



Commonwealth  
Bank

# Basel III Pillar 3

Annual Remuneration Disclosure as at 30 June 2020

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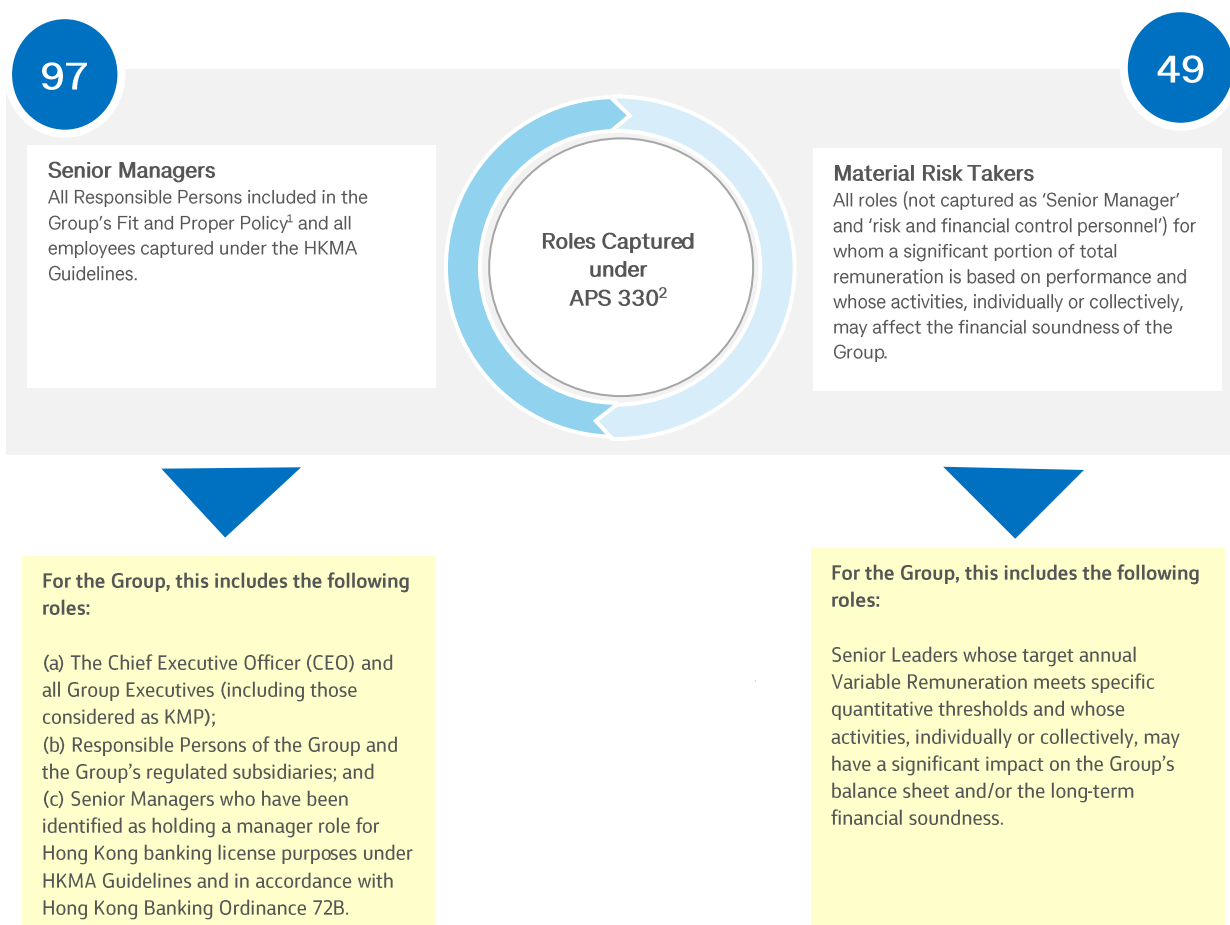
# 1. Introduction

This remuneration disclosure has been prepared in accordance with the Australian Prudential Regulation Authority's (APRA) Prudential Standard APS 330 Public Disclosure (APS 330) and the Hong Kong Monetary Authority (HKMA) Supervisory Policy Manual CG-5: 'Guideline on a Sound Remuneration System' (HKMA Guidelines).

