

ASX Announcement



Commonwealth
Bank

Appendix 4G and 2021 Corporate Governance Statement

Wednesday, 11 August 2021 SYDNEY: Commonwealth Bank of Australia in accordance with ASX Listing Rules, 4.7.3, 4.7.4 and 4.10.3 attaches its Appendix 4G with the 2021 Corporate Governance Statement.

The release of this announcement was authorised by Kristy Huxtable, Company Secretary.

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Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Commonwealth Bank of Australia

ABN/ARBN

48 123 123 124

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html>

The Corporate Governance Statement is accurate and up to date as at 11 August 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 11 August 2021

Name of authorised officer authorising
lodgement: Kristy Huxtable, Company Secretary

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> on pages 3 and 13 and we have disclosed a copy of our board charter at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/> on pages 6, 11 and 19	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/> on pages 11 and 19	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/> on page 15	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation in full for the whole of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/> on pages 5 and 9</p> <p>and we have disclosed a copy of our diversity policy at: https://www.commbank.com.au/about-us/opportunity-initiatives/policies-and-practices.html</p> <p>and we have disclosed the information referred to in paragraph (c) in our 2021 Corporate Governance Statement on page 10 and we have disclosed our measurable objective for achieving gender diversity in the composition of the board on pages 10 and 17.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 17</p> <p>and we have disclosed the information referred to in paragraphs (a) and (b) in our 2021 Corporate Governance Statement on page 17.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/> on page 11</p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our 2021 Corporate Governance Statement on page 11 and in the Remuneration Report on pages 84 to 110 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our 2021 Corporate Governance Statement on page 11.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> on page 14</p> <p>and we have disclosed a copy of the charter of the committee at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html</p> <p>and the information referred to in paragraphs (4) and (5): in our 2021 Corporate Governance Statement on page 14 and in the Directors' Report on page 82 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> on pages 17 and 18</p> <p>and we have disclosed our board skills matrix on page 71 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	<input checked="" type="checkbox"/> on page 16 and we have disclosed the names of the directors considered by the board to be independent directors in our 2021 Corporate Governance Statement on page 16 and on our Corporate Governance page of our website accessible at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/> on page 16	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/> on page 16 and on our Corporate Governance page of our website accessible at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/> on page 19	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> on page 4 and we have disclosed our values at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> on page 5 and we have disclosed our code of conduct at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> on page 5 and we have disclosed our whistleblower policy at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> on page 5 and we have disclosed our anti-bribery and corruption policy at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> on page 14</p> <p>and we have disclosed a copy of the charter of the committee at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html</p> <p>and the information referred to in paragraphs (4) and (5): in our 2021 Annual Report on pages 72 to 75 and in the Directors' Report on page 82 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/> on page 8</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/> on page 12</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> on page 12 and we have disclosed our continuous disclosure compliance policy at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> on pages 3 and 11 and we have disclosed information about us and our governance on our website at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html and https://www.commbank.com.au/about-us/investors.html and https://www.commbank.com.au/about-us/our-company.html	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/> on page 11	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/> on page 12	<input type="checkbox"/> set out in our Corporate Governance Statement

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Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input checked="" type="checkbox"/> on pages 14 and 15</p> <p>and we have disclosed a copy of the charter of the committee at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html</p> <p>and the information referred to in paragraphs (4) and (5): in our 2021 Corporate Governance Statement on page 15 and in the Directors' Report on page 82 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/> on page 7</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	<input checked="" type="checkbox"/> on page 8	<input type="checkbox"/> set out in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> on pages 6 and 7 and we have disclosed information about exposure to environmental and social risks and how we manage or intend to manage those risks at pages 22 to 33 and 44 to 47 of the 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html and at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> on pages 14 and 15</p> <p>and we have disclosed a copy of the charter of the committee at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html</p> <p>and the information referred to in paragraphs (4) and (5): in our 2021 Corporate Governance Statement on page 15 and in the Directors' Report on page 82 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p><input checked="" type="checkbox"/> on page 11</p> <p>and in the Remuneration Report on pages 84 to 110 of our 2021 Annual Report accessible at: https://www.commbank.com.au/about-us/investors/annual-reports.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> on page 6</p> <p>and we have disclosed our policy on this issue or a summary of it at: https://www.commbank.com.au/about-us/shareholders/corporate-profile/corporate-governance.html</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Not Applicable	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not Applicable	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not Applicable	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	Not Applicable	<input type="checkbox"/> set out in our Corporate Governance Statement
-	<i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i> An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	Not Applicable	<input type="checkbox"/> set out in our Corporate Governance Statement

Corporate Governance Statement 2021



Commonwealth
Bank

Corporate Governance Statement 2021

The Commonwealth Bank of Australia is committed to our strategy to build tomorrow's bank today for our customers and to fulfil our purpose of improving the financial wellbeing of our customers and communities. Effective governance is key to the Bank's ability to deliver on our purpose and strategy.

The Commonwealth Bank of Australia (CBA or Bank) is committed to continuously improving our governance practices and ensuring that they are aligned with our business and stakeholders' needs. The Board's role is to represent shareholders by setting the Bank's strategic direction and instilling a culture that is reflective, risk aware and accountable to achieve stakeholder outcomes that are fair and balanced.

This Statement describes the key governance arrangements and practices of the Bank and its related bodies corporate (Group). CBA has followed the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX 4th Edition) for the reporting period ending 30 June 2021. The Group must comply with the *Corporations Act 2001* (Cth) (Corporations Act) and the *Banking Act 1959* (Cth) including Part IIAA of the Banking Executive Accountability Regime (BEAR) amongst other laws, and, as an authorised deposit-taking institution, with governance requirements prescribed by the Australian Prudential Regulation Authority (APRA) under Prudential Standard CPS 510 Governance. The Group's main business activities are also subject to industry codes of practice, such as the Australian Banking Association Banking Code of Practice.

The Board regularly reviews and refines its corporate governance arrangements and practices in light of new laws and regulations, evolving stakeholder expectations and the dynamic environment in which the Group operates.

This Statement has been approved by the Board and is current as at 11 August 2021.

Board of Directors



Catherine Livingstone AO
Chairman



Matt Comyn
Managing Director and
Chief Executive Officer



Shirish Apte
Independent Non-Executive
Director



Genevieve Bell AO
Independent Non-Executive
Director



Peter Harmer
Independent Non-Executive
Director



Paul O'Malley
Independent Non-Executive
Director



Simon Moutter
Independent Non-Executive
Director



Mary Padbury
Independent Non-Executive
Director



Anne Templeman-Jones
Independent Non-Executive
Director



Rob Whitfield AM
Independent Non-Executive
Director

Full biographies are available on our website at commbank.com.au/about-us/our-company.

Corporate Governance Statement 2021

Governance Framework



The Bank's Governance Framework is based on accountability, effective delegation and adequate oversight to support sound decision-making.

The Board is responsible for setting the strategic objectives and risk appetite of the Bank, and approves the Group's Code of Conduct to set the Board's expectations for the Group's values and desired culture.

The Board delegates certain powers to Board Committees to help it fulfil its roles and responsibilities. The Board also appoints the Chief Executive Officer (CEO). The Board has delegated the management of the Bank to the CEO, except for those matters specifically reserved to the Board or its Committees. The CEO, in turn, may, and has, delegated some of these powers to Group Executives and other officers under instruments of delegation. Regardless of any delegations by the CEO, the CEO is accountable to the Board for the exercise of the delegated powers and management's performance.

