

SUPPLEMENTARY PDS

COMMONWEALTH BANK REGULAR INSTALMENTS IYH SERIES SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

Issued by Commonwealth Bank of Australia ABN 48 123 123 124, AFSL 234945

Issue date 6 June 2008

This is a Supplementary Product Disclosure Statement.

This Supplementary Product Disclosure Statement supplements and is to be read together with the Product Disclosure Statement entitled Commonwealth Bank Regular Instalments IYH Series issued by Commonwealth Bank of Australia on 31 July 2007.

Purpose of a Supplementary Product Disclosure Statement (“SPDS”)

A SPDS read together with a Product Disclosure Statement (“PDS”) aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering. You should read this SPDS and the PDS completely, including the Terms and Conditions, before you make a decision to invest in this Product.

Defined terms in this SPDS have the same meaning as those terms in the PDS.

Taxation

On 13 May 2008 the Government announced in the 2008-09 Federal Budget that it proposes to make a change to the capital protected borrowing rules (the “Budget Announcement”). These rules are relevant to determining the portion of the Interest Amount payable by an investor under a Commonwealth Bank Regular Instalment (“Instalment”) that an investor can deduct in a particular income year.

Section 6 of the PDS indicates that, under the capital protected borrowing rules, part of an Interest Amount may be recharacterised for tax purposes as being incurred by the investor for a put option. This will be the case where the total of the Interest Amounts incurred in a particular year corresponds to an interest rate that exceeds the Reserve Bank of Australia’s “Indicator Lending Rate for Personal Unsecured Loans – Variable Rate” (the “Existing Benchmark Rate”) at the time the investor acquires their Instalments. The recharacterised part would be included in the CGT cost base of the Put Option, rather than being deductible to investors covered by Section 6 of the PDS.

The Budget Announcement indicates that the applicable benchmark rate will become the indicator variable rate for standard housing loans (the “Proposed Benchmark Rate”) for arrangements entered into after 7:30 pm (AEST) on 13 May 2008 (the “Start Time”).

Assuming that the Budget Announcement is legislated as indicated, in determining whether they are affected by the Budget Announcement, investors covered by Section 6 of the PDS fall into three categories:

- Category 1: investors whose Instalments are issued or whose purchase settled before the Start Time

This category includes Cash Applicants, Security Holder Applicants and Rollover Applicants whose Instalments are issued before the Start Time. It also includes investors who purchase their Instalments on the ASX before the Start Time in circumstances where the trade settled before the Start Time.

These investors should be unaffected by the Budget Announcement. That is, the deductibility of Interest Amounts should continue to be determined under the Existing Benchmark Rate.

- Category 2: investors who apply for their Instalments or who place an order to purchase their Instalments after the Start Time

This category includes Cash Applicants, Security Holder Applicants and Rollover Applicants who apply for their Instalments after the Start Time. It also includes investors who place an order to purchase their Instalments on the ASX after the Start Time in circumstances where the trade settles after the Start Time.

These investors will be affected by the Budget Announcement. That is, the deductibility of Interest Amounts should be determined under the Proposed Benchmark Rate.

- Category 3: investors whose acquisition of Instalments straddles the Start Time

This category includes Cash Applicants, Security Holder Applicants and Rollover Applicants who apply for their Instalments before the Start Time, but whose Instalments are issued after the Start Time. It also includes investors who place an order to purchase their Instalments on the ASX before the Start Time in circumstances where the trade settles after the Start Time.

These investors do not fall clearly within either of the above two categories and it is not currently possible to determine whether they will be affected by the Budget Announcement.

Nevertheless, we understand that industry intends lobbying for the legislation giving effect to the Budget Announcement to provide certainty that the Existing Benchmark Rate would continue to apply to these investors. However, investors should monitor the terms of that legislation and/or seek independent taxation advice that is referable to their personal circumstances.

By way of general comment for the benefit of investors who are affected by the Budget Announcement, the Proposed Benchmark Rate is historically lower than the Existing Benchmark Rate. For example, for April 2008 the Existing Benchmark Rate was 14.60% and the Proposed Benchmark Rate was 9.45%. Accordingly, it would be expected that a greater portion of interest payments made by these investors would be included in the CGT cost base of the Put Option – and so would not be deductible – than if they were not affected by the Budget Announcement.

On page 9 of the PDS under the heading “Potential tax deductions”, it is stated that the First Interest Amount, Second Interest Amount and Third Interest Amount may be deductible for some investors. However, as indicated above, it would be expected that a portion of these amounts would be non-deductible for investors who are affected by the Budget Announcement.

Potential investors should seek independent taxation advice when determining whether an investment in the Instalments is suitable for them. Potential investors should also monitor the legislation giving effect to the Budget Announcement and any other changes to the tax law and consider the tax consequences and whether these make the Instalments suitable for them in light of any possible changes.

Attached to this SPDS is a letter (“the G&F Letter”) from Greenwoods & Freehills Pty Limited (“G&F”). G&F provided the Tax Summary which appears in Section 6 of the

PDS. The G&F letter contains G&F's opinion that this SPDS provides a correct summary of the main Australian income tax implications potentially arising from the Budget Announcement for investors covered by Section 6 of the PDS.

Option to withdraw your Application

In light of the Budget Announcement and our issuing of this SPDS, you should consider whether an investment in the Instalments is suitable for you.

If you have lodged an Application for the Instalments and you have not yet received notification from Commonwealth Bank that your Instalments application has been accepted, you have an option to withdraw your application by **5:00 pm on 7 July 2008**.

If you wish to continue with your application for the Instalments, please sign the Acknowledgement Notice attached to this SPDS and fax it to us on (02) 8223 7441 or mail it to us at:

Structured Products Operations
Commonwealth Securities
Locked Bag 22
Australia Square NSW 1214

If we do not receive your Acknowledgement Notice by 5:00 pm on 7 July 2008, we will assume that you intend to withdraw your Application for the Instalments. If you withdraw your Application for the Instalments, we will destroy your Application Form.

New investors

If, after considering the PDS and the SPDS, you decide that you would like to apply for the Instalments, you need to:

- complete the Application Form contained in the PDS; and
- sign the Acknowledgement Notice attached to this SPDS.

Please mail your completed Application Form and Acknowledgement Notice to the address stated on the Application Form.

**END OF COMMONWEALTH BANK REGULAR INSTALMENTS IYH SERIES
SUPPLEMENTARY PDS**

**COMMONWEALTH BANK REGULAR INSTALMENTS IYH SERIES
ACKNOWLEDGEMENT NOTICE**

To: Structured Products Operations
Commonwealth Securities
Locked Bag 22
Australia Square NSW 1214

Fax: (02) 8292 8900

I confirm:

- I have read and understood the Commonwealth Bank Regular Instalments IYH Series Product Disclosure Statement (PDS) dated 31 July 2007 and the Supplementary Product Disclosure Statement (SPDS) dated 6 June 2008; and
- I have considered my personal circumstances in relation to the PDS and the SPDS and confirm that I wish to proceed with my Application for the Commonwealth Bank Regular Instalments IYH Series.

Print name (Applicant 1/Director 1/Trustee 1)

Signature (Applicant 1/Director 1/Trustee 1)

Date

Print name (Applicant 2/Director 2/Trustee 2)

Signature (Applicant 2/Director 2/Trustee 2)

Date

Greenwoods & Freehills

Commonwealth Bank of Australia
6th Floor
48 Martin Place
SYDNEY NSW 2000

6 June 2008
Matter 2603

Dear Directors

Tax Summary Commonwealth Bank Long Dated Instalments

Section 6 of the Product Disclosure Statement issued by the Commonwealth Bank of Australia on 31 July 2007 in relation to an offer of a 44 Series of Commonwealth Bank Long Dated Instalments (the "PDS") describes the main Australian tax consequences to investors of investing in the Commonwealth Bank Instalments.

The Supplementary Product Disclosure Statement issued on or around 6 June 2008 in relation to the PDS (the "Supplementary PDS") provides a summary of how an announced change to the capital protected borrowing provisions in the 2008-09 Federal Budget (the "Budget Announcement") potentially affects the Australian income tax implications for investors covered by section 6 of the PDS.

In our opinion, the Supplementary PDS provides a correct summary of the main Australian income tax implications potentially arising from the Budget Announcement for those investors.

The summary contained in the Supplementary PDS is of a general nature only and does not take into account the specific circumstances of any particular investor. All investors should seek their own independent advice on the taxation implications of their investment in the Commonwealth Bank Instalments.

Yours faithfully



Tony Frost
Director
Greenwoods & Freehills

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Commonwealth Bank of Australia Regular Instalments IYH Series

Product Disclosure Statement 31 July 2007

44 Series of Commonwealth Bank Regular Instalments over Securities in

A.B.C. Learning Centres Limited	Macquarie Infrastructure Group
AGL Energy Limited	National Australia Bank Limited
Australia and New Zealand Banking Group Limited	Newcrest Mining Limited
ASX Limited	Origin Energy Limited
AXA Asia Pacific Holdings Limited	Orica Limited
Babcock & Brown Infrastructure Group	Publishing & Broadcasting Limited
BHP Billiton Limited	Rio Tinto Limited
Boral Limited	Seven Network Limited
Babcock & Brown Limited	St George Bank Limited
Bluescope Steel Limited	Santos Limited
Brambles Limited	Suncorp-Metway Limited
Coca-Cola Amatil Limited	Tabcorp Holdings Limited
CSL Limited	Transurban Group
David Jones Limited	Telecom Corporation of New Zealand Limited
Foster's Group Limited	Ten Network Holdings Limited
Fairfax Media Limited	Telstra Corporation Limited
GPT Group	Toll Holdings Limited
Harvey Norman Holdings Limited	Westpac Banking Corporation
Insurance Australia Group Limited	Westfield Group
Leighton Holdings Limited	Wesfarmers Limited
Macquarie Airports	Woolworths Limited
Macquarie Bank Limited	Woodside Petroleum Limited

To be traded on the Australian Securities Exchange Limited

You should read the entire Product Disclosure Statement before making a decision on whether to invest in Commonwealth Bank Regular Instalments

This offer is made to persons in Australia only

Commonwealth Bank of Australia does not guarantee the investment performance of the Underlying Securities of the Commonwealth Bank Regular Instalments, and does not guarantee the investment performance of these warrants.

Issuer

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

Broker to the Issue

Commonwealth Securities Limited (a participant of the ASX Group) ABN 60 067 254 399, AFSL 238814

Commonwealth Bank of Australia will earn interest and fees on providing this product

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1. Important Information

This document is a Product Disclosure Statement (PDS).

A copy of this Product Disclosure Statement has not been and will not be lodged with ASIC. ASIC and ASX take no responsibility for the contents of this Product Disclosure Statement or for the Commonwealth Bank Regular Instalments.

Information and Representations

This Product Disclosure Statement has been prepared by Commonwealth Bank from publicly available information. A.B.C. Learning Centres Ltd, AGL Energy Ltd., Australia and New Zealand Banking Group Ltd., ASX Ltd., AXA Asia Pacific Holdings Ltd., Babcock & Brown Infrastructure Group, BHP Billiton Ltd., Boral Ltd., Babcock & Brown Ltd., Bluescope Steel Ltd., Brambles Ltd., Coca-Cola Amatil Ltd., CSL Ltd., David Jones Ltd., Foster's Group Ltd., Fairfax Media Ltd., GPT Group, Harvey Norman Holdings Ltd., Insurance Australia Group Ltd., Leighton Holdings Ltd., Macquarie Airports, Macquarie Bank Ltd., Macquarie Infrastructure Group, National Australia Bank Ltd., Newcrest Mining Ltd., Origin Energy Ltd., Orica Ltd., Publishing & Broadcasting Ltd., Rio Tinto Ltd., Seven Network Ltd., St George Bank Ltd., Santos Ltd., Suncorp-Metway Ltd., Tabcorp Holdings Ltd., Transurban Group, Telecom Corporation of New Zealand Ltd., Ten Network Holdings Ltd., Telstra Corporation Ltd., Toll Holdings Ltd., Westpac Banking Corporation, Westfield Group, Wesfarmers Ltd., Woolworths Ltd., Woodside Petroleum Ltd. (the **"Listed Entities"**) have not been a party to its preparation or furnished any information to Commonwealth Bank for the purpose of its preparation. Information regarding the Listed Entities in this Product Disclosure Statement has not been independently verified.

Commonwealth Bank of Australia (**"Commonwealth Bank"**) and Commonwealth Securities Limited (**"CommSec"** or the **"Broker"**) do not accept any liability or responsibility for, and make no representation or warranty, express or implied, as to the accuracy or completeness of, any information about a Listed Entity or Underlying Security in this Product Disclosure Statement. Potential Applicants should make their own enquiries.

References in this Product Disclosure Statement to the Listed Entities, the Underlying Securities or their ASX Code are included solely for the purposes of identification. Such references are not to be construed as any express or implied endorsement by the Listed Entity of the Commonwealth Bank Regular Instalments or the issue of the Commonwealth Bank Regular Instalments. The Listed Entities have not accepted any responsibility for any statement in this Product Disclosure Statement or undertaken any liability in respect of the Commonwealth Bank Regular Instalments.

No person is authorised by Commonwealth Bank to give any information to investors or to make any representation on behalf of Commonwealth Bank in respect of Commonwealth Bank Regular Instalments not contained in this Product Disclosure Statement.

Risks

Commonwealth Bank Regular Instalments are not bank deposits. Any obligations of Commonwealth Bank to make payments in respect of the Commonwealth Bank Regular Instalments are unsecured obligations of Commonwealth Bank. If Commonwealth Bank is wound up, these obligations would rank equally with other unsecured obligations of Commonwealth Bank and ahead of subordinated debt and obligations to shareholders but after all deposit liabilities of Commonwealth Bank.

Potential investors should consider the risks identified in this Product Disclosure Statement carefully (refer Section 5).

Investment Decisions

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

Owing to the nature of Commonwealth Bank Regular Instalments, this Product Disclosure Statement does not purport to make any statement or representation about the prospects and risks of investing in the Underlying Securities, either at the date of this Product Disclosure Statement or in the future.

Admission to Trading Status on ASX

Approval has been given for the Commonwealth Bank Regular Instalments to be admitted to trading status on the ASX. The fact that the ASX has admitted the Commonwealth Bank Regular Instalments to trading status is not to be taken in any way as an indication of the merits of Commonwealth Bank or the Commonwealth Bank Regular Instalments. In admitting the Commonwealth Bank Regular Instalments to trading status and not objecting to the Product Disclosure Statement, the ASX has not authorised or caused the issue of this Product Disclosure Statement and is not in any way a party to or concerned in authorising or causing the issue of this Product Disclosure Statement or the making of offers or invitations with respect to the Commonwealth Bank Regular Instalments. The ASX does not warrant the accuracy or truth and takes no responsibility for the contents of this Product Disclosure Statement, including any expert's report which it may contain.

To the extent permitted by the Corporations Act, the Trade Practices Act, the Australian Securities and Investments Commission Act 1989 and any other relevant law, none of Commonwealth Bank, the Broker or the ASX will be under any liability for any claim of whatever kind, including for any financial or consequential loss or damage suffered by Holders or any other person, where that claim arises wholly or substantially out of reliance on any information or other statement contained in this Product Disclosure Statement or any error in, or omission from, this Product Disclosure Statement.

Applications

Applications will only be accepted on an Application Form accompanying this Product Disclosure Statement or issued electronically with it. Commonwealth Bank may in its discretion refuse any Application for any reason. Without limiting its rights in this respect there is a likelihood that Commonwealth Bank will exercise this discretion if the market value of an Underlying Security decreases from its market value as at the date this Product Disclosure Statement is issued.

The period during which Applications may be made is described below.

Distribution of Product Disclosure Statement

The distribution of this Product Disclosure Statement in jurisdictions outside Australia may be restricted by law and persons into whose possession this Product Disclosure Statement comes should seek advice on and observe any such restrictions. Failure to comply with relevant restrictions may violate those laws. This Product Disclosure Statement is not an offer or invitation in relation to Commonwealth Bank Regular Instalments in any place outside Australia. Commonwealth Bank Regular Instalments have not and will not be registered under the Securities Act 1933 (United States of America) and may not be offered or sold in the United States of America or to a citizen or resident of, or entity created under the laws of the United States or to any other person or entity within the definition of "US Person" under Regulation S promulgated under the Securities Act.

Changes to Information in the PDS

This PDS is current at the time of issue. Information in this PDS is subject to change from time to time. Where information is not materially adverse to investors, the Commonwealth Bank will update the information by posting a notice on its website at www.commbank.com.au. You can request a paper copy of updated information by telephoning 13 15 19.

Terminology

Some words used in this Product Disclosure Statement have defined meanings, which are set out in the glossary in section 12.

Commonwealth Bank Regular Instalments will be admitted to trading status by the ASX as warrants under the Warrant Rules in Section 10 of the ASX Market Rules. The terminology used in this Product Disclosure Statement varies from that used in ASX Market Rules as follows:

Commonwealth Bank Regular Instalments corresponds to "Warrant".

Completion Payment corresponds to "Exercise Price";

Completion Date corresponds to "Exercise Date";

Completion Notice corresponds to "Exercise Notice";

Terms in the Trust Deed corresponds to "Terms of Issue".

2. Offer Summary

This section is a brief summary of the main features of Commonwealth Bank Regular Instalments. You should read the entire Product Disclosure Statement and consult your financial adviser before making a decision on whether to apply for Commonwealth Bank Regular Instalments.

What are instalment warrants?

Listed instalment warrants are CHESS approved securities which trade on the ASX. Each instalment warrant evidences a beneficial interest in an underlying security (and, in the case of Commonwealth Bank Regular Instalments, an interest in the Prepayment Amount, as described in more detail below). Instalment warrants enable their holders to acquire the underlying security by paying "instalments". An amount is usually payable up front to acquire the warrant and a final instalment will be payable to enable the holder to acquire the underlying security.

Commonwealth Bank Regular Instalments are instalment warrants. Details of how Commonwealth Bank Regular Instalments work are contained in this Offer Summary and throughout this Product Disclosure Statement, which potential investors should read carefully.

Potential benefits of Commonwealth Bank Regular Instalments – build a share portfolio over three years with only two payments.

Commonwealth Bank Regular Instalments offer investors the opportunity to build their share portfolio over a three year period without paying for all of the securities up front.

- Investors can purchase securities by making two separate instalments up to three years apart
- Investors can benefit from medium term share investing without the worry of annual resets or margin calls
- Investors have the benefit of any ordinary dividends or distributions, franking credits (subject to individual circumstances) and any capital growth for the life of the Commonwealth Bank Regular Instalments*
- Investors may be entitled to interest deductions for amounts incurred by them (subject to individual circumstances)**

* Note the comments below in section 9 regarding dividends other than ordinary cash dividends. Special Dividends may not be paid directly to holders, but may be used to reduce the Completion Payment.

** Note the comments below under the heading "Potential Tax Deductions" and the section on Tax (Section 6) below.

Switch to Commonwealth Bank Regular Instalments – receive a cash payment while maintaining an exposure to the Underlying Securities

Existing holders of Underlying Securities ("Security Holder Applicants") can switch to Commonwealth Bank Regular Instalments by transferring their securities to the Trustee instead of paying cash for the First Instalment. This enables Security Holder Applicants to maintain an exposure to their existing securities while being entitled to receive a cash payment (the "Cash Back Amount") as part of a Loan from Commonwealth Bank of Australia. Security Holder Applicants can elect to receive the Cash Back Amount, or they can apply it to acquire additional Commonwealth Bank Regular Instalments. Cash Back Amounts should be used for

business or investment purposes if you want to be likely to be able to claim interest as a deduction. See Section 6 on Taxation Considerations.

As a result of guidelines issued by APRA and the ATO, Commonwealth Bank will not accept Security Holder Applications from superannuation entities (see section 9 for further details).

Rollover your existing Commonwealth Bank Regular Instalments to new Commonwealth Bank Regular Instalments

Holders of existing Commonwealth Bank Regular Instalments over a particular Underlying Security may be able to switch into Commonwealth Bank Regular Instalments over the same Underlying Security. Depending on the completion payment under the Prior Series Instalment, such Applicants may have to pay a cash Rollover Amount to Commonwealth Bank. In some circumstances, Commonwealth Bank will have to pay a Rollover Amount to Applicants as part of the Loan, and that payment must be used by Applicants to acquire further Commonwealth Bank Regular Instalments.

As a result of guidelines issued by APRA and ATO, superannuation entities will need to determine whether they are able to apply as Rollover Applicants (see section 9 for further details).

Enjoy the benefit of enhanced ordinary dividend or distribution yields for the life of the Commonwealth Bank Regular Instalments while only paying part of the amount up front

Commonwealth Bank Regular Instalments should generate a higher yield of ordinary dividends or distributions when compared with the purchase of the Underlying Securities themselves. While each Commonwealth Bank Regular Instalment as at the date of this Product Disclosure Statement initially costs around half the price of the Underlying Security, it still entitles its holder to any ordinary dividends or distributions, franking credits (subject to individual circumstances) and capital gains generated as if the Underlying Security had been purchased.

Important Dates

Offer opens under this Product Disclosure Statement	31 July 2007
Offer closes*	1 May 2009
Completion Date**	14 May 2010

* Commonwealth Bank reserves the right to close the offer at any time without prior notice.

** The Completion Date may be brought forward by Commonwealth Bank in some circumstances (see "Early Completion Date" in Section 5 Risk Factors).

Summary Table of Commonwealth Bank Regular Instalments

Underlying Security	ASX code	Initial Issue Size*	Minimum Subscription		Completion Date**
			Cash Applicant	Security Holder Applicant (shares)	
A.B.C. Learning Centres Limited	ABSIYH	10 Million	\$2,000	540	14 May 2010
AGL Energy Limited	AGKIYH	10 Million	\$2,000	260	14 May 2010
Australia and New Zealand Banking Group Limited	ANZIYH	10 Million	\$2,000	140	14 May 2010
ASX Limited	ASXIYH	10 Million	\$2,000	70	14 May 2010
AXA Asia Pacific Holdings Limited	AXAIYH	10 Million	\$2,000	480	14 May 2010
Babcock & Brown Infrastructure Group	BBIYH	10 Million	\$2,000	2,140	14 May 2010
BHP Billiton Limited	BHPIYH	10 Million	\$2,000	110	14 May 2010
Boral Limited	BLDIYH	10 Million	\$2,000	410	14 May 2010
Babcock & Brown Limited	BNBIYH	10 Million	\$2,000	110	14 May 2010
Bluescope Steel Limited	BSLIYH	10 Million	\$2,000	390	14 May 2010
Brambles Limited	BXBIYH	10 Million	\$2,000	330	14 May 2010
Coca-Cola Amatil Limited	CCLIYH	10 Million	\$2,000	420	14 May 2010
CSL Limited	CSLIYH	10 Million	\$2,000	40	14 May 2010
David Jones Limited	DJSIYH	10 Million	\$2,000	680	14 May 2010
Foster's Group Limited	FGLIYH	10 Million	\$2,000	630	14 May 2010
Fairfax Media Limited	FXJIYH	10 Million	\$2,000	830	14 May 2010
GPT Group	GPTIYH	10 Million	\$2,000	820	14 May 2010
Harvey Norman Holdings Limited	HVNIYH	10 Million	\$2,000	730	14 May 2010
Insurance Australia Group Limited	IAGIYH	10 Million	\$2,000	690	14 May 2010
Leighton Holdings Limited	LEIIYH	10 Million	\$2,000	70	14 May 2010
Macquarie Airports	MAPIYH	10 Million	\$2,000	860	14 May 2010
Macquarie Bank Limited	MBLIYH	10 Million	\$2,000	40	14 May 2010
Macquarie Infrastructure Group	MIGIYH	10 Million	\$2,000	1,160	14 May 2010
National Australia Bank Limited	NABIYH	10 Million	\$2,000	110	14 May 2010
Newcrest Mining Limited	NCMIYH	10 Million	\$2,000	150	14 May 2010
Origin Energy Limited	ORGIYH	10 Million	\$2,000	400	14 May 2010
Orica Limited	ORIIYH	10 Million	\$2,000	130	14 May 2010
Publishing & Broadcasting Limited	PBLIYH	10 Million	\$2,000	240	14 May 2010
Rio Tinto Limited	RIOIYH	10 Million	\$2,000	40	14 May 2010
Seven Network Limited	SEVIYH	10 Million	\$2,000	340	14 May 2010
St George Bank Limited	SGBIYH	10 Million	\$2,000	120	14 May 2010
Santos Limited	STOIYH	10 Million	\$2,000	240	14 May 2010
Suncorp-Metway Limited	SUNIYH	10 Million	\$2,000	200	14 May 2010
Tabcorp Holdings Limited	TAHIYH	10 Million	\$2,000	240	14 May 2010
Transurban Group	TCLIYH	10 Million	\$2,000	480	14 May 2010
Telecom Corporation of New Zealand Limited	TELIYH	10 Million	\$2,000	940	14 May 2010
Ten Network Holdings Limited	TENIYH	10 Million	\$2,000	1,380	14 May 2010
Telstra Corporation Limited	TLSIYH	10 Million	\$2,000	870	14 May 2010
Toll Holdings Limited	TOLIYH	10 Million	\$2,000	350	14 May 2010
Westpac Banking Corporation	WBCIYH	10 Million	\$2,000	160	14 May 2010
Westfield Group	WDCIYH	10 Million	\$2,000	200	14 May 2010
Wesfarmers Limited	WESIYH	10 Million	\$2,000	90	14 May 2010
Woolworths Limited	WOWIYH	10 Million	\$2,000	160	14 May 2010
Woodside Petroleum Limited	WPLIYH	10 Million	\$2,000	80	14 May 2010

* The number of Commonwealth Bank Regular Instalments issued may be less than these amounts. Commonwealth Bank reserves the right to increase the issue size at any time during the Offer Period without the consent of Holders but subject to ASX approval.

** The Completion Date may be brought forward in certain circumstances – (see Section 5, “Early Completion Date”).

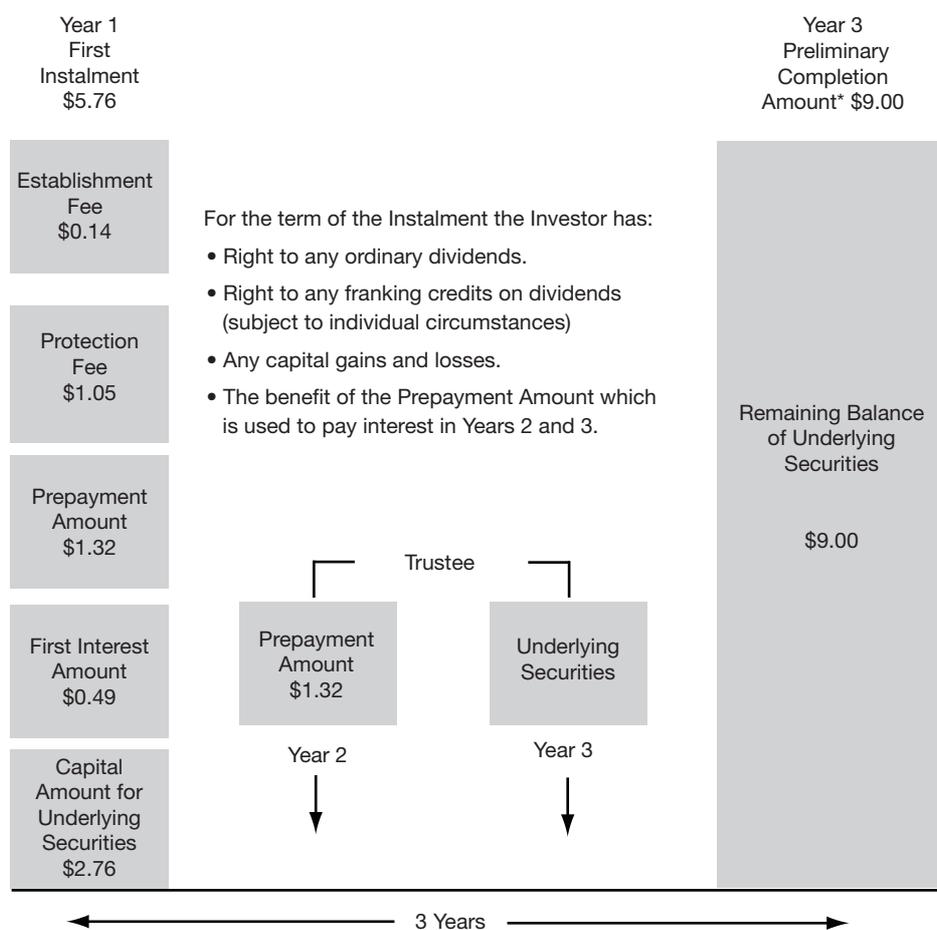
Note: Details of the Completion Payment and other pricing details are contained in Section 3 below.

How do Commonwealth Bank Regular Instalments Work?

Commonwealth Bank Regular Instalments work through the investor paying a portion of the value of the Underlying Security in the First Instalment.

