

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

- CFS91QW:** Early access to superannuation for members affected by COVID-19
- a) What has your fund done to prepare for the government's early access scheme for members affected by COVID-19?
 - b) How much money do you expect to be withdrawn from your fund as a result of the scheme?

Answer:

- a. Once the Government made the announcement of the new scheme in March, Colonial First State mobilised resources to implement the required changes. We also updated our communications across all our channels to make our members aware of the various Government initiatives available to them.
- b. As of 12 July CFS has paid \$1.17b to members which is about 1.2% of FUM. CFS is currently forecasting that we expect to pay about \$1.572b to members.

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CFS92QW: Is your fund currently facing a liquidity crisis?

If not, are there other challenges the fund is facing?

Answer:

No.

There are many challenges to running a large superannuation business, not least of which is how to maximise returns to our members during a period of great economic challenge. However we believe we are well positioned to support our members through this period.

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Colonial First State

CFS93QW: Please provide a list of all investment schemes across your fund(s) that have had their redemptions frozen since January 2008, and for each:

- a. What was the total value of funds frozen?
- b. How many of your members were impacted by these frozen funds, and how?
- c. The date on which the freeze was implemented and lifted.
- d. A copy of the clause trustees relied on to enact that freeze.

Answer:

Where a decision to terminate a managed investment scheme is reached but is not due to any underlying liquidity issues there is always a typically short period where the unitholders funds are suspended to ensure equitable treatment in distributing income and capital which is part of winding up a scheme. These instances have not been included in our response to this question.

A list of investment schemes which have recently had redemptions frozen for other reasons is attached as CFS93QW_1.

InvestmentCode	Fund Name	Number of Members	Sum of Value	Date Suspended	Notes
MAQ0290AU	van Eyk Blueprint B	94	\$ -	1/08/2014	The Fund was suspended in 2014. The suspension has been imposed because one of the underlying funds that VBI holds, and constituting approximately 32% of the assets of VBI, is not "liquid" ("VBI Illiquid Investment"). Accordingly, VBI has ceased to be a liquid scheme as defined by the Corporations Act. The price for this fund was reduced to zero by Investment Committee.
MAQ0291AU	van Eyk Blueprint C	14	\$ -	1/08/2014	The Fund was suspended in 2014. The suspension has been imposed because one of the underlying funds that VBI holds, and constituting approximately 32% of the assets of VBI, is not "liquid" ("VBI Illiquid Investment"). Accordingly, VBI has ceased to be a liquid scheme as defined by the Corporations Act. The price for this fund was reduced to zero by Investment Committee.
MAQ0292AU	van Eyk Blueprint H	27	\$ -	1/08/2014	The Fund was suspended in 2014. The suspension has been imposed because one of the underlying funds that VBI holds, and constituting approximately 32% of the assets of VBI, is not "liquid" ("VBI Illiquid Investment"). Accordingly, VBI has ceased to be a liquid scheme as defined by the Corporations Act. The price for this fund was reduced to zero by Investment Committee.
ACP0007AU	BAO Trust	453	\$ 29,883.269	26/10/2012	Unitholders acquired their holding as a result of a distribution in specie of the units in BAO Trust by Brookfield Australian Opportunities Fund on 26 October 2012. There was no redemption facility offered under the new investment.

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CFS94QW: Are you, or any entities you control, planning to freeze any managed investment schemes associated with your fund or fund platform business?

Answer:

No

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Colonial First State

CFS95QW: Since 1 January 2020, have you, or any entities you control:

- a. suspended any successor fund transfers?
- b. had any funds involved in impending merger activity frozen by investment managers?

Answer:

- a. No
- b. Not applicable.

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Colonial First State

CFS96QW: Mortgage trusts

- a. Do you, or any entities that you control, have mortgage trusts on your platform?
- b. Will you need to freeze redemptions on these due to leverage?

Answer:

Colonial First State Investments Limited (CFSIL)

- a. CFSIL does not offer mortgage trusts as options on our platforms. We also do not offer options that invest in Australian mortgage trusts.
- b. Not applicable.

Avanteos Investments Limited (AIL)

- a. There are no listed mortgage trusts available on the approved product list, there are however unlisted investment options offered which have a predominant exposure to mortgages.
- b. None of these investment options currently have frozen redemptions. If this was required, the decision would be made by the relevant Responsible Entity of the managed investment scheme (which is an external entity to AIL).

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Colonial First State

CFS97QW: Property trusts and assets

- a. Do you, or any entities you control, have listed property trusts on your platform?
- b. How have these performed in comparison to direct unlisted property assets owned by your fund between 1 January 2020 and 20 April 2020?

Answer:

- a. Yes, Colonial First State has listed property trusts on our platforms. The property trusts are listed in Australia and offshore.
- b. The Australian listed property market, as measured by the S&P ASX300 A-REIT index returned -14.7% for the period 1 January 2020 to 20 April 2020. The global listed property market, as measured by the FTSE Developed Rental Index returned -16.1% over the same period. Colonial First State did not hold unlisted property assets over the full period however our understanding is that unlisted property provided a higher return than listed property assets over the period.

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Colonial First State

CFS98QW: Do you, or any entities you control, have agribusiness schemes on your platform?

If so, what was the nominal value of these investments on:

- a. 1 January 2020?
- b. 20 April 2020?

Answer:

No

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Colonial First State

CFS99QW: Managed investment schemes

- a. What policies and governance structures do you, or any entities you control, have in place to determine what managed investment schemes are added to your investment platforms? (Please also provide a copy of these policies.)
- b. Do you, or any entities you control, allow financial advice dealer groups to add managed investment schemes to your platform and/or recommended product lists?

Answer:

- a. A Board approved Investment Governance Framework (IGF) details the policy and considerations for determining whether a managed investment scheme is appropriate for addition to the approved product list of the investment platforms. The IGF is reviewed on an annual basis.
- b. No, all managed investment schemes which are added to the approved product list are required to be approved by the Board Investment Committee in line with the requirements of the IGF.

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Colonial First State

CFS100QW: APRA supervision of investment governance

- a) Please describe APRA's current supervision of your investment governance.
- b) When did APRA last examine your investment governance processes?
- c) Has APRA asked you to stress-test particular types of managed investment schemes? If so, what types?

Answer:

- a. APRA supervision of investment governance is undertaken indirectly via monitoring of the implementation of APRA SPS515/SPG515 and SPG516 – focusing on member outcomes including investment related outcomes (targets, benchmarks and relevant governance processes) set for members.
- b. APRA's last review of the investment governance framework took place during FY2014, - as part of the CFSIL/AIL – APRA Prudential Review and implementation of MySuper. APRA was also provided with the Investment Governance Framework in 2018 and 2016 prudential reviews.
- c. Colonial First State's Stress Testing Program is performed annually and is reviewed annually as part of the review of the Investment Governance Framework. CFS discussed the Stress Testing Program in 2019 with APRA to ensure it meets their expectations. The Stress Testing Program includes stress testing on all managed investment schemes on the approved product list.

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Colonial First State

CFS101QW: Can you please advise what exposure your members have to listed property trusts and the value of those asset holdings on:

- a) 1 January 2020?
- b) 25 April 2020?