APS 330 requires all Authorised Deposit-taking Institutions (ADIs) to, among other things, meet the minimum requirements for public disclosure of qualitative and quantitative information on their remuneration practices. The remuneration disclosures required under APS 330 are separate to the requirements applicable to all listed companies under the Corporations Act 2001, which is limited to Key Management Personnel (KMP). The qualitative and quantitative disclosure requirements in APS 330 apply to all Senior Managers and Material Risk Takers of the Commonwealth Bank of Australia Group (Group) for the 2020 financial year (year ended 30 June 2020).

In accordance with HKMA Guidelines, the remuneration arrangements of local CBA Hong Kong (HK) operations are disclosed as part of the Group Pillar III disclosure.

For the 2020 financial year, the following roles were determined to be Senior Managers and Material Risk Takers of the Group:



(1) Exclude roles listed in Prudential Standard CPS 510, paragraph 57 (a).  
 (2) Roles are defined in paragraph 22, APS 330. Roles captured as at 30 June 2020 or last role prior 30 June 2020 that is subject to disclosure. For the 2019 financial year, there were 88 Senior Managers and 40 Material Risk Takers. For the 2020 financial year, the number of Senior Leaders identified has increased due both to turnover in MRT roles and further refinement of our qualitative assessment in identifying MRTs.



## 2. Qualitative Disclosures

### 2.1 Remuneration Governance

#### 2.1.1 Remuneration Governance Framework

The People & Remuneration Committee is the governing body for developing, monitoring and assessing people and remuneration strategy, policies and practices across CBA on behalf of the Board. The role of the People & Remuneration Committee is to review, challenge, assess and, as appropriate, endorse the recommendations made by management for Board approval. It oversees CBA's remuneration framework and assists the Board to ensure CBA's remuneration strategy and policy are appropriate and effective. The responsibilities of the People & Remuneration Committee are outlined in its Charter and reviewed annually.

The People & Remuneration Committee met formally six times during the 2020 financial year, with the following members (as at 30 June 2020): Paul O'Malley (Chairman), Catherine Livingstone AO, Mary Padbury and Wendy Stops.

As part of the performance and risk review, and to support the determination of remuneration outcomes for the CEO and the Group Executives, the People & Remuneration Committee met concurrently with the Risk & Compliance, Audit and Nominations Committees in February 2020 and June 2020. These concurrent meetings provided an opportunity for the Committees to review and discuss relevant risk and audit matters that may warrant consideration in the People & Remuneration Committee's determination of remuneration outcomes, including any in-year or malus adjustments to variable remuneration for the CEO and Group Executives (including former Group Executives).

Information provided to the Board Committees to support their determinations of collective and/or individual remuneration impacts includes risk scorecards for the CEO and Group Executives, details of material risk matters, outcomes of internal audit reviews conducted during the year, and consideration of the quality of CBA's financial results. The Board reviews, challenges, applies judgment and, if appropriate, approves the People & Remuneration Committee's recommendations.

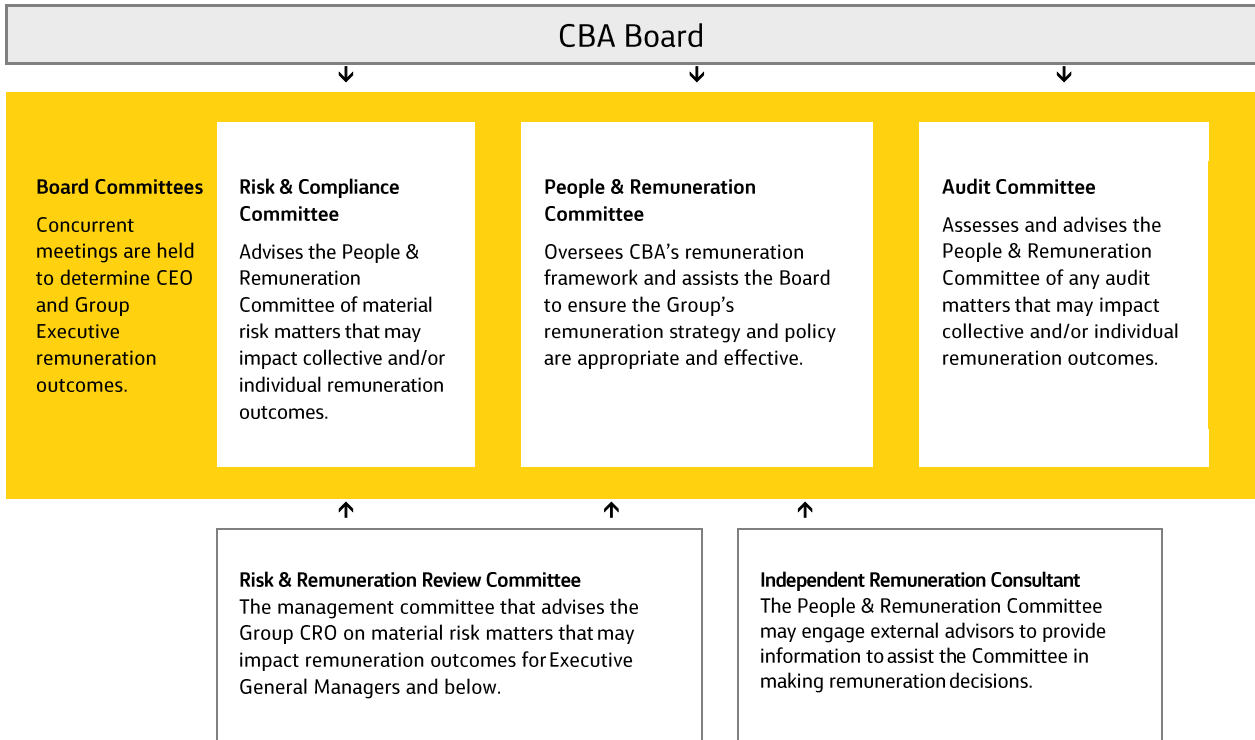
The Board has continued to oversee enhancements to CBA's management of risk and remuneration consequences through its guidance, procedures and governance, including reinforcing the Board's expectations of risk outcomes and behaviours in support of a positive risk culture.