The First Instalment also includes amounts for interest, protection fees and establishment fees. The amount of the First Instalment is variable and, as at the date of this Product Disclosure Statement, would be approximately 50% of the value of the Underlying Security. Commonwealth Bank will advance a loan amount to the investor which is applied towards purchasing the Underlying Security. The Underlying Security is then held in trust while the Holder retains the beneficial interest in the Underlying Security.

The following example is illustrative only, and the actual figures for Commonwealth Bank Regular Instalments may vary.



*Assuming there are no corporate actions which alter the Completion Payment - refer Section 10.

The First Instalment is composed of :

- the Capital Amount (which at the date of this Product Disclosure Statement would represent approximately 25% of the value of the Underlying Security);
- the First Interest Amount (this is variable and represents pre-paid interest for the period until 14 May 2008) or if you apply after the Second Interest Date, the Second Interest Amount (this is variable and represents pre-paid interest for the period until 14 May 2009);
- the Establishment Fee (a fixed amount);
- the Protection Fee (a variable amount); and
- the Prepayment Amount (a fixed amount for interest for Years 2 and 3 or if you have applied after the Second Interest Date, a fixed interest amount for Year 3).

The Completion Payment consists of

- the Second Capital Amount (a fixed amount).

While the Completion Payment is (in the absence of corporate actions) fixed, the First Instalment (and the Cash Back Amount received by a Security Holder Applicant) will vary depending on the day on which the Applicant applies for Commonwealth Bank Regular Instalments. Investors will also have to pay any Transfer Taxes on a transfer of the Underlying Security after the Completion Date. Further details of pricing are set out in Section 3.

If Commonwealth Bank Regular Instalments are applied for on or before the Second Interest Date, the Second Interest Amount and the Third Interest Amount will be payable on 15 May 2008 and 15 May 2009 respectively. These amounts are fixed, and will be paid by the Trustee on behalf of a Holder from the Prepayment Amount. If Commonwealth Bank Regular Instalments are applied for after the Second Interest Date, the Second Interest Amount will be payable on the day of application and the amount will vary depending on how much of the Second Interest Period remains. The Second Interest Amount represents pre-paid interest for the period until 14 May 2009. The Third Interest Amount remains fixed and will be paid by the Trustee on behalf of a Holder from the Prepayment Amount. An investor pays the Prepayment Amount as part of the First Instalment.

Investors who already hold Underlying Securities can also apply as "Security Holder Applicants". Instead of paying the First Instalment, Security Holder Applicants can instead transfer the Underlying Securities they hold to the Trustee and also receive a "Cash Back Amount" to be used for income producing purposes (refer to the Section 6, Taxation Considerations).

What does a Commonwealth Bank Regular Instalment entitle you to?

The Holder of Commonwealth Bank Regular Instalments will have:

- the right to receive all available ordinary dividends or distributions declared on the relevant Underlying Security*.
- the right to receive all available franking credits.**
- the exposure to any capital gains on the Underlying Security.
- possible tax benefits associated with the automatic annual prepayment of interest from the Prepayment Amount**.
- the ability to trade Commonwealth Bank Regular Instalments on the ASX, just like shares.

* Note the comments below in section 9 regarding dividends other than ordinary cash dividends and the comments in section 6 regarding tax implications of such dividends. Special Dividends may not be paid directly to holders, but may be used to reduce the Completion Payment.

** Subject to individual circumstances. Note the comments below under the heading "Potential Tax Deductions" and the section on Tax (Section 6) below.

Holders of Commonwealth Bank Regular Instalments will not be entitled to:

- participate in dividend or distribution reinvestment plans of the Listed Entities;
- automatically receive Special Dividends in cash;
- receive annual reports of the Listed Entities; or
- voting rights or able to attend general meetings of the Listed Entities.

Four ways to acquire Commonwealth Bank Regular Instalments

1. By making a "Cash Application"

- Applicants can lodge a Cash Application Form together with the amount subscribed with Commonwealth Securities Limited by the close of the Offer Period.
- The number of Commonwealth Bank Regular Instalments an Applicant receives is calculated by dividing the amount subscribed by the First Instalment payable on the day that the application is processed.
- Details on how the First Instalment is calculated are set out in Section 3. A detailed pricing example is contained in Section 9.

2. By making a "Security Holder Application"

- Applicants can lodge a Security Holder Application Form with Commonwealth Securities Limited and transfer Underlying Securities held by the Applicant to the Trustee or its nominee.
- The Trustee will then pay the Applicant the relevant Cash Back Amount and will hold the Underlying Securities on trust for the Applicant.
- The Cash Back Amount will vary from day to day. It is part of the Loan advanced by Commonwealth Bank to Security Holder Applicants and will be calculated by subtracting the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount, the Prepayment Amount, the Protection Fee and the Establishment Fee from the Second Capital Amount (Section 3 contains details of indicative Cash Back Amounts).
- The Cash Back Amount must be used by the Applicant for business or investment purposes such that the interest may be deductible and can be used to acquire additional Commonwealth Bank Regular Instalments.
- As a result of guidelines issued by APRA and ATO, Commonwealth Bank will not accept Security Holder Applications from superannuation entities (see section 9 for further details).

3. By making a "Rollover Application"

- Applicants who hold a prior series of Commonwealth Bank Regular Instalments can lodge a Rollover Application Form with Commonwealth Securities Limited and rollover their prior series of Commonwealth Bank Regular Instalments on or before the completion date for the prior series, where the Underlying Security under the Prior Series Instalment and the Regular Instalment are the same. The completion payment under the Prior Series Instalment will be paid from the Loan advanced to the Applicant under Commonwealth Bank Regular Instalments.
- In certain circumstances, Applicants will be required to pay a Rollover Amount to Commonwealth Bank. This will occur when the value of the completion payment for the prior series of Commonwealth Bank Regular Instalments is more than the amount calculated by deducting the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount, the Protection Fee, Establishment Fee and Prepayment Amount for the new series from the Second Capital Amount for the new series.

- Applicants are advised to attach a copy of their prior series Commonwealth Bank Regular Instalment holding statement with their application.
- As a result of guidelines issued by APRA and ATO, superannuation entities will need to determine whether they are able to apply as Rollover Applicants (see section 9 for further details).

4. Secondary market purchase

- An investor can place an order with a broker or financial adviser to acquire a Commonwealth Bank Regular Instalments on the ASX and complete the purchase on the ASX as would be the case with an ordinary share purchase.
- **Before trading for the first time, however, an investor must enter into a warrants trading agreement with their broker.**

Regardless of how you acquire Commonwealth Bank Regular Instalments, each Commonwealth Bank Regular Instalment is the same and has exactly the same rights and obligations as other Commonwealth Bank Regular Instalments over the same Underlying Security in that series but note that:

- the First Interest Amount or, if the Commonwealth Bank Regular Instalment was applied for after the Second Interest Date, the Second Interest Amount, and the Establishment Fee which are paid at the time of investment, will not be tax deductible* for persons who acquire Commonwealth Bank Regular Instalments on the secondary market;
- the Second Interest Amount paid by a Cash Applicant, Security Holder Applicant or Rollover Applicant who applied for Commonwealth Bank Regular Instalments after the Second Interest Date will be different depending on how much of the Second Interest Period is left to run on the day on which the Applicant applies for Commonwealth Bank Regular Instalments;
- the Second Interest Amount will not be tax deductible* for persons who acquire Commonwealth Bank Regular Instalments on the secondary market after the Second Interest Date;
- the Third Interest Amount will not be tax deductible* for persons who acquire Commonwealth Bank Regular Instalments on the secondary market after the Third Interest Date; and
- the amount that is treated as being the cost of acquiring the put option in the Request for Purchase Notice and the Loan being non-recourse in nature may be different than other Commonwealth Bank Regular Instalments over the same Underlying Security*.

* Note the comments below under the heading "Potential Tax Deductions" and the section on Tax (Section 6) below.

Non-Recourse Loan

A key feature of Commonwealth Bank Regular Instalments is that the loan made by Commonwealth Bank is a non recourse loan. The Protection Fee represents the costs attributable to the right to sell the Underlying Security to Commonwealth Bank upon the delivery to Commonwealth Bank of a properly completed Request for Purchase Notice and the Loan being non recourse in nature. Therefore, if the price of the Underlying Security deteriorated subsequent to the issue date and the

Holder did not make the Completion Payment, Commonwealth Bank may exercise its Security Interest over the Underlying Security, redeem the loan amount and other amounts owing and then distribute the remaining proceeds (if any) to the Holder. Commonwealth Bank cannot claim any further recourse against the Holder for the Completion Payment.

If Commonwealth Bank Regular Instalments are applied for on or before the Second Interest Date, the obligation of the Holder to pay the Second Interest Amount and the Third Interest Amount will be met from the Prepayment Amount paid by an applicant as part of the First Instalment. The Prepayment Amount will be held on trust by the Trustee until the Second Interest Date and the Third Interest Date, at which time it will be paid to Commonwealth Bank.

If Commonwealth Bank Regular Instalments are applied for after the Second Interest Date, the obligation of the Holder to pay the Third Interest Amount will be met from the Prepayment Amount paid by an applicant as part of the First Instalment. The Prepayment Amount will be held on trust by the Trustee until the Third Interest Date, at which time it will be paid to Commonwealth Bank.

Commonwealth Bank cannot claim any further recourse against the Holder for the Second Interest Amount and the Third Interest Amount other than through its Security Interest over the Underlying Security and through claiming against the Prepayment Amount.

Possible Early Completion Date

In some cases Commonwealth Bank may bring forward the Completion Date (see "Early Completion Date" in Section 5). Some of the events which could lead to an Early Completion Date are intended to allow investors the flexibility they need to make their own decisions in takeovers or other corporate actions.

Optional Completion Payment: how do I acquire the Underlying Security?

Holders of Commonwealth Bank Regular Instalments always have the choice of whether or not to pay the Completion Payment. Holders only have to pay the Completion Payment if they wish to acquire full title to the Underlying Security.

To acquire title to the Underlying Security, a Holder must deliver a properly completed Completion Notice in respect of the Commonwealth Bank Regular Instalments together with the Completion Payment for each Commonwealth Bank Regular Instalment exercised and any applicable Transfer Taxes.

What happens if you don't pay?

If a Holder does not pay the Completion Payment, the Holder loses any right to the Underlying Security. There are no margin calls, and recovery of outstanding amounts under the Loan is limited by recourse only to the Underlying Security. This means that if the sale proceeds of the Underlying Security are insufficient to meet the total due to Commonwealth Bank under the Loan, Commonwealth Bank cannot recover any Loan shortfall from the Holder.

A Holder has three choices if the Holder does not wish to make the Completion Payment:

■ **Request for Purchase Notice:** the Holder may deliver a Request for Purchase Notice requiring Commonwealth Bank to purchase the Underlying Security for the greater of its Volume Weighted Settlement Price and the Loan Amount. If the purchase price for the Underlying Security is the Volume Weighted Settlement Price the Completion Payment (and the Second Interest Amount and Third Interest Amount, to the extent those amounts remain due and payable but unpaid) will be deducted from the Volume Weighted Settlement Price and the Holder will receive an amount equal to 95% of the residue funds, less brokerage. If the purchase price for the Underlying Security is the Loan Amount, then such amount will be used to discharge the Loan;

■ **Lapsed holding:** the Holder may allow the Commonwealth Bank Regular Instalment to lapse, in which case the Underlying Security will be sold and the net proceeds (if any), after deduction of the Completion Payment and costs of sale, and after payment of the Second Interest Amount and Third Interest Amount (to the extent those amounts remain due and payable but unpaid) will be paid to the Holder (less 10%). Commonwealth Bank will ensure that the money so applied will be at least equal to the Assessed Value Payment, if the Commonwealth Bank Regular Instalment has an intrinsic value equal to or greater than 5% of the Completion Payment; or

■ **Sell on the ASX:** the Holder may have elected to sell the Commonwealth Bank Regular Instalments on-market on the ASX.

Examples of the Request for Purchase Notice and lapsed holding options are set out below. These examples are **illustrative only** and should not be relied on to determine what course of action to follow at completion.

Example – Request for Purchase Notice*

Volume Weighted Settlement Price (“VWSP”)	\$16.00
LESS Completion Payment	\$13.55
Residue funds	\$2.45
95% of residue funds (95% x \$2.45)	\$2.33
LESS brokerage 0.55% of VWSP (0.55% x \$16.00)	\$0.09
Funds received	\$2.24

* This example assumes that the VWSP is greater than the Loan Amount. If the Loan Amount is greater than the VWSP then the Loan Amount will be used to discharge the Loan and there will be no residue funds.

Example – Lapsed Holding*

Volume Weighted Settlement Price (“VWSP”)	\$16.00
LESS Completion Payment	\$13.55
Residue funds	\$2.45
90% of residue funds (90% x \$2.45)	\$2.21
Funds received	\$2.21

* In this example the lapsed holding has an intrinsic value greater than 5% of the Completion Payment and so is equal to the Assessed Value Payment. Accordingly, in this example, the Assessed Value Payment is 90% of the figure obtained by subtracting the Completion Payment from the Volume Weighted Settlement Price of the Underlying Security on the 5 business days following the Completion Date.

When deciding whether to pay the Completion Payment on the Commonwealth Bank Regular Instalment, the investor should consider, among other things, the market price of the Underlying Security compared with the Completion Payment.

As described above, the obligation of the Holder to pay the Second Interest Amount and the Third Interest Amount will be met from the Prepayment Amount. Commonwealth Bank can claim against the Underlying Security and the Prepayment Amount to the extent that the Second Interest Amount and the Third Interest Amount are due and payable but unpaid.

What happens if there are changes to the Underlying Security?

Adjustments to the Underlying Security or the Completion Payment may occur if there is a corporate action such as a bonus or rights issue, a cash return of capital, a buy-back or cancellation of securities, or other similar events. Adjustments would then be made in accordance with the Terms and, where appropriate, as permitted by the ASX. In certain circumstances, the Commonwealth Bank Regular Instalments may expire early.

You should also refer to Section 9 in relation to the treatment of dividends other than ordinary cash dividends (including Special Dividends which may be used to reduce the Completion Payment as opposed to being paid directly to holders).

Margin Calls

No margin calls will be made and no annual reset payments will be required in relation to your investment in Commonwealth Bank Regular Instalments.

Tradeable on the ASX

Commonwealth Bank Regular Instalments have been admitted to trading status on the ASX. Once trading commences, you can sell or buy Commonwealth Bank Regular Instalments through your stockbroker as you would any other listed security. **Before trading for the first time, however, an investor must enter into a warrants trading agreement with their broker.**

Potential tax deductions

As taxation matters will often depend upon the precise circumstances of a particular individual, potential investors should obtain their own taxation advice before investing in Commonwealth Bank Regular Instalments.

Investors should carefully read the Greenwoods & Freehills Pty Limited taxation summary, which is in Section 6.

- The First Interest Amount is prepaid at the time of investment and may be deductible for some investors who are Applicants in the financial year in which the investor acquires a Commonwealth Bank Regular Instalment
- If Commonwealth Bank Regular Instalments are applied for after the Second Interest Date, the Second Interest Amount is prepaid at the time of investment and may be deductible for some investors who are Applicants in the financial year in which the investor acquires a Commonwealth Bank Regular Instalment
- If Commonwealth Bank Regular Instalments are applied for before the Second Interest Date, the Second Interest Amount will be prepaid for 12 months on behalf of the

holder on record on 15 May 2008 from the Prepayment Amount and may be deductible for some investors in the financial year in which it is paid by the Trustee on behalf of the holder

- The Third Interest Amount will be prepaid for 12 months on behalf of the holder on record on 15 May 2009 from the Prepayment Amount and may be deductible for some investors in the financial year in which it is paid by the Trustee on behalf of the holder
- The Establishment Fee is prepaid at the time of the investment and may be deductible for some investors who are Applicants on a daily accruals basis over the term of the Loan
- For investors who are Applicants, the Protection Fee will not be deductible but should form part of the cost base of an asset for capital gains tax purposes
- For secondary market purchasers, part of the purchase price may be attributable to the cost of acquiring the put option in the Request for Purchase Notice and the Loan being non-recourse in nature – such amount will not be deductible but should form part of the cost base of an asset for capital gains tax purposes

As soon as practicable after the annual prepayment dates (being 15 May 2008 for the Second Interest Amount and 15 May 2009 for the Third Interest Amount), holders on the record on those dates will receive a statement from Commonwealth Bank advising them of the pre-paid interest amount paid on their behalf for the upcoming 12 months from the Prepayment Amount.

Who May Apply for Commonwealth Bank Regular Instalments?

Investors including individuals, companies and trustees of family trusts can apply for Commonwealth Bank Regular Instalments. Superannuation funds may also be able to apply – see the discussion on issues relevant to superannuation funds in Section 9 below. Application Forms are included or issued electronically with this Product Disclosure Statement (see the end of the document).

Superannuation entities should refer to section 9 regarding recent regulatory guidelines that apply to them and which will affect their ability to apply as a Security Holder Applicant and possibly as a Rollover Applicant.

If your application is not successful, you will be contacted by Commonwealth Securities Limited. In this event, the amount subscribed will be refunded to you (without any interest for the period during which it was held).

Offer Period

No Commonwealth Bank Regular Instalment will be issued on the basis of this Product Disclosure Statement later than 1 May 2009. Subject to this, Commonwealth Bank may in its absolute discretion, with or without prior notice, close the offer early or reject any application in whole or in part (but note that special conditions apply to Market Making Applications - see Sections 9 and 10). Without limiting its rights in this respect there is a likelihood that Commonwealth Bank will exercise its discretion to reject any application if the market value of the Underlying Security decreases from its market value as at the date this Product Disclosure Statement is issued.

Risks

Investors should carefully review the discussion of risks associated with investing in Commonwealth Bank Regular Instalments in Section 5 of this Product Disclosure Statement. Some of the key risks referred to in Section 5 include:

- risk of returns on Commonwealth Bank Regular Instalments;
- gearing risk;
- performance of obligations by Commonwealth Bank;
- factors, including corporate actions, affecting value of Commonwealth Bank Regular Instalments;
- market risks;
- early completion dates.

Section 5 contains details of these risks as well as others not set out above.

Cooling-off period

Cooling-off rights do not apply to an investment in Commonwealth Bank Regular Instalments.

3. Pricing, Fees and Commissions

Example Pricing Table

Important note: The following table contains **example** pricing figures in the columns – see the explanation below the table.

ASX code for warrant	Assumed Price for Underlying Security	Capital Amount (variable)	First Interest Amount ¹ (variable)	Prepayment Amount		Establishment Fee (fixed)	Protection Fee (variable)	First Instalment ³ (variable)	Completion Payment (fixed) ⁴
				Second Interest Amount (fixed) ²	Third Interest Amount (fixed)				
ABSIYH	\$7.26	\$1.86	\$0.39	\$0.49	\$0.49	\$0.08	\$0.46	\$3.77	\$5.40
AGKIYH	\$15.86	\$4.36	\$0.83	\$1.04	\$1.04	\$0.17	\$0.52	\$7.96	\$11.50
ANZIYH	\$29.55	\$6.55	\$1.67	\$2.08	\$2.08	\$0.35	\$1.67	\$14.40	\$23.00
ASXIYH	\$51.13	\$15.33	\$2.59	\$3.23	\$3.23	\$0.54	\$3.15	\$28.07	\$35.80
AXAIYH	\$7.75	\$2.05	\$0.41	\$0.51	\$0.51	\$0.09	\$0.69	\$4.26	\$5.70
BBIYH	\$1.79	\$0.29	\$0.11	\$0.14	\$0.14	\$0.02	\$0.26	\$0.96	\$1.50
BHPIYH	\$34.55	\$10.45	\$1.75	\$2.18	\$2.18	\$0.36	\$1.88	\$18.80	\$24.10
BLDIYH	\$9.04	\$2.54	\$0.47	\$0.59	\$0.59	\$0.10	\$0.66	\$4.95	\$6.50
BNBIYH	\$33.66	\$11.76	\$1.59	\$1.98	\$1.98	\$0.33	\$1.57	\$19.21	\$21.90
BSLIYH	\$10.36	\$1.46	\$0.65	\$0.80	\$0.80	\$0.13	\$1.40	\$5.24	\$8.90
BXBIYH	\$12.63	\$2.63	\$0.72	\$0.90	\$0.90	\$0.15	\$0.96	\$6.26	\$10.00
CCLYH	\$9.54	\$2.44	\$0.51	\$0.64	\$0.64	\$0.11	\$0.49	\$4.83	\$7.10
CSLIYH	\$90.47	\$23.57	\$4.85	\$6.04	\$6.04	\$1.00	\$5.36	\$46.86	\$66.90
DJSIYH	\$5.36	\$1.66	\$0.27	\$0.33	\$0.33	\$0.06	\$0.36	\$3.01	\$3.70
FGLIYH	\$6.51	\$1.71	\$0.35	\$0.43	\$0.43	\$0.07	\$0.28	\$3.27	\$4.80
FXJIYH	\$4.88	\$1.08	\$0.28	\$0.34	\$0.34	\$0.06	\$0.36	\$2.46	\$3.80
GPTIYH	\$4.92	\$1.12	\$0.28	\$0.34	\$0.34	\$0.06	\$0.35	\$2.49	\$3.80
HVNIYH	\$5.25	\$1.25	\$0.29	\$0.36	\$0.36	\$0.06	\$0.47	\$2.79	\$4.00
IAGIYH	\$5.91	\$1.31	\$0.33	\$0.42	\$0.42	\$0.07	\$0.44	\$2.99	\$4.60
LEIIYH	\$46.14	\$18.84	\$1.98	\$2.47	\$2.47	\$0.41	\$1.58	\$27.75	\$27.30
MAPIYH	\$4.29	\$1.29	\$0.22	\$0.27	\$0.27	\$0.05	\$0.27	\$2.37	\$3.00
MBLIYH	\$92.59	\$25.29	\$4.88	\$6.08	\$6.08	\$1.01	\$4.90	\$48.24	\$67.30
MIGIYH	\$3.44	\$0.64	\$0.20	\$0.25	\$0.25	\$0.04	\$0.39	\$1.77	\$2.80
NABIYH	\$41.44	\$8.14	\$2.41	\$3.01	\$3.01	\$0.50	\$1.91	\$18.98	\$33.30
NCMIYH	\$23.58	\$6.18	\$1.26	\$1.57	\$1.57	\$0.26	\$2.69	\$13.53	\$17.40
ORGIYH	\$9.70	\$3.00	\$0.49	\$0.60	\$0.60	\$0.10	\$0.35	\$5.14	\$6.70
ORIIYH	\$30.25	\$6.15	\$1.75	\$2.18	\$2.18	\$0.36	\$2.65	\$15.27	\$24.10
PBLIYH	\$19.20	\$2.90	\$1.18	\$1.47	\$1.47	\$0.24	\$1.41	\$8.67	\$16.30
RIOIYH	\$100.49	\$26.59	\$5.36	\$6.67	\$6.67	\$1.11	\$7.60	\$54.00	\$73.90
SEVIYH	\$11.53	\$2.53	\$0.65	\$0.81	\$0.81	\$0.14	\$1.17	\$6.11	\$9.00
SGBIYH	\$35.94	\$8.64	\$1.98	\$2.47	\$2.47	\$0.41	\$1.69	\$17.66	\$27.30
STOIYH	\$14.48	\$5.38	\$0.66	\$0.82	\$0.82	\$0.14	\$0.61	\$8.43	\$9.10
SUNIYH	\$20.62	\$4.42	\$1.17	\$1.46	\$1.46	\$0.24	\$1.35	\$10.10	\$16.20
TAHIYH	\$17.52	\$4.12	\$0.97	\$1.21	\$1.21	\$0.20	\$0.76	\$8.47	\$13.40
TCLIYH	\$8.32	\$2.22	\$0.44	\$0.55	\$0.55	\$0.09	\$0.45	\$4.30	\$6.10
TELIYH	\$4.20	\$1.00	\$0.23	\$0.29	\$0.29	\$0.05	\$0.33	\$2.19	\$3.20
TENIYH	\$2.87	\$0.47	\$0.17	\$0.22	\$0.22	\$0.04	\$0.37	\$1.49	\$2.40
TLSIYH	\$4.72	\$1.02	\$0.27	\$0.33	\$0.33	\$0.06	\$0.34	\$2.35	\$3.70

TOLIYH	\$15.25	-\$1.95	\$1.25	\$1.55	\$1.55	\$0.26	\$3.24	\$5.90	\$17.20
WBCIYH	\$25.84	\$5.34	\$1.49	\$1.85	\$1.85	\$0.31	\$1.62	\$12.46	\$20.50
WDCIYH	\$21.10	\$4.50	\$1.20	\$1.50	\$1.50	\$0.25	\$1.12	\$10.07	\$16.60
WESIYH	\$44.28	\$15.38	\$2.09	\$2.61	\$2.61	\$0.43	\$0.93	\$24.05	\$28.90
WOWIYH	\$27.65	\$6.55	\$1.53	\$1.91	\$1.91	\$0.32	\$0.93	\$13.15	\$21.10
WPLIYH	\$47.20	\$14.50	\$2.37	\$2.95	\$2.95	\$0.49	\$2.64	\$25.90	\$32.70

1. The First Interest Amount represents the interest for the period between the date the Product Disclosure Statement was executed and the day before the commencement of the Second Interest Period.
2. The Second Interest Amount will be fixed for Commonwealth Bank Regular Instalments applied for on or before the Second Interest Date. For Commonwealth Bank Regular Instalments applied for after the Second Interest Date, the Second Interest Amount will vary and represents the interest for the period between the date of application for Commonwealth Bank Regular Instalments and the day before the commencement of the Third Interest Period.
3. The First Instalment is the sum of the Capital Amount, the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount, the Prepayment Amount, the Protection Fee and the Establishment Fee.
4. Assuming there are no corporate actions which alter the Completion Payment - refer Section 10. Also note that in addition to this amount, Holders will have to pay any Transfer Taxes on the transfer of the Underlying Security to the Holder.

Note: This table contains example pricing information. The table is illustrative only. The First Instalment (including the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount, and the Protection Fee) that will actually apply to an Application will depend upon the day the Application is processed. The actual figures will most likely be different to those set out above and will depend upon (among other things) the price of the Underlying Security and the interest rate applied. The actual rate that will apply to an Application to calculate the First Interest Amount may be higher or lower than rates used in the above table. A detailed example of the pricing of Commonwealth Bank Regular Instalments is contained in section 9 below.

The First Instalment

The First Instalment is payable by Cash Applicants and comprises the Capital Amount which is used to assist in acquiring the Underlying Security, the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount, (which are variable until Commonwealth Bank Regular Instalments are allocated), the Establishment Fee (which is fixed), the Protection Fee (which is variable) and the Prepayment Amount. Each successful Cash Applicant will be informed of the breakdown of the various components of the First Instalment which has been paid.

The First Instalment to be paid by each Cash Applicant will vary from day to day.

The actual amount of the First Instalment will be determined by a number of factors including the price of the Underlying Securities and the interest rate that applies on that day.

Establishment Fees

Establishment Fees will apply and will be paid as part of the First Instalment. The Establishment Fee is 1.5% of the Completion Payment.

From these fees, a number of costs will be paid including the cost of issuing Commonwealth Bank Regular Instalments, preparation of the Product Disclosure Statement and placement fees and ongoing fees to participating organisations of the ASX and other licensed entities approved by Commonwealth Bank and whose stamp appears on the relevant Application Form. Establishment Fees for each Commonwealth Bank Regular Instalment are specified in the example pricing table above.

Cash Applicants will pay the Establishment Fee as part of the First Instalment. For Security Holder Applicants, the Establishment Fee will form part of the funds advanced under the Loan to those Applicants. Rollover Applicants may have the Establishment Fee deducted from the Loan advanced to those Applicants. However, if the Loan Amount is less than the sum of:

- the completion payment under the Prior Series Instalment;
- the First Interest Amount;
- the Establishment Fee;
- the Protection Fee; and
- the Prepayment Amount,

then a Rollover Applicant may need to pay an amount to Commonwealth Bank for the Establishment Fee (see the discussion below on the Rollover Amount).

Protection Fees

Protection Fees will apply and will be paid as part of the First Instalment. These fees relate to the cost of acquiring the put option in the "Request for Purchase Notice", which allows holders to sell the Underlying Security to Commonwealth Bank and the Loan being non-recourse in nature. Section 5, Risk Factors, gives further details on the factors affecting the value of the Commonwealth Bank Regular Instalments. Some of these factors are used in the calculation of cost of acquiring the put option.

The Cash Back Amount

After their application is accepted, successful Security Holder Applicants will receive a Cash Back Amount consisting of the Loan initially advanced to them less the Establishment Fee (which is fixed), the Protection Fee (which is variable), the First Interest Amount (which is variable) or, if they applied after the Second Interest Date, the Second Interest Amount (which is variable) and the Prepayment Amount (which is fixed). The Cash Back Amount is variable. The Cash Back Amount should be used for business or other investment purposes if you want to claim interest as a deduction and can be used to acquire further Commonwealth Bank Regular Instalments.

