

## Amendment to CommBank PERLS VII Terms

**Tuesday, 18 October 2022 SYDNEY:** Commonwealth Bank of Australia (CBA) today amended the terms and conditions of CommBank PERLS VII Capital Notes (PERLS VII Terms), to facilitate the Reinvestment Offer for CommBank PERLS XV Capital Notes (PERLS XV) (the Offer). A copy of the amended PERLS VII Terms is attached.

The Offer will be made under the prospectus for PERLS XV lodged with ASIC on 18 October 2022 (Prospectus). Further details in relation to the Reinvestment Offer, including important information about eligibility, are contained in the Prospectus<sup>1</sup>.

1. Eligible holders can apply by contacting their Syndicate Broker and completing an Application Form in, or accompanying, the Prospectus.

### Important information

Investments in PERLS XV are an investment in CBA and may be affected by the ongoing performance, financial position and solvency of CBA. They are not deposit liabilities or protected accounts of CBA under the Banking Act 1959 (Cth) and are not guaranteed or insured by any Australian government, government agency or compensation scheme. The information provided in this announcement is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation considerations). If you have any questions, you should seek advice from your financial adviser or other professional adviser before deciding to invest in PERLS XV.

The offering of securities referred to in this release was open only to investors that are in Australia, and accordingly, this release does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended). This information, the Prospectus or any other material relating to the Offer is not for distribution in the United States.

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The release of this announcement was authorised by Vicki Clarkson, Group Company Secretary.

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## Terms of CommBank PERLS VII Capital Notes (as amended on 18 October 2022)

### 1 Form of PERLS VII and ranking

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#### 1.1 Form

- (a) PERLS VII are perpetual, subordinated, unsecured notes of CBA, acting through its New Zealand branch, issued in registered form by entry in the Register.
- (b) Each entry in the Register evidences a separate and independent obligation which CBA owes to the relevant Holder, which that Holder may enforce without joining any other Holder or any previous Holder.
- (c) No certificates will be issued to Holders unless CBA is required to provide certificates by any applicable law or regulation.

#### 1.2 Initial Face Value

Each PERLS VII is issued fully paid with an Initial Face Value of A\$100.

#### 1.3 CHESS

While PERLS VII remain in CHESS, all dealings (including transfers and payments) in relation to PERLS VII within CHESS, and the rights and obligations of each Holder, are subject to the rules and regulations of CHESS. To the extent there are inconsistencies between the rules and regulations of CHESS and the Terms, the Terms prevail.

#### 1.4 ASX quotation

CBA must use all reasonable endeavours to procure that PERLS VII are quoted on ASX on or as soon as possible after the Issue Date.

#### 1.5 Payment and ranking in a winding up of CBA

- (a) If an order is made by a court of competent jurisdiction (other than an order successfully appealed or permanently stayed within 30 days), or an effective resolution is passed, for the winding up of CBA in Australia, CBA must redeem each PERLS VII for its Face Value in accordance with this clause.
- (b) Neither the Trustee nor any Holder has any right to prove in a winding up of CBA in respect of PERLS VII, other than a right to prove in a winding up of CBA in Australia as permitted under clauses 1.5(c) and 1.5(d).
- (c) Each PERLS VII ranks for payment in a winding up of CBA in Australia:
  - (i) after the claims of all holders of Senior Ranking Obligations;
  - (ii) equally with each Holder and holders of Equal Ranking Securities; and
  - (iii) ahead of holders of Junior Ranking Securities.
- (d) In order to give effect to the ranking specified in clause 1.5(c), in any winding up of CBA in Australia, the claims of Holders are limited to the extent necessary to ensure that:
  - (i) all holders of Senior Ranking Obligations receive payment in full before any payment is made to Holders; and
  - (ii) Holders of PERLS VII and holders of any Equal Ranking Securities receive payments on a pro-rata basis.

- (e) Nothing in this clause limits the ability of CBA to, in its absolute discretion from time to time, issue further Senior Ranking Obligations or Equal Ranking Securities.
- (f) Neither the Trustee nor any Holder may exercise voting rights as a creditor in respect of PERLS VII in a winding up of CBA to defeat the subordination in this clause.
- (g) PERLS VII are perpetual and the terms of PERLS VII do not include events of default or any other provisions entitling the Trustee or the Holders to require that PERLS VII be Redeemed other than under this clause 1.5. Neither the Trustee nor any Holder has any right to apply for the winding up or administration of CBA, or to cause a receiver, or receiver and manager, to be appointed in respect of CBA, on the ground of CBA's failure to pay Distributions or for any other reason.
- (h) To avoid doubt but subject to clause 4.6, if a Capital Trigger Event or Non-Viability Trigger Event has occurred, Holders (or if applicable the Trustee) will rank for payment in a winding up of CBA in Australia as holders of the number of Ordinary Shares to which they became entitled under clauses 4.1 or 4.2.

#### **1.6 No set off**

- (a) CBA has no right to set-off any amounts owing by it to a Holder in respect of PERLS VII against any claims owing by the Holder to it or to any member of the CBA Group.
- (b) No Holder has any right to set-off any amounts, merge accounts or exercise any other rights the effect of which is or may be to reduce the amount payable by CBA in respect of PERLS VII to the Holder.

#### **1.7 Not deposit liabilities of CBA**

- (a) PERLS VII are not deposit liabilities or "protected accounts" of CBA for the purpose of the Banking Act.
- (b) No member of the CBA Group guarantees PERLS VII and no member of the CBA Group, other than CBA, has any liability for PERLS VII.

#### **1.8 No other rights**

Before Exchange, PERLS VII confer no rights on a Holder:

- (a) to attend or vote at any meeting of CBA members;
- (b) to subscribe for new securities of CBA or to participate in any bonus issues of securities of CBA; or
- (c) to otherwise participate in the profits or property of CBA, except by receiving payments as set out in these Terms.

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## **2 Distributions**

### **2.1 Distributions**

- (a) Each PERLS VII bears interest on its Face Value during each Distribution Period from (and including) the Issue Date to (but excluding) the Exchange Date or Redemption Date for that PERLS VII, at the Distribution Rate.
- (b) Interest on each PERLS VII is payable in arrears on each Distribution Payment Date.
- (c) Payment of interest on each PERLS VII is subject to clauses 2.5, 2.6 and 9.

## 2.2 Distribution Rate determination

The Distribution Rate (expressed as a percentage per annum) for each Distribution Period is the rate calculated according to the following formula:

$$\text{Distribution Rate} = (\text{Market Rate} + \text{Margin}) \times (1 - \text{Tax Rate})$$

where:

**Market Rate** means the rate (expressed as a percentage per annum) which is the average mid-rate for Bills for a term of 90 days as displayed on the “BBSW” page of the Reuters Monitor System (or any page that replaces that page) on the first Business Day of the Distribution Period. However, if the average mid-rate is not displayed by 10:30 am on that day, or if it is displayed but CBA determines that there is a manifest error in that rate, **Market Rate** means the rate specified by CBA in good faith at or around 10:30 am on that day, having regard, to the extent possible, to:

- (a) the rates otherwise bid and offered for Bills of a term of 90 days at or around that time on that day (including any displayed on the “BBSW” page of the Reuters Monitor System (or its successor or replacement page)); and
- (b) if bid and offer rates for Bills of a term of 90 days are not otherwise available, the rates otherwise bid and offered for funds of a term of 90 days at or around that time on that day;

(provided that the Market Rate for a Distribution Period commencing on (and including) the Reinvestment Date is the Market Rate for the Distribution Period ending on (but excluding) the Reinvestment Date);

**Bill** has the meaning it has in the Bills of Exchange Act 1909 (Cth);

**Margin** means the rate (expressed as a percentage per annum) determined under the Bookbuild; and

**Tax Rate** means the Australian corporate tax rate on the relevant Distribution Payment Date (expressed as a decimal).

## 2.3 Calculation of Distributions

The Distribution payable on each PERLS VII for each Distribution Period is calculated according to the following formula:

$$\text{Distribution payable} = \frac{\text{Distribution Rate} \times \text{Face Value} \times N}{365}$$

where:

**N** means, in respect of a Distribution Period, the number of days in that Distribution Period.

## 2.4 Adjustment to calculation of Distributions if not fully franked

If any Distribution is not franked to 100% under Part 3-6 of the Tax Act, the Distribution will be calculated according to the following formula:

$$\text{Distribution payable} = \frac{D}{1 - [T \times (1 - F)]}$$

Where:

**D** means the Distribution calculated under clause 2.3;

**T** means the Australian corporate tax rate on the relevant Distribution Payment Date (expressed as a decimal); and

**F** means the franking percentage (as defined in Part 3-6 of the Tax Act) applicable to the franking account of CBA on the relevant Distribution Payment Date (expressed as a decimal).

## **2.5 Distribution payment conditions**

The payment of any Distribution on any Distribution Payment Date is subject to:

- (a) CBA, in its absolute discretion, making the Distribution to Holders;
- (b) the payment of the Distribution not resulting in a breach of CBA's capital requirements under APRA's prudential standards as they are applied to the CBA Level 1 Group or the CBA Level 2 Group or both at the time of the payment;
- (c) the payment of the Distribution not resulting in CBA becoming, or being likely to become, Insolvent; and
- (d) APRA not otherwise objecting to the payment of the Distribution.