Answer:

Colonial First State Investments Limited

Effective 31 December 2019

	% Exposure	Value of Holding (\$'000)
FC Superannuation Trust	5.41%	4,488,481
CFS Rollover & Superannuation	3.48%	95,386
CFS Pooled Superannuation Trust	5.68%	5,319
Commonwealth Essential Super	6.82%	269,440

Avanteos Investments Limited

Effective 31 December 2019

As at 31 December 2019

	% Exposure	Value of Holding (\$'000)
Avanteos Superannuation Trust	4.28%	429,074
Symetry Personal Retirement Fund	8.20%	132,279
Encircle Superannuation Fund	2.83%	67,772
Star Portfolio Superannuation Fund	6.36%	34,267
Ultimate Superannuation Fund	7.35%	25,710

Colonial First State Investments Limited

Effective 31 March 2020 (note: data not available as at 25 April 2020)

	% Exposure	Value of Holding (\$'000)
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FC Superannuation Trust	4.34%	3,111,380
CFS Rollover & Superannuation	2.94%	65,338
CFS Pooled Superannuation Trust	4.58%	3,399
Commonwealth Essential Super	5.46%	178,671

Avanteos Investments Limited

Effective 31 March 2020 (note: data not available as at 25 April 2020)

	% Exposure	Value of Holding (\$'000)
Avanteos Superannuation Trust	3.38%	299,680
Symetry Personal Retirement Fund	7.53%	101,058
Encircle Superannuation Fund	2.50%	54,654
Star Portfolio Superannuation Fund	4.96%	20,536
Ultimate Superannuation Fund	5.94%	17,454

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Colonial First State

CFS102QW: Can you please advise what exposure your members have to listed mortgage trusts and the value of those asset holders on:

- a. 1 January 2020?
- b. 25 April 2020?

Answer:

Colonial First State does not invest in Australian listed mortgage trusts.

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Colonial First State

CFS103QW: Do you expect that actual or expected hardship redemptions as a result of the COVID-19 pandemic will reduce, delay or otherwise impact shareholder returns? If so, how and to what extent?

Answer:

Whilst the hardship redemptions due to the COVID-19 pandemic have increased Colonial First State's operating costs, we do not expect this to have a material impact on CBA shareholder returns.

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Colonial First State

CFS104QW: How many sexual harassment complaints have been lodged against your company in the last five years?

For each complaint, please set out:

- a. the jurisdiction
- b. how the complaint was resolved, and
- c. the remedies ordered or settlement amount.

Answer:

Nil

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Colonial First State

CFS105QW: In the context of understanding the value of your services to Australian superannuation members, can you please advise the remuneration package for your Chief Executive; specifically:

- a. base salary
- b. annual bonuses
- c. the accumulated value of deferred bonuses unpaid
- d. the accumulated value of deferred bonuses paid
- e. any other annual, bonus or deferred remuneration information or settlements not covered in the previous four points, and
- f. reimbursements for expenses.

Answer:

Colonial First State does not currently have a Chief Executive, nor do we have an employee performing the role of Chief Executive.

The remuneration of executive officers is publicly disclosed on our website.

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Colonial First State

CFS106QW: Please provide copies of your:

- a. annual report for the past five years.

Answer:

- a. Annual reports for Colonial First State's superannuation funds are attached as CFS106QW_1.

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Colonial First State

CFS107QW: Please provide details of sponsorship or sponsorship-like arrangements, marketing or marketing-like or in-kind arrangements for the past five years.

Answer:

The majority of CFS marketing activity over the past five years has been below-the-line, including direct member communications, targeted campaigns, social media and our community sponsorship SportsBoost. Between 2015 and 2018, CFS sponsored the Tour de France with targeted coverage on SBS as our only above-the-line sponsorship activity.

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Colonial First State

CFS108QW: Has your company ever made a donation (please include donations and 'other subscriptions') to any political party either directly or through a third party?

Answer:

Entities within the Commonwealth Bank Group are not permitted to make political donations, but sometimes pay to attend political conferences and events. Per our response to Q87, as a subsidiary of CBA, to the extent that Colonial First State representatives have attended political events, expenses associated with any such political events attended would be paid for and declared by CBA in line with Australian Electoral Commission (AEC) requirements, publicly disclosed and available on the AEC website.

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Colonial First State

CFS109QW: Does your company have a relationship with the:

- a. Business Council of Australia?
- b. Financial Services Council?
- c. Australian Financial Markets Association?
- d. Institute for Public Affairs?

If so, please provide details of any amounts paid to each group.

Answer:

- a. No (our parent company CBA is a member but CFS does not pay a fee)
- b. Colonial First State is a member of the Financial Services Council (FSC) and pays an annual membership fee. The membership fee paid to the FSC for the 2019/20 financial year was \$240,042
- c. No (our parent company CBA is a member but CFS does not pay a fee)
- d. No

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CFS110QW: Are any commissions paid to employees?

If so, please provide:

- a. Details of these commission arrangements.
- b. The total amount of commissions paid for each of the last five years.
- c. The conflicts of interest policy for managing these commission arrangements.

Answer:

Colonial First State does not have any commission structures in place.

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CFS111QW: Does your company/fund pay incentives (commissions, shelf fees, volume incentives) to win investment mandates?

If so, please provide the details.

Answer:

This question is not applicable to Colonial First State as CFS does not market investment mandates to other super funds.

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Colonial First State

CFS112QW: In the context of corporate governance, can you please provide for board directors (based or located in Australia or elsewhere) for the past five years:

- a. A list of the Board members and their biographies.
- b. De-identified total remuneration for each Board director.
- c. De-identified disaggregated remuneration for each Board Director, including:
 - i. Base salary.
 - ii. Annual bonuses.
 - iii. The accumulated value of deferred bonuses unpaid.
 - iv. The accumulated value of deferred bonuses paid.
 - v. Any other annual, bonus or deferred remuneration information not covered in the previous four points.
 - vi. Reimbursements for expenses.

Answer:

A list of Board members and their biographies is provided as CFS112QW_1

Copies of statutory remuneration disclosures for all members of Colonial First State's two trustee boards (Colonial First State Investments Limited (CFSIL) and Avanteos Investments Limited (AIL)) for the past five years are attached as CFS112QW_2.

Anne Ward

Independent Director (From 1 January 2013)

Anne Ward is a professional company director with experience in business management, strategy, risk and governance across a range of industries. She was previously a commercial lawyer and has been the General Counsel (Australia and Asia) of National Australia Bank for 6 years and a partner at Minter Ellison for 5 years. Anne is also a director of ASX listed Redbubble Limited and a Council Member of RMIT University. She was previously Chairman of the Qantas Superannuation Plan and Zoos Victoria and a non-executive director of ASX listed MYOB Group Ltd.

Anne holds a Bachelor of Arts and a Bachelor of Laws from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors.

Anne is an independent director and the Chairman of Colonial First State Investments Limited, Avanteos Investments Limited and Colonial Mutual Superannuation Pty Ltd.

Ms Penni James

Independent Director (From 1 January 2013)

Penni James is a risk and compliance professional and by training a chartered accountant. Penni has over 25 years' experience in the financial services industry including over 19 years' risk and compliance management experience in global financial services organisations.

Penni is an independent director of Colonial First State Investments Limited, Avanteos Investments Limited and Colonial Mutual Superannuation Pty Ltd. Penni is Chairman of the Board Audit and Risk Committee for Colonial Mutual Superannuation Pty Ltd and the Compliance committee for Colonial First State Managed Infrastructure Limited, a Responsible Entity and wholly owned subsidiary of Commonwealth Bank.

Mr Edward Eason

Non-Independent, Non-Executive Director (From 15 August 2017)

Ed is the Chief Financial Officer, partnering with the Enterprise Services team to deliver the Group's information technology and banking operations functions.

Ed joined CBA in September 2012 as Executive General Manager, Group Mergers and Acquisitions, which expanded to also include Group Strategy.

Prior to joining the CBA, Ed was a Managing Director at Goldman Sachs in the Investment Banking division and co-Head of the Australian Financial Institutions advisory business. Ed joined Goldman Sachs in London in 1998 before transferring to the Australian office in 2000.