The Rollover Amount

In the event the Loan advanced to Rollover Applicants (being the Second Capital Amount) is less than the sum of:

- the completion payment under the Prior Series Instalment;
- the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount;
- the Establishment Fee;
- the Protection Fee; and
- the Prepayment Amount,

then a Rollover Applicant will need to pay the difference, being the "Rollover Amount", to Commonwealth Bank. If the Loan is greater than the amounts listed above, then the difference must be used to acquire additional Regular Instalments and will form part of the Loan to the Rollover Applicant.

Loan and Interest Amounts

An amount equal to the Second Capital Amount will be lent to the Holder of a Commonwealth Bank Regular Instalment.

This Loan remains in place until the Completion Date (unless repaid earlier). A Holder of a Commonwealth Bank Regular Instalment will not be required to meet any margin calls on the Loan.

If you apply before the Second Interest Date, interest on the Loan is paid in three payments:

- (a) the First Interest Amount (interest in advance) for the period from when an Applicant is entered on the register of Holders to 14 May 2008 inclusive is incurred and paid at the time the Loan is made. The interest rate for this part of the Loan will be set by Commonwealth Bank and will vary according to when an Application is made and when the applicable Commonwealth Bank Regular Instalments are issued to the successful Applicant but will be fixed at that time; and
- (b) the Second and Third Interest Amounts (interest in advance) are incurred by and paid on behalf of the registered holder from the Prepayment Amount provided as part of the First Instalment. For applications after the Second Interest Date, the Second Interest Amount is prepaid at the time of investment. The periods to which each of these Interest Amounts relates is set out below:

Interest Amount	Interest Period
Second Interest Amount	15 May 2008 to 14 May 2009
Third Interest Amount	15 May 2009 to 14 May 2010

The Interest on the Loan may be tax deductible, depending on the Holder's particular circumstances - see the Greenwoods & Freehills Pty Limited tax summary referred to in Section 6.

The Second Interest Amount and the Third Interest Amount for a Holder do not vary once issued, even if the Completion Payment is paid before the Completion Date or if the Completion Date is brought forward if an Early Completion Date applies. However, in these circumstances Commonwealth Bank has a discretion to reduce the Second Interest Amount and Third Interest Amount.

Certain Interest Amounts may also be reduced in circumstances where a Special Dividend has been paid in respect of an Underlying Security. A reduction of an Interest Amount of this kind will be used to reduce the Completion Payment – see Section 9 below.

Completion Payment

Unless there is a corporate action which causes the Completion Payment to change (see the discussion of corporate actions in section 10) the Completion Payment for each Commonwealth Bank Regular Instalment is fixed as set out in the Example Pricing Table above. Investors should note that Holders will also need to pay any Transfer Taxes on a transfer of the Underlying Security to the Holder.

Placement and ongoing fees

Commonwealth Bank may pay a placement fee of up to 1.5% (inclusive of GST) of the Completion Payment, and an ongoing fee of 0.275% (inclusive of GST) per annum, of the Completion Payment that applies to the relevant Commonwealth Bank Regular Instalment to participating organisations of the ASX (including Commonwealth Securities Limited) and other licensed entities approved by Commonwealth Bank and Commonwealth Securities Limited whose stamp appears on the relevant Application Form. The ongoing fee will be paid for such time as the relevant holder continues to hold the Commonwealth Bank Regular Instalments.

Trustee: no separate fees

Share Direct Nominees Pty Limited is the Trustee of each Separate Trust. Share Direct Nominees Pty Limited has been appointed as an Authorised Representative to provide custodial services on behalf of the Broker to holders of warrants under offerings which the Broker promotes. Neither the Broker nor Share Direct Nominees Pty Limited will receive separate remuneration or commission or other benefits in respect of the provision of services by the Trustee. The Trustee will have a right to be reimbursed for costs it incurs in selling any Underlying Securities if such sale is permitted under the terms of issue (such costs would primarily be comprised of brokerage charged by third parties, which could include the Broker). Commonwealth Bank does indemnify the Trustee for various costs and liabilities reasonably and properly incurred by the Trustee in performing or exercising any of its powers or duties under the Trust Deed and for certain other matters.

Stamp Duty

The stamp duty comments below are made on the basis that at the time of the relevant transaction:

- the Commonwealth Bank Regular Instalment or Underlying Security will be quoted on the ASX;
- there will be at least 300 Security holders in any Listed Entity that is a trust (where associates are treated as a single Security holder);
- no person (together with their associates) will hold 20% or more of the Underlying Securities of any Listed Entity;
- the largest 20 holdings of Underlying Securities in any Listed Entity will be entitled to less than 75% of the total issued Underlying Securities of that Listed Entity (where associates are treated as a single Security holder).

Transfer of Underlying Securities to Trustee

Underlying Securities will be purchased for Cash Applicants and transferred to the Trustee.

An Underlying Security held by a Security Holder Applicant will be transferred to the Trustee. Rollover Applicants will have securities held on trust for them transferred to the Trustee.

The purchase and transfers described above will not be liable to duty in any Australian jurisdiction under current legislation.

Issue of Commonwealth Bank Regular Instalments

The issue of a Commonwealth Bank Regular Instalment will not be liable to duty in any Australian jurisdiction under current legislation.

Transfers of Commonwealth Bank Regular Instalments Non-paper transfers

The transfer of a Commonwealth Bank Regular Instalment will not be liable to duty in any Australian jurisdiction under current legislation where that transfer is conducted on-market through a broker, or off-market by means of an ASTC-regulated transfer.

Paper transfers

A paper-based transfer of a Commonwealth Bank Regular Instalment may be subject to nominal duty of \$20 under current legislation in one or both of Western Australia or the Northern Territory if the transfer is executed as a deed. Such duty may be payable if the transfer is executed in one of those jurisdictions, if the relevant Listed Entity is taken to be registered in Western Australia, or if the relevant Underlying Security is registered on a share register maintained in the Northern Territory.

Buy-back or cancellation of Commonwealth Bank Regular Instalments

A buy-back or cancellation by Commonwealth Bank of a Commonwealth Bank Regular Instalment will not currently be subject to duty in any Australian jurisdiction under current legislation.

Transfer to Holder

The transfer of the Underlying Security to the Holder if the Holder lodges a Completion Notice and makes the Completion Payment will not be subject to duty in any Australian jurisdiction under current legislation.

Transfer to Commonwealth Bank

The transfer of the Underlying Security to Commonwealth Bank if the Holder lodges a Request for Purchase Notice will not be subject to duty in any Australian jurisdiction under current legislation.

4. Benefits to Investors

Investing in Commonwealth Bank Regular Instalments may provide a number of potential benefits. These potential benefits include the following:

Leveraged exposure to any capital gains on the Underlying Securities

Commonwealth Bank Regular Instalments provide investors with leveraged exposure to the Underlying Security. Investors will have a greater exposure to capital gains than if the same amount invested had been used to purchase the Underlying Security. This also means that investors have a greater exposure to falls in price – see Section 5 on “Risk Factors”.

Right to receive ordinary dividends or distributions

Investors will have a right to receive ordinary dividends or distributions declared on the Underlying Security. Investors should note the comments in Section 9 on Special Dividends, which may be applied to reduce the Completion Payment.

Enhanced dividend yields

Through the leveraged exposure to the Underlying Security, Investors should receive a higher yield of dividends when compared with the purchase of the relevant Underlying Security without leverage.

Franking credits

Investors may be entitled to the benefit of franking credits on dividends or distributions paid on the Underlying Security (depending on individual circumstances – see Section 6 on Tax).

Potential tax deductions

Investors may be able to utilise a number of potential tax deductions. Information on these is contained in the section headed “Potential tax deductions” in Section 2 and in the Greenwoods & Freehills Pty Limited tax summary in Section 6, which you should read carefully.

Ability to trade on ASX

Commonwealth Bank Regular Instalments can be traded on ASX, just like shares.

No margin calls or annual resets

Investors will not have to pay margin calls or annual resets on Commonwealth Bank Regular Instalments.

5. Risk Factors

Investing in Commonwealth Bank Regular Instalments involves a degree of risk. Potential investors should ensure that they understand fully all of the risks involved in holding Commonwealth Bank Regular Instalments and Commonwealth Bank recommends that potential Applicants obtain independent financial advice on the risks. This section is a summary of some of these risks, but is not a substitute for independent advice relevant to your specific circumstances. A decision to invest should only be made after carefully considering the suitability of Commonwealth Bank Regular Instalments with your financial adviser.

Investors are also encouraged to read the ASX booklet, “Understanding Trading and Investment Warrants”.

If you are considering an investment in Commonwealth Bank Regular Instalments you should be aware that:

- The return on the Commonwealth Bank Regular Instalments may be zero and you may lose all of the money already paid on the Commonwealth Bank Regular Instalments.
- The return on the Commonwealth Bank Regular Instalments, if any, may be less than the return you could earn on other investments and will be different to the return that would be achieved if you acquired Underlying Securities instead of Commonwealth Bank Regular Instalments.

By investing in Commonwealth Bank Regular Instalments, you are gearing your investment so that you will have greater exposure to rises and falls in the price of the Underlying Security. You may only obtain title to the Underlying Security (in respect of which you have already paid the First Instalment) if you make the Completion Payment. It is possible that the Completion Payment, when added to the First Instalment, will be greater than the market value of the Underlying Security at the time the Completion Payment is paid. If you choose not to make the Completion Payment, the Underlying Security will be sold and the proceeds applied in the manner described in Section 2 of this Product Disclosure Statement, “Offer Summary”.

Performance by Commonwealth Bank

The value of the Commonwealth Bank Regular Instalments depends on, among other things, the ability of Commonwealth Bank to perform its obligations in accordance with the Trust Deed. Those obligations may include arranging the transfer of the Underlying Security to the Holder after the Completion Date (or paying liquidated damages in cash as provided for under the ASX Group Rules), paying an amount if the Holder fails to duly deliver a Completion Notice or paying the Completion Payment. The financial performance of Commonwealth Bank may affect its ability to meet such obligations.

The performance by Commonwealth Bank of its obligations under the Commonwealth Bank Regular Instalments is not guaranteed by ASX, the National Guarantee Fund, the Australian Clearing House or any other person. These are unsecured contractual obligations which rank equally with Commonwealth Bank's other unsecured obligations and with its unsecured debt other than liabilities preferred by law. In this regard section 13A(3) of the Banking Act 1959 (Cth) provides that if Commonwealth Bank becomes unable to meet its obligations, the assets of Commonwealth Bank in Australia are to be used to meet its deposit liabilities in Australia in priority to all other liabilities of Commonwealth Bank (which include any obligations of Commonwealth Bank in respect of the Commonwealth Bank Regular Instalments).

Section 7 includes information about Commonwealth Bank. Investors must, however, make their own assessment of the ability of Commonwealth Bank to meet its obligations in respect of Commonwealth Bank Regular Instalments.

Factors affecting value of Commonwealth Bank Regular Instalments

The market price, that is the First Instalment of a Commonwealth Bank Regular Instalments is expected to depend on the following factors. The table also provides a general indication of how the value will change given a change in the factor.

Factors affecting market price	Change in factor	Effect on First Instalment
Price of the Underlying Security;	↑	↑
Volatility of the Underlying Security;	↑	↑
Time remaining until the Completion Date;	↓	↓
Level of interest rates in Australia;	↑	↑
Dividend paid by the Underlying Security;	↑	↑

Other factors that may affect the market price include:

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

From time to time Commonwealth Bank (or subsidiaries of Commonwealth Bank) may deal in the securities of the Listed Entities (including the Underlying Securities). Significant dealing in such securities may impact on the market price of the Underlying Securities.

The market price of a Commonwealth Bank Regular Instalment is likely to fall if the market price of the Underlying Security falls. Commonwealth Bank makes no representation or warranty as to the performance of the Underlying Security or the Commonwealth Bank Regular Instalments themselves.

Possible illiquidity of trading market

There is no accurate indication as to the extent to which the Commonwealth Bank Regular Instalments will trade in the secondary market, nor is there sufficient evidence as to whether that market will be liquid or illiquid. The liquidity of the Commonwealth Bank Regular Instalments may be affected by the liquidity of the Underlying Security.

General market risks

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

Takeover of Listed Entities

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

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

Early Completion Date (including delisting of the Underlying Security)

Commonwealth Bank may, at any time, in its absolute discretion but only with the prior written consent of the ASX, nominate an Early Completion Date, and provide reasonable notice to the Trustee and Holders, if any of the following occurs in relation to the Underlying Security or a Commonwealth Bank Regular Instalment:

- (except if caused by Commonwealth Bank) actual or proposed delisting, suspension or withdrawal of admission to trading status.
- a Tax Event (generally, any tax change which has a material financial effect on the issue, holding, adjustment, reconstruction, cancellation or expiry, or completion of Commonwealth Bank Regular Instalments).
- a Takeover Bid, a Scheme or a Buy-Back Offer.

If an Early Completion Date is nominated, that date becomes the Completion Date for the Commonwealth Bank Regular Instalments. Investors should be aware, therefore, that there is a risk that a Completion Payment may have to be made by them before the Completion Date specified in the Summary Table in section 2 or they will lose rights to the Underlying Security underlying their Commonwealth Bank Regular Instalments.

In this situation, the Second Interest Amount and the Third Interest Amount do not vary and the Second Interest Amount and/or the Third Interest Amount will be due and payable on the Early Completion Date. Commonwealth Bank may in its absolute discretion reduce the Second Interest Amount and the Third Interest Amount in these circumstances.

Exercise of discretion by Commonwealth Bank

Some provisions of the Trust Deed confer discretions on Commonwealth Bank, including the discretion to nominate an Early Completion Date. The exercise or non-exercise of these discretions could adversely affect the value of Commonwealth Bank Regular Instalments.

Holders do not have the power to direct Commonwealth Bank concerning the exercise of any discretion, although Commonwealth Bank may only exercise certain discretions with the consent of ASX. The discretions are set out in the Trust Deed.

Changes to Trust Deed

Commonwealth Bank may in certain circumstances make changes to the Trust Deed. These circumstances are set out in the Trust Deed.

Suspension of trading in Commonwealth Bank Regular Instalments

Trading of Commonwealth Bank Regular Instalments on the ASX's stock market may be halted or suspended by the ASX. This may occur whenever the ASX deems such action appropriate in the interests of maintaining a fair and orderly market in Commonwealth Bank Regular Instalments or otherwise deems such action advisable in the public interest or to protect investors.

Commonwealth Bank may (with the consent of ASX), if a withdrawal or suspension of the Commonwealth Bank Regular Instalments occurs nominate an Early Completion Date (except where the withdrawal or suspension is caused by Commonwealth Bank).

Relationships among Commonwealth Bank, Trustee and Holders

The Trustee acts as trustee for the Holders (and, to a limited extent, for Commonwealth Bank) only in accordance with the Trust Deed. The Trustee is a related body corporate of Commonwealth Bank. Commonwealth Bank does not guarantee or undertake to ensure the performance by the Trustee of its obligations under the Trust Deed.

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

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

National Guarantee Fund - not a Guarantor in all cases

If the trade has been made through the ASX stock market, an investor may claim against the National Guarantee Fund if its broker fails to complete a purchase or sale of a Commonwealth Bank Regular Instalment. An investor cannot make a claim against the fund for loss caused by an investment decision, or by Commonwealth Bank's failure to issue a Commonwealth Bank Regular Instalment or to meet its settlement obligations arising from the lapse or exercise of a Commonwealth Bank Regular Instalment.

Potential conflicts of interest

Investors should be aware that companies in the Commonwealth Bank Group may buy Commonwealth Bank Regular Instalments or exchange traded options over the Underlying Securities as principals and may conduct transactions as principal in various securities, including in the Underlying Securities. The Broker may conduct such transactions as agent for Commonwealth Bank and its subsidiaries, as well as for other principals or itself.

Subsidiaries of Commonwealth Bank may from time to time receive a discount, commission or fee from Commonwealth Bank in respect of Commonwealth Bank Regular Instalments, including possibly those placed by the Broker. The Broker may charge brokerage on transactions in Commonwealth Bank Regular Instalments in the secondary market. Members of the Commonwealth Bank Group may from time to time advise, lend to or conduct trading activities with the Listed Entities or companies associated with them. Those activities are unrelated to the Commonwealth Bank Regular Instalments.

The Prepayment Amounts will be placed in a non-interest bearing account with Commonwealth Bank, subject to the terms of the Trust Deed. Commonwealth Bank will have the benefit of the use of funds representing the Prepayment Amounts (although this benefit has been taken into account when pricing the interest rate payable on the Loan).

In the event the Trustee had to sell Underlying Securities because of a Request for Purchase Notice, or to meet an Assessed Value Payment or otherwise, it may cause the Underlying Securities to be sold through the Broker in which case the Broker would charge commercial brokerage rates.

6. Taxation Considerations

Greenwoods & Freehills

31 July 2007

Commonwealth Bank of Australia
6th Floor
48 Martin Place
SYDNEY NSW 2000

Dear Directors

Tax Summary Commonwealth Bank Long Dated Instalments

This summary has been prepared for inclusion in the Product Disclosure Statement to be issued by Commonwealth Bank of Australia (the “**Issuer**”) on or after 31 July 2007 in relation to the offer of a 44 Series of Commonwealth Bank Long Dated Instalments (“**Commonwealth Bank Instalments**”) over Underlying Securities.

The following is a general summary of the main Australian income tax and goods and services tax (“**GST**”) implications of an investment in Commonwealth Bank Instalments by the following classes of taxpayer (“**Holder**”):

- Australian tax resident individual taxpayers; and
- Australian tax resident complying superannuation funds;

with income years ending on 30 June that do not carry on the business of trading or dealing in shares, warrants or similar instruments or otherwise hold investments on revenue account. Taxpayers with substituted accounting periods and other classes of taxpayers should seek their own independent advice.

Unless otherwise stated, this tax summary is based on law and administrative practice in force as at the date of this letter, and all of which are subject to change, possibly with retrospective effect. It is necessarily general in nature and does not take into account the specific circumstances of each potential investor. It is not advice and should not be relied upon as such. Potential investors should satisfy themselves as to the potential tax consequences of investing in Commonwealth Bank Instalments in their own circumstances by consulting their own professional adviser.

This summary does not cover the taxation consequences of extraordinary events in relation to the Underlying Security, including a bonus issue, takeover, capital reduction, scheme of arrangement or other unusual dealing affecting the Underlying Security.

This summary does not cover the taxation consequences of any Rollover Payment made by a Rollover Applicant. We understand that such Rollover Payment will be part of the completion payment (under the Prior Series Instalments). In this case, Rollover Applicants should refer to the Product Disclosure Statement relating to the Prior Series Instalments and obtain their own independent advice concerning the tax treatment of such payment.

All capitalised terms used in this summary that are not elsewhere defined have the meaning ascribed to them in the Product Disclosure Statement and/or the Trust Deed. For the avoidance of doubt, a Holder includes a Security Holder Applicant and a Rollover Applicant where the context permits.

Unless otherwise indicated, all references in this summary to legislative provisions are to the provisions of the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* (collectively, “**the Act**”), as applicable.

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Liability limited by the Accountants' Scheme, approved under the Professional Standards Act 1994 (NSW)
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1 Tax Treatment of Interest Amounts

1.1 Deductibility of Interest Amounts

For income tax purposes, the term “interest” takes its ordinary legal meaning. The Interest Amounts should be properly characterised as interest, being amounts which accrue over time to compensate the lender (being the Issuer) for being kept out of the use and enjoyment of the borrowed monies, calculated by reference to a principal sum.

Part of an Interest Amount may nevertheless be treated under s.247-20 of the *Income Tax Assessment Act 1997* (the “**capital protected borrowing provisions**”) as being incurred by the Holder for a put option. Broadly, this will be the case if the total Interest Amounts incurred in a particular income year correspond to an interest rate that exceeds the Reserve Bank of Australia’s “*Indicator Rate for Personal Unsecured Loans - Variable Rate*” (the “**Indicator Rate**”) prevailing at the time the Holder acquired those Commonwealth Bank Instalments. The Indicator Rate can currently be accessed at: <http://www.rba.gov.au/Statistics/Bulletin/F05hist.xls>.

Any amount so treated as being incurred for a put option should not be deductible to a Holder - in which case the amount should be included in the CGT cost base of the Put Option in the same way as the Protection Fee is included in the CGT cost base of the Put Option (see section 5 below).

Whether s.247-20 applies in this way cannot be determined until a Holder acquires their Commonwealth Bank Instalments. Nevertheless, having regard to the Indicator Rate applying as at the date of this Product Disclosure Statement, the Commonwealth Bank is able to make the following general observations about the potential application of s.247-20:

- For Holders who acquire their Commonwealth Bank Instalments in the primary market (ie, upon issue) - s.247-20 should not generally treat any part of the Interest Amounts as being incurred for a put option.
- For Holders who acquire their Commonwealth Bank Instalments in the secondary market (eg, by purchase on the ASX) – s.247-20 should generally only treat part of the Interest Amounts as being incurred for a put option if there has been a significant fall in the relevant Reserve Bank of Australia Indicator Rate after the date that their Commonwealth Bank Instalments were acquired in the primary market.

Relevantly, pursuant to s.8-1, interest incurred by a taxpayer will be an allowable deduction to the extent that the borrowed funds are used in producing assessable income or in carrying on a business for that purpose, unless it is a loss or outgoing of capital or of a capital nature.

In determining whether interest is deductible pursuant to s.8-1, Courts have generally looked at the use to which the borrowed moneys are put. In this regard, we note that an Applicant who acquires Commonwealth Bank Instalments for the purpose of deriving assessable income in the form of dividends on the Underlying Security, should be allowed a deduction for the Interest Amounts, subject to our comments below. However, the Interest Amounts may not be deductible if they are incurred by the Holder solely for the purpose of deriving capital gains.

In relation to a Security Holder Applicant, it will be necessary to have regard to the use to which the amount borrowed (being the Cash Back Amount plus the Establishment Fee, the Protection Fee and the Interest Amounts) is put in order to determine the *prima facie* deductibility of the Interest Amounts. The Cash Back Amount must be used for the purpose of producing assessable income, such that it is likely that a deduction may be available in those cases. We note that if, for example, the Cash Back Amount is used to purchase assets solely for the purpose of deriving a capital gain, the Interest Amounts may not be allowable as a deduction. The determination of this issue will depend upon the circumstances of each Security Holder Applicant.

In the case of a Rollover Applicant, it will be necessary to distinguish between those Rollover Applicants who were cash applicants (under the Prior Series Instalments) and those who were security holder applicants (under the Prior Series Instalments). If a Rollover Applicant was a cash applicant (under the Prior Series Instalments) then if such Holder acquires Commonwealth Bank Instalments for the purposes of deriving assessable income in the form of dividends on the Underlying Security, such Holder should be allowed a deduction for the Interest Amounts. This is consistent with the ATO’s view expressed in a public ruling (*TD 2005/4*).

If a Rollover Applicant was a security holder applicant (under the Prior Series Instalments), then it will be necessary to have regard to the use to which the amount borrowed (under the Prior Series

Instalments) was put to determine the deductibility of the Interest Amounts. If such amount was used for business or investment purposes, it is likely that a deduction may be available in those cases. However, if, for example, the amount borrowed (under the Prior Series Instalments) was used to purchase assets solely for the purpose of deriving a capital gain, the Interest Amounts may not be allowed as a deduction. The determination of these issues will depend upon the circumstances of each Rollover Applicant.

In relation to secondary market purchasers who acquire the Commonwealth Bank Instalments prior to the payment of the Third Interest Amount, if such holders acquire their Commonwealth Bank Instalments for the purpose of deriving assessable income in the form of dividends on the Underlying Security, they should be allowed a deduction for any Interest Amounts incurred by them.

1.2 Timing of Interest Deduction

Interest on the Loan for an interest period will be prepaid on each annual interest payment date. For Applicants, depending upon the date of application, the First Interest Amount or Second Interest Amount will be prepaid at the time of investment. The Trustee will pay the remaining prepaid interest (being an Interest Amount) on each subsequent interest payment date, on behalf of a Holder, from the Prepayment Trust.

Different sets of rules apply to prepaid expenditure depending upon the tax profile of the taxpayer incurring the expenditure.

Generally, one set of rules applies to individual taxpayers who are not carrying on a business and small business taxpayers who have elected to enter the simplified tax system. A different set of rules applies to other types of taxpayers, for example, non-individual taxpayers who are incurring non-business expenditure (for example, Australian resident complying superannuation funds) and taxpayers (including individuals) who are incurring business expenditure.

Holders who are individuals not carrying on a business will be subject to a twelve month rule for the prepaid Interest Amounts. Broadly, this rule permits an outright deduction for deductible prepayments which relate to a period not exceeding twelve months, where the period to which the prepayment relates ends no later than the last day of the income year following the income year in which the prepayment was incurred. We are advised that each Interest Amount will relate to a period of twelve months or less and that each period to which each Interest Amount relates will end no later than the last day of the income year following the income year in which each Interest Amount was incurred.

Accordingly, individuals incurring the Interest Amounts as non-business expenditure should generally be entitled to an outright deduction for the Interest Amounts in the income year in which they are paid (either at the time of investment or by the Trustee on behalf of the individual), subject to the comments below regarding “tax shelter” arrangements.

As regards those Holders which are Australian tax resident complying superannuation funds not carrying on a business, such Holders will generally have to spread the deduction for each prepaid Interest Amount over the term to which the Interest Amount relates.

Certain measures (refer ss.82KZME and 82KZMF) seek to deny upfront deductions for prepayments which relate to “tax shelter” arrangements. In order for the provisions to apply, it is necessary that, *inter alia*:

- in the income year in which the prepayment is incurred, the taxpayer’s allowable deductions attributable to the arrangement exceed the assessable income attributable to the arrangement;
- the taxpayer does not have day to day control over the arrangement; and
- there is either more than one participant in the arrangement, aside from the taxpayer, or a person who manages, arranges or promotes the arrangement, or promotes similar arrangements for other taxpayers.

Based on product rulings relating to other instalment warrants, it appears the view of the Commissioner of Taxation (the “**Commissioner**”) is that instalment warrants such as the Commonwealth Bank Instalments *prima facie* satisfy the above criteria. If the measures applied to Commonwealth Bank Instalments, the effect would be, in all cases, to spread the deduction for each Interest Amount over the period to which it relates.

However, there is an exception to the measures where the expenditure is interest on money borrowed to acquire listed shares or units in certain unit trusts and the taxpayer can reasonably be expected to receive dividends or trust income. Holders who are Cash Applicants should be able to satisfy this exception to the extent the Underlying Securities comprise shares in listed companies. The Commissioner appears to have accepted this position in a number of product rulings relating to other instalment warrants.

The position in relation to Underlying Securities which comprise, or include, units in a unit trust is less certain, as the exception only applies in relation to units in "widely held unit trusts" - and this term is defined in a restrictive manner. Although the ATO has previously applied the exception in product rulings relating to similar instalment warrants, Cash Applicants should seek their own advice regarding the potential application of this exception where the Underlying Securities comprise, or include, units in a unit trust.

Security Holder Applicants and Rollover Applicants should seek their own advice regarding the potential application of these provisions.

If a Holder is required to spread the deductions for prepaid Interest Amounts (under the rules outlined above) and such Holder sells its Commonwealth Bank Instalment prior to the Completion Date, the Holder will be entitled to deduct the Interest Amount, which would otherwise be deducted in a later income year (under these rules), in the income year in which the sale occurs.

1.3 Refund of Prepaid Interest Amounts

Where there is an Early Completion Date, application of a special cash dividend to reduce the Loan Amount or other extraordinary event pursuant to which the Holder is entitled to a refund of some of the Interest Amounts and the Holder has or will claim a deduction in relation to such amount, the Holder will be required to include the amount in assessable income in the income year in which it is received.

2 Establishment Fee

An Establishment Fee will be paid by Applicants as part of the First Instalment. From the Establishment Fee, a number of costs will be paid, including amounts which can be on-paid by the Issuer as commission to distributors of Commonwealth Bank Instalments.

To the extent the Loan or the Cash Back Amount (where relevant) is used for income producing purposes, and in the case of Rollover Applicants who were security holder applicants (under the Prior Series Instalments), the amount borrowed under the Prior Series Instalments was used for income producing purposes, Holders will be entitled to a deduction for the Establishment Fee on a daily accruals basis over the term of the Loan. If there is an early termination or repayment of the Loan (in this respect, the Loan will be treated as terminating on the sale of the Commonwealth Bank Instalments on the ASX), the undeducted Establishment Fee will be allowed as a deduction in the income year in which the early termination, repayment or sale occurs.

3 Protection Fee

The Protection Fee is the cost of the Holder acquiring the capital protection afforded by the Put Option. The Protection Fee will not be deductible in the year in which it is paid. Instead, it will be dealt with under the capital gains tax provisions (refer to paragraph 5 below).

4 Distributions paid on Underlying Security

4.1 Dividends

The Trust Deed provides that an amount corresponding to each ordinary cash dividend paid on the Underlying Security is to be distributed by the Trustee to the Holder. A Holder will be effectively taxed in respect of dividend distributions in the same manner as if they had held the Underlying Security directly. That is, the Holder will be presently entitled to any dividend paid on the Underlying Security and will accordingly include in assessable income the amount of the dividend, together with a gross-up amount which represents the franking credits allocated to the dividend. The Holder will in turn generally be entitled to a franking credit equal to the gross up amount (although refer to comments below in relation to the holding period rules). To the extent that the franking credits exceeds the tax liability of the Holder for the income year, the Holder will be entitled to a refund of such excess franking credits.