At its discretion, the Board may form other committees to undertake specific duties from time to time.

The key functions of the Board and its Board Committees are outlined in this Statement. Copies of the Board and Board Committee Charters can be found on our website at commbank.com.au/corporategovernance.

Corporate Governance Statement 2021

Culture

The Bank remains focused on shaping a culture that supports the achievement of business strategies, including sustaining our focus on risk culture to enable better outcomes for our customers and stakeholders. The Board acknowledges that community confidence and trust in the Bank continues to depend on this, and this has been particularly apparent during the Bank's response to the COVID-19 pandemic.

The Board recognises that, together with management, it has a critical role in setting the cultural tone of the Bank, and it guides the Bank's culture through the CEO. Our culture, anchored in our values of Care, Courage and Commitment, is instilled and reinforced by the Executive Leadership Team.

The Board monitors culture and cultural change initiatives by leveraging data and insights provided from a range of resources including employee culture and engagement surveys, strategic metrics and focus groups, as well as audit reports, compliance reports and whistleblower reports.

Our Purpose and Values

The Bank's purpose is to improve the financial wellbeing of our customers and communities.

We are guided by our values of Care, Courage and Commitment:

Care

We care about our customers and each other – we serve with humility and transparency

Courage

We have the courage to step in, speak up and lead by example

Commitment

We are unwavering in our commitment – we do what's right and we work together to get things done

Our purpose and values are reinforced across the Bank through various communication channels, policies, processes and learning and development initiatives. Conduct is formally assessed with respect to the Bank's values, risk and key performance indicators during employee performance reviews.

During the 2021 financial year, other mechanisms to reinforce the Bank's purpose and values included:

- a continued focus on senior leader role-modelling and authentic communication to send consistent cultural cues through tone, language and behaviour;
- a focus on unifying, empowering, developing and connecting leaders across the Bank through an ongoing series of quarterly and bi-annual leader forums;
- providing broader context on the Bank's strategy and operations through the CEO's fortnightly CommBank Live online interview session available to all employees;
- performing a comprehensive assessment of our organisational culture (including risk culture) to ensure continued alignment to the strategy and our values;
- launching and embedding our values through regular targeted employee communications; and
- amplifying values stories and examples through employee recognition programs, both through our everyday Legends Program and through quarterly and annual Excellence Awards.

Corporate Governance Statement 2021

Policies

Policies play a vital role in guiding decision-making and conduct across the Group. The Bank remains focused on enhancing the Group's policy framework to ensure our policies and supporting procedures are fit for purpose.

Code of Conduct

The Group's Code of Conduct (Code) sets the standards of behaviour, actions and decisions expected of our people (including the Board) when engaging with, and balancing the interests of, the Bank's stakeholders. The Code connects our purpose and values with a 'Should We?' test, to help deliver the outcomes we expect. It guides our decision-making, sets clear boundaries, and provides a roadmap for getting help when we run into challenges. Material breaches of the Code are reported to the Audit Committee. The Code is available on our website at commbank.com.au/policies.

Whistleblower Protection

The Group is committed to fostering a culture where our people and others feel safe to speak up on matters or conduct that concerns them. The Group Whistleblower Policy provides clarity on how the Group will support and protect our people and others to express their concerns, as well as the manner in which concerns can be raised and will be managed.

The Group has:

- a Whistleblower Protection Officer whose role includes overseeing the protection of whistleblowers, including their wellbeing;
- SpeakUP services (including online and independently provided telephone and email services) that provide avenues for individuals to raise concerns, including anonymously; and
- a Misconduct Governance Committee that oversees the effectiveness of the whistleblower program.

The Audit Committee is provided with regular reporting on the operation of the whistleblower program, including material matters reported under the Group Whistleblower Policy. The reporting takes into account legislative constraints surrounding both whistleblower protection and confidentiality.

The Group Whistleblower Policy is available on our website at commbank.com.au/policies.

Anti-Bribery and Corruption

The Group is committed to embedding a zero appetite culture for bribery, corruption and facilitation payments. An Anti-Bribery & Corruption (AB&C) framework, comprising a Group AB&C Policy and Standard, has been created to:

- formally acknowledge the serious nature of bribery and corruption;
- prohibit the giving, receiving or offering of bribes, facilitation payments or other improper benefits to/from another person, including public officials;
- identify potential risks and appropriate controls relating to key bribery and corruption risk areas such as the offering or accepting of gifts and entertainment; sponsorships & donations; hiring opportunities as well as the engagement of third party service providers who may act for, or on behalf of, the Group;
- require all parts of the Group to identify and understand the bribery and corruption risks relevant to their operations, and implement appropriate controls; and
- outline the requirements for escalating and reporting Group AB&C Policy breaches.

Material breaches of the policy must be reported to the Risk & Compliance Committee and will be reported to the Audit Committee if the matter is raised under the SpeakUP Program. The Group AB&C Policy is available on our website at commbank.com.au/policies.

Inclusion and Diversity

The Group Inclusion and Diversity Policy outlines our approach and commitment to inclusion and diversity. The policy states the principles our employees and senior leaders are expected to work towards to deliver a workplace that is safe, accessible and inclusive, where everyone feels valued and respected.

Under the policy, and in accordance with the Board Charter, the Board is responsible for approving the Group's Inclusion and Diversity Policy, and setting, and annually assessing, measurable objectives in relation to diversity and progress against achieving them (in conjunction with the Nominations and People & Remuneration Committees). Further details about these objectives are set out on page 10 of this Statement and pages 39 and 63 of the 2021 Annual Report.

The Group Inclusion and Diversity Policy is available on our website at commbank.com.au/policies.

Corporate Governance Statement 2021

Conflicts Management

The Group Conflicts Management Policy is designed to ensure that actual, perceived or potential conflicts of interest are identified, managed or prevented. The policy outlines the organisational and administrative arrangements in place to support the identification and management of conflicts of interest.

Fit and Proper

The Group Fit and Proper Policy addresses the requirements of APRA's Prudential Standards CPS 520 Fit and Proper and SPS 520 Fit and Proper. The policy requires all persons appointed to a Responsible Person role (including CBA Directors) to satisfy the fit and proper requirements prior to their initial appointment, and be re-assessed annually, or at any time information that may affect their fit and proper status becomes known.

Securities Trading

The Group Securities Trading Policy sets out when our people and their associates may deal in securities, including Group securities.

The policy prohibits dealing in securities when in possession of inside information. It also prohibits certain specified persons and their associates from dealing in Group securities except during limited 'trading windows'.

The policy also sets out the Bank's prohibition on hedging or otherwise limiting economic exposure to equity price risk in relation to unvested equity-linked remuneration issued under any Group equity arrangement.

The Group Securities Trading Policy is available on our website at commbank.com.au/corporategovernance.

Environmental and Social Policy

The Group's Environmental and Social Policy details our commitment to managing environmental and social risks, including climate change, human rights and modern slavery. During the 2021 financial year, the Group published its first Modern Slavery Statement in compliance with Australia's *Modern Slavery Act 2018* (Cth) and the *UK Modern Slavery Act*. The Statement disclosed the actions taken during the 2020 financial year to identify and mitigate modern slavery and human trafficking in our business operations, lending and supply chain.

The Group regularly assesses and discloses our climate-related progress, performance and the Group's plans in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our reports are available on our website at commbank.com.au/CRreporting.