In addition to Board oversight, the Group Risk & Remuneration Review Committee, a management Committee that advises the Group CRO, oversees the assessment of accountability for material risk matters, including those impacting CBA's reputation, and application of remuneration adjustments as applicable for Executive General Managers and below.

During the 2020 financial year, external advisors were engaged by management to provide information to the People & Remuneration Committee to assist the Committee with making remuneration decisions. The People & Remuneration Committee did not seek or receive any remuneration recommendations from the external advisors in the 2020 financial year.



The following diagram illustrates the Group’s remuneration governance framework.

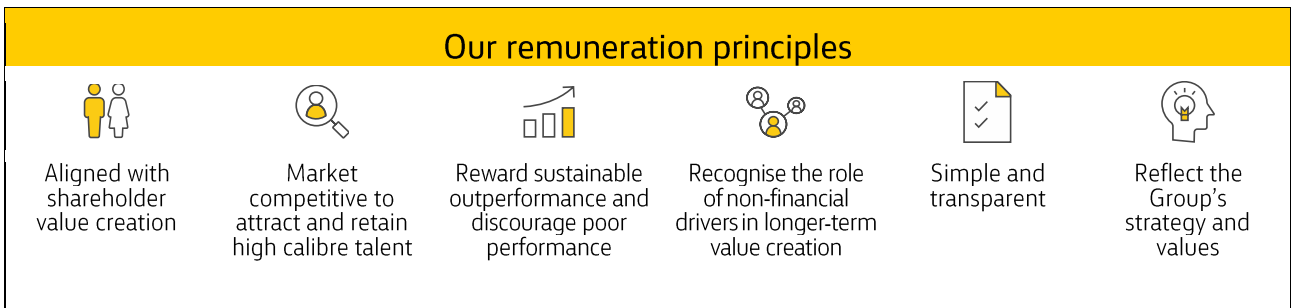


Non-Executive Directors receive fees to recognise their contribution to the work of the Board and the associated Committees on which they serve. Non-Executive Directors do not receive any performance-related remuneration and the Chairman does not receive separate Committee fees.

The current fee for the People & Remuneration Committee Chairman is \$60,000 and the current fee for the People & Remuneration Committee member is \$30,000 per annum, all inclusive of superannuation.

### 2.1.2 Remuneration Policy and Effectiveness

The Board and the People & Remuneration Committee are responsible for the Group Remuneration Policy (Policy) that sets out the Group’s remuneration principles which guide the design of the Group’s remuneration arrangements and relevant policies to manage remuneration within the Group’s remuneration, performance and risk frameworks.



The Policy applies to all specified individuals and entities of the Group. Where offshore entities are subject to additional regulatory requirements under local regulation, the higher of either the Policy or local requirements is applied. The scope of the Policy covers:



- Employees on individual contracts;
- Employees covered by collective agreements; and
- The CEO, Group Executives and Non-Executive Directors on the Group's Board and the boards of any majority owned Group subsidiaries (including offshore entities).