The comments above apply equally to any cash special dividends, whether those dividends are paid to the Holder or applied to reduce the Loan Amount. In particular, if a cash special dividend is applied (in whole or in part) to reduce the Loan Amount, the Holder will be required to include the dividend (grossed up to include the franking credit) in its assessable income. The Holder will generally be entitled to a franking credit (although refer to the comments below in relation to the holding period rules).

Franking credit benefits are only available to “qualified persons”. A “qualified person” will either have passed a minimum holding period test in relation to a particular distribution or otherwise qualify for a specific exemption.

For the purposes of the holding period rules, it is necessary that a Holder have a vested and indefeasible interest in the trust property (ie, the Underlying Securities). We consider that such an interest is achieved under the terms of the Trust Deed.

The holding period rules essentially require that a taxpayer must hold its interest in shares “at risk” for a specified period in order to qualify for franking credit benefits. For ordinary shares, the holding period is at least 45 days (not including the day of acquisition or the day of disposal). The holding period rules must be satisfied at some time during the period from the date of acquisition of the interest until 45 days after the shares are quoted ex-dividend. The holding period rules must also be satisfied where a taxpayer makes a related payment in relation to a distribution (broadly, any arrangement that has the effect of passing on the benefit of the distribution) within the period 45 days on either side of the relevant interest becoming ex-dividend.

In calculating the holding period rules, any days where the Holder has materially diminished its risk of loss or opportunity for gain in relation to the interest are excluded. A Holder is taken to have materially diminished risk if the Holder’s net position in relation to the Underlying Security is such that the Holder has less than 30% of the risks and opportunities associated with the Underlying Security.

We are advised that, at the time of issue of the Commonwealth Bank Instalments, the limited recourse nature of the Loan and the Put Option would not result in the Holder having materially diminished risks of loss or opportunities for gain in relation to a Commonwealth Bank Instalment. Unless Applicants enters into other “positions” in relation to Commonwealth Bank Instalments, Applicants are taken to continue to have the same level of risks and opportunities (technically, a “delta”) associated with Underlying Securities as they had when they acquired their Commonwealth Bank Instalments.

Holders who acquire Commonwealth Bank Instalments on market and Holders (including Applicants) who enter into any other “positions” as defined in the Act in relation to the Underlying Security should seek independent advice as to whether they satisfy the holding period rules.

In any event, in respect of a Holder that is an individual, a blanket exemption from the holding period rules (apart from in respect of the related payments rule) applies for Holders with a total franking credit entitlement of \$5,000 or less (in respect of their entire holding of shares and interests in shares) for any relevant income year.

4.2 Trust distributions

Subject to the comments below, a Holder’s assessable income will generally include an amount equal to distributions received on the Underlying Securities where the Security is a unit in a unit trust.

Certain distributions from unit trusts may be “tax deferred”. A Holder’s assessable income should not generally include “tax deferred” amounts when they are received. Instead, these distributions generally reduce the cost base of the Holder’s interest in the Underlying Securities, and so may increase any capital gain (or decrease any capital loss) on a subsequent disposal of the Underlying Securities. If the total of these “tax deferred” distributions exceeds the cost base for the Holder’s interest in the Underlying Securities, then the excess will be taxed as a capital gain to the Holder in the tax year the excess is distributed.

A Holder’s assessable income will include a share of dividends distributed by the unit trust. A Holder’s assessable income will also include the amount of any franking credits on those dividends. The Holder may be entitled to tax offsets equal to the amount of the franking credits. However, where the Underlying Securities are units the application of the franking credit trading provisions is even more complicated than where they are shares for two reasons. Firstly, the trust

must also satisfy the franking credit trading provisions and secondly the Holder's economic exposure to the Underlying Securities may be affected by the terms of the relevant trust deed. Holders should seek their own specific advice on this issue.

Broadly, if the unit trust makes a capital gain, then Holders can offset the amount of their distribution attributable to the capital gain against their capital losses. If the unit trust makes a discount capital gain, then Holders are treated as having made a capital gain equal to double the amount of their distribution attributable to the discount capital gain, which effectively negates the discount capital gain applying at the trust level. Holders may then be entitled to the CGT discount on that capital gain in their hands (see further section 7.1 below).

A Holder's assessable income will include any foreign tax paid on foreign income derived by the trust. The Holder will then generally be entitled to a tax offset for the foreign tax, capped at the amount of Australian tax payable on the total of that type of foreign income and the foreign tax.

If the trust is a public trading trust, the trust will be treated as a company and distributions will be deemed to be dividends so that the tax consequences described in section 4.1 above will generally apply instead.

5 Capital Gains Tax Considerations

5.1 General

The transfer of the Underlying Security to the Trustee, the grant of the Security Interest over the Underlying Security and the retransfer of the Underlying Security to the Holder should not have any capital gains tax ("CGT") consequences (although refer to the comments below in relation to the capital loss that may arise in relation to Put Option).

The comments in this paragraph 5 and also paragraph 6 below are premised on the basis that, notwithstanding that the Underlying Securities are held on trust by the Trustee, the Holder is effectively treated as the relevant owner of the Underlying Securities for CGT purposes. The Commissioner has released a draft public tax ruling (TR 2004/D25) which casts some doubt as to whether Holders would effectively be treated as the owner of the Underlying Securities for CGT purposes under this draft ruling. However, this draft ruling is inconsistent with the position adopted by the Commissioner in product rulings relating to other instalment warrants – in such rulings, the Commissioner implicitly accepts that holders of instalment warrants are effectively treated as the relevant owners of the underlying shares.

5.2 Cost Base

5.2.1 Cash Applicants

A Holder who acquires a Commonwealth Bank Instalment by way of a Cash Application will have a cost base in the Underlying Security which includes:

- part of the First Instalment representing the capital component (i.e. the Capital Amount);
- the capital component of the Loan (i.e. the Second Capital Amount); and
- the incidental costs of disposing of the Underlying Security.

Any non-deductible Interest Amounts, or Establishment Fees (other than Interest Amounts or Establishment Fees that are non-deductible by reason of the application of the thin capitalisation provisions) may also be included in the cost base of the Underlying Security.

The Put Option is a separate CGT asset. The Protection Fee is paid for the grant of the Put Option and so an amount equal to the Protection Fee would be included in the cost base for the Put Option. On the basis of the matters referred to in section 1.1 above, it is not generally expected that any amount would be treated under the capital protected borrowing provisions as being incurred for the grant of a put option.

No part of the Completion Payment should be included in the cost base of the Underlying Security as this amount represents a repayment of the Loan (which is already included in the cost base, namely, the Second Capital Amount - refer to comments above).

A Holder acquiring the Commonwealth Bank Instalments by way of a Cash Application will also have a cost base in the Prepayment Amount. The First Instalment includes the amounts of prepaid

interest for Year 2 and/or Year 3. These amounts will be included in the cost base of the Prepayment Amount.

5.2.2 *Security Holder Applicants*

The cost base of a Security Holder Applicant in the Underlying Security will be unchanged from that Holder's original cost base in the Underlying Security (being generally the amounts paid to acquire the Underlying Security plus any incidental capital costs associated with the purchase). Any incidental capital costs of disposing of the Underlying Security will also form part of the cost base.

The Put Option should be treated as a separate CGT asset. The Protection Fee is paid for the grant of the Put Option and so an amount equal to the Protection Fee would be included in the cost base for the Put Option. On the basis of the matters referred to in section 1.1 above, it is not generally expected that any amount would be treated under the capital protected borrowing provisions as being incurred for the grant of a put option.

A Security Holder Applicant will have a cost base in the Prepayment Amount which includes the amounts of prepaid interest for Year 2 and/or Year 3 (which are part of the Loan).

5.2.3 *Rollover Applicants*

The cost base of a Rollover Applicant in the Underlying Security will be unchanged from that Holder's original cost base in the Underlying Security (being generally the amounts paid to acquire the Underlying Security plus any incidental capital costs associated with the purchase). Any incidental capital costs of disposing of the Underlying Security will also form part of the cost base.

The Put Option be treated as a separate CGT asset. The Protection Fee is paid for the grant of the Put Option and so an amount equal to the Protection Fee would be included in the cost base for the Put Option. On the basis of the matters referred to in section 1.1 above, it is not generally expected that any amount would be treated under the capital protected borrowing provisions as being incurred for the grant of a put option.

A Rollover Applicant will have a cost base in the Prepayment Amount which includes the amounts of prepaid interest for Year 2 and/or Year 3 (which are part of the Loan).

5.2.4 *Secondary Market Purchaser*

A Holder who acquires a Commonwealth Bank Instalment by way of secondary purchase on the ASX will have a cost base in the Underlying Security which includes:

- the cash purchase price attributable to the Underlying Security;
- incidental costs of acquisition and disposal; and
- the capital component of the Loan (i.e. the Second Capital Amount).

The Put Option is a separate CGT asset. Calculating the cost base for the Put Option will depend on when Holders purchased their Commonwealth Bank Instalments on the ASX.

The cost base of the Put Option for Holders who purchased their Commonwealth Bank Instalments on the ASX will include the amount reasonably attributed to the acquisition of the Put Option under the CGT cost base provisions.

Whether any amount is to be treated under the capital protected borrowing provisions as being incurred for a put option is to be determined by applying the formula in s.247-20. It appears intended that these Holders are also to be treated for the purpose of the capital protected borrowing provisions as having incurred an amount for the Put Option equal to the amount reasonably attributed to the acquisition of the Put Option under the CGT cost base provisions. On this basis, and on the basis of the matters referred to in section 1.1 above, it is not generally expected that any amount would be treated under the capital protected borrowing provisions as being incurred for the grant of a put option.

A Holder who acquires the Commonwealth Bank Instalment by way of secondary market purchase on the ASX will have a cost base in the Prepayment Amount equal to so much of the purchase price as is attributable to the Prepayment Amount.

5.3 Payments from Prepayment Amount

The Trustee will pay the Interest Amounts (other than the First Interest Amount and, if the Commonwealth Bank Instalment was applied for after the Second Interest Date, the Second Interest Amount) on behalf of the Holder from the Prepayment Amount. The payment of each of the Second and/or Third Interest Amounts by the Trustee on behalf of the Holder will progressively reduce the cost base the Holder has in the Prepayment Amount on the relevant Interest Payment Date. The payment of the Third Interest Amount by the Trustee on behalf of the Holder will result in the extinguishment of the asset representing the Prepayment Amount for CGT purposes. None of these payments should have any practical CGT implications.

5.4 Disposal of Commonwealth Bank Instalments

5.4.1 Holders who dispose of their Commonwealth Bank Instalments on or prior to the Completion Date by way of secondary market trade

The sale of Commonwealth Bank Instalments on the ASX prior to the making of the Completion Payment will be treated for CGT purposes as a disposal of the Underlying Security subject to the Security Interests and (if the sale occurs prior to payment of the Third Interest Amount by the Trustee on behalf of the Holder) the disposal of the balance of the Prepayment Amount.

The sale of the Commonwealth Bank Instalment will also involve the disposal of the Put Option for CGT purposes.

The Holder will be deemed to have received capital proceeds in respect of the disposal equal, in aggregate, to the sale price of Commonwealth Bank Instalments on the ASX and the amount of the Loan which is assumed by the purchaser.

A capital gain will arise if the capital proceeds exceed the cost base of the Underlying Security, the Put Option and the Prepayment Amount (if the sale occurs prior to payment of the Third Interest Amount). In this regard, refer further below to the discussion regarding CGT concessions.

A capital loss will arise if the capital proceeds are less than the reduced cost base of the Underlying Security, the Put Option and the Prepayment Amount (if the sale occurs prior to payment of the Third Interest Amount).

5.4.2 Holders who make the Completion Payment

Upon making the Completion Payment, the Loan is repaid and the Security Interest over the Underlying Security is discharged. The Trustee is then obliged to transfer the Underlying Security to the Holder and Commonwealth Bank Instalment will cease to exist. In this case, no CGT implications will arise as a consequence of these transactions.

As a consequence of making the Completion Payment, the Put Option will expire. For CGT purposes, this is treated as the disposal of that asset for nil consideration. Hence, a capital loss would arise for the Holder equal to the cost base of the Put Option.

5.4.3 Holders who deliver a Request for Purchase Notice

A Holder who does not wish to make a Completion Payment may deliver a Request for Purchase Notice requiring the Issuer to purchase the Underlying Security for an amount equal to the greater of the Volume Weighted Settlement Price and the Loan Amount.

In these circumstances, for CGT purposes, the Holder will be regarded as having disposed of the Underlying Security for capital proceeds equal to the price calculated in accordance with the above formula.

For those Holders who deliver a Request for Purchase Notice, the cost base of the Put Option should be included in the cost base of the Underlying Security for CGT purposes.

A capital gain will be realised on transferring the Underlying Security if the capital proceeds exceed the cost base in the Underlying Security (which, as noted above, may include the costs attributable to the Put Option). In this regard, refer further below to the discussion regarding CGT concessions.

A capital loss will arise if the capital proceeds are less than the reduced cost base of the Underlying Security.

5.4.4 *Holders who allow their Commonwealth Bank Instalments to lapse*

In circumstances where a Holder allows a Commonwealth Bank Instalment to lapse the Issuer will exercise its power of sale and the Underlying Security will be sold and the net proceeds (determined by reference to an Assessed Value Payment in certain circumstances), if any, returned to the Holder.

In such circumstances, the Holder will be treated for CGT purposes as having disposed of the Underlying Security. The capital proceeds for the disposal of the Underlying Security will be the sale proceeds received by the Issuer (on the sale of the Underlying Security) and any contribution payable by the Issuer under the Trust Deed.

If the capital proceeds for the disposal of the Underlying Security (refer above) are less than the Completion Payment (such that part of the Loan is not repaid in full), the view of the Commissioner is that this will represent the recoupment of the cost base of the Underlying Security. In other words, the cost base of the Underlying Security will be reduced by an amount equal to the part of the Loan which is not repaid in full.

A capital gain will be realised on the transfer of the Underlying Security if the capital proceeds from the transfer exceed the cost base of the Underlying Security. In this regard, refer further below to the discussion regarding CGT concessions.

A capital loss will arise if the capital proceeds are less than the reduced cost base of the Underlying Security.

Where a Commonwealth Bank Instalment lapses, the Put Option will also expire. For CGT purposes, this should be treated as the disposal of that asset for nil consideration. Hence, a capital loss would arise for the Holder equal to the cost base of the Put Option.

6 Accruals taxation

Where the Underlying Securities are, or include, interests in foreign entities, the tax implications outlined in sections 4 and 5 may be affected by the CFC provisions or the FIF provisions.

Where they apply, these provisions may affect:

- the calculation of income arising in respect of the Underlying Securities;
- the time when income arising in respect of the Underlying Securities is recognised (ie, income may be recognised on an accruals basis);
- the consequences of receiving distributions in respect of the Underlying Securities; and
- the precise CGT consequences of disposing of the Underlying Securities.

The precise operation of these regimes depends on the personal circumstances of the Holder and the nature of the relevant foreign entity. Accordingly, if a Holder has reason to believe that these provisions may be relevant to them, they should seek independent tax advice.

6.1 The CFC provisions

Broadly, the CFC provisions will only affect a Holder if:

- the relevant foreign entity is a company that is a “controlled foreign company”. This will be the case if, among other things, it is controlled by 5 or fewer Australian entities; and
- the Holder is an “attributable taxpayer”. A Holder will generally be an attributable taxpayer if the Holder has, together with associates, at least a 10% interest in the CFC or if the Holder is part of a group of 5 or fewer Australian entities which controls the CFC.

6.2 The FIF provisions

The FIF provisions may apply to the Holder if the relevant foreign entity is either a foreign company or a foreign trust, but the CFC provisions do not apply.

However, it is necessary to consider the various exemptions from the FIF provisions. Very broadly, exemptions which may be relevant to a Holders include:

- Where foreign entity is a company and is principally engaged in eligible activities, being certain active business activities;

- Where the foreign entity is a US company and is taxed in the US;
- Where the total value of the Holder's FIF interests does not exceed \$50,000; and
- Where the value of the Holder's non-exempt FIF interests does not exceed 10% of the total value of all of the Holder's FIF interests.

7 Capital Gains Tax Concessions

7.1 Cash Applicants and Secondary Market Purchasers

Where a Holder has held the Commonwealth Bank Instalment/Underlying Security for at least twelve months or longer at the time of disposal, the discount capital gain method will automatically apply to them in calculating any capital gain on disposal of the Underlying Security, the Put Option and the Prepayment Amount.

Pursuant to the discount capital gain method, the Holder will include in assessable income:

- In applying the discount capital gain *where the Holder is an individual* - one-half of the realised nominal gain, being the difference between the capital proceeds attributable to the Underlying Security, the Put Option and the Prepayment Amount, and the cost base of the Underlying Security, the Put Option and the Prepayment Amount; and
- In applying the discount capital gain *where the Holder is a complying superannuation fund* - two-thirds of the realised nominal gain, being the difference between the capital proceeds attributable to the Underlying Security, the Put Option and the Prepayment Amount, and the cost base of the Underlying Security, the Put Option and the Prepayment Amount.

In applying the discount capital gain method, any prior year or current year capital losses must be first applied against the nominal capital gain before multiplying the resultant net gain by one-half or two-thirds, as applicable.

Where a Holder has held the Commonwealth Bank Instalment for less than twelve months, any capital gain will be calculated as the difference between the capital proceeds attributable to the Underlying Security, the Put Option and the Prepayment Amount, and the cost base of the Underlying Security, the Put Option and the Prepayment Amount, without the benefit of the discount capital gain.

No inflation indexation of cost base will be available to such Holders.

7.2 Security Holder Applicants

For Holders who purchased their Underlying Security after 11.45 a.m. (EST) on 21 September 1999 ("**Relevant Time**"), the tax consequences will be as commented in paragraph 7.1 above.

Holders who acquired their Underlying Security before the Relevant Time will have the choice of applying the discount capital gains method or, alternatively, calculating the capital gain on the Underlying Security as the difference between the capital proceeds attributable to the Underlying Security and the cost base of the Underlying Security, CPI indexed up to 30 September 1999.

7.3 Rollover Applicants

In relation to Rollover Applicants, for such Holders who acquired their Underlying Security after the Relevant Time, the position will be as commented in paragraph 7.1 above.

For such Holders who acquired their Underlying Security before the Relevant Time, they will have the choice of applying the discount capital gains method or, alternatively, calculating the capital gain on the Underlying Security as the difference between the capital proceeds attributable to the Underlying Security and the cost base of the Underlying Security, CPI indexed up to 30 September 1999.

8 Commercial Debt Forgiveness

The commercial debt forgiveness provisions may apply where a commercial debt (broadly, a debt in relation to which interest is or would be allowed as a deduction) is "forgiven".

A debt forgiveness will relevantly occur if the amount borrowed under a loan is not required to be repaid in full (for example, in circumstances where a Commonwealth Bank Instalment lapses and the proceeds received are less than the Completion Payment).

Where a net forgiven amount is calculated under the provisions, a debtor will be required to reduce future deductions, revenue losses, capital losses and/or the cost base of certain assets by the net forgiven amount.

By reason of special valuation provisions relating to non-recourse loans and the Commissioner's position that the cost base of the Underlying Security will be reduced by an amount equal to any part of the Loan which is not repaid in full, it is considered that the commercial debt forgiveness rules should have no practical implications for Holders.

9 Goods and Services Tax

Under present GST law and associated regulations:

- the issue and transfer of a Commonwealth Bank Instalment;
- the initial transfer of the Underlying Security to the Trustee and any transfer of the Underlying Security by the Trustee to the Holder; and
- the Loan used to fund the acquisition of the Underlying Security,

would constitute input taxed financial supplies, and as such would not be subject to GST. Accordingly, there should be no practical GST consequences for Holders who do not acquire Commonwealth Bank Instalments in the course of carrying on an enterprise.

Where a Commonwealth Bank Instalment is acquired in the course of carrying on an enterprise, the GST component of certain costs relating to dealings in the Commonwealth Bank Instalment or the Underlying Security may not be fully recoverable.

10 Other Matters

10.1 Closely Held Trusts

The Trustee holds each Underlying Security on separate trust for each Holder. Therefore each trust is likely to constitute a "closely held trust" for the purposes of the Act.

Subject to some exceptions, trustees of closely held trusts have an obligation to provide the Commissioner with details of the ultimate beneficiaries of the trust where the beneficiary of the trust is a trustee of another trust. Failure by the trustee to disclose such information will result in the imposition of Ultimate Beneficiary Non-Disclosure Tax at the top marginal rate on the relevant beneficiary's share of the net income of the trust. Ultimate Beneficiary Non-Disclosure Tax is also imposed on the relevant share of net income if there is no ultimate beneficiary in respect of a share of net income attributable to a trustee beneficiary of the trust. This tax may be withheld from distributions by the Trustee to the Holder.

The Commissioner issued a practice statement which provides that most trustees will not be required to lodge an ultimate beneficiary statement unless they have an Ultimate Beneficiary Non-Disclosure Tax liability or the Commissioner requests such a statement. The Commissioner has also issued a practice statement indicating that it would not require trusts of the type established by the Trust Deed to lodge ultimate beneficiary statements. However, the possibility that the Trustee may in the future have to determine whether there is an Ultimate Beneficiary Non-Disclosure tax liability will mean that all necessary information will still be required to be provided to the Trustee notwithstanding that a formal statement may not be required.

Certain amendments to the closely held trust provisions are proposed in a bill that is currently before parliament. Broadly, if enacted as currently proposed, Ultimate Beneficiary Non-Disclosure Tax will no longer be imposed. Instead, the trustee of a closely held trust will be liable to Trustee Beneficiary Non-Disclosure Tax (imposed at the top marginal rate on the relevant trustee beneficiary's share of the net income of the trust) if it does not provide to the Commissioner, in respect of each trustee beneficiary, details of the name, tax file number (or address in the case of a non-resident), the amount of the untaxed part of the trustee beneficiary's share of the trust's net income and the share of the trust's tax preferred amount to which the trustee beneficiary is presently entitled.

10.2 Tax Reform

On 3 January 2007, the Government released exposure draft legislation which proposes changes to the taxation of financial arrangements (“TOFA”). The TOFA proposals will impact upon the tax treatment of a wide range of financial transactions. However, as currently drafted, the proposed rules would not mandatorily apply to Commonwealth Bank Instalments acquired before 1 July 2008. Potential Holders should be aware that any changes to TOFA before enactment occurs may impact on the tax implications applicable to the Commonwealth Bank Instalments.

Further, the Federal Government has undertaken a review of Australia’s taxation system. In this regard, several of the reforms recommended by the *Ralph Review of Business Taxation* have been enacted. The Federal Government has indicated that it intends to implement some of the other recommendations and give further consideration to others. The proposed reforms (which have not been enacted) have the potential to affect the tax treatment of Commonwealth Bank Instalments for Holders. However, in the absence of legislation, it is not possible to comment on such implications. It is recommended that Holders monitor developments in this regard and seek professional advice where required.

10.3 Holding period rules

We note that, since the enactment of the *New Business Tax System (Imputation) Act 2002*, certain consequential amendments will be required so as to give effect to the simplified imputation system. The Minister for Revenue and Assistant Treasurer issued Media Release C104/02 on 27 September 2002 stating that further imputation amendments, including holding period rules and exemptions, machinery provisions and various consequential amendments to apply from 1 July 2002, will be introduced into Parliament as soon as practicable. Accordingly, certain comments made in this summary have been based on an assumption that such further legislation will not alter the substance and administration of the law as it applied as at 30 June 2002.

10.4 Part IVA

Part IVA of the Act contains the general anti-avoidance provisions and should be considered by investors in respect of all investments. In general terms, the application of Part IVA of the Act will be attracted where a taxpayer obtains a “tax benefit” as a consequence of entering into a scheme and the sole or dominant purpose of one or more parties to the scheme was to secure that tax benefit. In broad terms, a tax benefit is constituted by an amount not being included in a taxpayer’s assessable income where it might otherwise reasonably have been expected to be so included, or a deduction being allowable to a taxpayer where the deduction might reasonably have been expected to not have been allowable, or a capital loss to have been incurred by a taxpayer where the capital loss might reasonably have been expected not to have been incurred.

Whilst we consider that an investment in a Commonwealth Bank Instalment would not of itself ordinarily attract the operation of Part IVA of the Act, this will be a question of fact depending upon the particular circumstances of the Holders. Accordingly, potential investors should seek professional advice in relation to the application of Part IVA of the Act to their specific circumstances.

Yours faithfully
GREENWOODS & FREEHILLS PTY LIMITED

Greenwoods & Freehills

7. Description of the Issuer – Commonwealth Bank Of Australia

General Description of Commonwealth Bank

Principal Activities

The Commonwealth Bank Group is one of Australia's leading providers of integrated financial services including retail, institutional and business services, superannuation, life insurance, general insurance, funds management, broking services and finance company activities. The principal activities of the Commonwealth Bank Group during the financial year were:

Banking

The Group provides a full range of retail banking services including housing loans, credit cards, personal loans, savings and cheque accounts and demand and term deposits. The Group has leading domestic market shares in home loans, personal loans, retail deposits and discount stockbroking and is one of Australia's largest issuers of credit cards. The Group also has full service banking operations in offshore areas.

The Group also offers a full range of commercial products including business loans, equipment and trade finance, and rural and agribusiness products. The Group also provides services for the top 1,000 corporations, government entities and other major institutions operating in Australasia. Corporate customers have access to financial markets services, securities underwriting, trading and distribution, corporate finance, equities, payments and transaction services, investment management and custody.

Stock Broking

Through Commonwealth Securities Ltd (CommSec) a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia, the Group provides a range of services for dealing in securities such as shares and related derivatives. CommSec is one of Australia's largest retail brokers allowing customers to buy and sell securities, manage their portfolio and access research and news.

Funds Management

The Group is one of Australia's largest fund managers and largest retail funds manager in terms of its total value of funds under management, managing a wide range of wholesale and retail investment, superannuation and retirement funds. Investments are across all major asset classes including Australian and International shares, property, fixed interest and cash. The Group also has funds management businesses in New Zealand, UK and Asia.

Life Insurance

The Group provides term insurance, disability insurance, annuities, master trusts and investment products.

The Group is one of Australia's largest insurers based on life insurance assets held, and is one of Australia's largest managers in retail superannuation, allocated pensions and annuities by funds under management.

Life insurance operations are also conducted in New Zealand, where the Group has the leading market share, and throughout Asia and the Pacific.

Directors

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

Recent Disclosures to ASX

The continuous disclosure obligations of Commonwealth Bank mean that Commonwealth Bank must disclose to the ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Commonwealth Bank ordinary shares (subject to certain carve-outs for particular kinds of confidential information). Copies of the information disclosed to the ASX can be viewed on the public file at the ASX for Commonwealth Bank.

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

Commonwealth Bank will provide a copy, free of charge, to Holders on request, its most recent annual report and subsequent half-yearly report the Completion Date.

Persons requiring these documents should write to:

Commonwealth Bank Regular Instalments
Commonwealth Securities Limited
Reply Paid 60768
Australia Square NSW 1214

Other Information

Since the end of the year ended 31 December 2006 no circumstance has arisen where information has become available except as disclosed in this Product Disclosure Statement or to the ASX that would materially affect an investor's decision for the purpose of making an informed assessment of the capacity of Commonwealth Bank to fulfil its obligations under the Terms.

8. Listed Entities

The Underlying Securities for the Commonwealth Bank Regular Instalments have been issued by the Listed Entities.

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

Commonwealth Bank may have commercial relationships with the Listed Entities. The Commonwealth Bank personnel who prepared this Product Disclosure Statement did not have access to any information held by Commonwealth Bank in respect of the Underlying Securities as a result of those commercial relationships. Any such information has not therefore been included in this Product Disclosure Statement.

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

9. Other Disclosures

Superannuation investments

This section of the Product Disclosure Statement contains a description of issues that may be relevant to superannuation funds wishing to invest in Commonwealth Bank Regular Instalments.

Investment in Commonwealth Bank Regular Instalments needs careful consideration by trustees prior to an investment decision being made.

APRA and the ATO issued a joint media release and guidelines on 16 December 2002 (the “**Guidelines**”) in relation to superannuation entities that invest in instalment warrants.

APRA and the ATO noted in the Guidelines that superannuation funds need to take care when investing in instalments. APRA and the ATO stated that trustees that invest or are considering investing in instalment warrants must:

- consider the appropriateness of instalment warrants in the context of the fund’s whole investment strategy and be mindful of the trustee covenants under section 52(2) of the Superannuation Industry (Supervision) Act;
- ensure that they are familiar with the risks involved in the use of such instruments prior to making such investments. APRA and the ATO noted that instalment warrants are subject to the usual risks involved in investing in securities traded on the ASX as well as specific risks;
- have in place adequate risk management procedures to manage the risks associated with such investments prior to making these investments; and
- ensure that an investment in a particular instalment warrant series does not constitute a borrowing under section 67 of the SIS Act or involve charging of an asset in breach of Superannuation Industry (Supervision) Regulation 3.14.