Ed holds a Masters of Arts degree in Natural Sciences from the University of Cambridge, UK.

Ben Heap

Independent Director (From 1 January 2019)

Ben Heap has wide-ranging experience and expertise in asset and capital management as well as financial technology and digital businesses.

Mr Heap is a founding partner of H2 Ventures, a financial technology, data and artificial intelligence focused venture capital investment firm and a non-executive director of The Star Entertainment Group Limited. He is also a non-executive director of Gymnastics Australia and a member of the Australian Commonwealth Government's Fintech Advisory Group.

Mr Heap was previously Managing Director and the Head of Australasia for UBS Global Asset Management and prior to this, Head of Infrastructure for UBS Global Asset Management in the Americas. He held a number of directorships associated with these roles and was a non-executive director of the Financial Services Council.

Mr Heap is a Director of Colonial First State Investments Limited and Avanteos Investments Limited (collectively CFS) and Colonial Mutual Superannuation Pty Ltd. He is also Chairman of the CFS Board Investment Committee and is a member of the CFS Member Outcome Committee and the CFS Audit & Risk Committee.

Greg Cooper

Independent Director, BEc, FIIA, FIA (From 12 November 2019)

Greg Cooper has considerable experience across Australia, the UK and Asia in Financial Services, with an Investment industry experience spanning over 26 years. Recently retired as the Chief Executive Officer and Director for Schroder Investment Management Australia, Mr Cooper has held previous roles as Global Head of Institutional Distribution and Head of Product Strategy for Asia Pacific spanning 18 years; and as the Former Head of Actuarial Consulting for Towers Perrin in Asia, based in Hong Kong. Mr Cooper has served as Deputy Chairman and Director of the Financial Services Council for 10 years and is currently the Director of NSW Treasury Corporation, Perpetual Limited, The Australian Indigenous Education Foundation, Kincoppal Rose Bay School of the Sacred Heart and OpenInvest Holdings Limited. Mr Cooper is a Director of Colonial First State Investments Limited and Avanteos Investments Limited (collectively CFS). He is also Chairman of the CFS Member Outcome Committee and is a member of the CFS Board Investment Committee.

Linda Elkins (as at October 2018)

Executive Director and Executive General Manager Colonial First State (CFS) (From 1 January 2013 to 5 September 2016 and 24 March 2017 to 2 August 2019)

Linda is Executive General Manager for CFS, which provides investment, superannuation and retirement products to individuals as well as to corporate and superannuation fund investors. Before joining CFS Linda held a number of roles in the Superannuation industry including Managing Director of Superannuation at Russell Investments. Linda has also worked for the Australian Government in the Insurance and Superannuation Commission and for ASIC as a special adviser. Linda is a Director of ASFA and a current member of FSC's Superannuation Board, Committee. Linda won the inaugural Money Management Women in Super "Super Executive of the Year" award in 2013, and was a recipient of the IFSA Industry Excellence Award in 2009 and has worked in the superannuation industry for more than 15 years. Linda is an Executive Director of Colonial First State Investments Limited, Avanteos Investments Limited and Colonial Mutual Superannuation Pty Ltd.

Peter Hodgett FAICD FIAA FAHRI (as at October 2018)

Independent Director (From 1 January 2013 to 30 June 2019)

Peter Hodgett is an experienced company director with executive experience in superannuation, funds management and insurance in Australia and the UK. Peter is currently a non-executive director of Medibank Private, where he chairs the Board Investment Committee. Peter is an independent director of Colonial First State Investments Limited and Avanteos Investments Limited and chairs their respective Board Audit and Risk Committees. Peter is an independent director of Colonial Mutual Superannuation Pty Ltd.

Elizabeth Lewin (as at October 2018)

Independent Director (From 27 October 2015 to 31 December 2018)

Elizabeth Lewin (nee Cacciottolo) is a Non-Executive Director with over 25 years international experience in securities markets, investment management and risk management. Her experience extends to leading and building businesses in financial services across investment banking, wealth management and private banking. Prior executive roles included Chief Executive Officer of UBS Wealth Management Australia (2005 to 2009), Head of UBS Wealth Management UK (1999 to 2004) and Head of European derivative business in UBS Investment Bank (1992-1998). She was previously a Trustee Director for The Australian Catholic Superannuation & Retirement Fund and chaired the Investment Committee (2012-2015). Elizabeth is a Non-Executive Director of the Australian Chamber Orchestra, Kaldor Public Art Projects, and St Vincent's Clinic Foundation, on the Advisory Finance Committee for the Sisters of Charity, Treasurer of Cranbrook School, a member of the Advisory Council at UNSW Medicine and Chief Executive Women, and an Ambassador of Australian Indigenous Education Fund.

Elizabeth is an independent director of Colonial First State Investments Limited, Avanteos Investments Limited and Colonial Mutual Superannuation Pty Ltd. Elizabeth chairs the Board Investment Committee for Colonial First State Investments Limited, Avanteos Investments Limited and Colonial Mutual Superannuation Pty Ltd.

Andrew Morgan (as at October 2016)

Non-Independent, Non-Executive Director (From 4 February 2015 to 10 July 2017)

Andrew is the Chief Financial Officer, Wealth Management at Commonwealth Bank of Australia. Prior to this Andrew was the Chief Financial Officer, Business & Private Banking. Andrew joined the Commonwealth Bank of Australia in 2010.

Andrew has over 25 years finance services experience which includes approximately five years working in London. His career has been spent predominantly in finance-related roles, and for a period of time, in general management roles. He has broad experience across a range of financial services industries and products including property, wealth management, retail and commercial banking and insurance.

Andrew is an Executive Director of Colonial First State Investments Limited, Avanteos Investments Limited and Colonial Mutual Superannuation Pty Ltd.

Colonial First State Investments Limited

2015 Remuneration of Executive Officers

The Executive Officers for the 2015 financial year are listed in the table below.

Name	Position	Term as Executive Officer
Anne Ward	Non-Executive Chairman	Full Year
Peter Hodgett	Non-Executive Director	Full Year
Penelope James	Non-Executive Director	Full Year
Linda Elkins	Executive Director	Full Year
Andrew Morgan ⁽¹⁾	Executive Director (from 4 February 2015)	Part Year
Michael Venter ⁽¹⁾	Executive Director (ceased 4 February 2015)	Part Year
Tommy Cheung	General Manager Information Technology	Full Year
Peter Chun	General Manager Product & Investments	Full Year
Linda Fox ⁽²⁾	General Manager Finance CFS (from 27 January 2015)	Part Year
Marion Fryer ⁽³⁾	Acting General Manager Operations (ceased 14 July 2014)	Part Year
Scott Henricks ⁽³⁾	General Manager Client Operations (from 14 July 2014)	Part Year
Bradley Massey	General Manager Fund Services	Full Year
Anvij Saxena ⁽⁴⁾	Chief Risk Officer CFS (from 15 December 2014)	Part Year
Mark Steinberg ⁽²⁾	General Manager Financial Services (resigned 22 January 2015)	Part Year

⁽¹⁾ Michael Venter ceased as an Executive Director on 4 February 2015. Andrew Morgan was appointed as Executive Director from 4 February 2015.

⁽²⁾ Linda Fox was appointed as an Executive Officer in a Senior Manager capacity from 27 January 2015, following Mark Steinberg's resignation on 22 January 2015.

⁽³⁾ Scott Henricks was appointed as an Executive Officer in a Senior Manager capacity following Marion Fryer's cessation effective from 14 July 2014.

⁽⁴⁾ Anvij Saxena was appointed as an Executive Officer in a Senior Manager capacity from 15 December 2014.