Entity Governance

The Board has adopted a suite of entity governance policies and associated documents which includes the following:

1. Group Subsidiary Governance Framework, which outlines the corporate governance practices and principles that apply to Group Subsidiaries including director and officer responsibilities, and board governance and information flow;
2. Group Board Appointment, Renewal and Performance Policy, which sets out the standard for the appointment, renewal, evaluation, performance and removal of Directors to the Board and other boards within the Group;
3. Entity Lifecycle Framework, which outlines the corporate governance, legal and regulatory requirements that apply to the formation, ongoing maintenance and de-registration of subsidiaries;
4. Group Policy Framework Policy, which sets out the requirements for the development and maintenance of policies, standards and procedures across the Group, to ensure these documents are clear, consistent, fit for purpose, operationalised and well governed; and
5. Minority Investment Entities Framework, which sets out the approach for the management and governance of Minority Investment Entities (entities in which the Group has a minority, non-controlling interest).

Corporate Governance Statement 2021

Risk Management and Assurance

The Group monitors and manages its exposure to financial, non-financial and strategic risks, and is committed to having risk management policies, processes and practices that support a high standard of risk governance whilst enabling management to undertake prudent risk-taking activities.

Risk Management Framework

The Group's Risk Management function designs and oversees the Group Risk Management Framework for managing the Group's material risk types.

The Group Risk Management Framework covers the systems, structures, policies, processes and people that identify, measure, evaluate, monitor, report and control or mitigate both internal and external sources of material risk. It incorporates three key documents:

- Group Risk Appetite Statement (RAS), which articulates the type and degree of risk the Board is prepared to accept, and the maximum level of risk that the Group must operate within;
- Group Risk Management Approach (RMA), which describes the Group's approach to ensuring comprehensive management of its risks in support of achieving its strategic goals and objectives; and
- Group Strategy, which articulates the Group's approach to implementing its strategic objectives through the Business Plan.

The Board is ultimately responsible for the Group Risk Management Framework and for overseeing its operation by management. As required under APRA's Prudential Standard CPS 220 Risk Management, the Board:

- approves the Group RAS and the Group RMA, and ensures consistency of developed policies and processes;
- ensures that the Group Risk Management Framework is subject to external review every three years;
- receives regular management reporting to monitor that material risks are managed within approved appetite;
- forms a view on the risk culture of the Group and oversees relevant improvement action plans; and
- makes an annual Risk Management Declaration (RMD) to APRA that is signed by the Chairs of the Board and the Risk & Compliance Committee on the adequacy of design and operating effectiveness of the Group Risk Management Framework.

As part of its consideration of the RMD, the Board regularly makes appropriate enquiries to satisfy itself that in all material respects the Group Risk Management Framework is appropriate to the Group. The most recent RMD was provided to APRA in October 2020. For more information, refer to pages 42 to 47 of the 2021 Annual Report.

Remedial Action Plan

Following publication of the APRA Prudential Inquiry (PI) Report in May 2018, the Bank committed to implement all recommendations. Addressing the findings of the Inquiry Report is a key focus of the Board and management.

The Bank has a Remedial Action Plan (RAP) in place to address the recommendations outlined in the PI Report. The RAP was approved by APRA on 29 June 2018 and includes a focus on strengthening the Risk Management Framework, particularly in respect of operational risk and compliance risk management.

Examples of progress under the RAP include:

- there is now clear and committed leadership from the top in managing non-financial risk;
- accountabilities for management have been clarified and documented;
- there is much clearer and stronger focus on ensuring good customer outcomes, and the 'Should We?' question has become an integral part of the Group's everyday conversations; and
- constructive challenge is not only a consistent feature of meetings and forums, it is welcomed.

All recommendations from the PI Report have now been delivered to the RAP Independent Reviewer, Promontory, by the scheduled due dates. The Group has fully embraced the PI recommendations and will continue to embed the changes as part of how we operate.

For more on the Bank's response to the PI Report, refer to pages 18, 19, 45 and 69 of the 2021 Annual Report, and our website at commbank.com.au/APRA.

Exposure to Environmental and Social Risk

The Bank has implemented policy frameworks for considering Environmental and Social (E&S) risks, including climate change. These risks could adversely affect the Group and the achievement of its objectives. More information about the Group's material E&S risks and how the Group seeks to manage them is described on pages 22 to 33 and 44 to 47 of the 2021 Annual Report.

The Group's approach to climate change (including strategy, risk management, metrics and targets) is in line with the TCFD recommendations. For more information, refer to pages 22 to 33 of the 2021 Annual Report.

Corporate Governance Statement 2021

Internal Audit

Group Audit & Assurance (GA&A) is the Internal Audit function of the Group, also called the 3rd Line of Accountability (3LoA or Line 3). Its role is to provide independent and objective assurance and related consulting services to management, as well as the Audit, Nominations, Risk & Compliance, and People & Remuneration Committees.

GA&A is structured to be independent of management, with the most senior GA&A executive, the Group Auditor, reporting directly to the Audit Committee Chair. The Audit Committee holds regular discussions with the Group Auditor in the absence of management. The Group Auditor may only be appointed or dismissed with the Audit Committee's approval. The Group Auditor has free and unrestricted access to all of the Group's information, people, property and records to discharge GA&A's role. In major offshore subsidiary entities, local audit teams operate similarly, but with a direct reporting line to local board committees.

GA&A operates under a separate Charter approved by the Audit Committee, conducts its activities in line with local accounting and regulatory standards and adheres to the Institute of Internal Auditors' International Professional Practice Framework, including the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing. GA&A is also subject to external review every three years.

GA&A's responsibilities include:

- developing a risk-based annual Group internal audit plan for the Audit Committee's approval and adjusting that plan where necessary to reflect current and emerging risks;
- executing the audit plan in line with approved audit methodologies and reporting the results of its work to management, the Audit Committee and, where appropriate, to the Risk & Compliance Committee; and
- escalating to management, and the Audit Committee or Risk & Compliance Committee, as appropriate, instances where GA&A believes that management has accepted a level of risk in excess of the business area's approved risk appetite. The Group Auditor also monitors and reports on progress in addressing significant control and risk issues.

External Auditor

PricewaterhouseCoopers (PwC) was appointed as the Group's External Auditor (External Auditor) at the 2007 Annual General Meeting (AGM). The External Auditor provides an independent opinion on whether, among other things, the Group's financial report provides a true and fair view of the Group's financial position and performance.

In line with legislation promoting auditor independence, the Group requires rotation of PwC's lead audit partner after the audit of five successive financial years. The current lead audit partner, Matthew Lunn, was appointed effective from 1 July 2017. The lead audit partner holds regular discussions with the Audit Committee without management present. The External Auditor attends the AGM and is available to respond to shareholder questions on any matter that concerns them in their capacity as auditor. The Group and its External Auditor must comply with Australian and United States auditor independence requirements. United States Securities and Exchange Commission rules apply to various activities the Group undertakes in the United States, even though the Bank is not registered under its Exchange Act. A statement of the Board's satisfaction that the non-audit services provided by PwC did not compromise the auditor independence requirements is provided in the Directors' Report, within the 2021 Annual Report.