The APRA and ATO guidelines envisage that superannuation funds will, subject to the matters described above and the restrictions described below, still be able to invest in instalment warrants.

On 3 November 2006, the Federal Government announced it would consult on issues regarding the investment by superannuation funds in instalment warrants.

On 22 May 2007, the Government announced that it has decided to legislate to allow superannuation funds to invest in instalment warrants of a limited recourse nature over any asset a fund would be permitted to invest in directly.

In order to avoid any disruption to markets, APRA and the ATO have advised the Government that funds investing in traditional instalment warrants will not be considered to be non-complying because of their investment in those products.

Security Holder Applicants

The Guidelines stated that APRA and the ATO have formed the view that the use of existing superannuation fund shares to apply for instalment warrants amounts to a prohibited charge over fund assets pursuant to Superannuation Industry (Supervision) Regulation 3.14. Accordingly, Commonwealth Bank will not accept Security Holder Applications for superannuation entities.

Cash Applicants and secondary market purchases

The view of APRA and the ATO regarding the charging of fund assets and Superannuation Industry (Supervision) Regulation 3.14 should not be relevant to Cash Applicants nor to cash purchases of issued Commonwealth Bank Regular Instalments on the ASX in the secondary market.

Rollover Applicants

Provided a superannuation entity did not purchase its existing instalment warrant through a shareholder application, the purchase of Commonwealth Bank Regular Instalments should not be prohibited by APRA and the ATO’s views regarding the charging of fund assets and Superannuation Industry (Supervision) Regulation 3.14.

Other Issues

Commonwealth Bank Regular Instalments should be considered as derivatives, so trustees of superannuation entities will need to consider how the investment will fit in with the trustees' investment and risk management strategy and will also have to consider any reporting requirements on the Underlying Securities.

Trustees of superannuation entities also need to consider the terms of their trust deed in relation to an investment in Commonwealth Bank Regular Instalments.

Trustees of superannuation funds should seek their own advice as to whether Commonwealth Bank Regular Instalments are an appropriate and authorised investment.

Takeovers and substantial holder disclosures: Associations arising as a result of Commonwealth Bank Regular Instalment trading

The acquisition of a Commonwealth Bank Regular Instalment may have implications for Holders under the provisions of the Corporations Act dealing with disclosure by substantial holders and acquisitions relating to takeovers. The precise implications depend on the Holder's particular circumstances. The following summary explanation is intended to provide general guidance only in identifying the major issues for a potential investor. The relevant laws are complex and their application will be affected by the particular circumstances of an individual person. Potential investors should obtain their own independent advice on how these laws might affect them.

On acquiring a Commonwealth Bank Regular Instalment:

- (a) a Cash Applicant will acquire a relevant interest in the Underlying Security; and
- (b) a Security Holder Applicant and a Rollover Applicant will continue to have a relevant interest in the Underlying Security. There will be no change to the voting power of that Holder in respect of the Underlying Security at the time of acceptance of the Application.

Various provisions of Chapters 6, 6A, 6B, 6C and 6D of the Corporations Act may apply to a Holder of Commonwealth Bank Regular Instalments. Those provisions may oblige Holders to disclose their relevant interests in the Underlying Securities. Acquisitions, continuing holdings and disposals of Commonwealth Bank Regular Instalments may also be affected.

ASIC has issued class order relief so that associations between warrant issuers and holders arising solely from the issue of warrants are to be disregarded and so that the relevant interest of an issuer in underlying shares can also be disregarded (see in particular Class Orders 02/924, 02/925 and 02/926). That relief applies to Commonwealth Bank Regular Instalments. It also affects the application of Chapters 6, 6A, 6B, 6C and 6D of the Corporations Act to holders of Commonwealth Bank Regular Instalments.

Class Order 02/927 deals with the interests of trustees and applies to Commonwealth Bank Regular Instalments.

Holdings and potential investors should seek specific advice relating to their own circumstances and their liability to disclose

entitlements under the Corporations Act (or other laws and rules) and the limit on acquisitions. Holders wishing to make disclosures in relation to their holdings should note that Commonwealth Bank is obliged under the ASX Group Rules to disclose the relevant interests in the Underlying Securities held by itself and its related bodies corporate.

Foreign Acquisitions and Takeovers Act

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

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

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

Other ownership restrictions

The acquisition of Commonwealth Bank Regular Instalments may have implications for Holders under ownership restrictions contained in various statutes and constitutions. Apart from the general ownership restrictions in the takeover provisions of the Corporations Act, specific legislative and constitutional restrictions apply to certain Underlying Securities for example banks and insurance companies, media companies and others such as Telstra and Qantas. Potential investors should seek their own legal advice on these matters.

Electronic Product Disclosure Statement and applications

From the date of this Product Disclosure Statement until the close of the offer, a copy of this Product Disclosure Statement will be available on the Commonwealth Securities website: www.comsec.com.au.

Applications can also be made electronically at that website. However, the electronic application procedure can only be utilised after an investor has downloaded a copy of the Product Disclosure Statement in full. Applicants applying electronically will declare that they have received and read the Product Disclosure Statement and Financial Services Guide in full.

The Offer of Commonwealth Bank Regular Instalments is open to persons in Australia only. The electronic application procedure is only open to persons who are in Australia when they download the Product Disclosure Statement and apply electronically.

Dealing in Commonwealth Bank Regular Instalments

Commonwealth Bank reserves the right to purchase Commonwealth Bank Regular Instalments that have been issued and to re-sell them after the initial issue. Commonwealth Bank may also buy back Commonwealth Bank Regular Instalments after the initial issue and re-issue them.

Commonwealth Bank may also cancel Commonwealth Bank Regular Instalments of which it, or a subsidiary of it, is the Holder. The proceeds of the sale of the relevant Underlying Securities will be applied in the Priority Order. The Second Interest Amount and the Third Interest Amount payable on a Commonwealth Bank Regular Instalment held by Commonwealth Bank that is cancelled may be reduced if the cancellation occurs before the relevant Completion Date.

Trading of Commonwealth Bank Regular Instalments

Transfers of Commonwealth Bank Regular Instalments will be effected only through ITS through the parties' brokers or through CHESS in accordance with the Corporations Act, the ASX Market Rules, the ASTC Settlement Rules and the Trust Deed. Applicants should not trade Commonwealth Bank Regular Instalments until they have received confirmation of their holding of Commonwealth Bank Regular Instalments. Applicants should contact an accredited derivatives adviser before trading Commonwealth Bank Regular Instalments. (See the ASX Booklet, "Understanding Trading and Investment Warrants".)

Each transfer of a Commonwealth Bank Regular Instalment will represent a transfer of the beneficial interest of the Holder in the Underlying Security to the transferee, subject to the Security Interest and of the interest in the Prepayment Amount.

Timing of dividend distributions

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

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

Dividends or distributions other than ordinary cash dividends or distributions

Holders are entitled to all ordinary cash dividends declared by Listed Entities in relation to Underlying Securities.

Under the terms of the Trust Deed, if a Special Dividend is declared in relation to an Underlying Security, the Holder irrevocably offers such dividend to Commonwealth Bank to be used to reduce the Completion Payment with the balance (if any) to be paid to the Holder. If Commonwealth Bank agrees to use a Special Dividend to reduce the Completion Payment, it will nominate lower Interest Amounts for those Interest Amounts that have not yet been paid as at the date of the Special Dividend. Any reductions in those Interest Amounts will be used to reduce the Completion Payment (with the balance (if any) to be paid to the Holder).

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

Market making

The Broker for itself or on behalf of Commonwealth Bank (or a nominee on either of their behalf) intends to apply for a sufficient number of Commonwealth Bank Regular Instalments to facilitate any market making activities they may undertake in relation to the Commonwealth Bank Regular Instalments. Special arrangements apply in relation to such applications. The Broker may apply for all or any of the remaining Commonwealth Bank Regular Instalments (in its name or in the name of a nominee).

A Market Making Applicant can apply for Commonwealth Bank Regular Instalments by completing an application form and making a cash payment determined at the time the application is made.

By making an application in this manner the Market Making Applicant directs the purchase of the Underlying Security. Commonwealth Bank will effect the transfer to the Trustee or its nominee of one Underlying Security for each Commonwealth Bank Regular Instalment applied for by the Market Making Applicant. The Commonwealth Bank Regular Instalment is issued when the Underlying Security is held by the Trustee or its nominee. A Market Making Applicant may apply for Commonwealth Bank Regular Instalments at any time up to the last Business Day before the Completion Date, provided that the maximum subscription has not been reached (unless ASX has agreed to this being increased). If a Market Making Applicant completes an Application Form indicating that the Market Making Applicant applies as a "Market Making Applicant", their Application Form will apply as required to give effect to the Trust Deed provisions regarding such applications and non applicable provisions will be disregarded.

Commonwealth Bank may cancel Commonwealth Bank Regular Instalments of which it or any of its subsidiaries is the Holder – see the paragraphs headed "Dealing in Commonwealth Bank Regular Instalments" in this section 9.

Securities held on behalf of Market Making Applicants may also be lent – see the paragraph headed "Securities Lending" immediately below.

Commonwealth Bank Regular Instalments issued to Market Making Applicants are, in all other respects, the same as Commonwealth Bank Regular Instalments issued to other Applicants under this Product Disclosure Statement and form part of the same series of Commonwealth Bank Regular Instalments.

These provisions above override any other provision of this Product Disclosure Statement and apply despite any inconsistency with other provisions of this Product Disclosure Statement.

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

Securities lending

Under the Terms, the Trustee or its nominee on behalf of Holders who were Market Making Applicants may lend the Underlying Securities, including to the Broker. Underlying Securities held by all other Holders will not be lent.

Role of the Registrar

Link Market Services Limited has had no involvement in the preparation of any part of this Product Disclosure Statement and its name appears for information purposes only.

Consents

Each of the Trustee, the Broker, the Registrar and Greenwood & Freehills Pty Limited have given, and have not, before the date of lodgment of this Product Disclosure Statement with the ASX, withdrawn their consent to be named in this Product Disclosure Statement.

Code of Banking Practice

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

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing the Bank promptly when you are in financial difficulty, and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

Labour standards, environmental, social and ethical standards

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

Cooling-off Period

Cooling-off rights do not apply to an investment in Commonwealth Bank Regular Instalments.

Dispute Resolution

Should you wish to make a complaint relating to Commonwealth Bank Regular Instalments then:

- (a) Contact the adviser through whom you bought the product; or
- (b) If you bought the product directly from us or from the market: telephone Client Relations between 8:00 am to 7:00 pm Sydney time, Monday to Friday on 13 15 19 (outside Australia +61 2 8223 7014); or, write to

Client Relations,
Locked Bag 22,
Australia Square, NSW 1215.

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

The Banking and Financial Services Ombudsman
GPO Box 3
Melbourne Victoria 3001
Tel: 1300 780 808
Fax: 03 9613 7345
Web: www.bfso.org.au

Responsibility for PDS

Greenwoods & Freehills Pty Limited accepts responsibility for Section 6 of this Product Disclosure Statement but accepts responsibility for no other part.

Neither the Trustee, the Broker, the Registrar or Greenwood & Freehills Pty Limited has authorised or caused the issue of this Product Disclosure Statement.

Worked example of Commonwealth Bank Regular Instalment pricing

This description has been included to assist investors to better understand the pricing of Commonwealth Bank Regular Instalments.

Stock Code:	WOW
Instalment Code:	WOWIYH
Application Date (T₀):	20 October 2007
Completion Date* (T₂):	14 May 2010
Term:	937 days (2.57 years)
Interest Rate (iR):	8.50%
Establishment Fee:	\$0.32
Protection Fee:	\$0.90
Underlying Security Price:	\$28.90
Completion Payment for Prior Series ("IYG" Series)	\$12.00
Completion Payment:	\$21.10
Cash Application Amount:	\$10,000
Shareholder Application Amount:	730 Underlying Securities

* **Note:** these dates are fixed for Commonwealth Bank Regular Instalments irrespective of when a person applies – see Section 2.

Commonwealth Bank Regular Instalments can be broken down into the following elements:

C = Capital Amount

I = Prepaid Interest Amount, comprising the sum of the First Interest Amount or, if the Commonwealth Bank Regular Instalments were applied for after the Second Interest Date, the Second Interest Amount, and the Prepayment Amount

EF = Establishment Fee

PF = Protection Fee

FI = First Instalment

CP = Completion Payment

CB = Cash Back Amount

SP = Underlying Security Price

The information contained in the table above will be used throughout the examples and relates to a generic Commonwealth Bank Regular Instalment, rather than any particular Commonwealth Bank Regular Instalment in the current series as outlined in this Product Disclosure Statement.

The First Instalment

The First Instalment is effectively the price of a Commonwealth Bank Regular Instalment and is the same for both Cash and Security Holder Applicants. It is composed of the following elements.

$$F1 = C + I + EF + PF$$

To calculate the First Instalment the Prepaid Interest and Capital Amounts must be determined as follows;

$$\begin{aligned} C &= SP - CP \\ &= \$28.90 - \$21.10 \\ &= \$7.80 \end{aligned}$$

$$\begin{aligned} I &= (CP \times iR \times Term) \\ &= \$21.10 \times 8.50\% \times 937/365 \text{ days} \\ &= \$4.60 \end{aligned}$$

Therefore, the First Instalment then becomes:

$$\begin{aligned} FI &= C + I + EF + PF \\ &= \$7.80 + \$4.60 + \$0.32 + \$0.90 \\ &= \$13.62 \end{aligned}$$

Cash Applicants

The number of WOWIYH Commonwealth Bank Regular Instalments that can be purchased with \$10,000 is as follows.

$$\begin{aligned} \text{Instalments} &= \frac{\text{Cash Applicant Amount}}{\text{First Instalment}} \\ &= \frac{\$10,000}{\$13.62} \\ &= 734.1801... \text{ rounded down} \\ &= 734 \end{aligned}$$

Commonwealth Bank will donate all residual rounding amounts to charity. In this case the residual rounding amount works out to be \$2.45. The amount of \$2.45 is obtained by multiplying the First Instalment (\$13.62) by the portion of the Commonwealth Bank Regular Instalment that is rounded down (being 0.1801).

Security Holder Applicant and the Cash Back Amount

Applicants can also apply for Commonwealth Bank Regular Instalments by lodging shares instead of paying cash to make the First Instalment. By making a Security Holder Application, applicants will be eligible for a Cash Back Amount. The Cash Back Amount can either be used to apply for further Commonwealth Bank Regular Instalments, or alternatively, Commonwealth Bank will pay the Cash Back Amount to Applicants. The Cash Back Amount must be used by Applicants for business or investment purposes.

The Cash Back Amount is calculated as follows:

$$\begin{aligned} CB &= CP - I - EF - PF \\ &= \$21.10 - \$4.60 - \$0.32 - \$0.90 \\ &= \$15.28 \end{aligned}$$

So for an Applicant who lodges 730 WOW shares the Cash Back Amount will be the Cash Bank Amount per share (\$15.28) multiplied by the number of shares (730):

$$\begin{aligned} CB &= \$15.28 \times 730 \\ &= \$11,153.94 \end{aligned}$$

Rollover Applicant

Applicants who hold Commonwealth Bank Regular Instalments from a prior series, may use their current holding to roll into the new series. If this option is elected, there may be a Rollover Amount payable. The Rollover Amount is calculated as follows:

$$\begin{aligned} RA &= CP (\text{new series}) - CP(\text{old series}) - I - EF - PF \\ &= \$21.10 - \$12.00 - \$4.60 - \$0.32 - \$0.90 \\ &= \$3.28 \end{aligned}$$

As the Rollover Amount is positive, the Rollover Amount will be used to acquire additional Commonwealth Bank Regular Instalments. If the Rollover Amount were negative, the Rollover Applicant would be required to pay the Rollover Amount.

10. Terms of Commonwealth Bank Regular Instalments

A Trust Deed has been established for the Commonwealth Bank Regular Instalments. The terms of the Commonwealth Bank Regular Instalments are set out in the Trust Deed and are known as the "Terms". The Trust Deed and the Security Trust Deed are available free of charge by writing to Commonwealth Bank Regular Instalments, Commonwealth Bank of Australia, Reply Paid 60768, Australia Square NSW 1214. The Trust Deed is also available through the ASX.

You should refer to it if you have any queries about the exact Terms of the Commonwealth Bank Regular Instalments.

The following is only a summary of some of the material Terms which are not described elsewhere in this Product Disclosure Statement. **Potential investors should have regard to the full terms set out in the Trust Deed.** The Terms prevail over any inconsistency with this summary or any other part of the Product Disclosure Statement.

Each Holder is bound by the terms of the Trust Deed and is entitled to the benefit of the Trust Deed but is also bound by the obligations of a Holder under the Trust Deed. An Applicant becomes bound by the Trust Deed upon acceptance of the Applicant's Application by Commonwealth Bank.

Separate Trusts

A Separate Trust is established in respect of each Underlying Security for a Commonwealth Bank Regular Instalment. Share Direct Nominees Pty Limited is appointed the first Trustee of each Separate Trust. Share Direct Nominees Pty Limited has been appointed as an Authorised Representative to provide custodial services on behalf of the Broker to holders of warrants under offerings which the Broker promotes.

A Security Interest in favour of Commonwealth Bank arises by the Trustee mortgaging to Commonwealth Bank all the present and future property of the Separate Trusts to secure the due and punctual payment to Commonwealth Bank of the amounts described in the Trust Deed and the due and punctual performance by the Holder of the Holder's obligations.

The Trustee holds each Underlying Security on trust as to the beneficial interest, for the Holder and as to the Security Interest, for Commonwealth Bank. The Trustee may appoint a nominee to hold the Underlying Securities.

A security trust is established between the Trustee and Commonwealth Bank pursuant to the Security Trust Deed. This provides that the Trustee holds the Security Interest on trust for Commonwealth Bank.

The Security Interest takes priority over all other Encumbrances (subject to the extent determined by law). The Security Interest operates as a mortgage over all present and future Underlying Securities and Accretions the subject of the Separate Trusts.

Prepayment Trusts

A Prepayment Trust is established pursuant to which the Trustee holds each Prepayment Amount on trust for a Holder in accordance with the terms of the Trust Deed.

The Trustee is obliged to deposit the Prepayment Amount in a non-interest bearing account with Commonwealth Bank. It is a

fundamental term of that account that amounts shall not be withdrawn by the Trustee and shall not be capable of being withdrawn by the Trustee unless such amount is being withdrawn:

- to pay the Second Interest Amount and/or Third Interest Amount;
- to be used to pay the Completion Payment in accordance with the terms of the Trust Deed;
- with Commonwealth Bank's prior written consent; or
- after the Prepayment Trust has terminated.

Holders irrevocably direct the Trustee to pay to Commonwealth Bank the Second Interest Amount and the Third Interest Amount from the Prepayment Amount on the day those amounts fall due.

Trusts

The Trustee and the Registrar must keep separate, and not pool, the interests or the property of the Separate Trusts, the Prepayment Trusts, Prepayment Amounts, Commonwealth Bank Regular Instalments and the Underlying Security, but each may administer the Separate Trusts and the Prepayment Trusts so that:

- aggregation of a Holder's interests and payments may occur;
- all Underlying Securities are registered in the name of the Trustee (or a nominee permitted under the Trust Deed) using the same HIN;
- the Prepayment Amounts and any money received by the Trustee in respect of the Separate Trusts may be deposited in the same bank account; and
- accounting, taxation and other records or returns may be prepared on a consolidated basis in accordance with the Trust Deed.

Each Accretion forms part of the relevant Underlying Security and is subject to the relevant Separate Trust, including the Security Interest.

The Trustee must not dispose of the Underlying Security for the duration of a Separate Trust except the Trustee may hold uncertificated shares in the name of a custodian (or have similar arrangements) and the Trustee may lend the Underlying Security of a Market Making Applicant in accordance with the Trust Deed.

Creation of Commonwealth Bank Regular Instalments

An Applicant takes title to a Commonwealth Bank Regular Instalment when, following the registration of transfer of the legal interest in an Underlying Security to the Trustee, the Applicant is registered in the Register as Holder of the Commonwealth Bank Regular Instalment.

Liability of Holders, including any indemnity to Trustee

Subject to the Trust Deed, a Holder does not indemnify the Trustee or any creditor of the Trustee in respect of any liabilities of the Trustee arising from any of the Separate Trusts or the Prepayment Trusts or the exercise of the Trustee's rights under the Trust Deed or the discharge of the Trustee's duties under the Trust Deed.

Holder not to Encumber the Underlying Security or Prepayment Amount

No Encumbrance may be created, arise or continue to exist over an Underlying Security or the Prepayment Amount which could have the effect that any person acquires any right to or in respect of any Underlying Security or Prepayment Amount (as the case may be). No person may acquire any right which could affect, or make conditional:

- the Security Interest or the manner of exercise of, or other dealings in relation to, that Security Interest, unless the Security Interest in that Underlying Security has been fully discharged in accordance with the Trust Deed; or
- the direction of the Holder to have the Prepayment Amount used to pay the Second and Third Interest Amounts.

Loan terms

Each Commonwealth Bank Regular Instalment confers on the Holder the Loan.

The terms of the Loan are contained in the Trust Deed.

The First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount, is due and payable in advance on the date on which Commonwealth Bank accepts an Application. If you apply on or before the Second Interest Date, the Second Interest Amount is payable in advance on the earlier of the Second Interest Date and the Completion Date. While in any case, the Third Interest Amount is payable in advance on the earlier of the Third Interest Date and the Completion Date.

The Completion Payment is payable no later than the Completion Date.

The Holder's liability to Commonwealth Bank for payment of the Completion Payment is limited to the total amount which Commonwealth Bank receives for selling the Underlying Security as directed, by applying the proceeds payable to a Holder in the event a Request for Purchase Notice is given and the Underlying Security is purchased by Commonwealth Bank for at least the Loan Amount or by exercising a power of sale or otherwise (but excluding all dividends paid to the Holder before the Completion Date).

Commonwealth Bank irrevocably undertakes not to take any action or commence any proceedings against the Holder in relation to recovering the Loan Amount other than by selling the Underlying Security or by applying the proceeds payable to a Holder in the event a Request for Purchase Notice is given and the Underlying Security is purchased by Commonwealth Bank for at least the Loan Amount.

Transfer of Commonwealth Bank Regular Instalments

Commonwealth Bank Regular Instalments are transferable in accordance with the requirements of the Terms, the ASX Market Rules and the ASTC Settlement Rules.

Any Holder of a Commonwealth Bank Regular Instalment from time to time takes any rights received on acquisition of a Commonwealth Bank Regular Instalment irrevocably and indivisibly together with any obligations contained in or arising by virtue of the Trust Deed. A transferee Holder takes on the obligations of the original Holder under the Loan.

Title to a Commonwealth Bank Regular Instalment will pass to a new Holder on registration of a transfer of the Commonwealth Bank Regular Instalment in the Register.

Treatment of dividends and distributions

The Trustee must pay ordinary cash dividends and distributions directly to the Eligible Holder as soon as possible after receipt of such dividends from the Listed Entity. The Trustee must do all that it reasonably can to ensure that any franking credit or other tax benefit is conferred on the Eligible Holder to the extent permitted by the Tax Act. The Trustee receives dividends and distributions in respect of the Underlying Security as trustee and not in its personal capacity.

The payment of any dividend to an Eligible Holder is at that Eligible Holder's risk.

If the Trustee is prevented from making such a payment, the Trustee will hold the dividend or distribution as a bare trustee for the Eligible Holder and must take all reasonable steps to transfer the dividend to that Eligible Holder.

Subject to the ASTC Settlement Rules, if a transfer of a Commonwealth Bank Regular Instalment is registered after the Record Time of a dividend or distribution declared in respect of an Underlying Security but before the dividend is paid, then the Eligible Holder remains entitled to the cash dividend or distribution and the Transferee will have no entitlement to the cash dividend or distribution.

Commonwealth Bank and the Trustee have no obligation to accept or to participate in any distribution reinvestment plan on behalf of any Holder.

Under the terms of the Trust Deed, if a Special Dividend is declared in relation to an Underlying Security, the Holder irrevocably offers such dividend or distribution to Commonwealth Bank to be used to reduce the Completion Payment with the balance (if any) to be paid to the Holder. If Commonwealth Bank agrees to use a Special Dividend to reduce the Completion Payment, it will nominate lower Interest Amounts for those Interest Amounts that have not yet been paid as at the date of the Special Dividend. Any reductions in those Interest Amounts will be used to reduce the Completion Payment (with the balance (if any) to be paid to the Holder).

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

Voting

The Holder does not, by acquiring a Commonwealth Bank Regular Instalment, acquire the voting rights attached to the Underlying Security.

The Holder may however request the Trustee to vote on any resolution proposed to security holders of the Underlying Security. Voting forms can be obtained by contacting the Registrar, whose contact details are set out in the inside back cover of this Product Disclosure Statement.

A Holder may inspect and copy notices of meetings and any accompanying material reasonably available for the purposes of considering the resolution.

The Holder may only request the Trustee to vote by properly completing the voting form obtained from the Trustee and providing any other evidence satisfactory to the Trustee of the Holder's authorisation to make the direction. Holders must contact the Trustee to obtain a voting form. The voting form and accompanying documents must be received by the Registrar no later than 5 Business Days before the time for lodgment with the relevant Listed Entity of voting or proxy forms in respect of the resolution.

A Holder has no right to attend or to speak at the relevant meeting.

Suspension, Discontinuance or Modification of the Underlying Security or Commonwealth Bank Regular Instalment

As outlined below under the heading "Corporate Actions" if there are changes to the Underlying Security (including cancellation of the Underlying Security) then adjustments may be made under the Terms. As outlined in section 5 above under the heading "Early Completion Date (including delisting of the Underlying Security)", if an Underlying Security or Commonwealth Bank Regular Instalment is suspended from trading, where in the case of a Commonwealth Bank Regular Instalment such suspension is not caused by Commonwealth Bank, Commonwealth Bank may (with the consent of ASX) nominate an Early Completion Date for the relevant Commonwealth Bank Regular Instalment.

Corporate Actions

The Terms provide for adjustments to some or all of:

- the property the subject of the Trust (the "Underlying Security");
- the number of Commonwealth Bank Regular Instalments on issue; or
- the amount of the Completion Payment; and
- the Prepayment Amount,

in the case of corporate actions, such as Accretions, Entitlements Offers, reconstructions, Bonus Issues, Buy-Backs, Schemes and returns of capital. In addition, this kind of adjustment may be made when a takeover bid or compulsory acquisition consequent to a takeover bid occurs. The Trust Deed sets out how such adjustments will be made.

Some of these events may also lead to an Early Completion Date (see section 5 above). They can also lead to cash and non-cash distributions from Listed Entities in respect of the Underlying Securities being applied in the Priority Order (including being applied to reduce the Completion Payment).

Commonwealth Bank has a discretion to vary these provisions, with the consent of the ASX if they are not appropriate in particular circumstances. Any variation will be designed to preserve as far as possible the rights of Holders.

The Trustee is generally prohibited from accepting any offer made in connection with an event of the type referred to above.

Disposal Events

In some cases, effectively outside the control of the Trustee, the Trustee may be obliged to dispose of some or all of the Underlying Securities. In such a case, the Trustee must take all reasonable steps to determine which Underlying Security will

be sold. This may result in the expiry of Commonwealth Bank Regular Instalments and Commonwealth Bank in its absolute and unfettered discretion may reduce the Second Interest Amount and Third Interest Amount.

Completion

Commonwealth Bank Regular Instalments may be exercised by a Holder at any time (but without adjustment of the Second Interest Amount and the Third Interest Amount).

The Holder may exercise the Commonwealth Bank Regular Instalment by giving to Commonwealth Bank at any time prior to 6.00pm (Sydney time) on the Completion Date a valid Completion Notice and a direct debit form to pay the total Completion Payment plus any applicable Transfer Taxes for all of the Commonwealth Bank Regular Instalments covered by the Completion Notice.

A Completion Notice given to Commonwealth Bank cannot be revoked.

A Completion Notice is valid if and only if it is given by the Holder, or a person who claims to be entitled to be registered as the Holder, to Commonwealth Bank on or before the Completion Date. (If given by a person who claims to be entitled to be registered as the Holder, that person must be registered as the Holder no more than 7 Business Days after the Completion Notice is given or the Completion Notice will cease to be valid.)

If more than one Completion Notice is given in respect of a Commonwealth Bank Regular Instalment, the valid Completion Notice will be the Completion Notice which Commonwealth Bank knows or reasonably believes was given by the last of those persons who became entitled to be the Holder of that Commonwealth Bank Regular Instalment before 6.00pm on the date the first Completion Notice was given.

If the number of Commonwealth Bank Regular Instalments included in the Completion Notice exceeds the number of Commonwealth Bank Regular Instalments held by the Holder, the Completion Notice is valid only to the extent of the number of Commonwealth Bank Regular Instalments held by the Holder.

If the Holder properly completes a Commonwealth Bank Regular Instalment, Commonwealth Bank will do all acts required of it to transfer to the Holder the entire legal and beneficial interest in the Underlying Security on the Settlement Date.