This report has been prepared in accordance with the disclosure requirements of Section 29QB (1)(a) of the *Superannuation Industry (Supervision) Act 1993* and Division 2.6 (section 2.37) of Part 2 of the *Superannuation Industry (Supervision) Regulations 1994*.

All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as a Registrable Superannuation Entity (RSE) Licensee.

The remuneration for Executive Officers of Colonial First State Investments Limited is not paid for by any superannuation fund and is not incorporated into any fees paid by members. The remuneration of Executive Officers is paid by the Commonwealth Bank of Australia and its wholly owned subsidiaries (Group).

1. Remuneration Framework

1.1. Non-Executive Directors Remuneration

Non-Executive Directors receive fees (inclusive of superannuation) to recognise their contribution to the work of the Board and the associated committees that they serve. Non-Executive Directors do not receive any performance-related remuneration.

1.2. Executive Director and Senior Manager Remuneration

The structure of remuneration arrangements for Executive Directors and Senior Managers consists of the following components:

- Fixed remuneration; and
- Short Term Incentive (STI) at risk.

Executive Directors and Senior Managers who are Group Executives of the Commonwealth Bank of Australia Group also have a Long Term Incentive (LTI) at Risk component.

The at risk components are based on performance against key financial and non-financial measures.

1.2.1. Fixed Remuneration

Fixed remuneration is made up of base remuneration and superannuation. Base remuneration includes cash salary and any salary sacrifice items.

Fixed remuneration is reviewed annually, following the end of the 30 June performance year.

1.2.2. Variable Remuneration

All Executive Directors and Senior Managers are eligible to participate in variable remuneration arrangements applicable to their position. Variable remuneration includes STI awards. STI awards are discretionary and recognise annual performance over the financial year. Performance is measured and reviewed against set goals, which include financial and non-financial metrics.

Executive Directors and Senior Managers receive 2/3 of their STI award as cash and 1/3 of their STI award is deferred into rights to CBA shares (or cash equivalent) that vests after three years.

Executive Directors and Senior Managers will generally forfeit the deferred portion of their STI if they resign or are dismissed from the Group during the deferral period.

2. Executive Officer Statutory Remuneration

The following statutory tables detail the accounting expense of all remuneration related items for Executive Officers. This includes remuneration costs in relation to both the previous and current financial year.

2.1. Non-Executive Director Statutory Remuneration

The table below details individual statutory remuneration for Non-Executive Directors for the year ended 30 June 2015. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as an RSE Licensee.

	Cash/Fees	Superannuation	Total Statutory Remuneration⁽¹⁾
	\$	\$	\$
Anne Ward			
2015	95,493	5,253	100,746
2014	88,859	6,475	95,333
Peter Hodgett			
2015	68,923	5,043	73,966
2014	64,073	5,927	70,000
Penelope James			
2015	64,353	4,696	69,049
2014	61,712	3,621	65,333

⁽¹⁾ Non-Executive Directors received a 6% increase in fixed fees effective from 1 July 2014. Total Statutory Remuneration also includes fees payable for the Colonial First State Investments Limited Board Audit & Risk Committee.

2.2. Executive Director and Senior Manager Statutory Remuneration

The table below details individual statutory remuneration for Executive Directors and Senior Managers for the year ended 30 June 2015. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as an RSE Licensee.

	Fixed		Other Short Term			Long Term Benefits	Share Based Payments	Total Statutory Remuneration
	Remuneration ⁽¹⁾		Benefits					
	Base Remuneration ⁽²⁾	Super-annuation	Non Monetary Fixed	Cash STI Payment (at Risk) ⁽³⁾	Other ⁽⁴⁾	Long Term ⁽⁵⁾	Deferred Shares/Rights (at risk) ⁽⁶⁾	
	\$	\$	\$	\$	\$	\$	\$	
Executive Officers								
Linda Elkins								
2015	162,910	8,500	-	153,453	8,933	8,304	59,397	401,497
2014	156,982	8,509	-	144,279	59,958	35,012	50,087	454,827
Andrew Morgan ⁽⁷⁾								
2015	4,882	249	-	3,734	107	113	1,645	10,730
Tommy Cheung								
2015	114,390	7,773	-	37,806	1,166	4,157	26,863	192,155
2014	110,762	7,781	-	57,992	1,555	7,818	25,865	211,773
Peter Chun								
2015	104,064	6,992	-	100,000	(1,890)	45,013	37,703	291,882
2014	100,118	7,000	-	98,000	29,221	18,270	44,194	296,803
Linda Fox ⁽⁷⁾								
2015	19,624	1,196	-	10,062	13,565	16,181	-	60,628
Scott Henricks ⁽⁷⁾								
2015	78,314	5,453	-	50,630	(649)	1,363	24,461	159,572
Bradley Massey								
2015	111,246	8,384	-	75,000	538	4,324	28,059	227,551
2014	128,382	9,500	-	81,697	586	20,162	31,708	272,035
Anvij Saxena ⁽⁷⁾								
2015	82,599	6,434	-	25,193	(6,145)	1,575	-	109,656
Former Executive Officers								
Michael Venter ⁽⁷⁾								
2015	3,872	150	-	3,641	110	36	1,591	9,400
2014	5,644	229	-	5,816	348	210	2,470	14,717
Marion Fryer ⁽⁷⁾⁽⁹⁾								
2015	2,744	86	-	1,598	(31)	740	-	5,137
2014	59,906	5,804	-	26,119	2,290	9,821	-	103,940
Mark Steinberg ⁽⁷⁾⁽⁸⁾								
2015	4,253	293	-	n/a	(123)	(1,157)	(2,811)	455
2014	7,115	501	-	6,931	(478)	457	2,855	17,381

⁽¹⁾ Fixed Remuneration comprises Base Remuneration and Superannuation (post-employment benefit).

⁽²⁾ Base Remuneration is the total cost of salary including cash, short term compensated absences and any salary sacrificed benefits.

⁽³⁾ Reflects the cash portion of the 2015 STI for performance during 12 months to 30 June 2015 (payable September 2015). For all Executive Officers, this represents 2/3 of the 2015 STI.

⁽⁴⁾ Other short term benefits relate to company funded benefits (including associated fringe benefits tax where applicable). This item also includes the net change in accrued annual leave over the year. For Linda Fox this also includes amounts relating to other arrangements that are subject to forfeiture if the Executive Officer ceases to be employed by the Group due to her resignation in any circumstances.

⁽⁵⁾ Includes long service entitlements accrued during the year as well as the impact of changes to long service leave valuation assumptions, which are determined in line with Australian Accounting Standards. For Linda Elkins, Peter Chun, Linda Fox, Marion Fryer and Bradley Massey this also

includes amounts relating to other arrangements that are subject to forfeiture if the Executive Officer ceases to be employed by the Group due to his or her resignation in any circumstances.

⁽⁶⁾ Includes the accounting expense of previous years' STI deferred awards. For FY15, this includes the expense of the 2012, 2013 and 2014 deferred STI awards.

⁽⁷⁾ For 2015, Marion Fryer ceased as an Executive Officer on 14 July 2014, Scott Henricks was appointed as an Executive Officer on 14 July 2014, Anvij Saxena was appointed from 15 December 2014, Linda Fox appointed was appointed on 27 January 2015 and Andrew Morgan was appointed on 4 February 2015. Mark Steinberg resigned on 22 January 2015 and Michael Venter ceased as an Executive Director on 4 February on moving to another role within the Group. The remuneration for these individuals has been prorated accordingly.

⁽⁸⁾ Mark Steinberg left the Group during the 2015 financial year and was not eligible for a 2015 STI payment.

⁽⁹⁾ For 2014, Marion Fryer was appointed as Executive Officers from 18 September 2013. The 2014 remuneration has been prorated accordingly.

