



# ASX announcement

## Group Securities Trading Policy

**30 June 2020 (SYDNEY):** Commonwealth Bank of Australia (CBA) revised its Group Securities Trading Policy with effect from 1 July 2020. The revised policy is attached in accordance with ASX Listing Rule 12.10.

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The release of this announcement was authorised by Kara Nicholls, Group Company Secretary.

# Group Securities Trading Policy

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## Purpose and scope

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This Group policy sets out when the CBA Board, our Non-Executive Directors, Employees, Contractors, Secondes and Associates of Specified Persons, may Deal in Securities. It aims to ensure compliance with Insider Trading laws (in and outside of Australia) and to protect the Group from reputational damage arising from Insider Trading.

It puts in place a specific framework for the disclosure and management of Dealing in Group Securities to address the risk of Insider Trading occurring by Specified Persons and their Associates Dealing in our Group Securities. This risk has the potential to lead to poor outcomes for our communities and shareholders and cause reputational damage, regulatory action, financial penalty or legal recourse against the Group.

This policy complements Business Unit or Support Unit (BU/SU) specific policies that apply in addition to this Group policy and the supporting Group procedure.

For those parts of the Group that are impacted by laws, regulatory requirements or contractual obligations that conflict with this policy, the more stringent standard applies.

## Policy statement

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If you are aware of Inside Information, you are prohibited from Dealing in relevant Securities, causing other people to Deal in those Securities and giving that information to other people if you know or should know they would, or would be likely to Deal in those Securities. You must not Deal in Securities if the proposed Dealing could be perceived as taking advantage of your position for personal gain.

When you want to Deal in Group Securities you must comply with the requirements of this policy and the supporting Group procedure.

If you are a Specified Person, additional requirements apply to you and your Associates, including only Dealing in Group Securities during Trading Windows unless you have obtained an exemption, holding Group Securities for at least thirty days and not using Group Securities in margin lending arrangements. Your Associates must comply with this policy and you must take reasonable steps to ensure they do.

## Policy requirements

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**Requirements that apply to Non-Executive Directors, Employees, Contractors and Secondes**

1. *(No Insider Trading)* If you are aware of Inside Information regarding any Securities (not only Group Securities), you must not:
  - Deal in those Securities;
  - cause or procure any other person to Deal in those Securities; and
  - give Inside Information to any other person (including by giving hints or tips). This includes if you know or should know that the person would, or would be likely to use the information to Deal in those Securities (or procure another person to Deal in those Securities).

This prohibition applies at all times including to Excluded Dealings, during Trading Windows, and even where a Dealing clearance or a Trading Window exemption

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has been given. It overrides all other provisions of this policy. Before Dealing, you should consider carefully whether you are aware of any Inside Information and if you are in doubt you must not Deal.

2. *(Inappropriate Dealings)* You must not Deal in Securities if the proposed Dealing could be perceived as you taking advantage of your position for personal gain.
3. *(Limited Hedging)* You must not Hedge your exposure to unvested Group Securities issued or acquired under any Group equity plan, or where a holding lock or Dealing restriction applies under the terms of the plan.
4. *(Front Page Test)* As a guiding principle, before dealing in Securities, you should ask yourself;

If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as me taking advantage of my access to information in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper?

**Additional requirements that apply to Specified Persons and their Associates**

5. *(Permitted Dealings)* Specified Persons and their Associates may only Deal in Group Securities if the Dealing:
  - occurs through CommSec (the stockbroking firm operated by the Group) or another broker approved by Group Governance; and
  - is not otherwise prohibited under this policy; and
  - is either:
    - an Excluded Dealing;
    - given clearance (where required under both this and BU/SU specific policies and procedures) and is placed during a Trading Window before the clearance expires; or
    - given a Trading Window exemption and is placed before the exemption expires.
6. *(Prohibited Dealings)* Specified Persons and their Associates must not:
  - use or Deal in Group Securities for margin lending or other secured financing arrangements, as a forced sale may lead to the breach of this policy;
  - hold Group Securities for less than a thirty day period, calculated on a last in, first out basis, which prohibits short term Dealing (e.g. forward contracts);
  - enter into contracts for difference or use any instruments or enter any arrangements for short selling or stock lending of Group Securities, other than Excluded Dealings. This includes the practice of attempting to profit from an anticipated drop or rise in the price of Group Securities.
7. *(Responsibility for compliance by Associates)* Specified Persons must ensure their Associates are aware of the requirements of this policy and they must take reasonable steps to ensure their Associates comply with those requirements.