CBA must notify ASX at least five Business Days before the relevant Record Date (or, if later, as soon as it decides not to make the Distribution) if payment of any Distribution will not be made because of this clause.

## **2.6 Distributions are discretionary and non-cumulative**

Distributions are discretionary and non-cumulative. If payment of any Distribution is not made for any reason, CBA has no liability to pay that unpaid Distribution.

## **2.7 Dividend and capital restrictions in the event of non-payment**

- (a) Subject to clause 2.7(b), if any Distribution is not paid to Holders in full on the relevant Distribution Payment Date, then CBA must not, without the approval of a Special Resolution:
  - (i) declare or determine a dividend; or
  - (ii) return any capital or undertake any buy-backs or repurchases,(together **Restricted Actions**) in relation to any Ordinary Shares, unless the amount of any unpaid Distribution is paid in full within five Business Days of that date. If, on a subsequent Distribution Payment Date, a Distribution is paid in full, or if all PERLS VII have been Exchanged or Redeemed, then these restrictions cease to apply.
- (b) Clause 2.7(a) does not apply to:
  - (i) Restricted Actions which CBA is legally obliged to pay or complete at the time any Distribution is not paid in full to Holders on a relevant Distribution Payment Date; or
  - (ii) Restricted Actions in connection with:
    - (A) any employment contract, employee share scheme, employee rights or option plan, or similar arrangement with, or for the benefit of, any one or more employees, officers, directors or consultants of CBA or its Related Bodies Corporate; or
    - (B) CBA or any of its Related Bodies Corporate purchasing Ordinary Shares in connection with transactions for the account of customers of CBA or customers of any of its Related Bodies Corporate.

## **2.8 Notification of Distribution Rate, Distribution payable and other items**

- (a) CBA must notify ASX of the Distribution Rate, amount of Distribution payable and Distribution Payment Date for each Distribution Period.

- (b) CBA must give notice under this clause as soon as practicable after it makes its calculations and by no later than the fourth Business Day of the relevant Distribution Period.
- (c) CBA may amend its calculation or determination of any date, rate or amount (or make appropriate alternative arrangements by way of adjustment) including as a result of the extension or reduction of the Distribution Period or calculation period without prior notice but must notify ASX promptly after doing so.

## 2.9 Determination final

CBA's determination of all dates, rates and amounts under these Terms is, in the absence of wilful default, bad faith or manifest error, final and binding on the Trustee, CBA, the Registry and each Holder.

## 2.10 Calculations

For the purposes of any calculations required under these Terms:

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);
- (b) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable must be rounded to the nearest one Australian cent (with one half of an Australian cent being rounded up to one Australian cent).

## 3 Mandatory Exchange

### 3.1 Mandatory Exchange

Subject to clause 5, CBA must Exchange all (but not some) outstanding PERLS VII on issue on the date that is the earlier of:

- (a) 15 December 2024 (**Scheduled Mandatory Exchange Date**); and
- (b) the first Distribution Payment Date after the Scheduled Mandatory Exchange Date, (each a **Mandatory Exchange Date**) on which the Mandatory Exchange Conditions are satisfied.

### 3.2 Mandatory Exchange Conditions

- (a) The Mandatory Exchange Conditions for each Mandatory Exchange Date are:
  - (i) the VWAP on the 25<sup>th</sup> Business Day on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date is greater than 56.00% of the Issue Date VWAP (**First Mandatory Exchange Condition**);
  - (ii) the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Mandatory Exchange Date is greater than 50.51% of the Issue Date VWAP (the **Second Mandatory Exchange Condition**); and
  - (iii) Ordinary Shares have not been Delisted as at the Mandatory Exchange Date (**Third Mandatory Exchange Condition**).

- (b) If the First Mandatory Exchange Condition is not satisfied, CBA will announce to ASX between the 25<sup>th</sup> and the 21<sup>st</sup> Business Day before the Mandatory Exchange Date that Exchange will not proceed on the Mandatory Exchange Date.
- (c) If the Second Mandatory Exchange Condition or Third Mandatory Exchange Condition is not satisfied, CBA will notify Holders on or as soon as practicable after the Mandatory Exchange Date that Exchange did not occur.

## 4 Early Exchange

### 4.1 Capital Trigger Event

- (a) A **Capital Trigger Event** occurs when:
  - (i) CBA determines; or
  - (ii) APRA notifies CBA in writing that it believes,  
that either or both the CBA Level 1 Common Equity Tier 1 Capital Ratio or CBA Level 2 Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%. CBA must immediately notify APRA in writing if it makes a determination under clause 4.1(a)(i).
- (b) If a Capital Trigger Event occurs, CBA must Exchange such number of PERLS VII (or, if it so determines, such percentage of the Face Value of each PERLS VII) as is sufficient (taking into account any conversion or write down of Relevant Securities as referred to in paragraph (c) below) to return either or both the CBA Level 1 Common Equity Tier 1 Capital Ratio or CBA Level 2 Common Equity Tier 1 Capital Ratio, as the case may be, to above 5.125%.
- (c) In determining the number of PERLS VII, or percentage of the Face Value of each PERLS VII, which must be Exchanged in accordance with this clause, CBA will:
  - (i) first, convert or write down the face value of any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be converted or written down before Exchange of PERLS VII; and
  - (ii) secondly, if conversion or write down of those Relevant Securities is not sufficient, Exchange (in the case of PERLS VII) or convert or write down (in the case of any other Relevant Securities) on a pro-rata basis or in a manner that is otherwise, in the opinion of CBA, fair and reasonable, PERLS VII and any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be Exchanged, converted or written down in that manner (subject to such adjustment as CBA may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any PERLS VII or other Relevant Securities remaining on issue),  
but such determination will not impede the immediate Exchange of the relevant number of PERLS VII or percentage of the Face Value of each PERLS VII (as the case may be).
- (d) For the purposes of clauses 4.1(b) and 4.1(c), where the specified currency of the face value of Relevant Securities and/or PERLS VII is not the same, CBA may treat them as if converted into a single currency of CBA's choice at such rate of exchange as CBA in good faith considers reasonable.
- (e) If a Capital Trigger Event occurs:
  - (i) the relevant number of PERLS VII, or percentage of the Face Value of each PERLS VII, must be Exchanged immediately upon occurrence of the Capital

Trigger Event in accordance with clause 4.5 and 7 and the Exchange will be irrevocable;

- (ii) CBA must give notice as soon as practicable that Exchange has occurred to ASX and the Holders; and
- (iii) the notice must specify the date on which the Capital Trigger Event occurred; and
- (iv) the notice must specify the details of the Exchange process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any PERLS VII remaining on issue.

Failure to undertake any of the steps in clauses 4.1(e)(ii) to (iv) does not prevent, invalidate or otherwise impede Exchange.

#### **4.2 Non-Viability Trigger Event**

- (a) A **Non-Viability Trigger Event** occurs when APRA notifies CBA in writing that it believes:
  - (i) Exchange of all or some PERLS VII, or conversion or write down of capital instruments of the CBA Group, is necessary because, without it, CBA would become non-viable; or
  - (ii) a public sector injection of capital, or equivalent support, is necessary because, without it, CBA would become non-viable.

APRA may specify an aggregate face value of capital instruments which must be Exchanged, converted or written down (as applicable).

- (b) If a Non-Viability Trigger Event occurs, CBA must Exchange such number of PERLS VII (or, if it so determines, such percentage of the Face Value of each PERLS VII) as is equal (taking into account any conversion or write down of Relevant Securities as referred to in paragraph (c) below) to the aggregate face value of capital instruments which APRA has notified CBA must be Exchanged, converted or written down (or, if APRA has not so notified CBA, such number or, if CBA so determines, such percentage of the Face Value of each PERLS VII, as is necessary to satisfy APRA that CBA will no longer be non-viable). If a Non-Viability Trigger Event occurs under clause 4.2(a)(ii) CBA must Exchange all PERLS VII.
- (c) In determining the number of PERLS VII, or percentage of the Face Value of each PERLS VII, which must be Exchanged in accordance with this clause, CBA will:
  - (i) first, convert or write down the face value of any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be converted or written down before Exchange of PERLS VII; and
  - (ii) secondly, if conversion or write down of those securities is not sufficient, Exchange (in the case of PERLS VII) or convert or write down (in the case of any other Relevant Securities), on a pro-rata basis or in a manner that is otherwise, in the opinion of CBA, fair and reasonable, PERLS VII and any Relevant Securities whose terms require or permit, or are taken by law to require or permit, them to be Exchanged, converted or written down in that manner (subject to such adjustments as CBA may determine to take into account the effect on marketable parcels and whole numbers of Ordinary Shares and any PERLS VII or other Relevant Securities remaining on issue),



but such determination will not impede the immediate Exchange of the relevant number of PERLS VII or percentage of the Face Value of each PERLS VII (as the case may be).