3. Executive Officer STI Allocations for 2015

	Maximum STI ⁽¹⁾	Cash STI ⁽²⁾		STI Deferred ⁽³⁾	
	\$	%	\$	%	\$
Linda Elkins	242,295	67%	153,453	33%	76,727
Andrew Morgan ⁽⁴⁾	6,294	67%	3,734	33%	1,867
Michael Venter ⁽⁴⁾	5,659	67%	3,641	33%	1,820
Tommy Cheung	113,417	67%	37,806	33%	18,903
Peter Chun	154,776	67%	100,000	33%	50,000
Linda Fox ⁽⁴⁾	19,602	67%	10,062	33%	5,031
Marion Fryer ⁽⁴⁾	1,598	100%	1,598	0%	0
Scott Henricks ⁽⁴⁾	85,397	67%	50,630	33%	25,315
Bradley Massey	132,376	67%	75,000	33%	37,500
Anvij Saxena ⁽⁴⁾	41,989	67%	25,193	33%	12,597
Mark Steinberg ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a

⁽¹⁾ The minimum STI potential is zero.

⁽²⁾ Includes portion of the annual STI award payable as cash in recognition of performance for the year ended 30 June 2015.

⁽³⁾ Represents the portion of the annual STI award that is deferred as equity. For all Executive Officers, deferred STI awards will vest 1 July 2018. The deferred awards are subject to a risk review at the time of payment.

⁽⁴⁾ Marion Fryer ceased as an Executive Officer on 14 July 2014, Scott Henricks was appointed as an Executive Officer on 14 July 2014, Anvij Saxena was appointed from 15 December 2014, Linda Fox appointed was appointed on 27 January 2015 and Andrew Morgan was appointed on 4 February 2015. Mark Steinberg resigned on 22 January 2015 and Michael Venter ceased as an Executive Director on 4 February on moving to another role within the Group. The remuneration for these individuals has been prorated accordingly.

⁽⁵⁾ Mark Steinberg left the Group during the 2015 financial year and was not eligible for a 2015 STI payment.

4. Equity Awards Received as Remuneration

The table below details the value and number of equity awards that were granted or forfeited/lapsed during 2015. It also shows the number of previous year's awards that vested during the 2015 financial year. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as a RSE Licensee.

				Previous	Forfeited or	
				Years'	Lapsed	
				Awards Vested	during	
		during	during 2015 ⁽²⁾	2015 ⁽³⁾		
		2015 ⁽¹⁾				
	Class	Units	\$	Units	Units	\$
Linda Elkins	Deferred Shares / Rights	890	72,145	1,142	-	-
Andrew Morgan ⁽⁴⁾	Deferred Shares / Rights	25	1,999	16	-	-
Michael Venter ⁽⁴⁾	Deferred Shares / Rights	22	1,745	30	-	-
Tommy Cheung	Deferred Shares / Rights	358	29,005	545	-	-
Peter Chun	Deferred Shares / Rights	605	49,001	431	-	-
Linda Fox ⁽⁴⁾	Deferred Shares / Rights	236	19,111	78	-	-
Marion Fryer ⁽⁴⁾	Deferred Shares / Rights	-	-	5	-	-
Scott Henricks ⁽⁴⁾	Deferred Shares / Rights	299	24,202	480	-	-
Bradley Massey	Deferred Shares / Rights	416	33,712	777	-	-
Anvij Saxena ⁽⁴⁾	Deferred Shares / Rights	-	-	-	-	-
Mark Steinberg ⁽³⁾	Deferred Shares / Rights	-	-	33	(76)	(6,375)

⁽¹⁾ This represents the maximum number of deferred shares/rights that may vest to each Executive Officer. The value represents the fair value at grant date. The minimum STI potential is zero.

⁽²⁾ Previous years' awards that vested include STI and other deferred equity awards.

⁽³⁾ Mark Steinberg left the Group during the 2015 financial year and forfeited all of his unvested deferred equity awards. The value of the forfeited awards is calculated using the Volume Weighted Average Closing Price (VWACP) for the five days preceding the transaction date. The amounts relating to awards which vested during 2015 include awards which reached the end of the performance period (1 July 2014), prior to his exit from the Group on 22 January 2015.

⁽⁴⁾ For 2015, Marion Fryer ceased as an Executive Officer on 14 July 2014, Scott Henricks was appointed as an Executive Officer on 14 July 2014, Anvij Saxena was appointed from 15 December 2014, Linda Fox appointed was appointed on 27 January 2015 and Andrew Morgan was appointed on 4 February 2015. Mark Steinberg resigned on 22 January 2015 and Michael Venter ceased as an Executive Director on 4 February on moving to another role within the Group. The remuneration for these individuals has been prorated accordingly.

5. Fair Value Assumptions for Unvested Equity Awards

The table below provides a summary of the fair value of unvested equity awards for Executive Officers. The awards will vest subject to the satisfaction of performance and / or service conditions in future financial years.

		Fair	Exercise	Deferral
	Grant	Value ⁽¹⁾	Price	Period
Award Type	Date	\$	\$	End
Deferred Shares (STI)	1/09/2014	81.02	Nil	1/07/2017
Deferred Shares (STI)	1/09/2013	72.73	Nil	1/07/2016
Deferred Shares (STI)	1/09/2012	54.48	Nil	1/07/2015

⁽¹⁾ For STI awards deferred as shares/rights, the fair value is the volume weighted average closing price of Commonwealth Bank ordinary shares over the five trading days prior to grant date.

Colonial First State Investments Limited

2016 Remuneration of Executive Officers

The Executive Officers for the 2016 financial year are listed in the table below.

Name	Position	Term as Executive Officer
Anne Ward	Non-Executive Chairman	Full Year
Peter Hodgett	Non-Executive Director	Full Year
Penelope James	Non-Executive Director	Full Year
Elizabeth Lewin ⁽¹⁾	Non-Executive Director (from 27 October 2015)	Part Year
Linda Elkins	Executive Director	Full Year
Andrew Morgan	Executive Director	Full Year
Tommy Cheung	General Manager Information Technology	Full Year
Peter Chun	General Manager Product & Investments	Full Year
Linda Fox	General Manager Finance CFS	Full Year
Scott Henricks	General Manager Client Operations	Full Year
Bradley Massey	General Manager Fund Services	Full Year
Anvji Saxena	Chief Risk Officer CFS	Full Year

⁽¹⁾ Elizabeth Lewin was appointed as a Non-Executive Director from 27 October 2015.

This report has been prepared in accordance with the disclosure requirements of Section 29QB (1)(a) of the *Superannuation Industry (Supervision) Act 1993* and Division 2.6 (section 2.37) of Part 2 of the *Superannuation Industry (Supervision) Regulations 1994*.

All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as a Registrable Superannuation Entity (RSE) Licensee.

The remuneration for Executive Officers of Colonial First State Investments Limited is not paid for by any superannuation fund and is not incorporated into any fees paid by members. The remuneration of Executive Officers is paid by the Commonwealth Bank of Australia and its wholly owned subsidiaries (Group).

1. Remuneration Framework

1.1. Non-Executive Directors Remuneration

Non-Executive Directors receive fees (inclusive of superannuation) to recognise their contribution to the work of the Board and the associated committees that they serve. Non-Executive Directors do not receive any performance-related remuneration.

1.2. Executive Director and Senior Manager Remuneration

The structure of remuneration arrangements for Executive Directors and Senior Managers consists of the following components:

- Fixed remuneration; and
- Short Term Incentive (STI) at risk.

The 'at risk' components are based on performance against key financial and non-financial measures.

1.2.1. Fixed Remuneration

Fixed remuneration is made up of base remuneration and superannuation. Base remuneration includes cash salary and any salary sacrifice items.

