our existing Series or the Underlying Securities at any time after lodging this Applie ion Form. I/We acknowledge that failure to do so could result in damages being claimed against me/us.
- 53. For the purposes of the rollover of my/our existing Series into a new Series as specified in this Application Form, I/we irrevocably:
 - direct the Trustee to cease holding the Securities that comprise the Underlying Securities of the existing Series pursuant to the terms of the existing Series and contemporaneously authorise and appoint the Trustee to commence holding those Securities that will comprise the Underlying Securities of the new Series on Separate Trust pursuant to the terms of the Trust Deed from the time at which the Completion Payment for the existing Loan for the existing Series is paid;
 - instruct and direct Commonwealth Bank to use the proceeds of the new Loan for the new Series in the following order of
 priority: first, towards payment of the Completion Payment payable on the existing Loan for the existing Series to which this
 Application relates; second, towards payment of the Interest Amount due on the Effective date for the new Series; and third,
 towards payment of the Rollover Cashback (if any); and
 - instruct and direct that the Trustee and Commonwealth Bank may do any and all things (including the completion of any documents in any form on my/our behalf) necessary, incidental or in relation to their appointment as set out above.

Part K – Applicants' Declarations (continued)

- 54. I/We acknowledge and agree that if the proceeds of the new Loan for the new Series are insufficient to pay the Completion Payment for the existing Series and the Interest Amount for the new Series, I will make the Rollover Payment by authorising CBA to debit my nominated bank account.
- 55. If I/we have elected to apply for additional Instalment Warrants with the Rollover Cashback, I/we irrevocably direct and authorise any of Commonwealth Bank or any member of the Commonwealth Bank Group and their respective nominees and agents to complete a Cash Application as my attorney on my behalf in relation to the Rollover CashBack.

Additional Declarations by Refinance Applicants

- 56. I/we represent and warrant that I am/we are the sole legal and beneficial owner(s) of the Instalment Warrants that are refinanced pursuant to this Application Form, which are free and clear of any Encumbrances.
- 57. Where I am/we are a trustee of a trust, I/we represent and warrant that I/we have all the power, authority and discretion vested as trustee to apply as a Refinance Applicant in relation to the Instalment Warrants which are the subject of the Refinance Application.
- 58. My existing Series of Instalment Warrants are free from any Encumbrances.
- 59. I/We will not deal in, Encumber or transfer my/our existing Series or the Underlying Securities at any time after loging my un Application. I/We acknowledge that failure to do so could result in damages being claimed against me/us.
- 60. For the purposes of the refinance of my/our existing Series over the same Underlying Securities with a new Coap or Series, I/we irrevocably:
 - direct the Trustee to cease holding the Securities that comprise the Underlying Securities of the terms of the existing Series and contemporaneously authorise and appoint the Truster to comprise the holding on Separate Trust the those Securities that will comprise the Underlying Securities of the new Securities of the Trust pursuant to the terms of the Trust Deed from the time at which the Completion Paymer for the existing Loan for the existing Series is paid;
 - instruct and direct Commonwealth Bank to use the proceeds of the new Loan for the period to pay the Completion Payment payable on the existing Loan for the existing Series to which this Apple to relate, and
 - instruct and direct that the Trustee and Commonwealth Bank may do any d all the s (including the completion of any documents in any form on my/our behalf) necessary, incidental or in relative to reir appointment as set out above.
- 61. I/We acknowledge and agree that I will make the Refinance Payment by CBA to debit my nominated bank account.
- 62. I/we acknowledge that Commonwealth Bank has not provided any adv (e in respective the compliance of my/our Refinance Application with the SIS Act, SIS Regulation, Tax.

Applicant(s) Signatures

Signature Applicant 1/Director 1/Individual Trustee 1/Holo

Full Name	
Signature	Date
Signature of Applicant 2/Directo	or 2 of Verrow Individual Trustee 2/Holder 2
Full Name	
Signature	
X	
Signature of pplican /Directo	or 3 or Secretary/Individual Trustee 3/Holder 3
Full Name	
Signatu	Date

Part L – Corporate Directory

Registered office of the issuer of Commonwealth Bank Instalment Warrants:

Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945 Ground Floor Tower 1 201 Sussex Street Sydney NSW 2000

Registered office of the administrator of Commonwealth Bank Instalment Warrants:

Commonwealth Securities Limited ABN 60 067 254 399, AFSL 238814

Ground Floor Tower 1 201 Sussex Street Sydney NSW 2000

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For more information call **1300 786 039** or visit **commbank.com.au/warrants**.