CEO and CFO Declarations

Before the Board approved the Group's half-year and full-year financial statements for 2021, the CEO and CFO provided the Board with written declarations that, in their opinion:

- the Group's financial records have been properly maintained in accordance with the Corporations Act;
- the financial statements and notes comply with the accounting standards and give a true and fair view of the Group's financial position and performance; and
- the declarations are formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Corporate Governance Statement 2021

Stakeholders

The Bank works closely and constructively with our wide range of stakeholders which allows us to understand the issues that matter most to them. We build partnerships and seek the views of various groups through forums such as our CEO Advisory Panel, Community Council and Indigenous Advisory Council. We also work collaboratively with government representatives and industry groups, for example the Australian Sustainable Finance Initiative (ASFI), Climate Leadership Coalition (CLC) and the Australian Banking Association (ABA) to consider societal issues and drive systemic change.

Customers

The Bank has a dedicated Customer and Community Advocacy team. This team represents the voice of the customer and community within the Bank to enhance and protect customer outcomes. They do this by:

- removing barriers to banking that stand in the way of financial inclusion;
- finding and fixing issues that could have a negative impact on customers, including by identifying and eliminating systemic issues/themes;
- providing a helping hand to customers in vulnerable circumstances and being an escalation point for frontline staff;
- building a better bank by improving customer advocacy in decision-making; and
- restoring relationships between our people, our customers and our community, particularly through complaint resolution.

The Bank also engages with our customers through customer feedback, surveys and workshops, customer representative bodies, complaint channels and external dispute resolution bodies.

Community

To deliver sustainable outcomes and financial wellbeing for our stakeholders, first we must understand the expectations of the communities in which we operate.

We engage with members of the community through a variety of channels and use the insights we gain to improve our products and service. This in turn allows us to deliver better outcomes for our customers.

During the 2021 financial year, the Bank made cash contributions of \$47.3 million into the community. We give our people the opportunity to support community organisations that matter to them. Through the CommBank Staff Foundation, one of Australia's largest workplace giving programs, we donated more than \$2.5 million to eligible community organisations including The Humour Foundation, Thread Together and Wayside Chapel, and raised more than \$3 million for cancer research during the financial year.

Our People

The People & Remuneration Committee assists the Board to discharge its responsibilities on matters relating to organisational culture, inclusion and diversity, and the health, safety and wellbeing of our people.

A copy of the Charter is available on our website at commbank.com.au/corporategovernance.

The Bank is committed to:

- building an inclusive and diverse culture;
- supporting flexible work practices;
- providing our people, regardless of their gender, age, sexual orientation, ethnicity or other identities, characteristics or experiences, with access to paid leave and other support to assist them with caring and family responsibilities; and
- rewarding our people appropriately.

Building an Inclusive and Diverse Culture

We are committed to fostering an inclusive culture that embraces the diversity of our people and is grounded on the foundations of equality, care and respect, so that our people can be themselves, feel that they belong, and thrive. An inclusive culture and diverse workforce helps us to fulfil our purpose of improving the financial wellbeing of our customers and communities. In January 2021, we launched our new Inclusion and Diversity strategy, which was endorsed by the Board and is available on our website at commbank.com.au/diversity.

Our operating environment is constantly shifting, with external and internal factors affecting the experience of our people and impacting our workplace. Our Inclusion and Diversity strategy is built on actions taken to learn from the experiences of our people, our customers, and the community. This includes listening sessions to understand the employee and customer experience, embedding fair and equitable people related processes, and regularly measuring ourselves and reporting against our objectives.

While results demonstrate that the Bank is well positioned to understand and respond to the needs of our customers and communities, we know there's more work to be done to improve the diversity of our leadership teams.

Corporate Governance Statement 2021

Gender Diversity

The Nominations Committee assists the Board with setting and approving measurable objectives for gender diversity in the composition of the Board and the boards of nominated subsidiaries. The People & Remuneration Committee assists the Board with setting measurable objectives for gender diversity applicable to the workforce more broadly, including senior executives.

The current measurable objective for the composition of the Board is to maintain at least 40% female representation. As at 30 June 2021, women represented 40% of the Board.

With regard to the composition of the Bank's workforce generally, given that for a number of years the majority of our workforce has been made up of women, and as at 30 June 2021 women represented 56.1% of our workforce, we have focused on setting measurable objectives to increase the representation of women in our leadership roles. We continue to regularly monitor and report annually on the proportion of women in our workforce generally to ensure we maintain gender diversity. We expect our People Leaders to build diverse teams and this is reflected in their (Board approved) Key Performance Indicators to drive positive action towards our gender equality goals. Quarterly inclusion conversations are one of the ways in which our General Managers and above regularly review gender diversity for their teams and identify actions for improvement. To inform these conversations we equip them with data insights including the gender ratios at each role level and the gender breakdown of new hires and departures from the Group. The Group's Inclusion Forum, which includes two Group Executives and other senior executives of the Bank, monitors the Group's progress towards achieving our gender equality goals, informs the development of inclusion conversations and discusses outcomes from those conversations.

We participate in the Bloomberg Gender-Equality Index as our primary benchmark for tracking our progress in advancing gender equality for our people, our customers, and the community. This year, we were one of 380 companies worldwide to be included in the 2021 Bloomberg Gender-Equality Index.

The measurable objective set for the composition of our Senior Executive ¹ role levels is to achieve 47–50% female representation by 2025. To support leadership accountability for this measurable objective, progress is evaluated against internal milestones set at a Business Unit level. As at 30 June 2021, women represented 41.7% of Senior Executives.

We disclose the gender breakdown of our workforce in our Annual Report. For more information, refer to page 63 of the 2021 Annual Report. A copy of our WGEA reports ² can be found on our website at commbank.com.au/diversity.

Cultural Diversity

The People & Remuneration Committee assists the Board with setting measurable objectives for cultural diversity. Our progress is measured through our Cultural Diversity Index (CDI). For more information, refer to pages 39 and 63 of the 2021 Annual Report, and our website at commbank.com.au/diversity.

Employee Networks

Our employee-led networks foster inclusion and inform solutions for our people and our customers, and include: WeCAN (gender equality), Advantage (life-stage and age), Yana Budjari (Aboriginal and Torres Strait Islander peoples and cultures), Unity (sexual orientation and gender identity), Mosaic (cultural diversity) and Enable (accessibility and inclusion for people with a disability).

For more on the Group's approach to inclusion and diversity refer to page 39 of the 2021 Annual Report.

Flexible Work Practices

As we build tomorrow's bank today for our customers, we continue to refine our patterns of working while finding the right balance for our customers, for teams and for individuals.

We recognise that flexible working comes in many forms. We want to create an environment where everyone (regardless of gender, location, career aspiration or life stage), feels supported in the choices they make to achieve their optimal work performance and personal responsibilities.

During the financial year, we introduced hybrid working which is an arrangement that includes working remotely part of the time. We encourage teams to have conversations about hybrid working with open minds and a clear understanding of our purpose. We have also empowered our leaders to determine how they create safe environments where our people can enjoy their work, collaborate with their colleagues and deliver on our strategy.

81.1% ³ of the Group's people work flexibly. During the COVID-19 pandemic, the Bank has seen a larger proportion of our people working remotely to prioritise their safety, health and wellbeing.

1 For the purposes of reporting against our measurable objectives, Senior Executives is defined as roles at the level of Executive Manager and above. This is the percentage of roles at the level of Executive Manager and above filled by women, in relation to the total headcount at these levels as at 30 June. Headcount captures permanent headcount (full-time, part-time, job share, on extended leave), and contractors (fixed term arrangements) paid directly by the Group, excluding ASB.