**Additional requirements that apply to CBA Board directors, the CEO, Group Executives, the Company Secretary and their Associates**

8. *(Prohibited Dealings)* CBA Board directors, the CEO, Group Executives, the Company Secretary and their Associates must not:
  - Deal in any Group Security that is listed or traded on a regulated European market; or
  - Deal in any other Security that has a price or value which depends on, or has an effect on, the price or value of a Group Security that is listed or traded on a regulated European market.

This is required under European Market Abuse Regulation No 596/2014 to meet obligations for Persons Discharging Managerial Responsibilities (PDMRs).

9. (*No Hedging*) CBA Board directors, the CEO, Group Executives, Company Secretary and their Associates must not Hedge their exposure to vested Group Securities (this is in addition to requirement 3).

**Clearances** Specified Persons and their Associates must request clearance for a proposed Dealing in Group Securities from the relevant approver as set out in Attachment A.

**Trading Windows** Specified Persons will be notified of Trading Windows by e-mail. Specified Persons must not assume that a Trading Window is open in the absence of notification, as the CBA Board may vary, suspend or terminate (conditionally or unconditionally) Trading Windows at any time.

When Dealing in Group Securities on market at the market price, orders can be placed until market close on the last day of a Trading Window. Dealings involving conditional orders being placed during a Trading Window (e.g. a specified, minimum sell or maximum purchase price or a stop-loss instruction) that are not executed during the Trading Window are in breach of this policy.

**Trading Window exemptions** Specified Persons and their Associates may apply for a Trading Window exemption to Deal in Group Securities outside a Trading Window in exceptional circumstances. Exceptional circumstances and the procedures to follow when applying for an exemption are set out in Attachment A.

## Accountabilities

If you are	You are accountable for
CBA Board, Non-Executive Director, Employee, Contractor or Seconded	<ul style="list-style-type: none"> <li>Dealing in Group Securities only where permitted to do so under the policy</li> <li>Seeking clearance for Dealing and exemptions in line with the policy requirements</li> </ul>
Group Governance	<ul style="list-style-type: none"> <li>Supporting CBA Board, Non-Executive Directors, the CEO and Group Executives in meeting policy requirements</li> <li>Monitoring CBA Board, Non-Executive Directors, the CEO and Group Executives and their Associates Dealing in Group Securities and escalating any breaches or concerns</li> <li>Managing exemptions</li> </ul>
Group Compliance	<ul style="list-style-type: none"> <li>Monitoring Specified Persons' and their Associates Dealing in Group Securities and escalating any breaches or concerns</li> </ul>

Detailed accountabilities for this policy are set out in the Group Securities Trading Procedure which should be read in conjunction with this policy.

## Compliance statement

This policy is a requirement under the ASX Listing Rules.

This policy prohibits Dealing in Securities when an individual is in possession of Inside Information as this could lead to penalties, imprisonment or reputational damage to the Group and the individual.

## Breach of policy

<b>Consequences</b>	<p>Breach of this policy may be regarded as misconduct, which may lead to disciplinary action (including termination of employment or engagement).</p> <p>This policy must be read together with the Group Securities Trading Procedure. Failure to follow the Group Securities Trading Procedure may amount to a breach of this policy.</p>
<b>Escalation</b>	<p>Potential or realised breaches of obligations outlined in this policy must be escalated according to the Group Issues Management Procedures or Group Incident Management Procedures.</p>

