



## COMMONWEALTH BANK CORPORATE GOVERNANCE STATEMENT

**Sydney 16 December 2002:** In my Corporate Governance statement released in August this year, I detailed some of the more important aspects of the corporate governance framework operating within Commonwealth Bank of Australia.

On the subject of remuneration, I advised that, from the beginning of the 2003 financial year, options have been eliminated from the remuneration package of Executives.

In relation to recent media comment, I wish to reassure the Bank's shareholders that, in relation to Directors, including the Managing Director, whose shareholdings are required to be publicly disclosed, the disclosed interest in shares held directly by those individuals must be the same as their economic interest. That is, there has been, and will be, no hedging of those interests. The Bank's policy prohibits –

- a) for Directors, any hedging of publicly disclosed shareholding positions;
- b) for Executives, any trading (including hedging) in positions prior to vesting of shares or options;
- c) for Directors and Executives, any buying or selling of shares outside the prescribed "windows" around the times of announcement of the half-yearly and final results, release of the annual report and the holding the Annual General Meeting. Transactions cannot, in any case, be effected if the individual is in possession of market sensitive information; and
- d) for Directors and Executives, any trading of a short term nature in the Bank's shares at any time.

J T Ralph  
Chairman