2 2020 WGEA public reports. The deadline for submission of the 2021 WGEA public reports has been extended to 11 August 2021. Once submitted, our 2021 WGEA public reports will be available on our website.

3 The proportion of employees that indicated they have used any of the flexible work options in the Group's biannual people and culture survey. Data excludes ASB businesses in New Zealand and businesses in Indonesia.

Corporate Governance Statement 2021

Supporting Working Parents

We recognise that the sharing of caring responsibilities for families promotes workforce participation. With this in mind, we have been working to ensure that our approach to parental leave and support for carers is gender inclusive, particularly to increase men's access to parental leave.

We offer gender-neutral paid parental leave entitlements with up to 52 weeks superannuation payments for primary carers, 13 weeks paid parental leave and a return-to-work payment.

We continue to see an increase in men accessing parental leave and, in the 2021 financial year, 44.1%¹ of employees who commenced a period of parental leave were men. We are also proud to have been certified as a Family Friendly Workplace by UNICEF Australia and Parents At Work.

Executive Remuneration and Performance

The People & Remuneration Committee assists the Board to discharge its responsibilities on matters relating to:

- the Group's remuneration strategies, recognition programs, and effectiveness of the Group Remuneration Policy and other people-related policies; and
- remuneration arrangements for non-executive directors of the CBA Board, the CEO and the CEO's direct reports² and Accountable Persons and Responsible Persons of the Bank and Regulated Subsidiaries.

In carrying out its role, the People & Remuneration Committee seeks to ensure that the Bank's people and remuneration practices and recognition programs are aligned to the Group's Remuneration Policy and principles, have regard to performance and financial soundness, satisfy governance, legal and regulatory requirements, encourage behaviours which appropriately mitigate against operational, financial, non-financial, regulatory and reputational risks, and do not reward conduct that is contrary to the Group's values, culture or risk appetite.

For more information on the Bank's remuneration arrangements, refer to the Remuneration Report on pages 84 to 110 of the 2021 Annual Report.

The Bank has a formal process for evaluating the performance of the CEO and the CEO's direct reports at least twice every reporting period. During the financial year, a preliminary review was undertaken in February and June by the concurrent meeting of the People & Remuneration, Audit, Risk & Compliance and Nominations Committees which evaluated the CEO's performance and his assessment of the CEO's direct reports' performance³. The final assessments were then recommended by the People & Remuneration Committee to the Board for approval in August 2021. The basis on which individuals' performance was evaluated, and remuneration outcomes determined, is summarised in the Remuneration Report.

The CEO and the CEO's direct reports have written executive employment agreements which set out the terms and conditions of their employment. The Group undertakes background checks prior to appointing senior executives, and the Group Fit and Proper Policy requires fit and proper assessments for persons appointed to a Responsible Person role, as outlined on page 6 of this Statement.

Gender Pay Equity

We seek to achieve gender pay equity. We continue to have a pay gap between what we pay men and women at similar career levels, as reported on page 63 of the 2021 Annual Report. During the 2021 financial year, the gender pay gap increased at the Executive General Manager, General Manager and Manager career levels, and remained the same at the Executive Manager and team member career levels. We review pay equity throughout the year and as part of our annual remuneration review process.

Shareholders

The Bank seeks to provide shareholders with information that is timely, of high quality and relevant to their investment. Our investor relations program facilitates two-way communication between the Bank and shareholders. We are committed to listening and responding to shareholder queries, feedback and surveys and regular updates are provided to the Board so that it has a good understanding of current shareholder views.

The Bank communicates with shareholders through multiple channels including a dedicated telephone line, by email and post. Shareholders are able to send us communications directly or via our share registry, Link Market Services. We encourage shareholders to access the latest information on the Bank's strategy, operations and financial performance through our Investor Centre at commbank.com.au/investors. Key updates are provided via ASX Announcements, full and half year results, quarterly trading updates, the Annual Report, shareholder letters and the Notice of Meeting. Our website also provides access to webcasts, videos, result summaries and FAQs.

The Chairman, CEO, CFO and Group Executives meet with domestic and offshore institutional investors throughout the year. We also engage directly with buy- and sell-side analysts, proxy advisors, the Australian Shareholders' Association and retail stockbrokers.

All shareholders have the opportunity to ask questions and hear directly from the Board at the Bank's Annual General Meeting.

1 This metric represents the proportion of male employees who commenced a period of parental leave in the 2021 financial year, compared to all employees who commenced parental leave during the same period. This excludes ASB.

2 'CEO's direct reports' as defined in the Board Charter.

3 The ASB Board assessed the performance of the CEO ASB.

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Corporate Reporting

The Audit Committee assists the Board to discharge its responsibilities on matters relating to the external reporting of financial information for the Group.

The Group Publicly Issued Documents and Marketing Materials Policy establishes the principles for an approval process for public documents and marketing materials including periodic corporate reports such as the Annual Report, profit announcements, quarterly trading updates and Pillar 3 reports. The policy seeks to ensure:

- that the information included in the relevant document is not considered to be inaccurate, false, misleading or deceptive;
- that there are no material omissions in public documents;
- that there are no material omissions in marketing materials which may prevent existing or potential clients or customers from making informed decisions;
- compliance with relevant legislation, regulations, industry codes and standards and the Group's policy framework;
- compliance with our Code of Conduct;
- that a heightened degree of validation of certain public documents and marketing materials is performed; and
- that appropriate approvals are obtained for publicly issued documents and marketing materials in accordance with the policy.

Under the policy, periodic corporate reports require a verification schedule as a means of verifying the accuracy and completeness of the content. The verification schedule allocates the statements within the relevant document to a responsible person, and records the sign-off of that person against the principles stated above. The verification is then provided to an appropriate approver to sign off on the accuracy and completeness of the information.

The CEO and CFO also provide the Board with written declarations in relation to the half-year and full-year financial statements, as described on page 8 of this Statement.

Continuous Disclosure

The Bank is committed to promoting investor confidence in the markets in which it operates by complying with its disclosure obligations in a way that provides investors with equal access to timely, balanced and effective disclosures.

All market sensitive information is released to the ASX in compliance with the Bank's continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Group Continuous Disclosure Policy provides the framework for dealing with market sensitive information and seeks to ensure that the Group complies with its continuous disclosure obligations. A copy of the policy is available on our website at commbank.com.au/corporategovernance.

Subject to the matters reserved for Board approval, the Disclosure Committee is responsible for determining whether an announcement is released to ASX, or any other foreign securities exchange, and approving the form of the announcement.

The Board receives copies of all material market announcements promptly after release.

The Bank releases copies of new and substantive investor or analyst presentation materials to the ASX ahead of the presentation being given.

In addition, the Bank posts all information released to the ASX via the Investor Centre on our website.

Annual General Meeting

The Bank recognises the importance of shareholder participation at our AGM.

The 2021 AGM will be held on 13 October 2021 and shareholders will be able to participate online. With COVID-19 an ongoing health concern this will provide equal opportunity for all shareholders to participate in the AGM, regardless of location.

Shareholders are encouraged to submit questions ahead of the AGM and participate online. Questions received ahead of the AGM provide useful insights into shareholder concerns and areas of interest, enabling the Chairman and CEO to provide relevant feedback on these to the meeting, where consistent themes are raised in advance. Shareholders also have the opportunity to ask questions during the meeting.

The Bank offers direct voting which allows shareholders who are unable to participate in the AGM to vote on resolutions in advance, without needing to appoint a proxy to vote on their behalf. It is the Bank's practice to conduct voting on all resolutions by poll.