- (d) For the purposes of clauses 4.2(b) and 4.2(c), where the specified currency of the face value of Relevant Securities and/or PERLS VII is not the same, CBA may treat them as if converted into a single currency of CBA's choice at such rate of exchange as CBA in good faith considers reasonable.
- (e) If a Non-Viability Trigger Event occurs:
  - (i) the relevant number of PERLS VII, or percentage of the Face Value of each PERLS VII, must be Exchanged immediately upon occurrence of the Non-Viability Trigger Event in accordance with clause 4.5 and 7 and the Exchange will be irrevocable;
  - (ii) CBA must give notice as soon as practicable that Exchange has occurred to the ASX and the Holders;
  - (iii) the notice must specify the date on which the Non-Viability Trigger Event occurred; and
  - (iv) the notice must specify the details of the Exchange process, including any details which were taken into account in relation to the effect on marketable parcels and whole numbers of Ordinary Shares, and the impact on any PERLS VII remaining on issue.

Failure to undertake any of the steps in clauses 4.2(e)(ii) to (iv) does not prevent, invalidate or otherwise impede Exchange.

#### **4.3 Mandatory Exchange Conditions do not apply to Capital Trigger Event or Non-Viability Trigger Event**

For the avoidance of doubt, the Mandatory Exchange Conditions do not apply to Exchange as a result of a Capital Trigger Event or Non-Viability Trigger Event occurring.

#### **4.4 Priority of Early Exchange Obligations**

An Exchange required because of a Capital Trigger Event or a Non-Viability Trigger Event takes place notwithstanding anything in clause 3.

#### **4.5 Automatic Exchange upon the occurrence of a Capital Trigger Event or Non-Viability Trigger Event**

If a Capital Trigger Event or Non-Viability Trigger Event has occurred and all or some PERLS VII (or percentage of the Face Value of each PERLS VII) are required to be Exchanged in accordance with clauses 4.1 or 4.2, then:

- (a) Exchange of the relevant PERLS VII or percentage of the Face Value of each PERLS VII will occur in accordance with clause 7 immediately upon the date of occurrence of the Capital Trigger Event or Non-Viability Trigger Event; and
- (b) the entry of the corresponding PERLS VII in each relevant Holder's holding in the Register will constitute an entitlement of that Holder (or, if applicable, of the Trustee) to the relevant number of Ordinary Shares (and, if applicable, also to any remaining balance of PERLS VII or remaining percentage of the Face Value of each PERLS VII), and CBA will recognise the Holder (or, if applicable, the Trustee) as having been issued the relevant Ordinary Shares for all purposes,

in each case without the need for any further act or step by CBA, the Holder or any other person (and CBA will, as soon as possible thereafter and without delay on the part of CBA, take any

appropriate procedural steps to record such Exchange, including updating the Register and the Ordinary Share register and seek quotation of Ordinary Shares issued on Exchange).

For the avoidance of doubt, nothing in this clause allows a payment to be made to a Holder upon Exchange.

#### **4.6 No further rights if Exchange cannot occur**

If, for any reason, Exchange of any PERLS VII (or a percentage of the Face Value of any PERLS VII) required to be Exchanged under clause 4.1 or 4.2 fails to take effect under clause 4.5(a) and 4.5(b) and CBA is not otherwise able to issue the Ordinary Shares required to be issued in respect of such Exchange within five Business Days after the date of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event, then the relevant Holders' rights (including to payment of the Face Value and Distributions) in relation to such PERLS VII or percentage of the Face Value of PERLS VII are immediately and irrevocably terminated.

#### **4.7 Change of Control Event**

(a) A **Change of Control Event** occurs when:

- (i) a takeover bid is made for Ordinary Shares (A) acceptance of which is recommended by the Board and which is or has become unconditional or (B) which is or has become unconditional and the voting power of the offeror in CBA is or has become greater than 50%; or
- (ii) in respect of a scheme of arrangement under Part 5.1 of the Corporations Act which would result (if implemented) in a person having voting power in more than 50% of CBA, the earlier of (A) a court approving the scheme, and (B) the Board determining that such event should be treated as a Change of Control Event for the purposes of this clause,

provided that clause 4.7(a)(ii) does not include a scheme of arrangement which would result in a NOHC Event.

(b) If a Change of Control Event occurs, then:

- (i) CBA must Exchange all (but not some) PERLS VII;
- (ii) CBA must give notice as soon as practicable and in any event within 10 Business Days after becoming aware of that event occurring to ASX and the Holders;
- (iii) the notice must specify a date on which it is proposed Exchange will occur (**proposed Exchange Date**) being:
  - (1) in the case of a Change of Control Event under clause 4.7(a)(i), no later than the Business Day prior to the then announced closing date of the relevant takeover bid;
  - (2) in the case of a Change of Control Event under clause 4.7(a)(ii)(A), a date no later than the record date for participation in the relevant scheme of arrangement; or
  - (3) in the case of a Change of Control Event under clause 4.7(a)(ii)(B), a date no later than 25 Business Days following the date the notice is given, or the record date for participation in the relevant scheme of arrangement, whichever is earlier; and
- (iv) the notice must specify the details of the Exchange process including any details to take into account the effect on marketable parcels and whole numbers of Ordinary Shares; and

- (v) on the proposed Exchange Date, all PERLS VII will Exchange in accordance with clause 7.
- (c) The Second Mandatory Exchange Condition and Third Mandatory Exchange Condition apply if a Change of Control Event occurs as though the proposed Exchange Date were a Mandatory Exchange Date for the purposes of clause 4 (except that in the case of a Change of Control Event, the Second Mandatory Exchange Condition will apply as if it referred to 20.20% of the Issue Date VWAP).
- (d) If either the Second Mandatory Exchange Condition or Third Mandatory Exchange Condition is not satisfied on the proposed Exchange Date:
  - (i) PERLS VII must Exchange on the next Distribution Payment Date on which the Second Mandatory Exchange Condition and Third Mandatory Exchange Condition are satisfied; and.
  - (ii) CBA will notify Holders as soon as practicable after the proposed Exchange Date that Exchange did not occur.

## 5 Early Redemption

### 5.1 Early Redemption at the option of CBA on the Call Date

CBA may at its option Redeem ~~all or some PERLS VII on the Call Date for their Face Value;~~

- (a) all or some Reinvesting PERLS VII on the Reinvestment Date for their Face Value; or
- (b) all or some PERLS VII (whether or not Reinvesting PERLS VII) on the Call Date for their Face Value.

However, CBA may only Redeem under paragraph (b) of this clause if CBA has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the Call Date to ASX and the Holders.

If only some (but not all) outstanding PERLS VII are to be Redeemed under paragraph (b) of this clause, those PERLS VII to be Redeemed will be specified in the notice and selected:

- (a) in a manner that is, in the opinion of CBA, fair and reasonable; and
- (b) in compliance with any applicable law, directive or requirement of ASX.

### 5.2 Early Redemption for inability to frank Distributions

If, there is a material risk that as a result of any change in, or amendment to, the laws of Australia, or their application or official or judicial interpretation or administration (including any announcement of a prospective change or amendment which has been or will be introduced), which change or amendment was not expected by CBA as at the Issue Date and has or is expected to become effective on or after the Issue Date, any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act, CBA may Redeem all (but not some) PERLS VII for their Face Value.

However, CBA may only Redeem under this clause if:

- (a) CBA has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date to the ASX and the Holders;
- (b) the proposed Redemption Date is a Distribution Payment Date; and

- (c) the notice of Redemption is not given earlier than 60 Business Days before the Distribution Payment Date occurring immediately before the earliest date on which a Distribution would not be a frankable Distribution.

### **5.3 Early Redemption for other tax reasons**

If CBA receives an opinion from reputable legal counsel or other tax adviser in Australia or New Zealand, experienced in such matters, to the effect that there is a material risk that as a result of a change in the laws of Australia or New Zealand (including following any announcement of a prospective change or amendment which has been or will be introduced) CBA would be exposed to a more than de minimis adverse tax consequence in relation to PERLS VII other than a tax consequence that CBA expected as at the Issue Date, CBA may Redeem all (but not some) PERLS VII for their Face Value.

However, CBA may only Redeem under this clause if:

- (a) CBA has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date to ASX and the Holders;
- (b) the proposed Redemption Date is a Distribution Payment Date; and
- (c) the notice of Redemption is not given earlier than 60 Business Days before the Distribution Payment Date occurring immediately before the earliest date on which CBA would be subject to the adverse tax consequence.

### **5.4 Early redemption for regulatory reasons**

If, at any time after the Issue Date, CBA determines that as a result of a change in the laws of Australia or a change in APRA's prudential standards (including following any announcement of a prospective change or amendment which has been or will be introduced) all, some or a proportion of all or some PERLS VII are not or will not be treated as Tier 1 Capital of the CBA Group under APRA's prudential standards (as amended from time to time), other than as a result of a change of treatment expected by CBA as at the Issue Date, CBA may Redeem all (but not some) PERLS VII for their Face Value.

However, CBA may only Redeem under this clause if:

- (a) CBA has given notice of its election to do so at least 20 Business Days (and no more than 60 Business Days) before the proposed Redemption Date to ASX and the Holders;
- (b) the proposed Redemption Date is a Distribution Payment Date; and
- (c) the notice of Redemption is not given earlier than 60 Business Days before the Distribution Payment Date occurring immediately before the earliest date on which all, some or a proportion of all or some PERLS VII will cease to be treated as Tier 1 Capital.