All remuneration arrangements within the Group are governed by the remuneration delegation framework in accordance with the Policy. In order to support good governance and the relevance of the Policy in light of changing regulatory requirements and market conditions, the Policy is regularly reviewed by the People & Remuneration Committee (with changes approved by the Board). The Policy review and assessment includes:

- Alignment with the Group's purpose, culture, values and strategy;
- Compliance with relevant legal and regulatory obligations;
- Compliance by the Group with the Policy; and
- The relevance of the Policy in light of changing market conditions

The most recent Policy review was undertaken during the 2020 financial year with changes effective 1 July 2020. This review included minor amendments to reflect regulatory and policy changes across all relevant jurisdictions in which the Group operates. In addition, the malus and clawback principles were revised to provide specific clawback principles to apply to the CEO and Group Executives, clarify what constitutes a Reduction Event, i.e. which events may result in a malus or clawback adjustment and setting out how the Board intends to use discretion in the case of a Reduction Event.

A policy effectiveness review was undertaken during the 2020 financial year which determined the Policy is broadly effective. Findings from the effectiveness review resulted in improvements to the 2020 performance and remuneration review process and reporting, as well as opportunities for further improvements.

The People & Remuneration Committee has determined to conduct a comprehensive Policy effectiveness review every three years, with annual short-form reviews conducted in each of the intervening years.

### **2.1.3 Independence of Risk and Financial Control Personnel**

Most risk and financial control personnel (as defined in paragraph 57(b) of CPS 510) are employed in the centralised Group functions. The performance and remuneration outcomes of these individuals are determined by the appropriate reporting manager within these functions to maintain independence of the businesses they support.

Individual variable remuneration outcomes are based on both what was achieved (Key Performance Indicators (KPI) assessment) and how it was achieved (values and risk assessment outcomes). For risk and financial control personnel:

- KPIs must not compromise the independence of the individuals in these roles in carrying out their function;
- Financial KPIs may be linked to the Group's performance, but not to the Business Unit performance the employee advise/review;
- Non-financial KPIs may be linked to individual, team or Business Unit performance provided they are not related to areas where the individual performs a control function; and



- The ratio of annual variable remuneration to fixed remuneration should be appropriate, in line with the Group's Remuneration framework, where applicable.

## 2.2 Remuneration Framework

The Group's remuneration arrangements are designed to attract, retain and motivate high calibre individuals who embrace the Group's culture, values and can deliver on its strategy, in compliance with legal and regulatory requirements. The structure of remuneration arrangements for the majority of Group employees consists of the following components:

- Fixed Remuneration (FR); and
- Variable Remuneration (VR) (at risk), including STVR and, for the CEO, Group Executives and a small number of other employees, long term variable remuneration (LTVR) (at risk).

Our remuneration framework and outcomes reflect our values:

Our values				
We do what is right	We are accountable	We are dedicated to service	We pursue excellence	We get things done

The following table outlines the Group's key remuneration components. More detail on remuneration and the link to performance is included in section 2.3:

	Fixed Remuneration	STVR (at risk)	LTVR (at risk)
Purpose	Provides market competitive remuneration to attract and retain high quality talent while reflecting role size and accountabilities.	Rewards for achieving key performance outcomes and demonstrating values. The risk modifiers adjust overall STVR for how risk was managed.	Rewards participants for creating sustainable and superior long-term shareholder value, improving engagement of our people, and re-building trust and reputation with our customers and the community.
Coverage	All Employees	Most employees are eligible to participate in variable remuneration arrangements applicable to their position.	The CEO, Group Executives and a small number of other senior employees where applicable.
Structure	Base remuneration and superannuation	<ul style="list-style-type: none"> <li>• Variable remuneration instruments in FY20 included: <ul style="list-style-type: none"> <li>• Cash (deferred and non-deferred);</li> <li>• Deferred / Restricted Shares (deferred equity)<sup>(1)</sup>; and</li> <li>• Rights (deferred equity);</li> </ul> </li> <li>• Cash is the only instrument that can be paid upfront and not deferred. Some of the Group's arrangements allow for variable remuneration to be deferred as cash over an appropriate deferral period.</li> </ul>	