At Completion, the Holder may instead request to receive a cash settlement by giving Commonwealth Bank a valid Request for Purchase Notice requiring Commonwealth Bank to purchase the Underlying Security for the greater of its Volume Weighted Settlement Price and the Loan Amount. If the purchase price for the Underlying Security is the Volume Weighted Settlement Price, the Completion Payment (and the Second Interest Amount and Third Interest Amount, to the extent those amounts remain due and payable but unpaid) will be deducted from the Volume Weighted Settlement Price and the Holder will receive an amount equal to 95% of the residue funds, less brokerage. If the purchase price is the Loan Amount, then such amount will be used to discharge the Loan.

If the Holder does not properly complete a Commonwealth

Bank Regular Instalment and does not give a valid Request For Purchase Notice, then Commonwealth Bank will exercise its powers under the Security Interest to sell the Underlying Security. The net proceeds of sale, after deduction of the Completion Payment and costs of sale, and after payment of the Second Interest Amount and Third Interest Amount (to the extent those amounts remain due and payable but unpaid) will be paid to the Holder (less 10%). The payment will be at least equal to the Assessed Value Payment, if the Commonwealth Bank Regular Instalment has an intrinsic value equal to or greater than 5% of the Completion Payment.

If Commonwealth Bank nominates an Early Completion Date, Commonwealth Bank in its absolute and unfettered discretion may nominate a lesser Second Interest Amount or Third Interest Amount, having regard to the prevailing interest rates among other matters and the Early Completion Date.

Liquidated Damages Amount

If Commonwealth Bank does not on the Settlement Date for each parcel of Commonwealth Bank Regular Instalments validly exercised complete, deliver, or cause to be delivered to the Holder, the Underlying Security, Commonwealth Bank must pay the Holder a liquidated damages amount as required by Rule 10.12.1 of the ASX Market Rules as amended or substituted from time to time.

Transfer Taxes

Holders must pay all Transfer Taxes and other charges and any taxes payable by the Trustee in connection with the ownership, transfer and exercise of their Commonwealth Bank Regular Instalments. If a Holder fails to pay any Transfer Taxes within the required period, then Commonwealth Bank must pay the amount of the Transfer Taxes on behalf of the Trustee and the Holder. That amount and any related costs or expenses, including reasonable interest, is recoverable by Commonwealth Bank from the person who is registered as the Holder as a debt due.

The Holder will be responsible for paying all stamp and like duties assessed in respect of the Separate Trusts or the Underlying Security to which the Commonwealth Bank Regular Instalments of that Holder relate.

Prior to the Completion Date, Holders will be sent a notice setting out the amount of Transfer Taxes payable by a Holder on the exercise of a Commonwealth Bank Regular Instalment. If Holders wish to exercise the Commonwealth Bank Regular Instalments early, they should contact the Broker to find out the amount of applicable Transfer Taxes (no earlier than 5 Business Days before the date on which the Holder delivers the Completion Notice).

Register

Commonwealth Bank will maintain a register of Commonwealth Bank Regular Instalments in accordance with the ASX Market Rules and the ASTC Settlement Rules. The property in the Commonwealth Bank Regular Instalments is situated at the place where the register is located (New South Wales).

Except as otherwise provided in the Terms, Commonwealth Bank must recognise the registered Holder from time to time as the absolute owner of the Commonwealth Bank Regular Instalment.

No fee may be charged for the registration of a transfer of a Commonwealth Bank Regular Instalment.

Impact of ASX Group Rules

All provisions of the Trust Deed are subject to any contrary requirement from time to time of the ASX Market Rules or, when applicable, the ASTC Settlement Rules without the need for amending the Trust Deed unless in respect of the contrary requirement the ASX or, if appropriate, the ASTC gives or has given a waiver or consent in respect of the Commonwealth Bank Regular Instalments of any of those rules.

Amendments To Trust Deed

Commonwealth Bank and the Trustee may together amend the Trust Deed if the amendment is approved by the ASX and one or more of the following applies:

- in the reasonable opinion of Commonwealth Bank and the Trustee the amendment is necessary or desirable to provide for the consequences of any corporate action taken or to be taken by a Listed Entity in respect of the Underlying Security and which, in the reasonable opinion of the Trustee and Commonwealth Bank, is not materially prejudicial to the rights of Holders;
- the terms of the amendment are authorised by a resolution of the Holders passed in accordance with the Trust Deed;
- the terms of the amendment are necessary or desirable in the reasonable opinion of the Trustee and Commonwealth Bank to comply with any statutory or other requirement of law (including as modified or applied in any respect of the Commonwealth Bank Regular Instalments) or any requirement of the ASX or, if the terms are not materially prejudicial to the rights of Holders, to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of the Trust Deed; or
- the amendment is otherwise permitted by the ASX Market Rules from time to time, including without limitation because an Extraordinary Event (as defined in the Trust Deed) has occurred.

The Completion Date may not be amended under this provision.

If requested by the ASX, notice of the proposed amendment or the fact of the amendment will be given generally or also specifically to Holders.

If the proposed amendment is to be voted on by Holders, Holders may return ballot papers to Commonwealth Bank by no later than 20 Business Days after the date of the ballot paper. Each Holder is entitled to one vote for each Commonwealth Bank Regular Instalment held. A resolution is duly passed if 75% or more of the votes cast are in favour of the amendment. Commonwealth Bank or its associates must not vote unless they are voting as trustee or nominee for a person who is not an associate.

An amendment must be notified to the ASX.

Further Issue of Commonwealth Bank Regular Instalments

Commonwealth Bank may issue further Commonwealth Bank Regular Instalments in the same series which are referred to in this Product Disclosure Statement in respect of the Underlying Securities, without further notice to or the consent of Holders,

subject to making a further application to the ASX, on the basis that any new Commonwealth Bank Regular Instalments will be issued on terms identical to those applying to existing Commonwealth Bank Regular Instalments over the Underlying Securities, and will trade on the same basis under the same ASX codes as existing Commonwealth Bank Regular Instalments over the Underlying Securities. Accordingly, if Commonwealth Bank closes the Offer Period for the Commonwealth Bank Regular Instalments early, it may later issue further Commonwealth Bank Regular Instalments in the same series which are referred to in this Product Disclosure Statement (even after trading in the Commonwealth Bank Regular Instalments has commenced).

Commonwealth Bank may also, in its absolute and unfettered discretion, issue other warrants or other instruments over or in relation to the Underlying Securities without the consent of Holders.

Obligation of Holders to Provide Information

A Holder must provide such information as Commonwealth Bank or the Trustee may request as required or permitted by law, and, on request by the Registrar, provide the Registrar with details of any holding it has of Shares relating to its Application.

A Holder acting as trustee of a trust is requested to provide to the Trustee the names and tax file numbers of the ultimate beneficiary (as defined in Division 6D of Part III of the Tax Act) of income from the Commonwealth Bank Regular Instalments.

Apart from the tax consequences of such failure to make a disclosure as noted in the Greenwood & Freehills Pty Limited tax summary in Section 6, the Trustee (and its directors) are entitled under the Trust Deed to recover personally against a Holder any tax paid on the income of the Underlying Security for a Commonwealth Bank Regular Instalment held by that Holder. The tax may be withheld from distributions by the Trustee to the Holder.

11. Personal Information and Privacy

Collection of personal information

Commonwealth Bank collects personal information (including full name, address and contact details, as well as credit information) so that Commonwealth Bank may administer its client relationships and provide clients with the products and services they request as well as information on the Commonwealth Bank Group's ('the Group') products and services.

Where it is necessary to do so, Commonwealth Bank also collects information on individuals such as company directors and officers (where the company is Commonwealth Bank's client), as well as clients' agents and persons dealing with Commonwealth Bank on a "one-off" basis.

The law can also require Commonwealth Bank to collect personal information, eg, Commonwealth legislation requires Commonwealth Bank to identify persons who open or operate accounts.

You need to provide us with accurate and relevant information.

If an investor provides Commonwealth Bank with incomplete or inaccurate information, Commonwealth Bank may not be able to provide the investor with the products or services the investor is seeking.

Disclosure and use of personal information

Commonwealth Bank is permitted by the Privacy Act 1988 as amended by the Privacy Amendment (Private Sector) Act 2000 ("the Act") to disclose personal information to other members of the Group. This enables the Group to have an integrated view of its clients.

Personal information may be disclosed to:

- brokers and agents who refer business to Commonwealth Bank;

- any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney;
- organisations to whom we outsource certain functions.

In all circumstances where Commonwealth Bank's contractors, agents and outsourced service providers may become aware of personal information, confidentiality arrangements apply. Personal information may only be used by Commonwealth Bank's agents, contractors and outsourced service providers for Commonwealth Bank's purposes.

Commonwealth Bank may also disclose personal information to other financial institutions and organisations at their request if an investor seeks credit from them.

Commonwealth Bank may be allowed or obliged to disclose information by law, eg, under Court Orders or Statutory Notices pursuant to taxation or social security laws.

Commonwealth Bank will also use the personal information of Applicants and Holders to:

- assess and process Applications;
- do all things necessary to give effect to the directions in Applications and in the Trust Deed; and
- to administer all transactions and dealings in relation to Commonwealth Bank Regular Instalments.

Access

A person may (subject to permitted exceptions) access personal information by contacting: Customer Relations, Commonwealth Bank Group, Reply Paid 41, Sydney NSW 2001. Commonwealth Bank may charge the person for providing access.

12. Interpretation: Glossary

Many of these definitions are from the Trust Deed. You should read the Trust Deed in full to understand all of the Terms.

Accepted Applicant means any Applicant whose Application is accepted by Commonwealth Bank and, if there is more than one Applicant on an Application Form, Accepted Applicant means each of them individually, and every two or more of them jointly.

Accretion means any right, accretion, dividend, security benefit, distribution, entitlement or right to participate in or to own any property of any kind, Bonus Issue, Entitlements Offer, Replacement Underlying Security, benefit or right of any kind which is issued, declared, paid, made, arises or accrues directly to or in respect of an Underlying Security, but does not include:

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

Applicant means a person or persons making an Application.

Application means an offer by a person to Commonwealth Bank to subscribe for Commonwealth Bank Regular Instalments, being an offer on terms referred to in an Application Form or otherwise in accordance with the Trust Deed.

Application Form means a form so entitled which is part of the Product Disclosure Statement, upon which an Application must be made.

APRA means the Australian Prudential Regulation Authority

ASIC means Australian Securities and Investments Commission.

Assessed Value Payment means an amount calculated in accordance with the following formula:

$$AVP = (V - E) - \text{reasonable costs}$$

Where: AVP is assessed value payment;

V = the arithmetic average of the daily volume weighted average prices of the Underlying Security on the 5 Trading Days following the expiry date excluding special, late and overseas sales; and

E = the exercise price of the Regular Instalment.

Reasonable costs are estimated to be 10% of (V - E).

ASTC means the ASX Settlement and Transfer Corporation Pty Ltd.

ASTC Settlement Rules has the meaning ascribed to that term in the ASX Group Rules.

ASX means Australian Securities Exchange Limited ABN 98 008 624 691 or the stock market conducted by Australian Securities Exchange Limited, as required by the context.

ASX Market Rules means the market rules of the ASX.

ASX Group Rules means the ASX Market Rules, ACH Clearing Rules and the ASTC Settlement Rules.

ASX Listing Rules means the official listing rules of the ASX.

ATO means the Australian Taxation Office.

Beneficial Interest means the beneficial interest which a Holder has in a specified Underlying Security, which is subject to the Security Interest (if any).

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

Broker means Commonwealth Securities Limited (ABN 60 067 254 399).

Business Day means a Trading Day on which Banks are open for business in Sydney and Melbourne.

Buy-Back Offer means an offer by a Listed Entity to buy-back some or all of the Underlying Securities pursuant to the Corporations Act.

Capital Amount means the capital component of the First Instalment paid by an Applicant as notified by Commonwealth Bank.

Cash Applicant means an Applicant who lodges a Cash Application.

Cash Application means an Application for Commonwealth Bank Regular Instalments made in accordance with the Cash Application Form.

Cash Application Form means the Application Form so entitled in the Product Disclosure Statement.

Cash Back Amount means in the case of a Security Holder Application, the Second Capital Amount less the First Interest Amount (or if the Application was after the Second Interest Date, the Second Interest Amount), the Protection Fee, the Establishment Fee and the Prepayment Amount, being part of the Loan advanced to a Security Holder Applicant by Commonwealth Bank.

CHES means the Clearing House Electronic Subregister System operated in accordance with the ASTC Settlement Rules.

Closing Date means the date so designated in the Product Disclosure Statement.

Commencement Date means in relation to a Separate Trust, the date on which the Accepted Applicant's name is added to the Register as a Holder pursuant to clause 3.4 of the Trust Deed.

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

Commonwealth Bank Regular Instalment means an instalment warrant issued by Commonwealth Bank on the terms of the Trust Deed following receipt of an Application.

Completion Date means the completion date shown in the "Important Dates" table in Section 2 of the Product Disclosure Statement or any other date as substituted in accordance with the Trust Deed or the Product Disclosure Statement.

Completion Notice means a notice in the form approved by the Trustee and attached to this Product Disclosure Statement, (or in the form subsequently approved by the Trustee and made available by Commonwealth Bank) which indicate it is to take effect as a Completion Notice (by the means required in the form).

Completion Payment means the amount payable (apart from any Transfer Taxes) by a Holder, per Commonwealth Bank Regular Instalment, on delivery of a Completion Notice in accordance with the Trust Deed (which is the amount outstanding under the Loan when the Completion Payment is due), being the amount specified for this purpose in the Product Disclosure Statement as adjusted in accordance with the Trust Deed.

Corporations Act means the Corporations Act 2001 (Commonwealth)

Corporations Regulations means the regulations made under Corporations Act .

Disposal Event means, if as a result of the application of:

- (a) any law of the Commonwealth of Australia or of any State or Territory of it, whether or not such law exists at the date of the Trust Deed; or
- (b) any ordinance, rule, regulation or by-law made pursuant to them; or
- (c) any decree, order or judgment of any competent court, the Trustee is obliged to dispose of any Underlying Security but excluding compulsory acquisitions following a Takeover Bid, disposals under a Scheme and disposals under a reduction of capital.

Early Completion Date means a date not earlier than 10 Business Days after Commonwealth Bank has sent a notice under clause 48 of the Trust Deed to Holders who are on the Register at 5:00pm on the 5th Business Day prior to and inclusive of the date on which the notice is sent.

Eligible Holder means the Holder on the Register at the time of declaration of a distribution by a Listed Entity.

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

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

Establishment Fee means the fee imposed by Commonwealth Bank from time to time in respect of, among other things, offering, creating and administering the Loan and placement fees and ongoing fees to participating organisations of the ASX and other licensed entities approved by Commonwealth Bank.

Example Pricing Table means the table so entitled in Section 3 of the Product Disclosure Statement.

Excepted Duties means all stamp duties and similar duties or taxes which may be assessed by any revenue authority of Australia or of any State or Territory of Australia upon:

- (a) the transfer of an Underlying Security to the Trustee;
- (b) the appropriation of Underlying Securities;
- (c) the constitution of a Separate Trust; or
- (d) the execution of the Trust Deed.

First Instalment means the amount payable by Applicants on Applications made or processed on a particular day as notified by Commonwealth Bank.

First Interest Amount means an amount determined by Commonwealth Bank to be the first interest amount for Applications made or processed on a particular day, being the interest payable in advance on the Loan Amount for the First Interest Period, the liability for which only arises at the time the Loan is made.

First Interest Period means in respect of each series of Commonwealth Bank Regular Instalments the subject of an Accepted Application, the period from and including the date when the Applicant is entered on the Register for those Commonwealth Bank Regular Instalments to and including the day before commencement of the Second Interest Period.

HIN has the same meaning as given in the ASTC Settlement Rules.

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

Interest Amount means the sum of the First Interest Amount, the Second Interest Amount and the Third Interest Amount.

Listed Entity means for each series of Commonwealth Bank Regular Instalments the corresponding Listed Entity referred to in the Summary Table of Commonwealth Bank Regular Instalments.

Loan means the financial accommodation in respect of a Commonwealth Bank Regular Instalment on terms arising under the Trust Deed provided by Commonwealth Bank to or for the benefit of a Holder from time to time.

Loan Amount means the amount outstanding from time to time under the Loan, as provided by the Trust Deed.

Market Making Applicant means an applicant for Commonwealth Bank Regular Instalments referred to under the "Market Making" heading in section 9 of this Product Disclosure Statement.

Offer means the invitation to be made by Commonwealth Bank to persons to make an Application.

Offer Closing Date means 1 May 2009.

Offer Period means the date from and including the date of the Product Disclosure Statement until the Offer is closed.

Prepayment Amount means:

- (a) if the application for Commonwealth Bank Regular Instalments was made on or before the Second Interest Date, the sum of the Second Interest Amount and the Third Interest Amount; or
- (b) if the application for Commonwealth Bank Regular Instalments was made after the Second Interest Date, the Third Interest Amount.

Prepayment Trust means a trust in relation to Prepayment Amounts, with one for each Prepayment Amount, constituted under the Trust Deed.

Prior Series Final Payment means the completion payment for a Prior Series Instalment.

Prior Series Instalment means an instalment warrant issued by Commonwealth Bank under an Product Disclosure Statement or other document other than the Product Disclosure Statement.

Priority Order means the payment of the proceeds of a sale or disposal of an Underlying Security or of a surplus or other amount by the Trustee (or as otherwise directed under the Trust Deed) in the following order:

- (a) first, in payment or reimbursement of all costs, charges, liabilities and expenses of the Trustee which have been incurred in or are incidental to the exercise or performance of a power or duty, or an attempt to exercise or perform, in respect of the Underlying Security or any other amount payable to the Trustee in accordance with the Trust Deed;
- (b) second, in payment or reimbursement of all fees, costs, charges, liabilities and expenses incurred in or about the sale, transfer or other disposal of a Underlying Security (including in payment or reimbursement of all of the Transfer Taxes owed, paid or which become, or are likely to become, owing by the Holder relating to the Underlying Security);
- (c) third, in payment to Commonwealth Bank of the Completion Payment in respect of the Underlying Security sold, disposed of, cancelled or extinguished or otherwise concerned and, if the amount available is insufficient to prepay the Completion Payment in respect of all such Underlying Securities, the apportionment of the amount available equally among those Underlying Securities;
- (d) fourth, in payment to Commonwealth Bank of that part of the Second Interest Amount or the Third Interest Amount that is due and payable but has not been paid.
- (e) fifth, any balance of the said proceeds or surplus will be paid to the relevant Holder.

Product Disclosure Statement means this document pursuant to which Commonwealth Bank makes the Offer.

Protection Fee means the cost attributable to the right to sell the Underlying Security to Commonwealth Bank upon the delivery to Commonwealth Bank of a properly completed Request for Purchase Notice in accordance with the Trust Deed and the Loan being non-recourse in nature.

Record Time means the date and time as at which any right is conferred or obligation is imposed by the holding of Commonwealth Bank Regular Instalments or the holding of the Underlying Security, as the case may be, including, without limitation, of the right to receive distributions or other security benefits, as determined and, for the purposes of the ASTC Settlement Rules, has the same meaning as “record date”.

Register means the register maintained under clause 27.1 of the Trust Deed.

Registrar means the registrar of the Register.

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

Request for Purchase Notice means a notice in the form with that title (or a substantially similar title) approved by the Trustee and attached to the Product Disclosure Statement (or in the form subsequently approved by the Trustee and made available by Commonwealth Bank), other than a Completion Notice.

Rollover Amount means in the case of a Rollover Application, the Second Capital Amount less the sum of:

- (a) the Prior Series Final Payment;
- (b) the First Interest Amount (or if the Application was after the Second Interest Date, the Second Interest Amount);
- (c) the Establishment Fee;
- (d) the Protection Fee; and
- (e) the Prepayment Amount,

and in relation to a Rollover Application where the Second Capital Amount is greater than the sum of the amounts in (a) to (e), the Rollover Amount is part of the Loan advanced to a Rollover Applicant by Commonwealth Bank.

Rollover Applicant means a person who lodges a Rollover Application.

Rollover Application means an application made in accordance with the Rollover Application Form.

Rollover Application Form means the form so entitled in the Product Disclosure Statement.

Scheme means any arrangement, compromise, merger or reconstruction of Underlying Security which falls within Part 5.1 of the Corporations Act and which, if implemented in those terms, would result in an Accretion or in the reconstruction, cancellation, replacement or modification (not being a modification within the meaning of clauses 14.1 to 14.3 of the Trust Deed inclusive) of the Underlying Security.

Scheme Outcome means any Accretion, Security or other property or right conferred in addition to, or in replacement of, a Underlying Security pursuant to a Scheme.

Second Capital Amount means the Completion Payment.

Second Interest Amount means:

- (a) for each series of Commonwealth Bank Regular Instalments applied for on or before the Second Interest Date the interest payable in advance on the Loan Amount for the Second Interest Period as set out in the Example Pricing Table; or
- (b) if the application for Commonwealth Bank Regular Instalments is made after the Second Interest Date, an amount determined by Commonwealth Bank to be the interest amount for Applications made or processed on a particular day, being the interest payable in advance on the Loan Amount for the Second Interest Period, the liability for which only arises at the time the Loan is made.

Second Interest Date means, in respect of a series of Commonwealth Bank Regular Instalments, the earlier of:

- (a) the Completion Date; and
- (b) the first day of the Second Interest Period for that series.

Second Interest Period means the period from and including 15 May 2008 (or if applied for after this date then including the date the loan is made) to and including the day before the commencement of the Third Interest Period.

Security means one security issued by a Listed Entity.

Security Holder Applicant means an Applicant who lodges a Security Holder Application.

Security holders means persons for the time being registered in a Listed Entity's register as the holder of an Underlying Security.

Security Interest means the security which Commonwealth Bank has by virtue of clause 4.2 of the Trust Deed in the property of the Separate Trusts.

Security Holder Application means an Application for Commonwealth Bank Regular Instalments by an Applicant who holds or can cause delivery of the Underlying Securities in respect of the Commonwealth Bank Regular Instalments applied for.

Security Trust Deed means the deed so entitled between the Trustee and the Issuer.

Separate Trust means each of the Separate Trusts, one for each Underlying Security, constituted under the Trust Deed.

Settlement Date means the 20th Business Day after the Completion Date.

Special Dividend means a dividend or distribution:

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

Summary Table of Commonwealth Bank Regular Instalments means the table appearing in Section 2 of the Product Disclosure Statement under that name.

Takeover Bid means:

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

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

Tax Act means the Income Tax Assessment Acts of 1936 and 1997 (Commonwealth) as amended from time to time or any legislation enacted in substitution therefor.

Tax Event means any change to or affecting Tax or the Tax Act with the effect that trustees are or will be taxed in a manner similar to corporations or that trust distributions are taxed in a manner similar to corporate distributions or franking credits cannot be accessed by beneficiaries of a trust or any other change which has a material financial effect on the issue, holding, reconstruction, cancellation, expiry or completion of Commonwealth Bank Regular Instalments or dealing in Underlying Security contemplated by the Trust Deed.

Terms means the terms of Commonwealth Bank Regular Instalments as set out in the Trust Deed.

Third Interest Amount means for each series of Commonwealth Bank Regular Instalments the interest payable in advance on the Loan Amount for the Third Interest Period as set out in the Example Pricing Table.

Third Interest Date means, in respect of a series of Commonwealth Bank Regular Instalments the earlier of:

- (a) the Completion Date; and
- (b) the first day of the Third Interest Period for that series.

Third Interest Period means the period from and including 15 May 2009 (or if applied for after this date then including the date the loan is made) to and including the Completion Date.

Trading Day has the meaning given in or pursuant to the ASTC Settlement Rules.

Transfer Tax means all income tax, capital gains tax, withholding tax, stamp, financial institutions, registration and other duties, bank accounts debits tax and other related taxes, levies, imposts, deductions, interest, penalties and charges (excluding Excepted Duties) payable by any person on, or additional amount levied on Commonwealth Bank, the Trustee or their respective nominees as a consequence of, or in connection with, the completion of the Commonwealth Bank Regular Instalments and subsequent transfer or delivery of securities.

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

Transferor means a Holder who transfers a Commonwealth Bank Regular Instalment in accordance with the Trust Deed.

Trust Deed means the deed so entitled dated on or about the date of the Product Disclosure Statement in relation to Commonwealth Bank Regular Instalments and as amended from time to time.

Trustee means the trustee for the time being of the Separate Trusts and the Prepayment Trusts, appointed as such by the Trust Deed, and includes any subsequent Trustee or nominee, custodian, delegate or agent of the Trustee, as the context requires.

Underlying Security means an ordinary fully paid share in the capital of a Listed Entity.

Volume Weighted Settlement Price means, unless the context requires otherwise, the volume weighted settlement price of the Underlying Security on the Trading Day following the Completion Date (excluding special crossings, option exercises, overseas sales and block trades).

13. How to apply

Read the Product Disclosure Statement

Before you apply for Commonwealth Bank Regular Instalments, you should read this Product Disclosure Statement in its entirety.

Consult your financial and taxation advisers

Commonwealth Bank recommends that you discuss with your financial and taxation advisers whether or not an investment in Commonwealth Bank Regular Instalments is suitable to your individual circumstances.

How to apply - Cash Applicants

Cash Applicants should send a completed Cash Application Form together with their application moneys to:

Commonwealth Bank Regular Instalments
Commonwealth Securities Limited
Reply Paid 60768
Australia Square NSW 1214

Alternatively, applications can be lodged through the Applicant's broker.

The First Instalment will vary each day.

Cheques should be made payable to Commonwealth Bank of Australia.

Cash Applicants can also pay by Direct Debit Request (see the form in this Product Disclosure Statement).

Security Holder Applicants

Security Holder Applicants should send a completed Security Holder Application Form together with a copy of their CHES holding statement for any Underlying Securities they wish to transfer to:

Commonwealth Bank Regular Instalments
Commonwealth Securities Limited
Reply Paid 60768
Australia Square NSW 1214

Alternatively, applications can be lodged through the Applicant's broker.

The Cash Back Amount will vary each day.

Rollover Applicants

Rollover Applicants should send a completed Rollover Application Form, together with a copy of their prior series Commonwealth Bank Instalment holding statement to:

Commonwealth Bank Regular Instalments
Commonwealth Securities Limited
Reply Paid 60768
Australia Square NSW 1214

Alternatively, applications can be lodged through the Applicant's broker. The amount payable to or by a Rollover Applicant will vary each day and will be made or placed into the account specified on the application.

If a Rollover Amount is payable by an investor it can be paid Direct Debit Request.

Effect of Application

If your Application is successful:

- and you are a Cash Applicant, Commonwealth Bank will advance a loan to you to pay for the Underlying Security;
- and you are a Security Holder Applicant, Commonwealth Bank will advance a loan to you (to be used for income producing purposes) of the First Interest Amount or, if you applied after the Second Interest Date, the Second Interest Amount, the Establishment Fee, the Protection Fee, the Prepayment Amount and the Cash Back Amount;
- and you are a Rollover Applicant, Commonwealth Bank will advance a loan to you of the Second Capital Amount, from which will be deducted:
 - the Prior Series Final Payment;

- the First Interest Amount or, if you apply after the Second Interest Date, the Second Interest Amount;
- the Establishment Fee;
- the Protection Fee; and
- the Prepayment Amount.

To the extent that the Second Capital Amount is less than the amounts listed above, Rollover Applicants will be required to pay a Rollover Amount to Commonwealth Bank. To the extent the Second Capital Amount is greater than these amounts, the difference must be used to acquire additional Commonwealth Bank Regular Instalments and will form part of the Loan.

- the Underlying Security will be transferred to the Trustee (or its nominee) on your behalf; and
- you will receive Commonwealth Bank Regular Instalments.

If your Application is successful you will be sent a statement as soon as practicable setting out:

- the number of Commonwealth Bank Regular Instalments issued to you; and
- the allocation of the Loan Amount (including in the case of Security Holder Applicants and Rollover Applicants any cash amount paid by or to you).

Questions

If you have any questions when completing the Application Forms please call Commonwealth Securities Limited on Ph: 13 15 19.

Offer Period

Commonwealth Bank may in its absolute discretion, with or without prior notice, close the Offer early, extend the Offer or reject any application in whole or in part (special conditions apply to Market Making Applications). Without limiting its rights in this respect there is a likelihood that Commonwealth Bank will exercise its discretion to reject applications if the market value of an Underlying Security decreases from its market value as at the date this Product Disclosure Statement issues.

Commonwealth Bank may also in its absolute discretion accept applications lodged prior to the commencement of the Offer Period.

Important warning

You should complete the Application Form carefully and must supply all information required. If you fail to complete the Application Form properly it is likely that your Application will be rejected.

Commonwealth Bank will not accept any applications received by it after the date on which the offer closes.