## Definitions

	<p>In this policy, defined terms are capitalised. Those terms have the meaning given to them below or, if not defined below, in the Group Policy Framework Glossary.</p>
<b>Associates</b>	<ul style="list-style-type: none"><li>• Spouse, partner or dependent child (including dependent adult children and dependent step-children);</li><li>• relative residing with the Specified Person;</li><li>• other family member who the Specified Person may be expected to influence, or be influenced by, in relation to Dealings in Securities; and</li><li>• companies, trusts, partnerships and other entities that the Specified Person, or any of the above-mentioned persons, control or significantly influence.</li></ul>
<b>CBA Board</b>	<p>Board of directors of the Commonwealth Bank of Australia.</p>
<b>CEO</b>	<p>Managing Director and Chief Executive Officer of CBA.</p>
<b>Contractors</b>	<p>Individuals who are not Employees, or corporations or organisations, engaged by the Group to perform services for the Group.</p>
<b>Company Secretary</b>	<p>Person(s) holding the role of Company Secretary of the CBA Board.</p>
<b>Deal or Dealing</b>	<p>To:</p> <ul style="list-style-type: none"><li>• buy, sell or otherwise apply for or dispose of Securities, or to arrange for someone else to do so, whether on or off market;</li><li>• margin lend, stock lend or make other financing arrangements for Securities;</li><li>• issue, underwrite or vary the terms of Securities;</li><li>• transfer legal ownership of Securities, even where beneficial ownership does not change (for example, the transfer from an employee incentive trust to an employee's own account, superannuation fund or family trust);</li><li>• transfer beneficial ownership of Securities, even where legal ownership does not change; or transfer Securities between accounts, brokers or sponsors (for example, transfer from SRN to HIN or HIN to HIN),</li></ul> <p>whether as principal or on behalf of someone else.</p>
<b>Dealing Clearance</b>	<p>In the context of this policy is the written request for the clearance of a proposed Dealing in Group Securities.</p>
<b>Employees</b>	<p>Full-time, part-time and casual employees of the Group. For the avoidance of doubt, this includes Executive Directors.</p>
<b>Excluded Dealing</b>	<p>A Dealing which is:</p>

- a disposal of Group Securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back or capital reduction;
- an acquisition of Group Securities under a pro-rata or bonus issue, or a disposal of rights acquired under a pro-rata offer (e.g. renounceable rights issue);
- an acquisition, forfeiture, lapse or cancellation of any Group Securities under a Group employee incentive plan, including the acquisition of Group Securities upon exercise of options or in satisfaction of rights to acquire shares but excluding any Dealing in those Group Securities after their acquisition;
- an acquisition of Group Securities under any dividend reinvestment plan or security purchase plan made available to all or most holders (provided that the Specified Person or their Associate did not commence or amend their participation in the plan outside of a Trading Window);
- an acceptance of an offer of, or invitation to apply for, Group Securities made in (or accompanied by) a prospectus or product disclosure statement;
- a Dealing in Group Securities as trustee of a trust provided that neither the Specified Person nor their Associate(s) is a beneficiary of the trust and any decision to Deal in a Group Security is made by another trustee or by an investment manager independently of the Specified Person or their Associate(s); or
- a Dealing in relation to an investment or account where the Specified Person or Associate has no ability to exercise any influence or discretion in relation to such Dealing (for example, an investment in a managed investment scheme or other non-discretionary investment or an acquisition as a beneficiary of a deceased estate for no consideration) and that investment or account is managed by a third party and happens to hold Group Securities. Note that Dealing in an Exchange Traded Fund (ETF) may be captured by this Policy. Please refer to the Group Securities Trading Procedures for information on when Dealing in an ETF will be treated as Dealing in Group Securities under the Policy.

<b>Group</b>	CBA and its Subsidiaries and controlled entities (being entities that are subject to the control of CBA in terms of section 50AA of the <i>Corporations Act 2001 (Cth)</i> ).
<b>Group Security</b>	A Security issued by a Group member and includes both vested Securities (i.e. where conditions have been met and full ownership transferred) and unvested Securities (i.e. Securities which are not yet fully owned as certain conditions (e.g. a specific time period has elapsed) must first be met). Group Securities include but are not limited to Commonwealth Bank of Australia fully paid ordinary shares; CommBank PERLS capital notes; ASB perpetual preference shares.
<b>Hedge</b>	Using Securities to offset the risk of any adverse price movement in Group Securities or entering into any other transaction designed to limit exposure to economic risk in Group Securities.
<b>Inside Information</b>	<p>Information that:</p> <ul style="list-style-type: none"> <li>• is not generally available; and</li> <li>• if it were generally available, a reasonable person would expect that information to have a material effect on the price or value of Securities. This is satisfied where the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to buy or sell those Securities.</li> </ul> <p>Examples may include the following information before it becomes generally available (i.e. announced to the market or otherwise made public):</p> <ul style="list-style-type: none"> <li>• information/estimates about earnings or dividends;</li> </ul>

- an imminent share issue or other capital raising;
- an important new contract, development or venture;
- a proposed acquisition, merger, takeover, disposal, rationalisation or restructuring;
- a change to credit rating;
- significant financial events such as large-scale fraud, losses or write-offs; and
- a possible de-listing, closure, receivership or liquidation.

Inside Information need not relate to the Group, it could relate to any other listed entity. It may also be referred to as 'price sensitive information', 'market sensitive information', 'confidential market sensitive information' or 'material non-public information'.