	Fixed Remuneration	STVR (at risk)	LTVR (at risk)
Description	<ul style="list-style-type: none"> <li>For the CEO and Group Executives: Reviewed annually against relevant comparator group remuneration benchmarks; the primary comparator group is the other three major Australian banks.</li> <li>For other employees: Reviewed annually within parameters set by the People &amp; Remuneration Committee. The remuneration review takes into account any change in the scope performed by the individual, changes required to meet the principles of the Policy, internal equity and market competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Most employees are eligible to participate in STVR arrangements which recognise performance within the financial year. Performance is measured against the Group's values, risk assessment relevant to each role, and a balanced scorecard comprising financial and nonfinancial measures.</li> <li>Senior and some other employees defer a portion of STVR awarded over an appropriate period in compliance with the Policy and local legislation or regulations.<sup>(2)</sup></li> </ul>	<ul style="list-style-type: none"> <li>For the CEO and Group Executives, LTVR is awarded in the form of Rights that vest after a four-year period, subject to the achievement of set performance hurdles, risk and reputation review and final Board approval.</li> </ul>
	<i>All deferred remuneration is subject to malus review before vesting</i>		

(1) For offshore jurisdictions with restrictions on equity-based awards, the deferred award is delivered as cash.

(2) Applies to Senior Leaders, individuals with significant remuneration and other regulated roles that requires their STVR to be deferred in accordance with regulatory requirements.

The People and Remuneration Committee reviewed the remuneration strategy during the 2020 financial year and determined further enhancements to apply from 1 July 2020, including to the Executive remuneration framework.

### 2.2.1 Deferral of variable remuneration

The table below provides a summary of the main deferral arrangements applicable to different roles across the Group. Employees in more senior roles (that have the potential to receive higher variable remuneration) have a greater portion of their variable remuneration deferred.

All Employees	Senior Leaders <sup>(1)</sup>	CEO/Group Executives <sup>(1)</sup>
<p>For all employees with an STVR award of AUD 150,000 (NZD 150,000 for ASB) or greater, one-third of their STVR award is deferred into equity (as Deferred Restricted Shares / Rights<sup>(2)</sup>) that vests in three equal tranches over one, two and three years. Deferred STVR awards are subject to risk review prior to vesting. Deferred STVR awards are subject to risk review prior to vesting.</p>	<p>Senior Leaders includes Executive General Manager (EGM) and General Manager (GM) roles.</p> <p>Deferral of one-third of any STVR award into restricted shares / rights<sup>(2)</sup> that vest in equal tranches over one, two and three years.</p> <p>Deferred STVR awards are subject to risk review prior to vesting.</p>	<p>Deferral of 50% of any STVR award into restricted shares that vest in equal tranches after one and two years. Deferred STVR awards are subject to Board risk and reputation review prior to vesting.</p> <p>100% of LTVR awards are deferred over a four-year period (as Rights) and subject to performance measures and Board risk and reputation review prior to vesting.</p>

(1) Deferral arrangements for Accountable Persons may vary from that stated where necessary for the Group to ensure compliance with its remuneration obligations under the Banking Act 1959 (Cth).

(2) For offshore jurisdictions with restrictions on equity-based awards, the deferred award is delivered as cash.

Vesting of equity-based awards are subject to the relevant Board-approved equity plan rules, or terms and conditions in the case of deferred cash, and are generally contingent upon:





- An employee remaining employed by the Group during the vesting period except in certain circumstances. For example, if an individual resigns or is dismissed from the Group before the end of the vesting period, deferred STVR and LTVR awards are generally forfeited. Leaving the Group for other reasons (such as retirement, ill health separation, redundancy, mutual separation or death) will not trigger forfeiture, and unvested deferred STVR and LTVR awards will stay on foot and vest at the normal time. In such cases vesting is subject to, in the case of deferred STVR, the remaining vesting conditions (other than continuity of service), or, in the case of LTVR awards, with performance measured at the end of the relevant performance period (unless otherwise determined by the Board);
- Realisation of original expected performance outcomes, in the case of deferred STVR;
- The performance hurdles being met, in the case of LTVR for the CEO and Group Executives;
- A review of any risk and compliance issues associated with any individual; and
- At vesting, the release of the deferred variable remuneration amount not placing undue financial hardship on the Group.

The Group's approach to variable remuneration deferral supports the Group's risk management framework. The Board retains discretion to lapse and/or reduce deferred variable remuneration, in certain circumstances, where it is determined that a malus event has occurred and the vesting of some or all of an individual's unvested deferred awards is not justifiable or supportable.

## 2.3 Linking Remuneration to Performance

Variable remuneration is directly linked to both short-term and long-term performance goals.