If your application is unsuccessful, Commonwealth Bank will endeavour to contact you to notify you of this result. It is your responsibility to provide proper contact details on your Application Form. Commonwealth Bank accepts no responsibility if it is unable to contact you by using the contact details specified on your application form. Commonwealth Bank is not liable for any loss suffered by an unsuccessful Applicant if Commonwealth Bank has been unable, after using its reasonable endeavours, to contact the Applicant using the contact details specified on the Applicant's Application Form. You will be deemed to have been contacted if Commonwealth Bank receives confirmation of receipt of a fax or email sent to a fax number or email address (as applicable) specified on your Application Form.

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**IMPORTANT INFORMATION FOR ALL APPLICANT(S)****Additional identification check for all applicant(s)**

Full Name _____

Do you have an existing Commonwealth Bank account or Commonwealth Bank credit card? YES Please complete the following detailsAccount Number: Account Name: NO Please continue with the next question:**Do you have an existing CommSec trading account?** YES Please complete the information below.Account Number: Account Name: NO Please proceed with the following:**Important Note: If you do not have a Commonwealth Bank account, Credit Card or CommSec trading account the following change applies to you.****Additional identification check for individual applicant/s, sole trader, authorised representative or at least one trustee, partner, or member of unincorporated associations**

Please complete the following. Photocopy this form if necessary. If applicant is a non-individual, please complete Non-Individual Customer Ownership Details Form as well.

With the introduction of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 new regulatory identification requirements for individuals have been implemented.

Certified photocopy identification will now be required. Please attach a copy of one form of identification as listed below.

- Australian Passport issued by the Commonwealth, which has not been expired for 2 years or more
- Drivers licence issued in Australia that contains a photograph of the person in whose name the document is issued
- Proof of Age Cards – issued under a law of a state or territory. (All States) that contains a photograph of the person in whose name the document is issued

The certified photocopy must include a statement “I certify that this is a true copy of the original document” (or similar wording). The certifier must also include their full name, signature and qualification or occupation which makes them eligible, on the photocopied ID.

The list of eligible persons who are allowed to certify identification:

- A barrister or a solicitor;
- A judge or a magistrate;
- A chief executive officer of a Commonwealth court;
- A registrar/deputy registrar of a court;
- A Justice of the Peace;
- A public notary;
- A police officer;
- An agent of Australia Post who is in charge of an office supplying postal services to the public;
- A permanent employee of Australia Post with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
- An Australian diplomatic or consular officer;
- An officer with 2 or more continuous years of service with one or more financial institutions;
- A finance company officer with 2 or more continuous years of service with one or more finance companies;
- An officer or authorised representative that holds an Australian financial services licence and has 2 or more continuous years of service with one or more licences;
- a member, with 2 or more years of continuous membership, of:
 - the Institute of Chartered Accountants in Australia;
 - CPA Australia;
 - the National Institute of Accountants;

Other changes

We are also required to collect the following information. Please record this information in the fields below.

Other names commonly known by (if any):

Residential address (PO Box is **not** acceptable)

Suburb	State	Postcode	Country

Date of birth

Full business name (for sole traders only)

Declaration

I/we acknowledge that the name of individual persons given to the Bank are true and correct and that the law prohibits the use of false names, as well as the giving, use or production of false and misleading information or documents in connection with the provision of financial services and the making, possession or use of a false document in connection with an identification procedure.

Name

Position

Signature

Date

Please attach this form to the application form together with certified photographic identification.



Non-individual Customer Ownership Details

The Bank is required to collect the following information to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

Please complete the following for each entity applicant. Please note that if the applicant is a company trustee, this form will have be filled out for the company and for the trust. Photocopy this form if necessary.

Name of entity (Company/Trustee/Partnership name) CIF ID (if any)

Full business name (if any)

ACN ABN ARBN Other Identification number

Registered office address (PO Box is **not** acceptable)

Suburb	State	Postcode	Country
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Principal place of business (PO Box is **not** acceptable)

Suburb	State	Postcode	Country
--------	-------	----------	---------

Is the entity operating as a charity? (Tick the box that is applicable)

No

Yes **Please answer the following question**

What is the objective/purpose of the charity? (e.g. vocational training for disabled persons, assistance for tsunami victims, building fund for a particular school or institution etc.)

Please select the relevant entity type (tick the box that is applicable):

Proprietary/private company – please provide details of all Beneficial Owners (Individuals who own, through one or more holdings, more than 25% of shares within the entity): **Please complete Sections 1, 3 and 6**

Public company: **Please complete Section 6**

Partnership – are there more than 4 partners and is the partnership regulated by a professional association?

No **Please continue to complete partner details in Section 1, then complete Section 6**

Yes **Please answer the following questions, then complete Section 6**

How many partners are there?

Provide name of professional association

Incorporated association and Registered co-operative: **Please complete Section 4 and Section 6**

Unincorporated association: **Please complete Section 4 and Section 6**

Government Body: **Please complete Section 5, then complete Section 6**

Trust – please tick one Trust type

Managed investment scheme registered by ASIC. Please provide ARSN

Please complete Section 6

Other trust type: Please advise the type and complete Sections 1, 2 and 5.

Additional identification check for trusts, partnerships and unincorporated associations

If you are a trust, please attach a certified copy of the page of the Trust Deed where the name of the trust appears.

If you are a partnership, please attach a certified copy of the page of the partnership agreement where the name of the partnership appears.

If you are an unincorporated association, please attach a certified copy of the minutes of the meeting of the association.

Documents should be certified in the same manner as certification of documents for an individual.

Section 1 – Details of Beneficial owners/Trustees/Partners

Person/Company 1

Name (If name belongs to an individual, please provide surname first, then given name/s, eg. Citizen, John)

Address (For individuals please provide full residential address. For non-individuals please provide registered office address. PO Box is **not** acceptable)

Suburb	State	Postcode	Country
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Person/Company 2

Name (If name belongs to an individual, please provide surname first, then given name/s, eg. Citizen, John)

Address (For individuals please provide full residential address. For non-individuals please provide registered office address. PO Box is **not** acceptable)

Suburb	State	Postcode	Country
--------	-------	----------	---------

Person/Company 3

Name (If name belongs to an individual, please provide surname first, then given name/s, eg. Citizen, John)

Address (For individuals please provide full residential address. For non-individuals please provide registered office address. PO Box is **not** acceptable)

Suburb	State	Postcode	Country
--------	-------	----------	---------

Person/Company 4

Name (If name belongs to an individual, please provide surname first, then given name/s, eg. Citizen, John)

Address (For individuals please provide full residential address. For non-individuals please provide registered office address. PO Box is **not** acceptable)

Suburb	State	Postcode	Country
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If there are more persons/companies, please provide details on a separate sheet.

Section 2 – Beneficiary details (Only needs to be completed by Trusts)

Please provide either the Beneficiary class (and details) **or** Beneficiary names

Beneficiary class details (eg. unit holders, family members of named person, charitable purpose)

Beneficiary names (includes both individuals and non-individuals. If beneficiary is an individual, please provide surname first, then given name/s, eg. Citizen, John)

Beneficiary 1

Beneficiary name

Beneficiary 2

Beneficiary name

Beneficiary 3

Beneficiary name

Beneficiary 4

Beneficiary name

If there are more persons/companies, please provide details on a separate sheet.

Section 3 – Director details (Only needs to be completed for **proprietary or private** companies)

How many directors are there? Provide full name of each director

Full given name(s)

Surname

<input type="text"/>	<input type="text"/>

If there are more directors, please provide details on a separate sheet

Section 4 – Association (Incorporated and Unincorporated) and Registered Co-operative details

Full given name(s) of officer

Surname

Chairman

Secretary

Treasurer

Provide name of registration body

Provide identification number issued by relevant registration body (if any)

Section 5 – Government Body details

Please tick one of the following

Commonwealth of Australia Government Body

Australian State or Territory Government Body ▶ **Please provide state or territory or area**

Local Government Body

▶ **Please provide state or territory or area**

Section 6 – Declaration

Declaration is to be signed by a nominated representative (e.g. director (or secretary) for a company, trustee for a trust, partner for a partnership, office holder for an association/co-operative, or delegate holding appropriate delegation on behalf of the government) of the entity.

I/We understand and acknowledge that the law requires signatories to provide true and correct information and state all the names by which they are commonly known. I also understand that the law prohibits the use of false names, as well as the giving, use or production of false or misleading information or documents in connection with the provision of financial services and the making, possession or use of a false document in connection with an identification procedure.

I/We declare that the details as shown on this form are complete and correct.

Surname

Given name/s

Position title

Signature

Date

Cash Application Form Instructions

[A] Write the full name(s) that you wish to appear on your Instalment holding statement. The name or names that appear in this section will be those in which any Commonwealth Bank Regular Instalments issued to you will be held.

Each joint applicant must sign the Application Form.

[B] Enter your postal address for all correspondence. If more than one Applicant applies jointly, then correspondence will only go to the address specified in this section.

[C] Write the tax file number (TFN) or TFN exemption (or ABN - refer below) for each Applicant. It is not compulsory to supply a TFN or TFN exemption (or ABN - refer below). If an Applicant does not quote their TFN or TFN exemption (or ABN - refer below), tax may be deducted from distributions made to successful Applicants.

If the Applicant makes the investment in the course of furtherance of an enterprise carried on by the Applicant, it may quote its Australian Business Number (ABN) instead of its TFN.

Trustee Applicants are requested to provide the name and TFN of all ultimate beneficiaries (as defined for the purposes of the tax rules), under the relevant trust. Failure to do so may result in deduction of tax at the highest marginal tax rate in respect of Commonwealth Bank Regular Instalment distributions.

[D] If you have purchased securities on the ASX before, and have received a CHESS statement as a result, you should already have a Holder Identification Number (HIN). Alternatively, if you have purchased securities but were sponsored by a CHESS participant, such as a broker, then on your broker statements there will be a reference to a Participant Identifier (PID). If either your HIN or PID is available please write them in this section. Otherwise leave it blank and your Commonwealth Bank Regular Instalments will be registered as Issuer Sponsored Holdings.

[E] Write your contact details here.

[F] Indicate your intended method of payment by ticking the appropriate box. If you select Direct Debit as the method of payment you need to complete and sign the Direct Debit Form in Section G.

In all methods of payment, unless your adviser has contacted Commonwealth Bank to obtain an Application number, the Regular Instalments will be allocated when your funds have cleared.

[G] If you have selected to pay the First Instalment by Direct Debit, you must complete and sign the Direct Debit Form attached.

[H] Write the amount you wish to invest in Commonwealth Bank Regular Instalments for each Series, and total these amounts in the space provided. Make sure that the cheque amount you attach corresponds to the total figure that you write in the section.

Commonwealth Bank will process your application and when the Commonwealth Bank Regular Instalments have been allocated, confirm all details in writing.

[I] If you wish to have all distributions credited directly into your account please enter the details here. This option is only available for accounts held with banks, building societies and credit unions within Australia.

[J] Write the details of your authorised representative (optional) here. You may nominate your adviser as your authorised representative.

[K] Write the details of the cheque(s) you are attaching to pay for the total First Instalment. Please make sure that the attached cheque amount equals the Total in Section H. The cheque(s) must be made out to Commonwealth Bank of Australia and marked not negotiable. In addition, the cheque(s) must be payable in Australian currency and drawn on an Australian bank.

[L] For your Application to be accepted, it must be signed.

Please read in full the Product Disclosure Statement dated 31 July 2007 accompanying or distributed electronically with this Application Form. The Product Disclosure Statement contains important information about Commonwealth Bank Regular Instalments, which are instalment warrants which are proposed to be listed on the ASX. No Commonwealth Bank Regular Instalments will be issued on the basis of this Product Disclosure Statement later than 1 May 2009. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Product Disclosure Statement and any supplementary Product Disclosure Statement. While the Product Disclosure Statement is current, Commonwealth Bank or a securities dealer or other licensed financial intermediary who has provided an electronic copy of it will send a paper copy of the Product Disclosure Statement, any supplementary Product Disclosure Statement and the application form on request and without charge. If you require a full, paper copy of the Product Disclosure Statement, call Commonwealth Securities Limited on Ph: 13 15 19.

Correct form of registrable title. Applications must be in the name(s) of natural person, companies or other legal entities acceptable to Commonwealth Bank. At least one full given name and the surname is required for each natural person. A non-registrable name may be included by way of account designation if completed exactly as described below.

Type of Investor	Correct Form	Examples of Incorrect Form
Individual. Use given names not initials	John Adam Smith	J.A. Smith
Company. Do not use abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts. Use Trustee's personal name. Do not use the name of the Trust	John Smith <John Smith Family A/C>	John Smith Family Trust
Deceased Estates. Use executor's personal name not the name of the deceased.	John Smith <Est James Smith A/C>	Estate of late James Smith
Partnerships. Use personal names not the name of the partnership	John Smith and Michael Smith <John Smith & Sons A/C>	John Smith & Son
Clubs/ Incorporated Bodies/Business Names.	Amanda Smith <ABC Bowling Club>	ABC Bowling Club
Superannuation Funds. Use Trustee's name not the name of the Trust	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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Cash Application

Send Application to:Commonwealth Bank Regular Instalments
Commonwealth Securities
Reply Paid 60768
Australia Square NSW 1214**OFFICE USE ONLY**

Application No

Adviser Name

Advisers email address

Broker/Adviser Stamp

This offer is made to persons in Australia only

This Application Form must not be distributed unless accompanied by the complete and unaltered Product Disclosure Statement (whether in paper or electronic form). Terms used in this Application Form which are defined in the Product Disclosure Statement have the same meaning in this Application Form.

Please refer to page 1 of this form before completing the application.

Personal details**A Applicant Name (s)** Title, First Name, Last Name; or Company Name

Applicant #1

Applicant #2

B Address

<input type="text"/>		
	State	Postcode

C Applicant 1 Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
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Applicant 2 Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Ultimate beneficiaries* Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

* Trustee applicants only

D CHESS Details

Sponsoring Broker

Broker PID

HIN

Account name

E Personal Contact Details

Full name

Daytime phone number

Email address

F Method of Paying the First Instalment* Tick the appropriate box.

(The warrants will be allocated when your funds have cleared).

- Cheque payable to Commonwealth Bank of Australia
- Direct Debit (Complete and sign the direct debit form in Section G)

This page has been left blank intentionally.

G Direct Debit Request By completing this Direct Debit Request you are authorising Commonwealth Securities Ltd to both direct debit and direct credit your account nominated below.

I/We (Name that appears on your account)

I/We (Name that appears on your account if held jointly)

authorise and request, Commonwealth Securities (APCA User ID No 62934) as agent for Commonwealth Bank of Australia to arrange for funds to be debited from my/our account at the financial institution identified below as prescribed below through the Bulk Electronic Clearing System (BECS). This authorisation is to remain in force in accordance with the terms described in the Direct Debit Request Service Agreement below.

I/We authorise the following:

1. Commonwealth Bank to verify the details of the account with my/our Financial Institution.
2. The Financial Institution to release information allowing Commonwealth Bank to verify the account details.

Signature of Individual/Client 1 (Joint)

Date

Signature of Client 2 (Joint)

Date

Details of the Account to be debited

Name of Financial Institution or Bank at which your account is held

Account name (eg Mr John Brown)

BSB (Branch number)

Account number

Note: Direct Debit is not allowed on the full range of accounts. If in doubt, please refer to your bank.

Please detach and keep for future reference

Commonwealth Bank Regular Instalments Direct Debit Service Agreement

Debit arrangements

1. We reserve the right to charge a transaction fee if any debit item already debited from your nominated account is returned as unpaid by the Financial Institution.
2. We will keep the information about your nominated account at the Financial Institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
3. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
4. We will advise you 14 days in advance of any changes to the Direct Debit arrangements.

Your Rights

5. You may terminate the Direct Debit arrangement with us, however this termination must be in writing.
6. Where you consider the debit is incorrect in either the due date or amount or both, you should raise the matter with Commonwealth Securities Limited on 13 15 19.

Your Responsibilities

7. It is your responsibility:
 - to check with the Financial Institution where your account is held before completing the Direct Debit Request (DDR) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. You should also complete your account details (including Bank State Branch (BSB) number) directly from a recent account statement from your Financial Institution;
 - to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by Commonwealth Bank;
 - to ensure that the authorisation to debit the nominated account is in the same name as the account held by the Financial Institution;
 - to advise us if the account you have nominated to debit is transferred or closed;
 - to ensure that suitable arrangements are made if the Direct Debit is cancelled;
 - by yourself;
 - by your nominated Financial Institution; or
 - for any other reason

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H Underlying Security	Instalment Series	Application Amount (Min \$2000)	Application No (Only if your advisor has pre-confirmed details with Commonwealth Bank)
A.B.C. Learning Centres Limited	ABSIYH	\$	
AGL Energy Limited	AGKIYH	\$	
Australia and New Zealand Banking Group Limited	ANZIYH	\$	
ASX Limited	ASXIYH	\$	
AXA Asia Pacific Holdings Limited	AXAIYH	\$	
Babcock & Brown Infrastructure Group	BBIIYH	\$	
BHP Billiton Limited	BHPIYH	\$	
Boral Limited.	BLDIYH	\$	
Babcock & Brown Limited	BNBIYH	\$	
Bluescope Steel Limited	BSLIYH	\$	
Brambles Limited	BXBIYH	\$	
Coca-Cola Amatil Limited	CCLIYH	\$	
CSL Limited	CSLIYH	\$	
David Jones Limited	DJSIYH	\$	
Foster's Group Limited	FGLIYH	\$	
Fairfax Media Limited	FXJIYH	\$	
GPT Group	GPTIYH	\$	
Harvey Norman Holdings Limited	HVNIYH	\$	
Insurance Australia Group Limited	IAGIYH	\$	
Leighton Holdings Limited	LEIIYH	\$	
Macquarie Airports	MAPIYH	\$	
Macquarie Bank Limited	MBLIYH	\$	
Macquarie Infrastructure Group	MIGIYH	\$	
National Australia Bank Limited	NABIYH	\$	
Newcrest Mining Limited	NCMIYH	\$	
Origin Energy Limited	ORGIYH	\$	
Orica Limited	ORIIYH	\$	
Publishing & Broadcasting Limited	PBLIYH	\$	
Rio Tinto Limited	RIOIYH	\$	
Seven Network Limited	SEVIYH	\$	
St George Bank Limited	SGBIYH	\$	
Santos Limited	STOIYH	\$	
Suncorp-Metway Limited.	SUNIYH	\$	
Tabcorp Holdings Limited	TAHIYH	\$	
Transurban Group	TCLIYH	\$	
Telecom Corporation of New Zealand Limited	TELIYH	\$	
Ten Network Holdings Limited	TENIYH	\$	
Telstra Corporation Limited.	TLSIYH	\$	
Toll Holdings Limited	TOLIYH	\$	
Westpac Banking Corporation	WBCIYH	\$	
Westfield Group	WDCIYH	\$	
Wesfarmers Limited	WESIYH	\$	
Woolworths Limited	WOWIYH	\$	
Woodside Petroleum Limited	WPLIYH	\$	
Total Amount		\$	

Investor Declarations and Instructions

I make the following irrevocable declarations, directions, appointments and acknowledgments:

- 1. Application.** I, whose full name and address appear above, declare that I am over 18 years of age and have full legal capacity and power to perform all my rights and obligations under this application and by delivery of this Application Form irrevocably apply for the number of Commonwealth Bank Regular Instalments indicated above in this Application Form and calculated in accordance with the Product Disclosure Statement.
- 2. Acceptance of terms of Product Disclosure Statement.** I declare that before completing this Application Form, I received and was given access to an Product Disclosure Statement. I have read and understood the Product Disclosure Statement to which this Application Form was attached or distributed electronically with and agree to accept the Commonwealth Bank Regular Instalments applied for by me on the terms set out or referred to in the Product Disclosure Statement. I agree to be bound by the Trust Deed and confirm the appointments, directions and declarations in the Trust Deed.
- 3. Acquisition of Underlying Securities.** I instruct the Broker on an execution-only basis to acquire on my behalf the securities of the kind which are Underlying Securities for the Commonwealth Bank Regular Instalments nominated in my Application Form. I acknowledge that the Securities may be bought on the relevant exchange or may be wholly or partly sold by the Broker as principal. I instruct Commonwealth Bank to provide the Broker in payment for those securities the balance of the relevant application amount and Loan Amount (after retaining all fees and payments for interest as referred to in the Product Disclosure Statement). I confirm that the Broker may retain such amounts as are necessary for payment of stamp duty, GST and like imposts and for a commission not exceeding the amount normally charged by the Broker for such transactions. The Securities so acquired are to be held in one or more suspense accounts on behalf of all such Applicants from time to time. The securities allocated to me are to be held for me in application for the Commonwealth Bank Regular Instalments in accordance with the Trust Deed.
- 4. Appointment of Trustee.** For valuable consideration and to facilitate the granting of the Loan and Security Interest, upon the acceptance of my application by Commonwealth Bank I automatically and irrevocably appoint the Trustee or its nominee as my nominee on the terms of the Trust Deed in respect of

the Underlying Securities underlying the Commonwealth Bank Regular Instalments to which this Application Form relates and any Underlying Securities acquired on my behalf as described in paragraph 3 above and in respect of the Prepayment Amounts.

- 5. Transfer of Underlying Securities to Trustee.** I acknowledge and irrevocably direct that, following the acceptance of my application, the Underlying Securities referred to in paragraph 3 above are to be transferred to the Trustee or its nominee as security to hold them on my behalf on the terms of the Trust Deed as Underlying Securities. I authorise the Trustee, Commonwealth Bank and their respective nominees and the Broker to do all things necessary (including obtaining consents, signing and producing documents and getting documents completed and signed) for any of them to become the registered holder of the Underlying Securities or to effect the transfer to the Trustee or its nominee of those Underlying Securities.
- 6. Fractional entitlements.** I acknowledge that the accompanying application moneys are for the total First Instalments only, that after acceptance it is non-refundable and that any fraction of a First Instalment left over in respect of an Application will be foregone; and may be donated to a charity chosen by Commonwealth Bank.
- 7. Representations and warranties.** I represent and warrant that: I am, together with any other joint holder identified on this Application Form, able to pay my debts as and when they become due, and that no step has been taken to make me bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my assets or make an arrangement, compromise or composition with any of my creditors.
- 8. No investment advice: Commonwealth Bank Regular Instalments.** I confirm that I have made, and will make, my own decisions in relation to Commonwealth Bank Regular Instalments and that I have undertaken and will continue to undertake, independently and without reliance on the Trustee, Commonwealth Bank or any other Holder: (a) my own investigations into the affairs of Commonwealth Bank; and (b) my own analysis of whether or not to take action in respect of Commonwealth Bank Regular Instalments or otherwise under the Trust Deed.
- 9. No investment advice: Underlying Securities.** I confirm that I have made my own enquiries into the performance and prospects of the Listed Entities and the Underlying Securities and their level of distributions to be made and I am not relying on anything in the Product Disclosure Statement or other material published by

Commonwealth Bank or the Broker which relates to the future level of distributions or yield or suitability of investment in Commonwealth Bank Regular Instalments for me.

10. **No Encumbrance of Commonwealth Bank Regular Instalments.** I agree that no Encumbrance (such as a mortgage) may be created or arise over an Underlying Security underlying my Commonwealth Bank Regular Instalments or which gives any person a right to those Underlying Securities unless and until the Completion Payment is paid and the Security Interest is otherwise released or discharged in accordance with the Trust Deed.
11. **Warranty made by representatives.** If I make this Application and these declarations and give these instructions as attorney or other similar representative, I have not received notice of or information about revocation of that power granted to me, whether by death of the grantor or otherwise.
12. **Telephone recordings.** I authorise Commonwealth Bank and the Broker to record any telephone conversation(s) I have with either of those entities, with or without an audible tone warning device.
13. **Privacy.** If I am an individual, I consent to the use and disclosure of my personal information as indicated in Section 11 of this Product Disclosure Statement "Personal information and Privacy". If I do not wish to receive promotional material from Commonwealth Bank or its subsidiaries, including IPO information, tick this box:
14. **Financial Services Guides:** I expressly instruct the Broker and Trustee to provide any financial service associated with the issue of a Commonwealth Bank Regular Instalment immediately.

15. **Investment/Business Purpose Declaration Form:** I confirm that the credit or other financial accommodation to be provided to me by Commonwealth Bank is to be applied wholly or predominantly for the purposes of investment or business or both. You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

The provisions of Schedule 1 of the Trust Deed override the provisions of this Application Form in the case of an application made by a Market Making Applicant.

Every statement and direction made above is, in the case of persons who jointly apply for Commonwealth Bank Regular Instalments, made jointly and severally by each applicant. Each Joint Applicant must sign this Application Form.

Signature / Execution clause Signed by:

	Natural Person Applicants	Company Applicants	Company Seal
Applicant #1	<input type="text"/>	<input type="text"/>	
Applicant #2	<input type="text"/>	<input type="text"/>	
Witness	<input type="text"/>	<input type="text"/>	
Date	<input type="text"/>		

Security Holder Application Form Instructions

[A] Write the full name(s) that you wish to appear on your holding statement. The name or names that appear in this section will be those in which any Commonwealth Bank Regular Instalments issued to you will be held.

The name or names must EXACTLY MATCH the name or names on the current holding statement in respect of the Underlying Securities.

Each joint applicant must sign the Application Form.

[B] Enter your postal address for all correspondence. If more than one Applicant applies jointly, then correspondence will only go to the address specified in this section.

The address must EXACTLY MATCH the address on the current holding statement in respect of the Underlying Securities.

[C] Write the tax file number (TFN) or TFN exemption (or ABN - refer below) for each Applicant. It is not compulsory to supply a TFN or TFN exemption (or ABN - refer below). If an Applicant does not quote their TFN or TFN exemption (or ABN - refer below), tax may be deducted from distributions made to successful Applicants.

If the Applicant makes the investment in the course of furtherance of an enterprise carried on by the Applicant, it may quote its Australian Business Number (ABN) instead of its TFN.

Trustee Applicants are requested to provide the name and TFN of all ultimate beneficiaries (as defined for the purposes of the tax rules), under the relevant trust. Failure to do so may result in deduction of tax at the highest marginal tax rate in respect of Commonwealth Bank Regular Instalment distributions.

[D] Write the details of your sponsoring broker if you are already a CHESSE participant. If you do not complete this section, Commonwealth Bank Regular Instalments issued to you will be Issuer Sponsored and you will be allocated a Shareholder Reference Number. To avoid confusion Commonwealth Bank strongly recommends that you provide a copy of your latest holding statement. This is especially the case if you have multiple holdings with different brokers and wish to use more than one holding for this Shareholder Application.

[E] Write your contact details here.

[F] The specifics of the shareholder application must be written here. The first thing is to decide how many shares from your existing holding you would like to lodge with the Trustee or its nominee. The next thing to do is to decide if you would like either to receive a Cash Back Amount, or to purchase the maximum number of Commonwealth Bank Regular Instalments with the shares you intend to lodge.

Note: You can only choose to either lodge a certain number of shares and receive the same number of Commonwealth Bank Regular Instalments and a Cash Back Amount, or alternatively, you can choose to receive no Cash Back Amount and a greater number of Commonwealth Bank Regular Instalments compared with the shares you lodge.

Commonwealth Bank will process your Application and when the Commonwealth Bank Regular Instalments have been allocated will confirm all details in writing.

[G] Please complete your account details here for crediting any distributions. Accounts must be held with banks, building societies and credit unions within Australia.

[H] Attaching holding statements in relation to the Underlying Securities to be transferred to the Trustee or its nominee will assist in the processing of your Application.

[I] Write the details of your authorised representative (optional) here. You may nominate your adviser as your authorised representative.

[J] For your Application to be accepted, it must be signed.

Please read in full the Product Disclosure Statement accompanying or distributed electronically with this Application Form. The Product Disclosure Statement contains important information about Commonwealth Bank Regular Instalments, which are instalment warrants which are proposed to be listed on the ASX. No Commonwealth Bank Regular Instalments will be issued on the basis of this Product Disclosure Statement later than 1 May 2009. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Product Disclosure Statement and any supplementary Product Disclosure Statement. While the Product Disclosure Statement is current, Commonwealth Bank or a securities dealer or other licensed financial intermediary who has provided an electronic copy of it will send a paper copy of the Product Disclosure Statement, any supplementary Product Disclosure Statement and the application form on request and without charge. If you require a full, paper copy of the Product Disclosure Statement, call Commonwealth Securities Limited on Ph: 13 15 19.

Correct form of registrable title. Applications must be in the name(s) of natural person, companies or other legal entities acceptable to Commonwealth Bank. At least one full given name and the surname is required for each natural person. A non-registrable name may be included by way of account designation if completed exactly as described below.

Type of Investor	Correct Form	Examples of Incorrect Form
Individual. Use given names not initials	John Adam Smith	J.A. Smith
Company. Do not use abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts. Use Trustee's personal name. Do not use the name of the Trust	John Smith <John Smith Family A/C>	John Smith Family Trust
Deceased Estates. Use executor's personal name not the name of the deceased.	John Smith <Est James Smith A/C>	Estate of late James Smith
Partnerships. Use personal names not the name of the partnership	John Smith and Michael Smith <John Smith & Sons A/C>	John Smith & Son
Clubs/ Incorporated Bodies/ Business Names.	Amanda Smith <ABC Bowling Club>	ABC Bowling Club
Superannuation Funds. Use Trustee's name not the name of the Trust	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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Security Holder Application

Send Application to:Commonwealth Bank Regular Instalments
Commonwealth Securities
Reply Paid 60768
Australia Square NSW 1214**OFFICE USE ONLY**

Application No

Adviser Name

Advisers email address

Broker/Adviser Stamp

This offer is made to persons in Australia only

This Application Form must not be distributed unless accompanied by the complete and unaltered Product Disclosure Statement (whether in paper or electronic form). Terms used in this Application Form which are defined in the Product Disclosure Statement have the same meaning in this Application Form.