### **5.5 APRA approval to Redeem**

CBA may only Redeem under this clause 5 if:

- (a) either:
  - (i) before or concurrently with Redemption, CBA replaces PERLS VII with a capital instrument which is of the same or better quality (for the purposes of APRA's prudential standards as they are applied to the CBA Group at the relevant time) than PERLS VII and the replacement of PERLS VII is done under conditions that are sustainable for the income capacity of the CBA Group; or
  - (ii) CBA obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the CBA Group, that CBA does not have to replace PERLS VII; and

- (b) APRA has given its prior written approval to the Redemption. Approval is at the discretion of APRA and may or may not be given.

## 5.6 Final Distribution

For the avoidance of doubt, Redemption may occur even if CBA, in its absolute discretion, does not make the Distribution for the final Distribution Period.

## 5.7 No Redemption at the option of the Holders

Holders do not have a right to request Redemption of their PERLS VII at any time.

## 5.8 Effect of notice of Redemption

Any notice of Redemption given under this clause 5 is irrevocable and CBA must (subject to clause 9.3) Redeem PERLS VII on the Redemption Date specified in that notice.

# 6 Resale ~~on the Call Date~~

(a) CBA may elect that Resale occur in relation to:

(i) all Reinvesting PERLS VII on the Reinvestment Date by announcing such Resale to ASX; and

(ii) all or some PERLS VII (including Reinvesting PERLS VII to the extent not Redeemed on the Reinvestment Date) on the Call Date by giving a Resale Notice at least 20 Business Days (and no more than 60 Business Days) before the Call Date to ASX and the Holders.

If only some (but not all) PERLS VII are to be Resold under paragraph (a)(ii) of this clause, the number of PERLS VII to be Resold will be specified in the notice and selected:

(iii) in a manner that is, in the opinion of CBA, fair and reasonable; and

(iv) in compliance with any applicable law, directive or requirement of ASX.

(b) If CBA ~~issues~~selects that a Resale ~~Notice~~occur:

(i) in respect of all Reinvesting PERLS VII on the Reinvestment Date, each Holder of such Reinvesting PERLS VII is taken irrevocably to offer sell its Reinvesting PERLS VII to the Purchaser on the Reinvestment Date for a cash amount per PERLS VII equal to the Face Value (and to have appointed CBA as its agent and attorney to do and execute all things and documents which CBA considers may be necessary or desirable in connection with that offer and any resulting sale);

(ii) in respect of all or some PERLS VII (including Reinvesting PERLS VII to the extent not Redeemed on the Reinvestment Date) on the Call Date, each Holder is taken irrevocably to offer to sell the relevant number of their PERLS VII to the Purchaser on the Call Date for a cash amount per PERLS VII equal to the Face Value (and to have appointed CBA as its agent and attorney to do and execute all things and documents which CBA considers may be necessary or desirable in connection with that offer and any resulting sale);

(iii) subject to payment by the Purchaser of the Face Value to (or at the direction of) Holders, all right, title and interest in the relevant number of PERLS VII will be transferred from the Holders to the Purchaser on the Reinvestment Date or the Call Date; (as the case may be); and

~~(iii)~~(iv) if the Purchaser does not pay the Face Value to (or at the direction of) the relevant Holders on the Reinvestment Date or the Call Date, (as the case may be), the relevant number of PERLS VII will not be transferred to the Purchaser and a Holder has no claim on CBA as a result of that non-payment.

- (c) Clause 9 will apply to payments by the Purchaser as if the Purchaser was CBA. If any payment to a particular Holder is not made or treated as made on the Reinvestment Date or the Call Date (as the case may be) because of any error by or on behalf of the Purchaser, the relevant PERLS VII of that Holder will not be transferred until payment is made but the transfer of all other relevant PERLS will not be affected by the failure.

- (d) If any act or event under this clause 6 must be done or must occur on a stipulated day that is not a Business Day, then that act or event will be done or will occur on the next Business Day.

## 7 General provisions applicable to Exchange

### 7.1 Exchange

On the Exchange Date, subject to clauses 4.6 and 7.10, the following will apply:

- (a) CBA will allot and issue the Exchange Number of Ordinary Shares for each PERLS VII held by the Holder. The **Exchange Number** is calculated according to the following formula, and subject always to the Exchange Number being no greater than the Maximum Exchange Number:

$$\text{Exchange Number for each PERLS VII} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

where:

**VWAP** (expressed in dollars and cents) means the VWAP during the VWAP Period.

**Maximum Exchange Number** means a number calculated according to the following formula:

$$\text{Maximum Exchange Number} = \frac{\text{Face Value}}{\text{Relevant Percentage} \times \text{Issue Date VWAP}}$$

where:

**Relevant Percentage** means:

- (i) if Exchange is occurring on a Mandatory Exchange Date, 0.50; and  
(ii) if Exchange is occurring at any other time, 0.20.

- (b) Each Holder's rights (including to payment of Distributions) in relation to each PERLS VII that is being Exchanged will be immediately and irrevocably terminated for an amount equal to the Face Value and CBA will apply the Face Value of each PERLS VII by way of payment for the subscription for the Ordinary Shares to be allotted and issued under clause 7.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this clause 7.1 is to be applied as provided for in this clause and no Holder has any right to payment in any other way.

- (c) If the total number of additional Ordinary Shares to be allotted and issued in respect of a Holder's aggregate holding of PERLS VII includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.

## 7.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under clause 7.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as *cum* dividend or *cum* any other distribution or entitlement and PERLS VII will be Exchanged for Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted *cum* dividend or *cum* any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
  - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution;
  - (ii) in the case of any other entitlement that is not a dividend or other distribution under clause 7.2(a)(i) which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
  - (iii) in the case of any other entitlement which is not traded on ASX during the VWAP Period, the value of the entitlement as reasonably determined by the Board; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and PERLS VII will be Exchanged for Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

## 7.3 Adjustments to VWAP for capital reconstruction

- (a) Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (not involving any payment or other compensation to or by the holders of Ordinary Shares) (**Reclassification**) into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by the following formula:

$$\frac{A}{B}$$

Where:

**A** means the aggregate number of Ordinary Shares immediately before the Reclassification; and

**B** means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by CBA in accordance with clause 7.3(a) will be effective and binding on Holders under these Terms and these Terms will be construed accordingly.

- (c) For the avoidance of doubt, nothing in this clause allows a cash payment or other distribution to be made to or by a Holder as part of a Reclassification or as a result of a Reclassification.

#### **7.4 Adjustments to Issue Date VWAP generally**

For the purposes of determining the Issue Date VWAP under clause 7.1, adjustments will be made in accordance with clause 7.2 and clause 7.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by CBA in accordance with clauses 7.5 to 7.7 (inclusive);
- (b) if so made, will correspondingly affect the application of the Mandatory Exchange Conditions and cause an adjustment to the Maximum Exchange Number; and
- (c) if so made, will be effective and binding on Holders under these Terms and these Terms will be construed accordingly.

#### **7.5 Adjustments to Issue Date VWAP for bonus issues**

- (a) Subject to clauses 7.5(b) and 7.5(c), if CBA makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times RD / (RD + RN)$$

Where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V<sub>o</sub> means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) Clause 7.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this clause, an issue will be regarded as a bonus issue notwithstanding that CBA does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia (or offer to whom are otherwise subject to foreign securities laws), provided that in so doing CBA is not in contravention of the ASX Listing Rules.

#### **7.6 Adjustments to Issue Date VWAP for capital reconstruction**

If at any time after the Issue Date there is a change to the number of Ordinary Shares on issue because of a Reclassification into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:



**A** means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

**B** means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

#### **7.7 No adjustment to Issue Date VWAP in certain circumstances**

Despite the provisions of clauses 7.5 and 7.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one percent of the Issue Date VWAP then in effect.

#### **7.8 Announcement of adjustments to Issue Date VWAP**

CBA will notify any adjustment to the Issue Date VWAP under this clause to ASX and the Holders within 10 Business Days of CBA determining the adjustment (or such shorter period as is required by the ASX Listing Rules) and the adjustment will be final and binding.

#### **7.9 Status and listing of Ordinary Shares**

- (a) Ordinary Shares issued or arising from Exchange will rank equally with all other fully paid Ordinary Shares provided that the rights attaching to the Ordinary Shares issued or arising from Exchange do not take effect until 5.00pm (Sydney time) on the Exchange Date (or such other time required by APRA).
- (b) CBA will use all reasonable endeavours to list the Ordinary Shares issued on Exchange of PERLS VII on ASX.
- (c) Holders acknowledge that any ASX trades in PERLS VII that have not settled on the Exchange Date will continue to settle in accordance with the normal ASX settlement process, although the seller will be treated as having delivered and the buyer will be treated as having acquired, the number of Ordinary Shares into which PERLS VII have been Exchanged.