### 2.3.1 2020 financial year STVR performance measures

STVR awards for most employees are discretionary and informed by performance outcomes that include the Group's values, risk expectations and a balanced scorecard to assess both short-term Group, Business Unit and individual performance against specific KPIs. Individual performance outcomes for values and KPIs inform the payment range available for STVR recommendations. The risk outcome informs whether an STVR reduction is required. Not fully meeting expectations for values, risk or KPIs has an impact on the STVR outcome, including the reduction of any STVR award to zero.

Non-financial measures have a substantial weighting in balanced scorecards for all employees including the CEO and Group Executives. Scorecard weightings cover financial/shareholder and non-financial measures linked to Group and Business Unit targets, and vary by role.

The Group guidance informing KPI development across the Group for the financial year 2020 includes four strategic categories: Customers, People, Shareholders, and Business and Strategic Initiatives. The 'Shareholders' category (which contains the financial KPIs) has a maximum weighting of 30% for all employees in the Group.

Risk is an important factor in accounting for short-term performance. The Group uses Profit after Capital Charge (PACC), a risk-adjusted measure, as a key measure of financial performance. PACC takes into account the profit achieved, and also reflects the risk to capital that was taken to achieve it. Moreover, in managing risk, all employees are required to comply with the Group and relevant Business Unit Risk Appetite Statements and provide exemplary leadership of a strong risk culture.

The key 2020 financial year STVR scorecard performance measures for the CEO are outlined below:



	Performance Category	Weighting	Measures
FINANCIAL	Financial	30%	<ul style="list-style-type: none"> <li>Group Cash Net Profit After Tax</li> <li>Group underlying Profit After Capital Charge</li> </ul>
			NON-FINANCIAL
People	10%	<ul style="list-style-type: none"> <li>Group people measure results (focus on culture, wellbeing, talent, and capability)</li> </ul>	
Strategy	50%	<ul style="list-style-type: none"> <li>Progress on and quality of implementation of the APRA Remediation Action Program</li> <li>Progress on delivery of Group Strategic Priorities (including shared priority dashboard)</li> </ul>	
STVR Modifiers		<p>Performance outcomes determined through assessment of the balanced scorecard are subject to the following assessments:</p> <ul style="list-style-type: none"> <li><b>Values:</b> the Board has the discretion to adjust CEO STVR outcomes upwards or downwards including to zero where appropriate</li> <li><b>Risk and reputation:</b> the Board has the discretion to adjust CEO STVR outcomes downwards including to zero where appropriate.</li> </ul>	

### 2.3.2 2020 financial year LTVR Performance measures

The CEO and Group Executives are eligible to receive LTVR awards in the form of Rights – each reward right entitles the participant to receive one CBA share (or cash equivalent), subject to meeting performance hurdles. The performance measures for 2020 financial year LTVR awards are:

- Total Shareholder Return (TSR) – relative measure, 75% weighting of total award;
- Trust and Reputation – relative measure, 12.5% weighting of total award; and
- Employee Engagement – absolute measure, 12.5% weighting of total award.

A positive TSR gateway is applied to the non-financial performance measures (trust and reputation, employee engagement), such that no vesting on these measures occurs unless the change in shareholder value is positive.

Prior to vesting, LTVR awards are also subject to Board risk and reputation review, and should any issues be identified, the award can be reduced, including to zero.

## 2.4 Risk Management and Remuneration Consequences

The Group promotes disciplined, transparent and effective management of risk in delivering and measuring short-term and long-term performance by linking risk and compliance outcomes and conduct to variable remuneration outcomes. The risk assessment adjusts short-term and long-term variable remuneration outcomes for good and poor risk behaviours and outcomes, and in the case of STVR, acts as



a modifier. The risk assessment process holds employees accountable for managing risks in accordance with the Group's Risk Management Approach and Risk Appetite.

The Group's Risk Management Approach sets out Board and Executive Leadership Team's expectations regarding how all employees should behave to identify, measure, monitor and act upon risks. Risk behaviours are guided by the Group's values. The Group Risk Appetite Statement articulates the type and degree of risk the Board is prepared to accept and the maximum level of risk that the Group must operate within to deliver long-term value to customers, communities, shareholders and employees. All Group employees are required to adhere to the Group Risk Appetite Statement, as well as to their Business Unit's Risk Appetite Statement.

Individual STVR outcomes are based on both what was achieved (KPI assessment) and how it was achieved (values and risk assessment of behaviours and outcomes). The outcomes of the risk assessment process may result in STVR being reduced, including to zero.