Fixed remuneration is reviewed annually, following the end of the 30 June performance year.

1.2.2. Variable Remuneration

All Executive Directors and Senior Managers are eligible to participate in variable remuneration arrangements applicable to their position. Variable remuneration includes STI awards. STI awards are discretionary and recognise annual performance over the financial year. Performance is measured and reviewed against set goals, which include financial and non-financial metrics.

Executive Directors and Senior Managers receive 2/3 of their STI award as cash and 1/3 of their STI award is deferred into rights to CBA shares (or cash equivalent) that vests in three equal tranches over three years¹.

Executive Directors and Senior Managers will generally forfeit the deferred portion of their STI if they resign or are dismissed from the Group during the deferral period.

1.2.3. Retail Entitlement Offer

During the 2016 financial year, additional rights were granted to all existing rights holders as part of the Retail Entitlement Offer. Additional rights will vest only if the original performance hurdles and conditions with respect of each award are met.

¹ For STI awards granted prior to 1 July 2015, Executive Directors and Senior Managers received 2/3 of their STI awards as cash and 1/3 of

their STI awards were deferred into rights to CBA shares (or cash equivalent) that vest after three years.

2. Executive Officer Statutory Remuneration

The following statutory tables detail the accounting expense of all remuneration related items for Executive Officers. This includes remuneration costs in relation to both the previous and current financial year.

2.1. Non-Executive Director Statutory Remuneration

The table below details individual statutory remuneration for Non-Executive Directors for the year ended 30 June 2016. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as an RSE Licensee.

	Cash/Fees	Superannuation	Total Statutory Remuneration ⁽¹⁾
	\$	\$	\$
Anne Ward			
2016	96,151	5,414	101,565
2015	95,493	5,253	100,746
Peter Hodgett			
2016	69,368	5,198	74,566
2015	68,923	5,043	73,966
Penelope James			
2016	64,768	4,840	69,608
2015	64,353	4,696	69,049
Elizabeth Lewin ⁽²⁾			
2016	48,319	4,840	53,159

⁽¹⁾ Total Statutory Remuneration also includes fees payable for the Colonial First State Investments Limited Board Audit & Risk Committee.

⁽²⁾ Elizabeth Lewin was appointed as a Non-Executive Director from 27 October 2015. Her remuneration has been prorated accordingly.

2.2. Executive Director and Senior Manager Statutory Remuneration

The table below details individual statutory remuneration for Executive Directors and Senior Managers for the year ended 30 June 2016. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as an RSE Licensee.

	Fixed Remuneration ⁽¹⁾		Other Short-Term Benefits			Long-Term Benefits	Share Based Payments	Total Statutory Remuneration
	Base Remuneration ⁽²⁾	Super-annuation	Non-Monetary	Cash STI (at risk) ⁽³⁾	Other ⁽⁴⁾	Long-Term ⁽⁵⁾	Deferred Rights (at risk) ⁽⁶⁾	
	\$	\$	\$	\$	\$	\$	\$	
Linda Elkins								
2016	181,089	8,500	-	153,181	20,152	7,246	71,512	441,680
2015	162,910	8,500	-	153,453	8,933	8,304	59,397	401,497
Andrew Morgan ⁽⁷⁾								
2016	12,443	618	-	9,014	99	417	4,569	27,160
2015	4,882	249	-	3,734	107	113	1,645	10,730
Tommy Cheung								
2016	115,686	7,723	-	34,667	621	7,201	24,832	190,730
2015	114,390	7,773	-	37,806	1,166	4,157	26,863	192,155

Peter Chun									
	2016	111,789	6,992	-	100,000	3,111	13,731	46,495	282,117
	2015	104,064	6,992	-	100,000	(1,890)	45,013	37,703	291,882
Linda Fox ^{(7) (8)}									
	2016	213,206	12,550	-	119,941	3,572	33,529	17,118	399,914
	2015	85,038	5,185	-	43,603	58,782	70,116	-	262,723
Scott Henricks ⁽⁷⁾									
	2016	83,325	5,655	-	55,000	1,393	3,370	25,355	174,098
	2015	78,314	5,453	-	50,630	(649)	1,363	24,461	159,572
Bradley Massey									
	2016	114,183	8,384	-	76,000	(634)	7,977	33,861	239,771
	2015	111,246	8,384	-	75,000	538	4,324	28,059	227,551
Anvij Saxena ⁽⁷⁾									
	2016	175,763	11,585	-	79,400	10,156	4,247	6,278	287,429
	2015	82,599	6,434	-	25,193	(6,145)	1,575	-	109,656

⁽¹⁾ Fixed Remuneration comprises Base Remuneration and Superannuation (post-employment benefit).

⁽²⁾ Base Remuneration is the total cost of salary including cash, short term compensated absences and any salary sacrificed benefits.

⁽³⁾ Reflects the cash portion of the 2016 STI for performance during 12 months to 30 June 2016 (payable September 2016). For all Executive Officers, this represents 2/3 of the 2016 STI.

⁽⁴⁾ Other short term benefits relate to company funded benefits (including associated fringe benefits tax where applicable). This item also includes the net change in accrued annual leave over the year.

⁽⁵⁾ Includes long service entitlements accrued during the year, which are determined in line with Australian Accounting Standards. For Peter Chun and Linda Fox this also includes amounts relating to other arrangements that are subject to forfeiture if the Executive Officer ceases to be employed by the Group due to his or her resignation in any circumstances.

⁽⁶⁾ Includes the accounting expense of previous years' STI deferred awards. For the 2016 financial year, this includes the expense of the 2013, 2014 and 2015 deferred STI awards as applicable to each Executive Officer. It also includes the accounting expense for additional rights granted as part of the Retail Entitlement Offer.

⁽⁷⁾ For 2015 comparative, Linda Elkins was appointed as an Executive Director on 27 January 2015, Andrew Morgan was appointed as an Executive Director on 4 February 2016, Linda Fox was appointed as an Executive Officer on 27 January, Scott Henricks was appointed as an Executive Officer on 14 July 2014 and Anvij Saxena was appointed as an Executive Officer 15 December 2015. Their remuneration reflects time in the Executive Officer role.

⁽⁸⁾ The 2015 comparative information has been restated to include a correction to the apportionment of work performed.

3. Executive Officer STI Allocations for 2016

	Maximum STI ⁽¹⁾		Cash STI ⁽²⁾		Deferred STI ⁽³⁾
	\$	%	\$	%	\$
Linda Elkins	270,300	67%	153,181	33%	76,591
Andrew Morgan	16,096	67%	9,014	33%	4,507
Tommy Cheung	115,118	67%	34,667	33%	17,333
Peter Chun	166,860	67%	100,000	33%	50,000
Linda Fox	212,160	67%	119,941	33%	59,971
Scott Henricks	91,208	67%	55,000	33%	27,500
Bradley Massey	132,376	67%	76,000	33%	38,000
Anvij Saxena	139,920	67%	79,400	33%	39,700

⁽¹⁾ The minimum possible STI is zero.

⁽²⁾ Includes portion of the annual STI award payable as cash in recognition of performance for the year ended 30 June 2016.

⁽³⁾ Represents the portion of the annual STI award that is deferred as equity. For all Executive Officers, deferred STI awards will vest in three equal tranches on 1 July 2017, 1 July 2018 and 1 July 2019. The deferred awards are subject to a risk review at the time of payment.

4. Equity Awards Received as Remuneration

The table below details the value and number of equity awards that were granted or forfeited/lapsed during 2016. It also shows the number of previous year's awards that vested during the 2016 financial year. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as a RSE Licensee.