The AGM is webcast live, and a recording of the AGM is made available after the meeting on our website at commbank.com.au/AGM for shareholders who are unable to attend.

Electronic Communications and Payments

Shareholders are strongly encouraged to provide the Bank's share registry, Link Market Services, with their email address so that the Bank can communicate important information efficiently. Link Market Service's contact details are provided on our website at commbank.com.au/investors.

Payments are made electronically except where it is not possible to make electronic payments.

Corporate Governance Statement 2021

Roles and Responsibilities

The Board and Board Committee Charters are reviewed annually to confirm the role, responsibilities and accountabilities of the Board and each Board Committee.

Summaries of the roles and responsibilities of the Board, the Chairman, each Board Committee, and the CEO are set out below.

The Board

The Board recognises the importance of balancing new strategic initiatives with core business performance. A summary of the Board's priorities over the past financial year is set out on page 68 of the 2021 Annual Report.

The Board Charter outlines the role, responsibilities and composition of the Board and the manner in which it discharges its responsibilities. The Charter also sets out the respective roles and responsibilities of the Board and management and those matters expressly reserved to the Board and those delegated to management. The primary purpose of the Board is to ensure sound and prudent management of the Group, provide leadership and strategic guidance, and delivery of the Group's purpose.

The Board:

- sets the strategic objectives and risk appetite of the Bank, and approves the Group's Code of Conduct to set the Board's expectations for the Group's values and desired culture;
- endorses the strategic and Business Unit plans, and approves the financial plans to be implemented by management;
- oversees the business of the Group by approving major corporate initiatives, new business ventures, and capital expenditure for certain investments and divestments;
- oversees the Group's Risk Management Framework and its operation by management;
- sets the Group's risk appetite, within which the Board expects management to operate, and approves the RAS;
- approves the Group's RMA and any key risk frameworks and policies for managing financial and non-financial risks reserved for the Board;
- oversees the Group's efforts to improve the experience and outcomes of the Group's customers;
- approves capital management initiatives;
- approves the Group's half and full-year financial statements and reports, the half and full-year financial reports required by APRA and the quarterly trading updates, and oversees the integrity of the Group's accounting and corporate reporting systems;
- oversees the Group's continuous disclosure process and approves the Group Continuous Disclosure Policy;
- considers the social, ethical and environmental impact of the Group's activities and approves corporate responsibility and climate related disclosures;
- assesses the performance and succession planning of the CEO and the CEO's direct reports (in conjunction with the People & Remuneration Committee);
- approves the remuneration arrangements for the CEO and the CEO's direct reports, including remuneration deferrals and breach consequences under the Group BEAR Policy and Procedures performance scorecard measures and outcomes, and termination payments as required;
- approves new, or material amendments to, performance management frameworks, variable remuneration plans, employee equity plans, employee superannuation and pensions;
- determines the fees payable to CBA non-executive directors within the shareholder approved fee pool limit;
- approves the Group's Inclusion and Diversity Policy, and measurable diversity objectives and metrics (in conjunction with the Nominations and People & Remuneration Committees);
- oversees and monitors relevant corporate governance frameworks for the Group; and
- approves relevant Work, Health & Safety (WHS) policies and monitors WHS matters.

The Board Charter is available on our website at commbank.com.au/corporategovernance.

The Chairman

- fosters an open, inclusive and, where appropriate, robust discussion and debate by the Board;
- maintains a regular, open and constructive dialogue with the CEO and management, serving as the primary link between the Board and management;
- represents the views of the Board and the Group to stakeholders, including shareholders, regulators and the community;
- liaises with the Group Company Secretary in relation to the Board's information requirements to assist the Board with effective decision-making; and
- sets the Board agenda together with the CEO and the Group Company Secretary, ensuring that appropriate time and attention is devoted to matters within the responsibilities of the Board.

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The CEO

- leads the senior executive team including in instilling the Group's Code of Conduct, culture and values;
- implements the strategic, business and financial objectives and/or plan, exercising delegations as appropriate;
- analyses the impact on strategic objectives and financial position when allocating resources or capital, approving expenditure or making financial decisions;
- assesses reputational consequences of decisions or actions taken;
- implements processes, policies and systems together with appropriate controls to effectively manage the operations and risk of the Group; and
- ensures the timely preparation, presentation, adequacy and integrity of information provided to the Board, to enable the Board to carry out its responsibilities.

Board Committees

The Board has four principal Committees that assist it in carrying out its responsibilities. These are the:

- Audit Committee;
- Nominations Committee;
- People & Remuneration Committee; and
- Risk & Compliance Committee.

The roles, responsibilities and composition requirements of each Board Committee are detailed in its respective Charter, and are summarised in the following table. The Charters are available on our website at commbank.com.au/corporategovernance. The following table also includes a summary of each Committee's priorities over the past financial year.

Audit Committee	Assists the Board on matters relating to external reporting of financial information for the Group, the internal control framework for the Group, the Group Auditor, internal Audit function and External Auditor, and (in conjunction with the Risk & Compliance Committee) the Group's Risk Management Framework.	<p>Must: ¹</p> <ul style="list-style-type: none"> • have at least three independent NEDs; • include the Risk & Compliance Committee Chair; and • not be chaired by the Board Chair. <p>2021 focus areas:</p> <ul style="list-style-type: none"> • Reviewing significant accounting and financial reporting processes and issues. • Reporting on the Group's internal control environment. • Progress with the remediation of audit findings, and reporting from the Group Audit and Assurance function. • Oversight of entity structure hygiene, including incorporation and deregistration. • Overseeing reporting on the SpeakUp Program including matters being investigated, themes and trends. • Reviewing key audit findings and insights relating to Risk Management Declaration areas. 	<p>Members as at the date of this Statement:</p> <ul style="list-style-type: none"> • Anne Templeman-Jones (Chairman) • Shirish Apte • Catherine Livingstone AO • Rob Whitfield AM
Nominations Committee	Assists the Board on matters relating to Board and Board committee composition, appointment, election and re-election of Non-Executive Directors (NEDs), Director induction programs, Director independence assessments, performance review processes for the Board and Board committees, succession planning for, and performance of, the CEO, diversity of the Board and boards of nominated subsidiaries, and Subsidiary Governance Framework and policies for overseeing the appointment to, and performance of, boards of key operating subsidiaries.	<p>Must: ¹</p> <ul style="list-style-type: none"> • have at least three independent NEDs; and • be chaired by the Board Chair. <p>2021 focus areas:</p> <ul style="list-style-type: none"> • Board renewal – appointment of Peter Harmer in March 2021. • Entity Governance – a continued focus on enhancing entity governance, including monitoring the progress of material subsidiaries adopting the Group's core governance policies. • Diversity – including measuring progress against the board gender diversity target across nominated subsidiaries and revising the target set. 	<p>Members as at the date of this Statement:</p> <ul style="list-style-type: none"> • Catherine Livingstone AO (Chairman) • Genevieve Bell AO • Mary Padbury • Rob Whitfield AM

¹ All Board Committees are chaired by an independent Non-Executive Director.