Risk management is incorporated in the Group's remuneration framework by:

- Ensuring consideration is given to whether a risk adjustment should be made to the Group discretionary STVR pool funding having regard to a range of financial and non-financial risk factors.
- Ensuring that all employees have a risk assessment included in their individual performance review (which can impact variable remuneration outcomes).
- Recognising and rewarding exceptional individual risk behaviours with separately-funded awards.
- Using Executive risk scorecards to support the risk assessment process for the CEO, Group Executives, EGMs and GM's.
- The mandatory deferral of a portion of the variable remuneration of the CEO, Group Executives, EGMs, GMs (or equivalent roles in each case), Accountable Persons, other regulated roles and individuals with significant variable remuneration outcomes. This deferred remuneration may be subject to malus adjustments as determined by the Board or its authorised delegate (such as the People & Remuneration Committee).
- The Group RRRC overseeing the application of variable remuneration reductions for risk matters for EGMs and the operations of the BU RRRCs, which review variable remuneration reductions for material risk matters for GMs and below.
- For the CEO, and Group Executives, the CBA Board considers the impact of risk matters on remuneration outcomes based on risk scorecards and material risk and audit matters reported to the Concurrent Committee meeting held by the Risk, People & Remuneration and Audit Committee.

Risk scorecards and information relating to material risk and audit matters are provided to the Board as inputs to risk assessments for the CEO and Group Executives. The People & Remuneration Committee, together with the Risk and Audit Committee, considers this information when determining Executive remuneration outcomes, including the application of reductions to STVR, Deferred Remuneration and LTVR outcomes for risk and reputation matters.



### 3. Quantitative Disclosures

The following tables have been prepared in accordance with the quantitative requirements outlined in APS 330 and values are expressed in Australian Dollars (AUD):

- Table (a) provides a breakdown of the value of fixed and variable remuneration for Senior Managers and Material Risk Takers for year ended 30 June 2020.
- Table (b) provides a summary of deferred cash and equity-based remuneration, including the total amount of outstanding awards, awards that have vested during 2020 financial year and any reductions due to ex-post explicit and implicit adjustments.

#### a) Total Value of Remuneration Awards<sup>(1)</sup>

	Senior Managers (\$'000) <sup>(2)</sup>		Material Risk Takers (\$'000) <sup>(2)</sup>	
	FY20	FY19	FY20	FY19
<b>Fixed Remuneration</b>				
Cash-based (non-deferred) <sup>(3)</sup>	33,365	31,584	17,882	14,939
Other (non-deferred) <sup>(4)</sup>	3,096	2,368	1,941	1,190
<b>Variable Remuneration</b>				
Cash-based (non-deferred) <sup>(5)</sup>	18,114	15,154	12,807	9,372
Cash-based (deferred)	4,765	6,016	2,457	575
Shares and share-linked instruments (deferred) <sup>(6)</sup>	45,925	41,594	7,752	6,068
Other <sup>(7)</sup>	19	9	2	-

(1) FY19 values have been restated following a review of the Group's disclosure methodology.

(2) 139 Senior Managers and Material Risk Takers received a variable remuneration award in relation to FY20. The Group does not provide guaranteed bonuses and consequently none were offered during FY20 to Senior Managers or Material Risk Takers. 58 retention and sign-on awards were made to Senior Managers and Material Risk Takers who joined the Group during FY20 (a total of \$15,911,532). 18 termination payments were made to Senior Managers and Material Risk Takers (a total of \$1,811,010) during FY20.

(3) This includes base remuneration, superannuation contributions / pension payments and role allowances (where applicable).

(4) This includes annual leave and long service leave taken during the year.

(5) This value represents the cash portion of the STVR awards and any other cash payments (such as sign-on awards or retention awards). For the CEO and Group Executives this value includes 50% of their total FY20 STVR award, with the remaining 50% deferred. For Accountable Persons, deferred remuneration requirements under the Banking Act were met, including for former Group Executives where applicable. For most other Senior Managers and Material Risk Takers this value represents two-thirds of their total FY20 STVR award.

(6) Includes deferred STVR and LTVR received as equity, and any other equity-based awards where applicable.

(7) This includes interest on deferred cash, and the grant of CBA shares through the Employee Share Acquisition Plan where applicable.