#### **7.10 Exchange where the Holder does not wish to receive Ordinary Shares or is an Ineligible Holder**

If PERLS VII of a Holder are required to be Exchanged and:

- (a) the Holder has notified CBA that it does not wish to receive Ordinary Shares as a result of Exchange, which notice may be given at any time on or after the Issue Date and prior to the Exchange Date;
- (b) the Holder is an Ineligible Holder; or
- (c) CBA has not received (for any reason whether or not due to the fault of that Holder) any information required by it in accordance with the Terms so as to impede CBA issuing the Ordinary Shares to a Holder on the Exchange Date,

then, on the Exchange Date, the Holder's rights (including to payment of Distributions) in relation to each such PERLS VII being Exchanged are immediately and irrevocably terminated and CBA will issue the Exchange Number of Ordinary Shares to the Trustee for no additional consideration to hold on trust for sale for the benefit of the relevant Holder (unless, because the Holder is an Ineligible Holder, the Trustee is deemed to be an Ineligible Holder, in which case such issue shall occur as soon as practicable after the Trustee ceases to be an Ineligible Holder). At the first opportunity to sell the Ordinary Shares, the Trustee will arrange for their sale and pay the proceeds less selling costs to the relevant Holder.

If Exchange is occurring because of the occurrence of a Capital Trigger Event or Non-Viability Trigger Event and the Exchange fails to take effect and CBA is not otherwise able to issue Ordinary Shares to the Trustee within five Business Days, then Holders' rights will be immediately and irrevocably terminated under clause 4.6.

#### **7.11 Final Distribution**

For the avoidance of doubt, Exchange may occur even if CBA, in its absolute discretion, does not make the Distribution for the final Distribution Period.

#### **7.12 No Exchange after winding up commences**

If before the Exchange Date an order is made by a court, or an effective resolution is passed, for the winding up of CBA in Australia, then Exchange will not occur and clause 1.5 will apply, except where Exchange is required for a Capital Trigger Event or Non-Viability Trigger Event (in which case such Exchange shall occur (subject to clause 4.6) in accordance with clause 4.1 or 4.2 (as applicable) and clause 4.5).

#### **7.13 Exchange of a percentage of Face Value**

If under these Terms it is necessary to Exchange a percentage of the Face Value, this clause 7 will apply to the Exchange as if references to the Face Value were references to the relevant percentage of the Face Value to be Exchanged.

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### **8 Title and transfer of PERLS VII**

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#### **8.1 Effect of entries in Register**

Each entry in the Register of a person as a Holder constitutes:

- (a) conclusive evidence of that person's:
  - (i) absolute ownership of that PERLS VII; and
  - (ii) entitlement to the other benefits given to Holders under these Terms and the Trust Deed in respect of PERLS VII; and
- (b) an undertaking by CBA to pay Distributions and any other amount in accordance with these Terms,

subject to correction of the Register for fraud or error.

#### **8.2 Non-recognition of interests**

Except as required by law, CBA, the Trustee and the Registry must treat the person whose name is entered in the Register as a Holder as the absolute owner of that PERLS VII. This clause applies despite any notice of ownership, trust or interest in that PERLS VII. No recognition of any trust, encumbrance or interest shall be entered on the Register.

#### **8.3 Joint holders**

Where two or more persons are entered in the Register as joint Holders, they are taken to hold that PERLS VII as joint tenants with rights of survivorship and subject to the terms of the Trust Deed but the Registry is not bound to register more than three persons as joint Holders of any PERLS VII.

#### **8.4 Transfers**

- (a) A Holder may transfer PERLS VII:

- (i) while PERLS VII are registered with CHESS, in accordance with the rules and regulations of CHESS; or
- (ii) at any other time:
  - (A) by a proper transfer under any other applicable computerised or electronic system recognised by the Corporations Act; or
  - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law, provided such instrument is delivered to the Registry with any evidence the Registry reasonably requires to prove title to or the right to transfer PERLS VII.
- (b) Title to PERLS VII passes when details of the transfer are entered in the Register.
- (c) PERLS VII may be transferred in whole but not in part.
- (d) CBA must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of PERLS VII.
- (e) CBA must not charge any fee on the transfer of PERLS VII.
- (f) The Holder is responsible for any stamp duty or other similar taxes which are payable in any jurisdiction in connection with a transfer, assignment or other dealing with PERLS VII.
- (g) Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Terms and the Trust Deed in respect of the transferred PERLS VII.
- (h) Subject to Applicable Regulations, CBA may determine that transfers of some or all PERLS VII will not be registered during any period reasonably specified by it prior to the Exchange Date, Redemption Date or Resale Date of such PERLS VII.

## **8.5 Refusal to register**

CBA may only refuse to register a transfer of PERLS VII if permitted by, or if such registration would contravene or is forbidden by, Applicable Regulations or the Terms.

If CBA refuses to register a transfer, CBA must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registry.

## **8.6 Transmission**

A person becoming entitled to PERLS VII as a consequence of the death, bankruptcy, liquidation or a winding-up of a Holder or of a vesting order by a court or other body with power to make the order, or a person administering the estate of a Holder, may, upon providing evidence as to that entitlement or status, and if CBA so requires an indemnity in relation to the correctness of such evidence, as CBA considers sufficient, become registered as the Holder of those PERLS VII.

# **9 Payments**

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## **9.1 Payments to registered Holder**

- (a) Payment of Distributions will be made to the person registered at 7.00pm on the Record Date as the Holder.

- (b) Payment of any other amount in accordance with these Terms will be made to the person registered as the Holder on the relevant date for payment.
- (c) A payment to any one of joint Holders will discharge CBA's liability in respect of the payment.

## **9.2 Payments subject to law**

All payments are subject to applicable law.

## **9.3 Payments on Business Days**

If any payment:

- (a) is due on a day which is not a Business Day, then the due date for payment will be the next Business Day; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the next day on which banks are open for general banking business in that place.

No additional amount is payable in respect of any delay in payment. Nothing in this clause 9.3 applies to any payment referred to in clause 7.1(b).

## **9.4 Payments to accounts**

Monies payable by CBA to a Holder may be paid by crediting an Australian dollar bank account maintained in Australia with a financial institution and nominated in writing by the Holder by close of business on the relevant Record Date or in any other manner CBA decides.

## **9.5 Unsuccessful attempts to pay**

- (a) If the Holder has not notified the Registry of a bank account for the purposes of payment under clause 9.4 or the transfer of any amount does not complete for any reason (other than an error made by or on behalf of CBA), CBA will be treated as having paid the amount on the date on which it would otherwise have made the payment.
- (b) CBA will send a notice to the registered address of the Holder advising of the unsuccessful payment and the amount of the unsuccessful payment will be held on deposit in a non-interest bearing bank account maintained by CBA or the Registry until the Holder nominates an Australian dollar bank account maintained in Australia for crediting with the payment (or nominates a new bank account as the case may be) or the claim becomes void under clause 13.1.
- (c) No additional amount is payable in respect of any delay in payment.
- (d) For the avoidance of doubt, nothing in this clause 9.5 obliges CBA to make a payment it has not otherwise determined to make under clause 2.

## **9.6 Withholdings and Deductions**

- (a) All payments in respect of PERLS VII must be made without any withholding or deduction in respect of taxes, unless the withholding or deduction is required by law or permitted by this clause 9.6. CBA shall pay the full amount deducted to the relevant revenue authority within the time allowed for such payment without incurring penalty under the applicable law and shall, if required by any Holder, deliver to that Holder the relevant receipt issued by the revenue authority without delay after it is received by CBA.
- (b) Subject to clause 2.4, if (and to the extent that):

- (i) a law of any Relevant Jurisdiction (other than Australia) requires CBA to deduct any amount on account of tax from any Distribution which is payable to a Holder under clause 2.1, so that a Holder would not receive the full amount which is so payable; and
- (ii) the relevant deduction is required to be made on a basis other than:
  - (A) the Holder having a connection with the Relevant Jurisdiction (other than the mere holding of the PERLS VII or receipt of a payment in respect of it) or holding PERLS VII jointly with a person having such a connection;
  - (B) the Holder:
    - (1) not having provided relevant information to CBA;
    - (2) not having made a declaration or similar claim which could have avoided such a deduction;
    - (3) not having satisfied a reporting requirement which could have avoided such a deduction;
  - (C) on account of stamp duty, estate duty or similar transaction duty;
  - (D) on account of resident withholding tax imposed in accordance with the laws of New Zealand,

subject to clause 9.6(d), the amount of the Distribution that is payable will be increased so that, after making the relevant deduction, the Holder receives the amount that the Holder would have received if no deduction had been required.
- (c) CBA intends to register PERLS VII for the purposes of the Approved Issuer Levy. Where CBA is lawfully able to pay the Approved Issuer Levy in respect of any Distribution payable to a Holder, CBA will pay the amount of such levy to the New Zealand Inland Revenue (or other appropriate government authority) and will not deduct an amount on account of such levy from the relevant Distribution.
- (d) CBA, in its absolute discretion, may withhold or deduct payments to a Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of PERLS VII may be subject to FATCA, and may deal with such payment and the Holder's PERLS VII in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, CBA will not be required to pay any further amounts on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of PERLS VII for or in respect of any such withholding or deduction.
- (e) Each Holder will, within 10 Business Days of request by CBA, supply to CBA such forms, documentation or other information relating to its status under FATCA as CBA reasonably requests for the purposes of the CBA Group's compliance with FATCA.