#### **Insider Trading**

Insider Trading is the trading of Securities while in possession of Inside Information about the relevant Securities. Insider Trading extends to procuring others to Deal in the Securities or communicating that information to others who may Deal in the Securities.

#### **Non-Executive Director / NED**

A member of a Group Subsidiary Board who is not an Employee of the Group

#### **Persons Discharging Managerial Responsibilities (PDMRs)**

CBA Board directors, the CEO, Group Executives, the Company Secretary and their Associates, or as notified to relevant individuals from time to time.

#### **Seconded**

An individual who is seconded temporarily to the Group but who is employed by a non-Group entity.

#### **Security**

- Ordinary, preference share or any other share in a body and units of any such share;
- Depositary receipts;
- debentures;
- renounceable or non-renounceable rights to subscribe for a share or debenture;
- options or performance rights;
- convertible notes, bonds and other debentures;
- interests in managed investment schemes, trusts and any other financial products that are able to be traded on a financial market; or
- any derivatives products relating to the types of securities listed above, including but not limited to equity swaps, warrants, futures, contracts for difference, hedges and exchange traded or over the counter options, whether settled by cash or otherwise.

#### **Specified Person**

Anyone who, due to the nature of their position, is likely to come into contact with, or have access to, key financial, operational or strategic information about the Group that will, or is likely to have, a material effect on the price or value of Group Securities.

At a minimum, Specified Persons include, but are not limited to, the following persons or roles:

- CBA Board directors;
- Group Executives;

- Subsidiary Board directors;
- CBA and subsidiary Company Secretaries;
- Executive General Managers;
- direct support staff (e.g., Executive Assistants/Advisers) for each of the above persons or roles;
- members of Group Control Room; and
- Employees, Contractors and Seconded employees notified that they are not able to Deal in Group Securities because they are listed on internal transaction or crossing lists.

Please note that this list is not exhaustive and other individuals may be considered to be Specified Persons if they satisfy the definition set out above.

#### Subsidiary Board

Board of directors of a Group subsidiary.

#### Trading Window

A period designated by the CBA Board (or its delegate), and notified to Non-Executive Directors, Employees, Contractors and Seconded employees, as a 'trading window'. For indicative purposes only, Trading Windows will generally be open for:

- 30 days commencing the day after the Group's half year results and full year results are released to the Australia Securities Exchange (**ASX**);
- 14 days commencing the day after the CBA Annual General Meeting; and
- 14 days commencing the day after the Group's trading updates are released to the ASX in May and November,

and may include:

- a new issue of ordinary shares, while rights are being traded or where the shares are being offered under a prospectus, rights issue or share purchase plan, such period as determined by the CBA Board; and
- one-off special periods as determined by the CBA Board.

## Policy governance

Policy Approver	CBA Board
Exemption Authority	The relevant approver indicated in Attachment A
Policy Owner	EGM Group Governance
Policy Support	Group Governance, Group Compliance and Business Unit Compliance
Review Cycle	Annually by the Board

## Relevant documents

Internal documents	<p>Group Conflicts Management Policy</p> <p>Group Securities Trading Procedures</p> <p>Group Policy Framework Glossary</p> <p>Group Issues Management Procedures</p> <p>Group Incident Management Procedure</p>
Legislation/ regulations	<p>ASX Listing Rules</p> <p><i>Corporations Act 2001</i> (Cth)</p> <p>European Market Abuse Regulation No 596/2014</p>



## Material policy revisions

Version	Approval Date	Effective Date	Details
1.0	08/06/2010	29/09/2010	New policy.
2.0	08/05/2018	01/08/2018	Material revisions to format, definitions of Associate, Specified Persons, Excluded Dealings, broker requirements and Dealing prohibitions.
3.0	07/05/2019	01/08/2019	Non-material clarification to content and inclusion of BROP minimum standards.
4.0	05/09/2019	09/10/2019	Inclusion of additional trading window: 14 days commencing the day after the CBA Annual General Meeting.
5.0	10/12/2019	31/01/2020	Definition of 'Deal or Dealing' and 'Specified Persons' amended. Inclusion of 'Front Page Test'. Change to Policy Owner.
6.0	07/04/2020	09/04/2020	Non-material clarification to content.
7.0	10/06/2020	01/07/2020	Amendment to Excluded Dealings.