#### (b) Deferred Remuneration<sup>(1)</sup>

	Senior Managers (\$'000)		Material Risk Takers (\$'000)	
	FY20	FY19	FY20	FY19
<b>Outstanding Remuneration<sup>(2)</sup></b>				
Cash-based awards	3,718	5,609	1,976	450
Shares and share-linked instruments	79,577	80,870	10,638	11,644
<b>Total Outstanding Remuneration (deferred)</b>	<b>83,295</b>	<b>86,479</b>	<b>12,614</b>	<b>12,094</b>
<b>Total amount of deferred remuneration vested<sup>(3)</sup></b>	<b>15,872</b>	<b>15,571</b>	<b>9,436</b>	<b>7,134</b>
<b>Total amount of reductions due to explicit adjustments<sup>(4)</sup></b>	<b>(6,692)</b>	<b>(4,661)</b>	<b>(658)</b>	<b>-</b>
<b>Total amount of reductions due to implicit adjustments<sup>(5), (6)</sup></b>	<b>(15,844)</b>	<b>-</b>	<b>(2,118)</b>	<b>-</b>

(1) FY19 values have been restated following a review of the Group's disclosure methodology.

(2) All deferred remuneration is exposed to ex-post explicit and/or implicit adjustments. This includes the sum of all outstanding deferred cash and equity awards as at 30 June 2020. For all LTVR awards and equity-based deferred STVR awards this includes the total face value calculated using the Volume Weighted Average Closing Price (VWACP) of the Group's ordinary shares over the five trading days preceding 30 June 2020.



- (3) The value of deferred cash and equity awards that vested during FY20. The value of the vested award is calculated using the VWACP of the Group's ordinary shares over the five trading days preceding the transaction date.
- (4) This includes any reductions to awards that vested during FY20 due to revaluation of awards, downward adjustments to awards and award forfeitures. The value of the lapsed awards are calculated using the VWACP of the Group's ordinary shares over the five trading days preceding the transaction date.
- (5) This includes any reductions to the value of the total outstanding awards due to downward movements in CBA share price during the year. The reduction in value is calculated using the VWACP of the Group's ordinary shares over the five trading days preceding 30 June 2019 and 30 June 2020, respectively for the beginning and end values.
- (6) In FY19 the value of total outstanding awards was increased by \$8.7M for Senior Managers and \$1.4M for Material Risk Takers due to upward movements in CBA share price during the year.



## 4. Key Terms

For the purposes of this remuneration disclosure, and to assist readers, key terms and abbreviations used in this remuneration disclosure as they apply to the Group have the meanings set out below.

Term	Definition
Accountable Persons	Has the meaning given in the Banking Act 1959 (Cth).
Board	The Board of Directors of the Commonwealth Bank of Australia.
CEO	Managing Director and Chief Executive Officer.
Deferred Restricted Shares / Rights	Rights to ordinary shares or restricted shares in CBA granted under the Group Rights Plan or Employee Equity Plan subject to forfeiture on resignation. These may be granted in respect of deferred STVR awarded under Executive General Manager and General Manager arrangements, other deferred STVR awards, sign-on awards and retention awards.
Group Executive	Senior direct reports to the CEO excluding the CEO ASB.
Individuals with Significant Variable Remuneration	EGMs, GMs (or equivalent) and any employees within the Group whose Annual Variable Remuneration is equal to or greater than AUD150,000 per annum (NZD150,000 in New Zealand).
Key Management Personnel (KMP)	Persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.
Key Performance Indicators (KPIs)	Quantitative and qualitative measures, agreed at the start of the performance year to communicate expected performance outcomes at the Group, business unit and / or team and individual level.
Long-Term Variable Remuneration (LTVR)	A variable remuneration arrangement which grants instruments to participating employees that may vest over a period of four years subject to any performance hurdles and risk assessment.
Senior Leaders	Employees who have senior Executive authority and responsibility within the Group, including employees who hold a position at Executive General Manager or General Manager level (or equivalent) within the Group.
Rights	Rights to ordinary shares in CBA.
Short-Term Variable Remuneration (STVR)	Variable remuneration paid subject to KPI, Values and Risk performance over one financial year.
Total Shareholder Return (TSR)	TSR measures a company's share price movement, dividend yield and any return of capital over a specific period.
Variable Remuneration	Remuneration that is conditional on the achievement of objectives within a defined period (or otherwise). May include, but is not limited to: <ul style="list-style-type: none"> <li>• STVR and LTVR;</li> <li>• Sign-on awards;</li> <li>• Retention awards;</li> <li>• Any other performance-based remuneration; and</li> <li>• Any other remuneration of an AP determine by APRA under the Banking Act to be variable remuneration.</li> </ul>