## 10 Tax File Number withholdings

- (a) CBA will withhold an amount from payments of Distributions on PERLS VII at the highest marginal tax rate plus the highest Medicare levy if a Holder has not supplied an appropriate tax file number, Australian business number or exemption details.
- (b) If a Holder supplies exemption details and CBA subsequently determines that the relevant exemption was not available, CBA may recover the amount that should have

been deducted from the relevant Holder and may deduct that amount from any subsequent payment due to that Holder in respect of PERLS VII.

## 11 Obligations of the New Zealand Branch

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- (a) Subject to clause 12, although PERLS VII are issued by CBA acting through its New Zealand branch, the obligations of CBA are not limited to the New Zealand branch assets of CBA. If CBA is unable to make a payment under PERLS VII from the New Zealand branch, it may make the payment from some other branch (including CBA itself) on behalf of the New Zealand branch.
- (b) Subject to receiving APRA's prior written approval, CBA may, by notice to Holders, change the branch through which it elects to act in respect of PERLS VII from the New Zealand branch to another branch, including CBA itself.
- (c) CBA will not change the branch through which it elects to act in respect of PERLS VII if the issue or performance of PERLS VII would be illegal in the jurisdiction in which the proposed new branch is located.

## 12 Substitution of CBA

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### 12.1 Substitution

CBA may, without the consent of Holders and provided that the Substitution Conditions are satisfied, by giving notice to ASX and the Holders:

- (a) substitute for itself a NOHC as the debtor in respect of PERLS VII (**Full Successor**); or
- (b) substitute for itself a NOHC as the issuer of the Ordinary Shares on Exchange (**Partial Successor**),

and a reference to the **Successor** shall be a reference to the Full Successor or the Partial Successor, as applicable. The notice shall specify the date on which the substitution is to take effect (**Date of Substitution**).

### 12.2 Substitution Conditions

The **Substitution Conditions** are:

- (a) in the case of the Full Successor:
  - (i) the Full Successor or another entity (which is a parent entity) subscribes for Ordinary Shares or other capital instruments acceptable to APRA in such amount as may be necessary, or takes other steps acceptable to APRA, to ensure that the capital position of the CBA Level 1 Group and CBA Level 2 Group will not be adversely affected;
  - (ii) the Full Successor will expressly assume CBA's obligations under these Terms and the Trust Deed by entering into a deed poll for the benefit of Holders (**Successor Deed Poll**) under which it agrees (among other things):
    - (A) to comply with the restrictions in clause 2.7 of these Terms (with all necessary modifications); and
    - (B) to deliver fully paid ordinary shares in its capital under all circumstances when CBA would otherwise have been required to

deliver Ordinary Shares, subject to the same terms and conditions as set out in these Terms (with all necessary modifications);

- (b) in the case of the Partial Successor:
  - (i) the Partial Successor agrees with effect on and from the Date of Substitution, by entering into a Successor Deed Poll, to deliver fully paid ordinary shares in its capital under all circumstances when CBA would otherwise have been required to deliver Ordinary Shares, subject to the same terms and conditions as set out in these Terms (with all necessary modifications); and
  - (ii) the Partial Successor agrees that in all circumstances where the Partial Successor delivers fully paid ordinary shares in its capital under the Successor Deed Poll in clause 12.2(b)(i), the Partial Successor or another entity (which is a parent entity) will subscribe for Ordinary Shares in such amount as may be necessary, or take other steps acceptable to APRA, to ensure that the capital position of the CBA Level 1 Group and CBA Level 2 Group is equivalent to the position if the Successor Deed Poll had not been entered into and CBA was required to issue the Ordinary Shares; and
- (c) in the case of either the Full Successor or the Partial Successor (as applicable):
  - (i) the Successor's ordinary shares are or are to be quoted on ASX, and the Successor agrees to use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of ordinary shares issued under these Terms on the securities exchanges on which the Successor's ordinary shares are quoted at the time of delivery;
  - (ii) the Successor and CBA have obtained APRA approval and all other necessary authorisations, regulatory and governmental approvals and consents for such substitution and for the performance by the Successor of its obligations under PERLS VII and the documents effecting substitution;
  - (iii) if the Successor does not have a place of business in New South Wales, the Successor has appointed a process agent in New South Wales to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with PERLS VII;
  - (iv) the Successor has, in the reasonable opinion of CBA, the financial capacity to satisfy its obligations under the Successor Deed Poll;
  - (v) CBA has used all reasonable endeavours to give an irrevocable notice to the Holders as soon as practicable before a NOHC Event occurs but no later than 10 days before the NOHC Event occurs specifying the amendments to PERLS VII which will be made under these Terms in connection with the substitution of a NOHC as the issuer of ordinary shares on Exchange; and
  - (vi) CBA may, by an instrument in writing and without the authority, assent or approval of Holders, amend these Terms if such amendment is necessary or expedient for the purposes of complying with the provisions of Chapter 2L of the Corporations Act.

### **12.3 Effect of Substitution of Full Successor**

If the relevant requirements set out in clauses 12.1 and 12.2 relating to a substitution under clause 12.2(a) have been completed, on and from the Date of Substitution:

- (a) the Full Successor will assume all of the obligations of, succeed to, and be substituted for, and may exercise every right and power of, CBA under these Terms and the Trust Deed (as may be amended from time to time) with the same effect as if the Successor had been named as CBA in these Terms and the Trust Deed;
- (b) CBA (or any corporation which has previously assumed the obligations of CBA) will be released from its liability under the Terms and the Trust Deed;
- (c) if CBA gives a notice to Holders under clause 12.2(c)(v), the amended terms will have effect on and from the date specified in the notice; and
- (d) references to CBA in these Terms and the Trust Deed will be taken to be references to the Full Successor.

#### **12.4 Effect of Substitution of Partial Successor**

If the relevant requirements set out in clauses 12.1 and 12.2 relating to a substitution under clause 12.1(b) have been completed, on and from the Date of Substitution:

- (a) CBA (or any corporation which has previously assumed the obligations of CBA) will be released from any obligation it would otherwise have under these Terms to issue Ordinary Shares to Holders upon Exchange; and
- (b) if CBA gives a notice to Holders under clause 12.2(c)(v), the amended terms will have effect on and from the date specified in the notice.

### **13 General**

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#### **13.1 Time limit for claims**

A claim against CBA for a payment under PERLS VII is void unless made within five years from the date on which payment became due.

#### **13.2 Voting**

The Trust Deed contains provisions for convening meetings of Holders to consider any matter affecting their interests including certain variations of these Terms which require the Holders' consent. Resolutions passed in accordance with such provisions will be binding on all Holders.

#### **13.3 Amendments without consent**

At any time, but subject to compliance with the Corporations Act and all other applicable laws, CBA may by deed poll, without the consent of the Holders, amend these Terms or the Trust Deed, from the date specified by CBA, if CBA is of the opinion that such alteration is:

- (a) of a formal, technical or minor nature;
- (b) made to cure any ambiguity, correct any manifest error or correct or supplement any defective provision of the Terms or amend any provision of the Trust Deed;
- (c) necessary or expedient for the purpose of:
  - (i) enabling PERLS VII to be listed for quotation, or to retain quotation, on any securities exchange or to be offered for subscription or for sale under the laws for the time being in force in any place;
  - (ii) complying with the provisions of any statute, the requirements of any statutory authority, ASX Listing Rules or the listing or quotation requirements of any securities exchange on which CBA may propose to seek a listing or quotation of PERLS VII; or



- (iii) facilitating a substitution in accordance with clause 12.1 (including satisfying any requirement of APRA in connection with such a substitution);
- (d) made to amend any date or time period stated, required or permitted in connection with any Exchange or Redemption (including, without limitation, when the proceeds of Redemption are to be reinvested in a new security to be issued by CBA or a Related Body Corporate); or
- (e) not materially prejudicial to the interests of Holders as a whole.

The Terms of all PERLS VII will be amended from the date specified by CBA.

#### **13.4 Amendments with consent**

Without limiting clause 13.3, CBA may by deed poll amend these Terms or the Trust Deed if such alteration is approved by a Special Resolution.

In this case, the Terms of all PERLS VII will be amended from the date specified in the Special Resolution or otherwise notified to the Holders (provided such date is permitted by the terms of the Special Resolution).

#### **13.5 Meaning of amend**

In clauses 13.3 and 13.4, **amend** includes modify, cancel, alter or add to and **amendment** has a corresponding meaning.

#### **13.6 APRA approval of amendments**

Prior to any amendment under clauses 13.3 and 13.4 being effective, where required CBA must obtain APRA's prior written approval (APRA approval is required where the amendment affects the capital treatment of PERLS VII under APRA's prudential standards at the relevant time) and any consent or approval required under any applicable law, regulation or ASX Listing Rule.