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People & Remuneration Committee	Assists the Board on matters relating to organisational culture, inclusion and diversity, health, safety and wellbeing, the Group's remuneration strategies, recognition programs, Group Remuneration Policy and other people-related policies; and remuneration arrangements for NEDs of the Board and nominated subsidiaries, the CEO, direct reports to the CEO, accountable persons under the BEAR and other individuals including those in regulated roles as described in the Committee Charter.	<p>Must: ¹</p> <ul style="list-style-type: none"> • have at least four independent NEDs; • include a Risk & Compliance Committee member; and • not be chaired by the Board Chair. <p>2021 focus areas:</p> <ul style="list-style-type: none"> • Reporting on the health, safety and wellbeing of employees. • Reviewing talent, development and succession plans for senior leaders and other critical roles. • Increasing focus and deep dives on stages of the employee lifecycle, including controls and processes. • Reviewing remuneration and recognition strategy, frameworks and effectiveness. • Reviewing inclusion and diversity policies and measurable diversity objectives. • Overseeing continued enhancements to remuneration governance through clearer application of accountability and remuneration consequence. 	<p>Members as at the date of this Statement:</p> <ul style="list-style-type: none"> • Paul O'Malley (Chairman) • Genevieve Bell AO • Catherine Livingstone AO • Mary Padbury
Risk & Compliance Committee ²	Assists the Board on matters relating to oversight and governance of risks impacting the Group, the design, implementation and operation of the Group's Risk Management Framework and the Group's Risk Management Approach, monitoring risk appetite and assessing the overall risk profile of the Group, monitoring the effectiveness of the compliance management framework and operational risk management framework, oversight of the Group's risk management function and risk culture.	<p>Must: ¹</p> <ul style="list-style-type: none"> • have at least four independent NEDs; • include the Audit Committee Chair and a People & Remuneration Committee member; and • be chaired by a member of the Audit Committee. <p>2021 focus areas:</p> <ul style="list-style-type: none"> • Cyber security and privacy risk mitigation strategies and monitoring cyber security threats. • Security and resilience of the technology infrastructure including cloud risks. • Reviewing the Risk Management Declaration (as required by APRA) and following through on focus areas. • Monitoring financial crime risks and improvements underway through the Bank's FCC Program of Action. • Monitoring residential mortgage portfolio, customer loan deferrals, climate change risks and stress testing. • Progress in strengthening management of non-financial risks and delivery of commitments under the Remedial Action Plan (RAP). 	<p>Members as at the date of this Statement:</p> <ul style="list-style-type: none"> • Rob Whitfield AM (Chairman) • Shirish Apte • Catherine Livingstone AO • Paul O'Malley • Anne Templeman-Jones

¹ All Board Committees are chaired by an independent Non-Executive Director.

² The Group CEO, Chief Risk Officer (CRO), CFO and Group Auditor may attend all Committee meetings. The Committee meets periodically with the CRO and bi-annually with the Executive General Manager Group Compliance, with only Directors present.

From time to time, other special purpose Committees are established to assist the Board, or to exercise a delegated authority of the Board.

Unless a conflict arises, all Directors have access to Board Committee papers, may attend Committee meetings, and receive minutes of Committee meetings even if they are not a member of the relevant Committee. Board Committee Chairs provide verbal reports on Committee business at the next relevant Board meeting.

Company Secretaries

The Board has appointed three Company Secretaries, whose qualifications, experience and other details are detailed on page 83 of the 2021 Annual Report. Full biographies are available on our website at commbank.com.au/about-us/our-company.

The Group Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

All Directors have access to the Company Secretaries.

Corporate Governance Statement 2021

Board Effectiveness

The Board is committed to renewal and to continually improving its practices so that it can effectively discharge its role and responsibilities. An overview of the Board's composition and key corporate governance practices follows.

Board Members

The Bank's Directors for some or all of the 2021 financial year follow:

Current Directors	Appointed	Length of Service ¹
Catherine Livingstone AO ²	March 2016	5 years 5 months
Matt Comyn (CEO)	April 2018	3 years 4 months
Shirish Apte	June 2014	7 years 2 months
Genevieve Bell AO	January 2019	2 year 7 months
Peter Harmer	March 2021	5 months
Paul O'Malley	January 2019	2 year 7 months
Simon Moutter	September 2020	11 months
Mary Padbury	June 2016	5 years 2 months
Anne Templeman-Jones	March 2018	3 years 5 months
Rob Whitfield AM	September 2017	3 years 11 months

Former Directors	Appointed	Retired
Wendy Stops	March 2015	October 2020

As at the date of this Statement, the Board has 10 Directors, including nine independent Non-Executive Directors and the CEO.

For details of the current Directors' experience and qualifications, refer to pages 72 to 75 of the 2021 Annual Report.

Board Composition

It is essential that Non-Executive Directors are independent, that collectively they have the relevant skills and experience, and that they represent a diverse range of views and thinking. This supports sound decision-making and assists the Board to effectively discharge its responsibilities.

The Board has adopted Independence Standards to assess whether a Director qualifies as an independent Non-Executive Director upon appointment, and to consider the ongoing independence of Non-Executive Directors. These Independence Standards are aligned to Recommendation 2.3 of the ASX 4th Edition.

Each Non-Executive Director must disclose all Interests ³ that may affect the exercise of their unfettered and independent judgment as a Director prior to their appointment or election and promptly as and when circumstances change. Disclosure extends to include relevant Interests of close family ties, such as spouses and family companies.

The Nominations Committee assesses the independence of each Director candidate and Non-Executive Director against the Independence Standards based on their disclosure of Interests and/or on the annual Non-Executive Director declaration.

In accordance with those Independence Standards, the Board considers a Non-Executive Director to be independent where they are independent of management and free of any Interests that could materially interfere (or could reasonably be perceived to interfere) with the exercise of unfettered and independent judgement, and ability to act in the best interests of the Group as a whole rather than in the interests of an individual security holder or other party.

The Board considers that all of its Non-Executive Directors, including the Chairman, were independent during the 2021 financial year and continue to be independent as at the date of this Statement.

The Board's Corporate Governance Guidelines provide that any Director with a material personal interest in a matter being considered by the Board or a Board Committee will not usually:

- receive a copy of any paper dealing with the matter (or may receive a redacted version of the paper);
- be present when the matter is being discussed; or
- vote on the matter.

¹ As at the date of this Statement.

² Chairman from 1 January 2017.

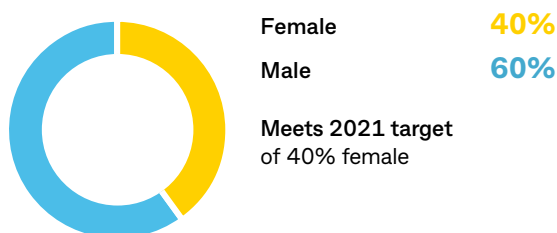
³ Material contracts, interests, positions, associations and relationships.

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The Directors on the Board represent a range of ages, nationalities and backgrounds. During the financial year, the Board confirmed its objective for the Board and the boards of all key operating subsidiaries and APRA regulated entities to maintain at least 40% female membership, 40% male membership and 20% of any gender that holds the relevant skills and experience. For all other Group subsidiaries, board diversity must be considered on incorporation, director renewal and director rotation with the intention of ensuring that overall 40% female membership is achieved. As at the date of this Statement, there is 40% female representation on the Board.

The Board composition includes longer-serving Directors who have a deeper knowledge of the Group's operations and history, and newer Directors who bring fresh perspectives and enquiry.

Board diversity



Board tenure



The Board uses a Skills Matrix (Matrix) which sets out the skills and experience considered essential to the effectiveness of the Board and its Committees. It is reviewed annually to ensure the prescribed skills and experience address the Bank's existing and emerging business and governance issues. The Matrix is also used to guide the identification of potential director candidates as part of the ongoing Board renewal process. The Matrix is shown on page 18 of this Statement.