Please refer to page 1 of this form before completing the application.

Personal details**A Applicant Name (s)** Title, First Name, Last Name; or Company Name

Applicant #1

Applicant #2

B Address

<input type="text"/>		
	State	Postcode

C Applicant 1 Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Applicant 2 Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Ultimate beneficiaries* Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

* Trustee applicants only

D CHESS Details

Sponsoring Broker

Broker PID

HIN

Account name

E Personal Contact Details

Full name

Daytime phone number

Email address

F

Instalment Series	Min. Parcel of shares	No. of shares you are lodging	Would you like to receive the maximum possible Commonwealth Bank Regular Instalments or a Cash Back Amount? (Please tick one only)		Application No (Only if your advisor has pre-confirmed details with Commonwealth Bank)
			Maximum Instalments	Cash Back Amount	
ABSIYH	540				
AGKIYH	260				
ANZIYH	140				
ASXIYH	70				
AXAIYH	480				
BBIIYH	2,140				
BHPIYH	110				
BLDIYH	410				
BNBIYH	110				
BSLIYH	390				
BXBIYH	330				
CCLiyH	420				
CSLIYH	40				
DJSIYH	680				
FGLIYH	630				
FXJIYH	830				
GPTIYH	820				
HVNIYH	730				
IAGIYH	690				
LEIIYH	70				
MAPIYH	860				
MBLIYH	40				
MIGIYH	1,160				
NABIYH	110				
NCMIYH	150				
ORGIYH	400				
ORIIYH	130				
PBLIYH	240				
RIOIYH	40				
SEVIYH	340				
SGBIYH	120				
STOIYH	240				
SUNIYH	200				
TAHIYH	240				
TCLIYH	480				
TELIYH	940				
TENIYH	1,380				
TLSIYH	870				
TOLIYH	350				
WBCIYH	160				
WDCIYH	200				
WESIYH	90				
WOWIYH	160				
WPLIYH	80				

Investor Declarations and Instructions

I make the following irrevocable declarations, declarations, directions, appointments and acknowledgments:

- 1. Application.** I, whose full name and address appear above, declare that I am over 18 years of age and have full legal capacity and power to perform all my rights and obligations under this application and by delivery of this Application Form apply for the number of Commonwealth Bank Regular Instalments irrevocably specified on the Application Form.
- 2. Acceptance of terms of Product Disclosure Statement.** I declare that, before completing this Application Form, I received and was given access to an Product Disclosure Statement. I have read and understood the Product Disclosure Statement to which this Application Form was attached or distributed electronically with and agree to accept the Commonwealth Bank Regular Instalments applied for by me on the terms set out or referred to in the Product Disclosure Statement. I agree to be bound by the Trust Deed and confirm the appointments, directions and declarations in the Trust Deed.
- 3. Delivery.** I instruct my Sponsoring Broker (or the relevant registrar of an issuer-sponsored sub-register) to deliver the quantity of Underlying Securities in the Listed Entities as indicated in the Application Form above to ComSec Trading Limited, PID 3102 as an "Off-Market" transaction.
- 4. Cash Back Amount.** If I have elected to apply for further Commonwealth Bank Regular Instalments with the Cash Back Amount owing on the Commonwealth Bank Regular Instalments to be issued to me on acceptance of my Application, I irrevocably direct and authorise any of Commonwealth Bank, the Broker and their respective nominees and agents to complete a Cash Application Form as my attorney on my behalf in relation to the Cash Back Amount and I acknowledge that I have read the Cash Application Form and the representations and acknowledgments in it.
- 5. Fractional entitlements.** I acknowledge that the Cash Back Amounts used to acquire further Commonwealth Bank Regular Instalments are for the total First Instalments only, that after acceptance they are non-refundable and that any fraction of a First Instalment left over in respect of an Application will be foregone and may be donated to a charity chosen by Commonwealth Bank.
- 6. Appointment of Trustee.** For valuable consideration and to facilitate the granting of the Loan and Security Interest, upon the acceptance of my application by Commonwealth Bank I automatically and irrevocably appoint the Trustee or its nominee as my nominee on the terms of the Trust Deed in respect of the Underlying Securities underlying the Commonwealth Bank Regular Instalments to which this Application Form relates and any Underlying Securities acquired on my behalf as described in paragraph 4 above and in respect of the Prepayment Amounts.
- 7. Transfer of Underlying Securities to Trustee.** I acknowledge and irrevocably direct that, following the acceptance of my application, the Underlying Securities referred to in paragraph 3 above are to be transferred to the Trustee or its nominee as security to hold them on my behalf on the terms of the Trust Deed as Underlying Securities. I authorise the Trustee, Commonwealth Bank and their respective nominees and the Broker to do all things necessary (including obtaining consents, signing and producing documents and getting documents completed and signed) for any of them to become the registered holder of the Underlying Securities or to effect the transfer to the Trustee or its nominee of those Underlying Securities.

- 8. Representations and warranties.** I represent and warrant that: I am, together with any other joint holder identified on this Application Form, able to pay my debts as and when they become due, and that no step has been taken to make me bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my assets or make an arrangement, compromise or composition with any of my creditors. I am the sole legal and beneficial* owner(s) of the Underlying Securities referred to in the Application Form, and those Underlying Securities are free from any Encumbrances.
*Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all the power, authority and discretion vested as trustee to apply in relation to the Securities which are the subject of the trust.
- 9. No investment advice: Commonwealth Bank Regular Instalments.** I confirm that I have made, and will make, my own decisions in relation to Commonwealth Bank Regular Instalments and that I have undertaken and will continue to undertake, independently and without reliance on the Trustee, Commonwealth Bank or any other Holder: (a) my own investigations into the affairs of Commonwealth Bank; and (b) my own analysis of whether or not to take action in respect of Commonwealth Bank Regular Instalments or otherwise under the Trust Deed.
- 10. No investment advice: Underlying Securities.** I confirm that I have made my own enquiries into the performance and prospects of the Listed Entities and the Underlying Securities and their level of distributions to be made and I am not relying on anything in the Product Disclosure Statement or other material published by Commonwealth Bank or the Broker which relates to the future level of distributions or yield or suitability of investment in Commonwealth Bank Regular Instalments for me.
- 11. No Encumbrance of Underlying Securities.** I agree that no Encumbrance (such as a mortgage) may be created or arise over an Underlying Security underlying my Commonwealth Bank Regular Instalments or which gives any person a right to those Underlying Securities unless and until the Completion Payment is paid and the Security Interest is otherwise released or discharged in accordance with the Trust Deed.
- 12. Warranty made by representatives.** If I make this Application and these declarations and give these instructions as attorney or other similar representative, I have no received notice of or information about revocation of that power granted to me, whether by death of the grantor or otherwise.
- 13. Telephone recordings.** I authorise Commonwealth Bank and the Broker to record any telephone conversation(s) I have with either of those entities, with or without an audible tone warning device.
- 14. Privacy.** If I am an individual, I consent to the use and disclosure of my personal information as indicated in Section 11 of this Product Disclosure Statement "Personal information and Privacy". If I do not wish to receive promotional material from Commonwealth Bank or its subsidiaries, including IPO information, tick this box:
- 15. Financial Services Guides:** I expressly instruct the Broker and Trustee to provide any financial service associated with the issue of a Commonwealth Bank Regular Instalment immediately.

16. Investment/Business Purpose Declaration Form: I confirm that the credit or other financial accommodation to be provided to me by Commonwealth Bank is to be applied wholly or predominantly for the purposes of investment or business or both. You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

The provisions of Schedule 1 of the Trust Deed override the provisions of this Application Form in the case of an application made by a Market Making Applicant.

Every statement and direction made above is, in the case of persons who jointly hold Commonwealth Bank Regular Instalments and therefore apply as joint applications for Commonwealth Bank Regular Instalments, made jointly and severally by each applicant. Each Joint Applicant must sign the Application Form.

Signature / Execution clause Signed by:

Natural Person Applicants

Company Applicants

Company Seal

Applicant #1

Director

Applicant #2

Director/Secretary

Witness

Date

This page has been left blank intentionally.

Rollover Application Form Instructions

[A] Write the full name(s) that you wish to appear on your Commonwealth Bank Regular Instalment holding statement. The name or names that appear in this section will be those in which any Commonwealth Bank Regular Instalments issued to you will be held.

The name or names must EXACTLY MATCH the name or names on the current Commonwealth Bank Regular Instalment holding statement in respect of the prior series of Commonwealth Bank Regular Instalments currently held by you.

Each joint applicant must sign the Application Form.

[B] Enter your postal address for all correspondence. If more than one Applicant applies jointly, then correspondence will only go to the address specified in this section.

The address must EXACTLY MATCH the name or names on the current Commonwealth Bank Regular Instalment holding statement in respect of the prior series of Commonwealth Bank Regular Instalments currently held by you.

[C] Write the tax file number (TFN) or TFN exemption (or ABN - refer below) for each Applicant. It is not compulsory to supply a TFN or TFN exemption (or ABN - refer below). If an Applicant does not quote their TFN or TFN exemption (or ABN - refer below), tax may be deducted from distributions made to successful Applicants.

If the Applicant makes the investment in the course of furtherance of an enterprise carried on by the Applicant, it may quote its Australian Business Number (ABN) instead of its TFN.

Trustee Applicants are requested to provide the name and TFN of all ultimate beneficiaries (as defined for the purposes of the tax rules), under the relevant trust. Failure to do so may result in deduction of tax at the highest marginal tax rate in respect of Commonwealth Bank Regular Instalment distributions

[D] Write the details of your Holder identification as specified on your Commonwealth Bank Regular Instalment holding statement. **To avoid confusion Commonwealth Bank strongly recommends that you provide a copy of your holding statement. This is especially the case if you have multiple holdings of Commonwealth Bank Regular Instalments.**

[E] Write your contact details here.

[F] Indicate your intended method of payment by ticking the appropriate box. If you select Direct Debit as the method of payment you need to complete and sign the Direct Debit Request in Section G.

In all methods of payment, unless your adviser has contacted Commonwealth Bank to obtain an Application number, the Regular Instalments will be allocated when your funds have cleared.

[G] If you have selected to pay the Rollover Amount by Direct Debit, you must complete and sign the Direct Debit Form attached.

[H] The specifics of your current Commonwealth Bank Regular Instalment holding must be written here. The second and third columns relate to series and the number of Commonwealth Bank Regular Instalments you currently hold. Those details can be taken from your Commonwealth Bank Regular Instalment Holder Statement. For example, if you hold XYZIYB Commonwealth Bank Regular Instalments, you should indicate the number that you hold in the second column and the series in the third column. There may be a Rollover Amount payable. You may wish to request your Financial Adviser contact Commonwealth Securities Limited on 13 15 19 to find out the Rollover Amount and receive an Application Number.

The payment will be made by direct debit authority. Commonwealth Bank will process your Application and when the Commonwealth Bank Regular Instalments have been allocated will confirm all details in writing.

[I] Please enter your account details for crediting any distributions. The account must be held with banks, building societies and credit unions within Australia.

[J] Attaching your prior series Commonwealth Regular Instalment holding statement will assist in the processing of your Application.

[K] Write the details of your authorised representative (optional) here. You may nominate your adviser as your authorised representative.

[L] For your Application to be accepted, it must be signed.

Please read in full the Product Disclosure Statement accompanying or distributed electronically with this Application Form. The Product Disclosure Statement contains important information about Commonwealth Bank Regular Instalments, which are instalment warrants which are proposed to be listed on the ASX. No Commonwealth Bank Regular Instalments will be issued on the basis of this Product Disclosure Statement later than 1 May 2009. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Product Disclosure Statement and any supplementary Product Disclosure Statement. While the Product Disclosure Statement is current, Commonwealth Bank or a securities dealer or other licensed financial intermediary who has provided an electronic copy of it will send a paper copy of the Product Disclosure Statement, any supplementary Product Disclosure Statement and the application form on request and without charge. If you require a full, paper copy of the Product Disclosure Statement, call Commonwealth Securities Limited on Ph: 13 15 19. Correct form of registrable title. Applications must be in the name(s) of natural person, companies or other legal entities acceptable to Commonwealth Bank. At least one full given name and the surname is required for each natural person. A non-registrable name may be included by way of account designation if completed exactly as described below.

Type of Investor	Correct Form	Examples of Incorrect Form
Individual. Use given names not initials	John Adam Smith	J.A. Smith
Company. Do not use abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts. Use Trustee's personal name. Do not use the name of the Trust	John Smith <John Smith Family A/C>	John Smith Family Trust
Deceased Estates. Use executor's personal name not the name of the deceased.	John Smith <Est James Smith A/C>	Estate of late James Smith
Partnerships. Use personal names not the name of the partnership	John Smith and Michael Smith <John Smith & Sons A/C>	John Smith & Son
Clubs/ Incorporated Bodies/ Business Names.	Amanda Smith <ABC Bowling Club>	ABC Bowling Club
Superannuation Funds. Use Trustee's name not the name of the Trust	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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Rollover Application

Send Application to:Commonwealth Bank Regular Instalments
Commonwealth Securities
Reply Paid 60768
Australia Square NSW 1214**OFFICE USE ONLY**

Application No

Adviser Name

Advisers email address

Broker/Adviser Stamp

This offer is made to persons in Australia only

This Application Form must not be distributed unless accompanied by the complete and unaltered Product Disclosure Statement (whether in paper or electronic form). Terms used in this Application Form which are defined in the Product Disclosure Statement have the same meaning in this Application Form.

Please refer to page 1 of this form before completing the application.

Personal details

A Applicant Name (s) The applicant's name must be identical to that on your Commonwealth Bank Regular Instalment Warrant holding statement.

Applicant #1

Applicant #2

B Address The applicant's address must be identical to that on your Commonwealth Bank Instalment Warrant holding statement (unless you have informed the Registrar of a change of address)

<input type="text"/>	
State	Postcode

C Applicant 1 Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
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Applicant 2 Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Ultimate beneficiaries* Tax File Number / Exemption Number / Category

ABN

<input type="text"/>	<input type="text"/>
----------------------	----------------------

* Trustee applicants only

D Holder Details (from your holding statement)

SRN

HIN

E Personal Contact Details

Full name

Daytime phone number

Email address

F Method of Paying the Rollover Amount* (The warrants will be allocated when your funds have cleared).

Cheque payable to Commonwealth Bank of Australia

Direct Debit (Complete and sign the direct debit form in Section G)

This page has been left blank intentionally.

G Direct Debit Request By completing this Direct Debit Request you are authorising Commonwealth Securities Ltd to both direct debit and direct credit your account nominated below.

I/We (Name that appears on your account)

I/We (Name that appears on your account if held jointly)

authorise and request, Commonwealth Securities (APCA User ID No 62934) as agent for Commonwealth Bank of Australia to arrange for funds to be debited from my/our account at the financial institution identified below as prescribed below through the Bulk Electronic Clearing System (BECS). This authorisation is to remain in force in accordance with the terms described in the Direct Debit Request Service Agreement below.

I/We authorise the following:

1. Commonwealth Bank to verify the details of the account with my/our Financial Institution.
2. The Financial Institution to release information allowing Commonwealth Bank to verify the account details.

Signature of Individual/Client 1 (Joint)

Date

Signature of Client 2 (Joint)

Date

Details of the Account to be debited

Name of Financial Institution or Bank at which your account is held

Account name (eg Mr John Brown)

BSB (Branch number)

Account number

Note: Direct Debit is not allowed on the full range of accounts. If in doubt, please refer to your bank.

Please detach and keep for future reference

Commonwealth Bank Regular Instalments Direct Debit Service Agreement

Debit arrangements

1. We reserve the right to charge a transaction fee if any debit item already debited from your nominated account is returned as unpaid by the Financial Institution.
2. We will keep the information about your nominated account at the Financial Institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
3. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
4. We will advise you 14 days in advance of any changes to the Direct Debit arrangements.

Your Rights

5. You may terminate the Direct Debit arrangement with us, however this termination must be in writing.
6. Where you consider the debit is incorrect in either the due date or amount or both, you should raise the matter with Commonwealth Securities Limited on 13 15 19.

Your Responsibilities

7. It is your responsibility:
 - to check with the Financial Institution where your account is held before completing the Direct Debit Request (DDR) as Direct Debiting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. You should also complete your account details (including Bank State Branch (BSB) number) directly from a recent account statement from your Financial Institution;
 - to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by Commonwealth Bank;
 - to ensure that the authorisation to debit the nominated account is in the same name as the account held by the Financial Institution;
 - to advise us if the account you have nominated to debit is transferred or closed;
 - to ensure that suitable arrangements are made if the Direct Debit is cancelled;
 - by yourself;
 - by your nominated Financial Institution; or
 - for any other reason

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Investor Declarations and Instructions

I make the following irrevocable declarations, directions, appointments and acknowledgments:

- 1. Application.** I, whose full name and address appear above, declare that I am over 18 years of age and have full legal capacity and power to perform all my rights and obligations under this application and by delivery of this Application Form apply for the number of Commonwealth Bank Regular Instalments irrevocably specified on the Application Form.
- 2. Acceptance of terms of Product Disclosure Statement.** I, declare that before completing this Application Form, I received and was given access to an Product Disclosure Statement. I have read and understood the Product Disclosure Statement to which this Application Form was attached or distributed electronically with and agree to accept the Commonwealth Bank Regular Instalments applied for by me on the terms set out or referred to in the Product Disclosure Statement. I agree to be bound by the Trust Deed and confirm the appointments, directions and declarations in the Trust Deed.
- 3. Payment and Delivery.** I irrevocably direct Commonwealth Bank to pay from the Loan the completion payment on any Prior Series of Commonwealth Bank Regular Instalments to which this application relates and to otherwise deal with the Loan proceeds on the terms of the Trust Deed. I instruct my Sponsoring Broker (or the relevant registrar of an issuer-sponsored sub-register) to deliver the quantity of Underlying Securities in the Listed Entities the subject of the Prior Series Instalments as indicated in the Application Form above to ComSec Trading Limited , PID 3102 as an "Off-Market" transaction.
- 4. Rollover Amount.** If a Rollover Amount is payable to me with respect to a particular series of Regular Instalments, I irrevocably apply for the maximum number of Commonwealth Bank Regular Instalments possible with that Rollover Amount and I irrevocably direct and authorise any of Commonwealth Bank, the Broker and their respective nominees and agents to complete a Cash Application Form as my attorney on my behalf in relation to the Rollover Amount (and I acknowledge that I have read the Cash Application Form and the representations and acknowledgments in it).
- 5. Appointment of Trustee.** For valuable consideration and to facilitate the granting of the Loan and Security Interest, upon the acceptance of my application by Commonwealth Bank I automatically and irrevocably appoint the Trustee or its nominee as my nominee on the terms of the Trust Deed in respect of the Underlying Securities underlying the Commonwealth Bank Regular Instalments to which this Application Form relates and any Underlying Securities acquired on my behalf as described in paragraph 4 above and in respect of the Prepayment Amounts.

- 6. Transfer of Underlying Securities to Trustee.** I acknowledge and irrevocably direct that, following the acceptance of my application, the Underlying Securities referred to in paragraph 3 above are to be transferred to the Trustee or its nominee as security to hold them on my behalf on the terms of the Trust Deed as Underlying Securities. I authorise the Trustee, Commonwealth Bank and their respective nominees and the Broker to do all things necessary (including obtaining consents, signing and producing documents and getting documents completed and signed) for any of them to become the registered holder of the Underlying Securities or to effect the transfer to the Trustee or its nominee of those Underlying Securities.
- 7. Representations and warranties.** I represent and warrant that: I am, together with any other joint holder identified on this Application Form, able to pay my debts as and when they become due, and that no step has been taken to make me bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my assets or make an arrangement, compromise or composition with any of my creditors. I am the sole legal and beneficial* owner(s) of the Underlying Securities referred to in the Application Form, and those Underlying Securities are free from any Encumbrances.

*Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all the power, authority and discretion vested as trustee to apply in relation to the Securities which are the subject of the trust.
- 8. No investment advice: Commonwealth Bank Regular Instalments.** I confirm that I have made, and will make, my own decisions in relation to Commonwealth Bank Regular Instalments and that I have undertaken and will continue to undertake, independently and without reliance on the Trustee, Commonwealth Bank or any other Holder: (a) my own investigations into the affairs of Commonwealth Bank; and (b) my own analysis of whether or not to take action in respect of Commonwealth Bank Regular Instalments or otherwise under the Trust Deed.
- 9. No investment advice: Underlying Securities.** I confirm that I have made my own enquiries into the performance and prospects of the Listed Entities and the Underlying Securities and their level of distributions to be made and I am not relying on anything in the Product Disclosure Statement or other material published by Commonwealth Bank or the Broker which relates to the future level of distributions or yield or suitability of investment in Commonwealth Bank Regular Instalments for me.
- 10. No Encumbrance of Underlying Securities.** I agree that no Encumbrance (such as a mortgage) may be created or arise over an Underlying Security underlying my Commonwealth Bank Regular Instalments or which gives any person a right to those Underlying Securities unless and until the

Completion Payment is paid and the Security Interest is otherwise released or discharged in accordance with the Trust Deed.

- 11. **Warranty made by representatives.** If I make this Application and these declarations and give these instructions as attorney or other similar representative, I have not received notice of or information about revocation of that power granted to me, whether by death of the grantor or otherwise.
- 12. **Telephone recordings.** I authorise Commonwealth Bank and the Broker to record any telephone conversation(s) I have with either of those entities, with or without an audible tone warning device.
- 13. **Privacy.** If I am an individual, I consent to the use and disclosure of my personal information as indicated in Section 11 of this Product Disclosure Statement "Personal information and Privacy". If I do not wish to receive promotional material from Commonwealth Bank or its subsidiaries, including IPO information, tick this box: .
- 14. **Financial Services Guides:** I expressly instruct the Broker and Trustee to provide any financial service associated with the issue of a Commonwealth Bank Regular Instalment immediately.

15. Investment/Business Purpose Declaration

Form: I confirm that the credit or other financial accommodation to be provided to me by Commonwealth Bank is to be applied wholly or predominantly for the purposes of investment or business or both. You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

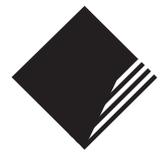
The provisions of Schedule 1 of the Trust Deed override the provisions of this Application Form in the case of an application made by a Market Making Applicant.

Every statement and direction made above is, in the case of persons who jointly hold Commonwealth Bank Regular Instalments and therefore apply as joint applications for Commonwealth Bank Regular Instalments, made jointly and severally by each applicant. Each Joint Applicant must sign the Application Form.

Signature / Execution clause Signed by:

	Natural Person Applicants	Company Applicants	Company Seal
Applicant #1	<input type="checkbox"/>	<input type="checkbox"/>	
Applicant #2	<input type="checkbox"/>	<input type="checkbox"/>	
Witness	<input type="checkbox"/>	<input type="checkbox"/>	
Date	<input type="text" value=" / /"/>		

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Completion Notice/Request for Purchase

Name of Holder #1

Name of Holder #2

Address

 State Postcode

Contact phone number
 ()

OFFICE USE ONLY
 Application No

Send Application to:
 Commonwealth Bank Regular Instalments
 Commonwealth Securities
 Reply Paid 60768
 Australia Square NSW 1214

This is to notify you that, I, being the Holder or being entitled to be registered as the Holder of the number of Commonwealth Bank Regular Instalments in the series specified above and issued in accordance with the terms summarised in the Product Disclosure Statement issued by Commonwealth Bank, irrevocably give:

A Completion Notice in respect of the following Commonwealth Bank Regular Instalments

(tick if you are sending in a Completion Notice)

Series of Commonwealth Bank Regular Instalments	No of Commonwealth Bank Regular Instalments	Completion Payment per Commonwealth Bank Regular Instalment*	Total Amount (multiply the no of Instalments by the payment per Instalment).
ABSIYH		\$5.40	
AGKIYH		\$11.50	
ANZIYH		\$23.00	
ASXIYH		\$35.80	
AXAIYH		\$5.70	
BBIIYH		\$1.50	
BHPIYH		\$24.10	
BLDIYH		\$6.50	
BNBIYH		\$21.90	
BSLIYH		\$8.90	
BXBIYH		\$10.00	
CCLIYH		\$7.10	
CSLIYH		\$66.90	
DJSIYH		\$3.70	
FGLIYH		\$4.80	
FXJIYH		\$3.80	
GPTIYH		\$3.80	
HVNIYH		\$4.00	
IAGIYH		\$4.60	
LEIIYH		\$27.30	
MAPIYH		\$3.00	
MBLIYH		\$67.30	
MIGIYH		\$2.80	
NABIYH		\$33.30	
NCMIYH		\$17.40	
ORGIYH		\$6.70	
ORIIYH		\$24.10	
PBLIYH		\$16.30	

Series of Commonwealth Bank Regular Instalments	No of Commonwealth Bank Regular Instalments	Completion Payment per Commonwealth Bank Regular Instalment*	Total Amount (multiply the no of Instalments by the payment per Instalment).
RIOIYH		\$73.90	
SEVIYH		\$9.00	
SGBIYH		\$27.30	
STOIYH		\$9.10	
SUNIYH		\$16.20	
TAHIYH		\$13.40	
TCLIYH		\$6.10	
TELIYH		\$3.20	
TENIYH		\$2.40	
TLSIYH		\$3.70	
TOLIYH		\$17.20	
WBCIYH		\$20.50	
WDCIYH		\$16.60	
WESIYH		\$28.90	
WOWIYH		\$21.10	
WPLIYH		\$32.70	
Total Amount			\$

* This is the Completion Payment, plus any Transfer Taxes as notified by Commonwealth Bank of Australia. This notice is accompanied by payment in cleared funds (eg. a bank cheque in favour of Commonwealth Bank of Australia) for the total amount of the Completion Payment. (Completion Payment cheques must be made payable to "Commonwealth Bank of Australia".)

OR
Request for the sale of the Underlying Securities relating to the following Commonwealth Bank Regular Instalments

(tick if you are sending in a Request for Purchase)

Series of Commonwealth Bank Regular Instalments	No of Commonwealth Bank Regular Instalments
ABSIYH	
AGKIYH	
ANZIYH	
ASXIYH	
AXAIYH	
BBIIYH	
BHPIYH	
BLDIYH	
BNBIYH	
BSLIYH	
BXBIYH	
CCLIYH	
CSLIYH	
CSRIYH	
DJSIYH	
FGLIYH	
FXJIYH	
GPTIYH	
HVNIYH	
IAGIYH	
LEIIYH	
MAPIYH	
MBLIYH	

Series of Commonwealth Bank Regular Instalments	No of Commonwealth Bank Regular Instalments
MIGIYH	
NABIYH	
NCMIYH	
ORGIYH	
ORIIYH	
PBLIYH	
RIOIYH	
SEVIYH	
SGBIYH	
STOIYH	
SUNIYH	
TAHIYH	
TCLIYH	
TELIYH	
TENIYH	
TLSIYH	
TOLIYH	
WBCIYH	
WDCIYH	
WESIYH	
WOWIYH	
WPLIYH	

Tick one box only. If neither or both boxes are ticked, Commonwealth Bank may treat this notice as a Request for Purchase Notice.

This notice is accompanied by my Chess Holding Statement for the relevant Commonwealth Bank Regular Instalments.

If the Commonwealth Bank Regular Instalment is held by more than one person, each joint holder makes the statement above and the name details must be completed for each joint holder.

Please note: The securities to be delivered to your account will be registered as an Issuer Sponsored holding. If you wish to transfer these holdings to your broker sponsored account, you should contact your stockbroker and they will arrange for the transfer.

Each joint Holder must sign.

Signature / Execution clause Signed by:

Natural Person Applicants

Company Applicants

Company Seal

Holder#1

Director

Holder #2

Director/Secretary

Witness

Date

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14. Directory

For further information about Commonwealth Bank or for a copy of any information Commonwealth Bank agrees to provide under this Product Disclosure Statement, contact Commonwealth Securities Limited on Ph: 13 15 19 or at the address below.

Issuer:

Commonwealth Bank of Australia
Level 6
120 Pitt Street
Sydney NSW 2000

Broker:

Commonwealth Securities Limited
48 Martin Place
Sydney NSW 2000

Trustee:

Share Direct Nominees Pty Limited*
48 Martin Place
Sydney NSW 2000

Registrar:

Link Market Services Limited
Level 12
300 Queen Street
BRISBANE QLD 4000

Tax Advisors to the Issuer:

Greenwoods & Freehills Pty Limited
MLC Centre
Martin Place
Sydney NSW 2000

* Share Direct Nominees Pty Limited has been appointed as an Authorised Representative to provide custodial services on behalf of the Broker to holders of warrants under offerings which the Broker promotes.

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