#### **13.7 Notices**

##### **(a) To Holders**

Subject to clauses 4.1(e) and 4.2(e), unless otherwise specified, all notices and other communications to Holders must be in writing and either (i) sent by prepaid post (airmail if appropriate) to or left at the address of the Holders (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication), (ii) (if available) issued to Holders through CHES in accordance with any applicable rules and regulations of CHES, or (iii) announced to ASX. An accidental or inadvertent failure to give notice to a particular Holder will not invalidate a notice otherwise properly given to Holders.

##### **(b) To CBA, Trustee and Registry**

Subject to clauses 4.1(e) and 4.2(e), all notices and other communications to all or any of CBA, the Trustee and the Registry must be in writing and sent by prepaid post (airmail if appropriate) to or left at the address of CBA, the Trustee and the Registry, as applicable.

##### **(c) When effective**

Subject to clauses 4.1(e) and 4.2(e), notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

##### **(d) Receipt**

- (i) If sent by post, notices or other communications are taken to be received three Business Days after posting (or five Business Days after posting if sent to or from a place outside Australia).
- (ii) If left at the address, notices or other communications are taken to be received when given unless received after 5.00 pm in the place of receipt or on a non-Business Day, in which case they are taken to be received at 9.00 am on the next Business Day.
- (iii) Notices given to Holders by being announced to ASX are taken to be received on the date of announcement.

### **13.8 Ability to trade**

CBA or any member of the CBA Group may, to the extent permitted by applicable laws and regulations and with APRA's prior written approval (where required), at any time buy or sell PERLS VII in the open market, by tender to all or some of the Holders, by private agreement or in any other manner, at any price.

### **13.9 Governing law**

These Terms are governed by and must be governed in accordance with the law in force in New South Wales, Australia.

### **13.10 Jurisdiction**

CBA submits, and each Holder is taken to have irrevocably and unconditionally submitted, to the non-exclusive jurisdiction of the courts of New South Wales and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to these Terms.

### **13.11 Trust Deed**

CBA's obligations in respect of PERLS VII are constituted by and subject to the Trust Deed. Each Holder is taken to have notice of, and be bound by, the provisions of the Trust Deed.

### **13.12 Waiver of immunity**

CBA irrevocably and unconditionally waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 13.10.

## **14 Interpretation and definitions**

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### **14.1 Interpretation**

In these Terms, except where the contrary intention appears:

- (a) a reference to:
  - (i) an agreement or instrument includes any variation, supplement, replacement or novation of that agreement or instrument;
  - (ii) a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
  - (iii) any thing is a reference to the whole and each part of it;
  - (iv) one gender includes every other gender;

- (v) a document includes all schedules or annexes to it;
- (vi) a clause or paragraph is to a clause or paragraph of these Terms;
- (vii) "Australian dollars", "A\$" or "Australian cent" is a reference to the lawful currency of Australia; and
- (viii) a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (b) the singular includes the plural and vice versa;
- (c) the word "person" includes a firm, body corporate, an unincorporated association, or governmental or local authority or agency or other entity;
- (d) the word "law" includes common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) any reference to time is to Sydney time;
- (f) headings are inserted for convenience and do not affect the interpretation of these Terms;
- (g) another grammatical form of a defined word or expression has a corresponding meaning;
- (h) if an event under these Terms must occur on a stipulated day which is not a Business Day, then, for an event other than a Capital Trigger Event or Non-Viability Trigger Event, the stipulated day will be taken to be the next Business Day, unless a contrary intention is expressed;
- (i) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions;
- (j) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (k) any provisions which refer to APRA requirements of or any other prudential regulatory requirements will apply to CBA only if CBA is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an entity (including a NOHC) subject to regulation and supervision by APRA at the relevant time;
- (l) any provisions which require APRA's consent or approval (written or otherwise) will apply only if APRA requires that such consent or approval be given at the relevant time; and
- (m) any provisions in these Terms requiring prior APRA approval for a particular course of action to be taken by CBA do not imply that APRA has given its consent or approval to the particular action as of the Issue Date.

## 14.2 Definitions

In these Terms, except where the contrary intention appears:

Term	Meaning
ADI	means an Authorised Deposit-taking Institution under the Banking Act;

<b>Applicable Regulation</b>	means the ASX Listing Rules, the ASX Settlement Operating Rules, the rules and regulations of CHESS, the Corporations Act and any rules or regulations made under or pursuant to them;
<b>Approved Issuer Levy</b>	means, in relation to a Distribution, the levy payable in accordance with section 86J of the Stamp and Duties Act 1971 (NZ) or any similar levy.
<b>APRA</b>	means the Australian Prudential Regulation Authority;
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 or the securities market operated by it, as the context requires;
<b>ASX Listing Rules</b>	means the listing rules of ASX from time to time with any applicable modification or waiver granted by ASX;
<b>ASX Settlement Operating Rules</b>	means the settlement operating rules of ASX from time to time with any applicable modification or waiver granted by ASX;
<b>Banking Act</b>	means the Banking Act 1959 (Cth);
<b>Bill</b>	has the meaning given in clause 2.2;
<b>Board</b>	means either the board of directors of CBA or a committee appointed by the board of directors of CBA;
<b>Bookbuild</b>	means the process conducted before the Offer opens where brokers and investors bid for PERLS VII and, on the basis of those bids, CBA sets the final Margin and announces it on ASX;
<b>Business Day</b>	means a day which is (i) a business day within the meaning of the ASX Listing Rules, and (ii) for the purposes of calculation or payment of a Distribution, a date on which banks are open for general business in Sydney;
<b>Call Date</b>	means 15 December 2022;
<b>Capital Trigger Event</b>	has the meaning given in clause 4.1;
<b>CBA</b>	means Commonwealth Bank of Australia ABN 48 123 123 124, including foreign branches of Commonwealth Bank of Australia;
<b>CBA Group</b>	means CBA (or any NOHC that is the holding company of CBA) and its Subsidiaries;
<b>CBA Level 1 Common Equity Tier 1 Capital Ratio</b>	means, in respect of the CBA Level 1 Group, the ratio of the Common Equity Tier 1 of the CBA Level 1 Group to the risk weighted assets of the CBA Level 1 Group, calculated in accordance with APRA's prudential standards (as amended from time to time);
<b>CBA Level 1 Group</b>	means: <ul style="list-style-type: none"><li>(a) CBA; or</li><li>(b) the "extended licensed entity" which is comprised of CBA and each Subsidiary of CBA as specified in any approval granted by APRA in accordance with APRA's prudential standards (as amended from time to time);</li></ul>
<b>CBA Level 2 Common Equity Tier 1 Capital Ratio</b>	means, in respect of the CBA Level 2 Group, the ratio of the Common Equity Tier 1 of the CBA Level 2 Group to the risk weighted assets of the CBA Level 2 Group, calculated in accordance with APRA's prudential standards (as amended from time to time);
<b>CBA Level 2 Group</b>	means CBA and each Subsidiary that is recognised by APRA as part of CBA's Level 2 group in accordance with APRA's prudential standards (as amended from time to time);
<b>Change of Control Event</b>	has the meaning given in clause 4.7;

<b>CHESS</b>	means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited ABN 49 008 504 532;
<b>Common Equity Tier 1</b>	means, in respect of each of the CBA Level 1 Group and the CBA Level 2 Group, has the meaning determined for that term or its equivalent by APRA;
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth);
<b>Delisted</b>	means, in relation to an Exchange Date, that Ordinary Shares are not listed or admitted to trading on a securities exchange on that date;
<b>Distribution</b>	means interest payable on PERLS VII under these Terms;
<b>Distribution Payment Date</b>	<p>means, in respect of each PERLS VII, 15 March, 15 June, 15 September and 15 December each year until that PERLS VII has been Exchanged or Redeemed, and also:-</p> <p>(a) <u>the Reinvestment Date; and</u></p> <p>(b) <u>the Exchange Date or Redemption Date— for such PERLS VII.</u></p> <p>If any of these Distribution Payment Dates is not a Business Day, then the payment will be made in accordance with clause 9.3. The first Distribution Payment Date is 15 December 2014;</p>
<b>Distribution Period</b>	<p>means each period commencing on (and including) a Distribution Payment Date and ending on (but excluding) the next Distribution Payment Date. However:</p> <p>(a) the first Distribution Period commences on (and includes) the Issue Date; and</p> <p>(b) the final Distribution Period <u>for a PERLS VII</u> ends on (but excludes) the Exchange Date or Redemption Date, as applicable, <u>of that PERLS VII;</u></p>
<b>Distribution Rate</b>	means the interest rate (expressed as a percentage per annum) calculated or determined in accordance with clause 2.2;
<b>Equal Ranking Securities</b>	<p>means each of:</p> <p>(a) PERLS VI;</p> <p>(b) PERLS VII; and</p> <p>(c) any preference shares in the capital of CBA or any other securities which rank or are expressed to rank equally with PERLS VII in a winding up of CBA, present and future, excluding any Junior Ranking Securities;</p>
<b>Exchange</b>	means, the exchange of all, some or a proportion of each PERLS VII for Ordinary Shares under these Terms and <b>Exchanged</b> has a corresponding meaning;
<b>Exchange Date</b>	<p>means the applicable:</p> <p>(a) Mandatory Exchange Date;</p> <p>(b) date for Exchange specified in accordance with clause 4.1(e)(iii);</p> <p>(c) date for Exchange specified in accordance with clause 4.2(e)(iii);</p> <p>(d) date for Exchange specified in accordance with clause 4.7(b)(iii) or otherwise determined under clause 4.7(d);</p>
<b>Exchange Number</b>	has the meaning given in clause 7.1;