Each Director annually rates their skills, expertise and experience from 1 to 3 for each competency¹. The self-assessment ratings are subsequently calibrated and approved by the Board. This year the Nominations Committee endorsed, and the Board approved, an update of the Matrix. The Board considers that the new skills in the Matrix (People and culture, Environment and social) support the Bank's evolving strategy and current operating environment.

Individual skills matrices have also been developed for each of the Board Committees.

Performance Evaluation

The Board recognises the importance of continuously monitoring and improving its performance and the performance of its Committees. Under its Charter the Board is required to assess its performance annually, which was completed this year in August 2021. An independent external performance evaluation of the Board and its Committees is conducted every three years, or as otherwise determined by the Board. This was held in 2020 and the results made available to the Board in August 2020.

In addition to this formal evaluation process, the Board has been monitoring its performance during the 2021 financial year to identify areas for improvement, in particular focusing on:

- continued engagement with stakeholders to hear external perspectives and share knowledge with industry experts;
- more time allocated for open discussions at Board meetings to facilitate greater focus on the Bank's strategy;
- increased informal engagement with management, including the layers below senior management; and
- reinforcing the Board's expectations of management to provide the Board with qualitative insights in both meetings and Board papers.

Board Renewal

The Board has succession plans to facilitate the orderly transition of Directors. After more than five years serving on the Board, Wendy Stops retired as a Non-Executive Director and member of the Audit Committee and People & Remuneration Committee on 13 October 2020 at the conclusion of the 2020 Annual General Meeting.

Simon Moutter was appointed as an independent Non-Executive Director with effect from 1 September 2020 and Peter Harmer was appointed as an independent Non-Executive Director with effect from 1 March 2021. The appointments of Peter Harmer and Simon Moutter have brought new perspectives to the Board given their extensive executive experience. For Simon Moutter this includes a deep understanding of technology, process effectiveness and business strategy, and for Peter Harmer includes a deep understanding of environmental principles, technology and financial services.

Genevieve Bell AO was appointed a member of the People & Remuneration Committee with effect from 13 October 2020.

As part of CBA's approach to governance at the Committee level, the Chair of each Board Committee, other than the Nominations Committee, is required to rotate every three to five years. No such rotations were required this year.












¹ Where 1 = awareness, 2 = practised/direct experience and 3 = high competency, knowledge and experience.

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Board Skills Matrix

Skills and experience

Relevance to CBA

Leadership 	Held senior leadership role such as CEO or similar position in an organisation of significant size or complexity.	Setting strategy and evaluating the performance of senior leaders.
Financial services 	Experience in the financial services sector and regulation, including retail and commercial banking services and adjacent sectors.	Appreciation of the operational landscape, opportunities and challenges in the sector.
Financial acumen 	Proficiency in financial accounting and reporting, capital management and/or actuarial experience.	Assessing complex financial and capital management initiatives.
Strategy and global perspective 	Experience in leading, developing or executing strategic business objectives including bringing to bear a global perspective.	Reviewing and setting the organisational strategy in a global context.
Governance 	Experience as a non-executive director of a listed entity (Australia or overseas) and/or understanding of legal and regulatory frameworks underpinning corporate governance principles.	Understanding local and offshore legal and regulatory frameworks to effectively perform the role of director.
Risk management 	Experience in identifying, assessing and monitoring systemic, existing and emerging financial and non-financial risks.	Monitoring risk appetite, assessing the overall risk profile and adapting to emerging trends.
Digital and technology 	Experience in technology and innovation and the impact on customer experience.	Supporting the Bank's digital strategy.
Enhanced customer outcomes 	Understanding of the changing needs of customers with a focus on improving their financial wellbeing and enhancing their experience.	Providing constructive challenge to ensure customer needs are met.
Stakeholder engagement 	Experience in building and maintaining trusted and collaborative relationships with governments, regulators and/or community partners.	Ensuring an effective engagement program with regulators and other stakeholders is in place.
People and culture 	Understanding organisational culture, succession planning, and remuneration and reward frameworks.	Overseeing the culture of the Group and upholding the Code of Conduct.
Environment and social 	Understanding the potential risks and opportunities from an environmental and social perspective.	Influencing sustainable practices, policies and decisions that support environmental and social outcomes.

 High competency, knowledge and experience

 Practised/direct experience

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Director Appointment and Re-Election

The Board, with the assistance of the Nominations Committee, conducts a formal selection process before appointing new Non-Executive Directors.

Upon a recommendation of the Nominations Committee, the Board evaluates Director candidates having regard to a Director Appointment Criteria as set out in the Group Board Appointment, Renewal and Performance Policy.

Professional consultants are engaged as required to identify prospective Director candidates.

The Group undertakes appropriate checks before appointing a person as a Non-Executive Director or recommending that person to the Group's shareholders as a Non-Executive Director. Those checks include criminal record and bankruptcy checks, and checks of the person's educational qualifications and employment history. In addition, as all Non-Executive Directors are considered Responsible Persons by APRA, they must be assessed in accordance with the Group's Fit & Proper Policy before commencing as a Non-Executive Director, and thereafter on an annual basis.

Non-Executive Directors are registered by the Group with APRA as 'Accountable Persons', as required under the BEAR.

Each Non-Executive Director has a written agreement with the Bank setting out the terms of their appointment.

All persons appointed as Non-Executive Directors of the Bank must stand for election at the next AGM following their appointment. In addition, Non-Executive Directors must not hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.

Board support for a Director's election or re-election is subject to the Board performance review outcomes and any other matters the Board considers relevant.

The Board will provide shareholders full and fair disclosure of all material information relevant for a shareholder to make a properly informed decision to elect a Director at an AGM, including a recommendation on that Director's election.

Director Induction and Continuing Development

Non-Executive Directors joining the Board are given a copy of the Board's Corporate Governance Guidelines, which outline the key corporate governance principles and policies, and operational procedures and practices relevant to Directors in governing the Group.

All new Non-Executive Directors participate in an induction program to assist them in understanding the Group's structure, operations, strategic planning process and competitive and regulatory environments.

A continuing education program is incorporated into the Board calendar, which ensures that Directors, individually and collectively, develop and maintain skills and knowledge required for the Board to fulfil its role and responsibilities.

Annual Directors' duties training is provided to the Board and all directors of Group subsidiaries.

The Directors are subject to the Group Mandatory Learning Policy, under which they are required to complete training relating to Group policies.

The Board completed a number of education sessions during the 2021 financial year. Directors gained insights and a deeper level of knowledge on topics such as cyber security, privacy, data, and information security and handling.

Board Access to Information and Independent Advice

The Board has free and unfettered access to senior management, and any other relevant internal and external party and information, and may make any enquiries to fulfil its responsibilities.

Directors are entitled to seek independent professional advice at the Bank's expense, including by engaging and receiving advice and recommendations from appropriate independent experts. Where independent advice is sought at the Bank's expense, the Chairman's prior consent (which must not be unreasonably withheld) must be sought. The fee payable to the adviser must be reasonable in the circumstances and notified to the Chairman before the adviser is formally engaged.

Board and Board Committee Meetings

The number of Board and Board Committee meetings held in the 2021 financial year, and each Director's attendance at those meetings, are set out on page 82 of the 2021 Annual Report.