## Dealing clearance

CBA Board, Non-Executive Directors, the Group CEO, Group Executives, the Company Secretary and their Associates must submit a written request for clearance of a proposed Dealing in Group Securities by e-mail to the relevant approver indicated in the table below. The request must provide:

- Full name under which Securities are held (including HIN/SRN);
- details of the proposed Dealing (including the number and type of Group Securities, nature of Dealing, date of proposed trade, name of Specified Person or Associate); confirmation that the Specified Person or Associate (as the case may be) is not in the possession of Inside Information, understands their obligation set out in this policy and acknowledges they are personally responsible for any decision to trade.

The approver must respond promptly by e-mail and may grant or refuse the request, without giving any reasons. A refusal is final and binding on the person who made the request, and must be kept confidential by that person.

A clearance will remain in force for two full business days after the date of approval, unless otherwise notified by the approver. If the Dealing is not placed within this time, the clearance will no longer have effect and a new clearance must be requested and obtained. A person who has received a clearance must inform the approver that the Dealing has occurred by no later than the next business day.

A clearance is not an endorsement of a Dealing. You are responsible for your own investment decisions and compliance with the law.

Existing BU level policies and procedures should be adhered to.

## Trading Window exemption

Specified Persons and their Associates may apply for a Trading Window exemption to Deal in Group Securities outside a Trading Window in exceptional circumstances. Exceptional circumstances may include:

- severe financial hardship where the sale of Group Securities is the only practical method of overcoming hardship;
- a requirement to Deal in Group Securities pursuant to a court order or a court enforceable undertaking; or
- an overriding legal or regulatory requirement to transfer, or accept a transfer of, Group Securities.

Specified Persons may apply for a Trading Window exemption. Trading Window exemptions must be made in writing to the relevant approver indicated in the table below. The application must provide:

- details of the proposed Dealing (including the number and type of Group Securities, type of Dealing, name of Specified Person or Associate);
- a description of the exceptional circumstances and sufficient evidence showing that the proposed Dealing is the most reasonable course of action in the circumstances and there are no other viable legal alternatives; and
- confirmation that the Specified Person or Associate (as the case may be) is not in the possession of Inside Information.

The approver may grant or refuse the request without giving any reasons. The person making the request will be notified of the decision by e-mail and, if approved, the terms on which the exemption is granted. A refusal is final and binding on the person who made the request, and must be kept confidential by that person (other than as required by law or a court).

A Trading Window exemption will remain in force for two full business days after the date of approval, unless otherwise notified by the approver. If the Dealing is not placed within this time, the Trading Window exemption will no longer have effect and a new exemption must be requested and obtained. A person who

has received an exemption must inform the approver that the Dealing has occurred by no later than the next business day.

## Policy exemption

Policy exemptions may be granted where there is a legitimate reason for not meeting the policy requirement and provided the exemption does not breach any legislative requirements.

Non-Executive Directors, Employees, Contractors and Secondedees may apply for an exemption from this policy or specific obligations within this policy. An exemption may be sought by following the [exemption procedure](#). Exemptions from this Policy must be approved by the relevant approver indicated in the table below and the Group Chief Risk Officer.

## Approvers of clearances and exemptions

The following table applies to the approval of Dealing clearances and exemptions.

Person requesting a clearance or exemption	Approver	Person(s) who must receive a copy of a clearance or exemption
CBA Board directors (other than the Chairman) and the CEO, and their Associates	CBA Board Chairman	Group Company Secretary
CBA Board Chairman and the Chairman's Associates	CBA Board Audit Committee Chairman	Group Company Secretary
Non-Executive Directors of Subsidiary Boards (other than a Chairman) and their Associates	Relevant Subsidiary Board Chairman	Group Company Secretary and the relevant Subsidiary Company Secretary
Non-Executive Chairman of Subsidiary Boards and their Associates	Relevant Subsidiary Board Deputy Chairman; or Audit Committee Chairman if no Board Deputy Chairman; or Lead Independent Director	Group Company Secretary and the relevant Subsidiary Company Secretary
Group Executives and their Associates	CEO	Group Company Secretary
Other Specified Persons and their Associates	Clearances – This Group Policy does not impose Group level clearance requirements on this group. However, this group must ensure they are aware of BU level policies and procedures that exist, as these policies and procedures apply to them and may impose clearance requirements.  Trading Window exemptions – Group General Counsel and Group Executive Legal & Governance.	Trading Window and Policy exemptions – Group Company Secretary

Requirements for monitoring, escalation, and reporting of adherence to this Policy are outlined in the Group Securities Trading Procedure.