<b>Face Value</b>	means A\$100 per PERLS VII ( <b>Initial Face Value</b> ) reduced (if applicable) by the amount of Face Value per PERLS VII which has previously been Exchanged or the amount of Face Value per PERLS VII for which Holders' rights have been irrevocably terminated;
<b>FATCA</b>	means Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those sections and including any current or future regulations or official interpretations issued, agreements entered into or non-US laws enacted in relation to those sections);
<b>Foreign Holder</b>	means a Holder whose address in the Register is a place outside Australia or who CBA otherwise believes may not be a resident of Australia and CBA is not satisfied that the laws of the Holder's country of residence permit the offer, holding or acquisition of Ordinary Shares to the Holder (but CBA will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which CBA, in its absolute discretion, regards as acceptable and not unduly onerous;
<b>Holder</b>	means a person whose name is entered in the Register as a holder of PERLS VII;
<b>Ineligible Holder</b>	means a Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Financial Sector (Shareholdings) Act 1998 (Cth) and Part IV of the Competition and Consumer Act 2010) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Holder in respect of some of its PERLS VII, it shall only be treated as an Ineligible Holder in respect of those PERLS VII and not in respect of the balance of its PERLS VII), and includes a Foreign Holder. CBA will be entitled to treat a Holder as not being an Ineligible Holder unless the Holder has otherwise notified it after the Issue Date and prior to the Exchange Date;
<b>Insolvent</b>	means insolvent under section 95A of the Corporations Act;
<b>IRS</b>	means the United States Internal Revenue Service;
<b>Issue Date</b>	means the date on which PERLS VII are issued;
<b>Issue Date VWAP</b>	means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clauses 7.4 to 7.7;
<b>Junior Ranking Securities</b>	means all Ordinary Shares, present and future;
<b>Level 1, Level 2 and Level 3</b>	means those terms as defined by APRA from time to time;
<b>Mandatory Exchange Conditions</b>	means the conditions in clause 3.2;
<b>Mandatory Exchange Date</b>	15 December 2024 or such other date as determined under clause 3.1;
<b>Margin</b>	has the meaning given in clause 2.2;
<b>Market Rate</b>	has the meaning given in clause 2.2;
<b>Maximum Exchange Number</b>	has the meaning given in clause 7.1
<b>Meeting Provisions</b>	means the provisions for meetings of Holders set out in schedule 4 of the Trust Deed;

<b>NOHC</b>	means a “non-operating holding company” within the meaning of the Banking Act;
<b>NOHC Event</b>	occurs when the Board initiates a restructure of the CBA Group and a NOHC becomes the ultimate holding company of CBA;
<b>Non-Viability Trigger Event</b>	has the meaning given in clause 4.2;
<b>Offer</b>	means the invitation by CBA in the Prospectus to subscribe for PERLS VII;
<b>Ordinary Share</b>	means a fully paid ordinary share in the capital of CBA;
<b>PERLS VI</b>	means Perpetual Exchangeable Resaleable Listed Securities issued by CBA in October 2012;
<b>PERLS VII</b>	means CommBank PERLS VII Capital Notes issued by CBA under these Terms;
<b><u>PERLS XV</u></b>	<u>means the CommBank PERLS XV Capital Notes to be issued by CBA in accordance with the terms and conditions set out in the PERLS XV Prospectus;</u>
<b><u>PERLS XV Prospectus</u></b>	<u>means the prospectus to be dated on or about 18 October 2022 relating to the offer of PERLS XV and any replacement or supplementary prospectus and may include application forms accompanying that prospectus (including any electronic form);</u>
<b>Prospectus</b>	means the prospectus relating to the offer of PERLS VII dated on or about 18 August 2014;
<b>Purchaser</b>	means one or more third parties selected by CBA in its absolute discretion (which cannot be CBA, a member of the CBA Group or a Related Body Corporate of CBA);
<b>Reclassification</b>	has the meaning given in clause 7.3;
<b>Record Date</b>	means, for payment of Distributions: (a) date that is eight calendar days prior to the relevant Distribution Payment Date; or (b) such other date determined by CBA in its absolute discretion and communicated to ASX, or in either case such other date as may be required by, or agreed with, ASX;
<b>Redemption</b>	means the redemption of all or some PERLS VII for their Face Value under these Terms and <b>Redeem</b> and <b>Redeemed</b> have corresponding meanings;
<b>Redemption Date</b>	means, in respect of each PERLS VII, the date specified by CBA as the Redemption Date in accordance with clause 5;
<b>Register</b>	means the register of Holders established and maintained under clause 12 of the Trust Deed and, where appropriate, the term Register includes: (a) a sub-register maintained by or for CBA in CHESS; and (b) any branch register;
<b>Registry</b>	means Link Market Services Limited ABN 54 083 214 537 or any other person appointed by CBA to maintain the Register;
<b><u>Reinvesting PERLS VII</u></b>	<u>means any PERLS VII that are to be Resold to the Purchaser on the Reinvestment Date and the proceeds reinvested in PERLS XV in accordance with an application by the Holder accepted by CBA under the Reinvestment Offer;</u>
<b><u>Reinvestment Date</u></b>	<u>means the date of issue of PERLS XV, as described in the PERLS XV Prospectus;</u>
<b><u>Reinvestment Offer</u></b>	<u>means the offer of that name made by CBA to eligible Holders to have some or all of their PERLS VII resold on the Reinvestment Date and the proceeds</u>

reinvested in PERLS XV on the terms and conditions set out in the PERLS XV Prospectus;

<b>Related Body Corporate</b>	means a related body corporate as defined in the Corporations Act, or an entity over which CBA, or a future parent entity of CBA, exercises control or significant influence;
<b>Relevant Jurisdiction</b>	means any country, or political subdivision of one or more countries, or any federation or association of countries: (a) in which CBA (or a Successor) is incorporated, resident or domiciled for any tax purpose or carries on business; or (b) from which, or through which, any Distribution is paid.
<b>Relevant Security</b>	means a security forming part of the Tier 1 Capital of CBA on a Level 1 basis or Level 2 basis;
<b>Resale</b>	means the sale of PERLS VII by Holders to the Purchaser in accordance with clause 6 and <b>Resell</b> and <b>Resold</b> have corresponding meanings;
<b>Resale Notice</b>	means a notice issued in accordance with clause 6;
<b>Senior Ranking Obligations</b>	means all deposits and other liabilities, securities (including Tier 2 Capital securities) and other obligations of CBA other than Equal Ranking Securities or Junior Ranking Securities;
<b>Special Resolution</b>	means: (a) a resolution passed at a meeting of Holders duly called and held under the Meeting Provisions: (i) by at least 75% of Holders voting on a show of hands (unless paragraph (b) below applies); or (ii) if a poll is duly demanded, by at least 75% of the votes cast; or (b) a resolution passed by postal ballot or written resolution by Holders of at least 75% of the aggregate Face Value of PERLS VII then outstanding;
<b>Subsidiary</b>	has the meaning given in the Corporations Act;
<b>Tax</b>	means: (a) any tax, including GST, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or (b) any income, stamp or transaction duty, tax or charge, which is assessed, levied, imposed or collected by any governmental agency and includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed on or in respect of any of the above.
<b>Tax Act</b>	means the Income Tax Assessment Act 1936 (Cth) and, where applicable, the Income Tax Assessment Act 1997 (Cth) (both as amended from time to time);
<b>Terms</b>	means these terms and conditions of PERLS VII, as set out in schedule 1 of the Trust Deed;
<b>Tier 1 Capital</b>	means the Tier 1 Capital of CBA on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time;
<b>Tier 2 Capital</b>	means the Tier 2 Capital of CBA on the relevant Level 1 or Level 2 basis, as defined by APRA from time to time;
<b>Trust Deed</b>	means the deed entitled "PERLS VII Trust Deed" between CBA, acting through its New Zealand branch, and the Trustee and dated on or about 15 August 2014;
<b>Trustee</b>	means The Trust Company (Australia) Limited (or any replacement trustee under the Trust Deed, who cannot be CBA, a member of the CBA Group or a Related Body Corporate of CBA)



**VWAP**

means the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant VWAP Period, subject to any adjustments made under clauses 7.2 and 7.3, but the trades taken into account in determining such daily volume weighted average prices will exclude special crossings, crossings prior to the commencement of normal trading or during the closing phase or after hours adjustment phase, overnight crossings, overseas trades, trades pursuant to the exercise of options over Ordinary Shares, or any other trade determined by the Board in its discretion not to be reflective of normal trading in Ordinary Shares; and

**VWAP Period**

means:

- (a) in the case of an Exchange resulting from a Capital Trigger Event, or a Non-Viability Trigger Event, the period of 5 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; and
- (b) in the case of any other Exchange, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Exchange Date; or
- (c) otherwise, the period for which the VWAP is to be calculated in accordance with these Terms.