Name	Class	Granted		Previous	Forfeited or	
		during 2016 ⁽¹⁾		Years' Awards Vested	Lapsed	
		Units	\$	during 2016 ⁽²⁾	Units	\$
Linda Elkins	Deferred Rights	1,016	77,035	969	-	-
Andrew Morgan	Deferred Rights	61	4,658	59	-	-
Tommy Cheung	Deferred Rights	252	19,068	465	-	-
Peter Chun	Deferred Rights	664	50,319	874	-	-
Linda Fox	Deferred Rights	679	51,592	803	-	-
Scott Henricks	Deferred Rights	348	26,360	487	-	-
Bradley Massey	Deferred Rights	497	37,680	566	-	-
Anvij Saxena	Deferred Rights	248	18,834	0	-	-

⁽¹⁾ This represents the maximum number of deferred rights that may vest to each Executive Officer. The value represents the fair value at grant date and includes additional rights granted as part of the Retail Entitlement Offer. The minimum STI potential is zero.

⁽²⁾ Previous years' awards that vested include STI and other deferred equity awards.

5. Fair Value Assumptions for Unvested Equity Awards

The table below provides a summary of the fair value of unvested equity awards for Executive Officers. The awards will vest subject to the satisfaction of performance and / or service conditions in future financial years.

Award Type	Grant Date	Fair Value ⁽¹⁾	Exercise Price	Deferral Period End
		\$	\$	
Deferred Rights	1/09/2015	75.82	Nil	1/07/2018
Deferred Rights ⁽²⁾	31/08/2015	71.50	Nil	1/07/2017
Deferred Rights ⁽²⁾	31/08/2015	71.50	Nil	1/07/2016
Deferred Rights	1/09/2014	81.02	Nil	1/07/2017
Deferred Rights	14/01/2014	77.66	Nil	1/07/2016
Deferred Rights	1/09/2013	72.73	Nil	1/07/2016

⁽¹⁾ For awards deferred as rights, the fair value is the volume weighted average closing price of Commonwealth Bank ordinary shares over the five trading days prior to grant date.

⁽²⁾ Additional rights granted as part of the Retail Entitlement Offer.

Colonial First State Investments Limited

2018 Remuneration of Executive Officers

1. List of Executive Officers

The Executive Officers of Colonial First State Investments Limited (CFSIL) for the 2018 financial year (FY18) are listed in the table below.

Name	Position	Term as Executive Officer
Anne Ward	Independent Non-Executive Chairman	Full Year
Peter Hodgett	Independent Non-Executive Director	Full Year
Penelope James	Independent Non-Executive Director	Full Year
Elizabeth Lewin	Independent Non-Executive Director	Full Year
Ed Eason ⁽¹⁾	Non-Executive Director (from 15 August 2017)	Part Year
Linda Elkins	Executive Director	Full Year
Andrew Morgan ⁽¹⁾	Non-Executive Director (ceased 10 July 2017)	Part Year
Peter Chun	General Manager Product & Investments	Full Year
Franca Di Blasio-Easter	Chief Risk Officer CFS (from 13 April 2018)	Part Year
Nicole Druce	General Manager CFS IT (ceased 2 November 2017)	Part Year
Linda Fox	General Manager Finance CFS	Full Year
Scott Henricks	General Manager Client Operations	Full Year
John Lane	General Manager CommInsure & CFS IT (from 2 November 2017)	Part Year
Bradley Massey	General Manager Fund Services	Full Year
Kelly Power	General Manager Product (from 5 April 2018)	Part Year
Anvij Saxena	Chief Risk Officer CFS (ceased 8 January 2018)	Part Year

(1) No fees are paid by the reporting entity for the individual's role as a Non-Executive Director. The values disclosed for these individuals relates to their executive role with a related entity.

This report has been prepared in accordance with the disclosure requirements of Section 29QB (1)(a) of the *Superannuation Industry (Supervision) Act 1993* and Division 2.6 (section 2.37) of Part 2 of the *Superannuation Industry (Supervision) Regulations 1994*.

All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as a Registrable Superannuation Entity (RSE) Licensee for FY18. The RSE's financial year is from 1 July to 30 June. Executive Officers include Non-Executive Directors, Executive Directors and Senior Managers of the RSE licensee. The proportion of Executive Officer work related to the RSE is reviewed and attested to on an annual basis by the relevant Executive Officer.

The remuneration for Executive Officers of CFSIL is not paid for by any superannuation fund and is not incorporated into any fees paid by members. The remuneration of Executive Officers is paid by the Commonwealth Bank of Australia (CBA) and its wholly owned subsidiaries (Group).

2. Remuneration governance

The RSE Board has delegated all Remuneration Committee responsibilities to the CBA Board Remuneration Committee (Committee). The Committee is the main governing body for remuneration across the Group. The Committee develops, assesses and monitors the remuneration philosophy, framework and policy across the Group for Board approval.

The Committee has a robust framework for the systematic review of risk and compliance issues impacting remuneration and works closely with the RSE Board's Risk Committee to consider risk and reputational matters in the determination of remuneration outcomes.

3. Executive Officer remuneration framework

Independent Non-Executive Director fees

Independent Non-Executive Directors receive fees (inclusive of superannuation) to recognise their contribution to the work of the Board and the associated committees on which they serve. Independent Non-Executive Directors do not receive any performance-related remuneration.

Executive Director and Senior Manager remuneration

The structure of remuneration arrangements for Executive Directors and Senior Managers consists of the following components:

- Fixed remuneration; and
- Short-term variable remuneration (STVR) at risk.

The 'at risk' components are based on performance against key financial and non-financial measures across performance categories of customer, people, shareholder / financial, and business and strategic initiatives.

Fixed remuneration

Fixed remuneration is made up of base remuneration and superannuation. Base remuneration includes cash salary and any salary sacrificed items. It is reviewed annually.

Variable remuneration

All Executive Directors and Senior Managers are eligible to participate in variable remuneration arrangements applicable to their position. Variable remuneration includes STVR awards. STVR awards are discretionary and recognise annual performance over the financial year. Performance is measured and reviewed against a balanced scorecard of financial and non-financial measures. It includes a risk and values assessment.

Executive Directors and Senior Managers receive two-thirds of their STVR award as cash and one-third of their STVR award is deferred into CBA restricted shares (or cash equivalent) that vests in three equal tranches over three years.

Executive Directors and Senior Managers will generally forfeit the remaining deferred portion of their STVR if they resign or are dismissed from the Group during the deferral period.

4. Executive Officer statutory remuneration

The following statutory tables detail the accounting expense of all remuneration related items for Executive Officers. This includes remuneration costs in relation to both the previous and current financial year.

Independent Non-Executive Director statutory remuneration

The table below details individual statutory remuneration for Independent Non-Executive Directors for FY18 and FY17. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as an RSE Licensee.

	Short-term benefits		Post-employment benefits		Total statutory remuneration ¹
	Cash		Superannuation		
	\$		\$		\$
Anne Ward					
2018	95,578		5,650		101,229
2017	96,149		5,534		101,683
Peter Hodgett					
2018	68,925		5,425		74,350
2017	69,339		5,410		74,749
Penelope James					
2018	64,355		5,051		69,406
2017	64,742		4,948		69,690
Elizabeth Lewin					
2018	70,689		5,804		76,493
2017	71,114		5,685		76,799

(1) Total statutory remuneration also includes fees payable for the CFSIL Board Audit & Risk Committee.

Executive Director and Senior Manager statutory remuneration

The table below details individual statutory remuneration for Executive Directors and Senior Managers (including Ed Eason and Andrew Morgan) for FY18 and FY17. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as an RSE Licensee.

	Fixed remuneration ¹		Other short-term benefits			Long-term benefits	Share-based payments	Total statutory remuneration
	Base remuneration ²	Super-annuation	Non-monetary	Cash STVR (at risk) ³	Other ⁴	Long-term ⁵	Deferred rights (at risk) ⁶	
	\$	\$	\$	\$	\$	\$	\$	\$
Ed Eason ⁽⁷⁾								
2018	9,244	437	-	6,560	-	164	3,884	20,289
Linda Elkins								
2018	253,711	12,000	-	172,992	(7,553)	7,826	112,345	551,321
2017	37,306	1,758	-	33,538	(2,836)	1,107	19,962	90,835

	Fixed remuneration ¹		Other short-term benefits			Long-term benefits	Share-based payments	Total statutory remuneration
	Base remuneration ²	Super-annuation	Non-monetary	Cash STVR (at risk) ³	Other ⁴	Long-term ⁵	Deferred rights (at risk) ⁶	
	\$	\$	\$	\$	\$	\$	\$	\$
Andrew Morgan ⁽⁷⁾								
2018	479	17	-	206	22	9	114	847
2017	12,393	618	-	7,554	(741)	320	5,961	26,105
Peter Chun								
2018	113,676	6,992	-	100,000	8,473	7,792	53,093	290,026
2017	111,362	6,992	-	110,000	(929)	4,092	79,760	311,277
Franca Di Blasio-Easter ⁽⁷⁾								
2018	21,590	1,314	-	7,055	3,805	1,248	4,984	39,996
Nicole Druce ⁽⁷⁾								
2018	25,940	1,717	-	8,205	3,935	1,061	3,829	44,687
2017	202,876	11,747	-	67,574	10,051	20,113	21,856	334,217
Linda Fox								
2018	179,028	11,027	-	64,627	1,919	2,194	44,900	303,695
2017	211,579	12,750	-	100,422	5,128	3,128	53,780	386,787
Scott Henricks								
2018	100,537	6,786	-	56,000	(6,514)	3,416	32,878	193,103
2017	83,007	5,655	-	55,000	434	2,056	33,969	180,121
John Lane ⁽⁷⁾								
2018	62,997	2,637	-	15,781	783	3,535	2,977	88,710
Bradley Massey								
2018	113,735	8,635	-	62,000	(2,549)	3,535	34,288	219,644
2017	113,741	8,896	-	62,000	(2,116)	2,660	47,023	232,204
Kelly Power ⁽⁷⁾								
2018	16,859	944	-	12,001	1,159	96	-	31,059
Anviji Saxena ⁽⁷⁾								
2018	106,185	6,328	-	47,912	(4,386)	2,153	21,483	179,675
2017	200,720	11,769	-	100,000	298	5,129	30,574	348,490

(1) Fixed remuneration comprises base remuneration and superannuation (post-employment benefit).

(2) Base remuneration is the total cost of salary including cash and any salary sacrificed benefits.

(3) Reflects the cash portion of the FY18 STVR for performance during 12 months to 30 June 2018 (payable September 2018), representing two-thirds of FY18 STVR.

(4) Other short-term benefits relate to company funded benefits (including associated fringe benefits tax where applicable). This item also includes the net change in accrued annual leave over the year.

(5) Includes long service entitlements accrued during the year, which are determined in line with Australian Accounting Standards.

(6) Includes the accounting expense of previous years' STVR deferred awards and sign-on and retention awards received as Deferred Rights. For FY18, this includes the expense of the FY15, FY16 and FY17 deferred STVR awards as applicable to each Executive Officer.

(7) Ed Eason commenced in an Executive Officer role from 15 August 2017, Andrew Morgan ceased in an Executive Officer role on 10 July 2017, Franca Di Blasio-Easter commenced in an Executive Officer role from 13 April 2018, Nicole Druce ceased in an Executive Officer role on 2 November 2017, John Lane commenced in an Executive Officer role from 2 November 2017, Kelly Power commenced in an Executive Officer role from 5 April 2018 and Anviji Saxena ceased in an Executive Officer role on 8 January 2018. Their remuneration reflects time spent in Executive Officer roles.

5. FY18 STVR outcomes

The following table provides the FY18 STVR outcomes for Executive Officers (excluding Independent Non-Executive Directors who do not receive any variable remuneration). The minimum possible STVR is zero.

	STVR maximum \$	STVR actual			STVR actual as a % of STVR maximum %
		Total \$	Cash ¹ \$	Deferred ² \$	
Ed Eason ⁽³⁾	15,138	9,840	6,560	3,280	65%
Linda Elkins	381,600	259,488	172,992	86,496	68%
Andrew Morgan ⁽³⁾	441	309	206	103	70%
Peter Chun	175,500	150,000	100,000	50,000	85%
Franca Di Blasio-Easter ⁽³⁾	19,241	10,583	7,055	3,528	55%
Nicole Druce ⁽³⁾	23,116	12,307	8,205	4,102	53%
Linda Fox	179,520	96,941	64,627	32,314	54%
Scott Henricks	111,639	84,000	56,000	28,000	75%
John Lane ⁽³⁾	41,425	23,671	15,781	7,890	57%
Bradley Massey	135,012	93,000	62,000	31,000	69%
Kelly Power ⁽³⁾	18,362	18,000	12,001	5,999	98%
Anvij Saxena ⁽³⁾	95,825	71,868	47,912	23,956	75%

(1) Includes two-thirds of the STVR award payable as cash in recognition of performance for FY18 (payable in September 2018).

(2) Represents one-third of the STVR award that is deferred as equity and vests in three equal tranches over three years. The deferred awards are subject to risk and reputation review prior to vesting.

(3) Ed Eason commenced in an Executive Officer role from 15 August 2017, Andrew Morgan ceased in an Executive Officer role on 10 July 2017, Franca Di Blasio-Easter commenced in an Executive Officer role from 13 April 2018, Nicole Druce ceased in an Executive Officer role on 2 November 2017, John Lane commenced in an Executive Officer role from 2 November 2017, Kelly Power commenced in an Executive Officer role from 5 April 2018 and Anvij Saxena ceased in an Executive Officer role on 8 January 2018. Their remuneration reflects time spent in Executive Officer roles.

6. Equity awards received as remuneration

The table below details the value and number of equity awards that were granted or forfeited/lapsed to Executive Officers during FY18. It also shows the number of previous year's awards that vested during FY18.

Name	Class	Granted during FY18 ¹		Previous years' awards vested during FY18 ²	Forfeited or lapsed during FY18	
		Units	\$		Units	\$
Ed Eason ⁽³⁾	STVR Deferred Rights	53	4,038	76	13	971
Linda Elkins	STVR Deferred Rights	1,502	114,498	1,756	391	28,215
Andrew Morgan ⁽³⁾	STVR Deferred Rights	-	-	-	-	-
Peter Chun	STVR Deferred Rights	722	55,026	1,042	183	13,220
Franca Di Blasio-Easter ⁽³⁾	STVR Deferred Rights	62	4,751	76	18	1,290
Nicole Druce ⁽³⁾	STVR Deferred Rights	64	4,856	24	11	778
Linda Fox	STVR Deferred Rights	558	42,516	233	158	11,385
Scott Henricks	STVR Deferred Rights	433	33,025	524	115	8,265
John Lane ⁽³⁾	STVR Deferred Rights	71	5,394	56	7	493
Bradley Massey	STVR Deferred Rights	407	31,012	592	125	8,979
Kelly Power ⁽³⁾	STVR Deferred Rights	819	62,481	-	-	-
Anvij Saxena ⁽³⁾	STVR Deferred Rights	345	26,323	96	66	4,758

(1) Represents the maximum number of deferred rights that may vest to each Executive Officer. The value represents the fair value at grant date (which equates to the face value). The minimum potential outcome is zero.

(2) Previous years' awards that vested include deferred STVR equity awards.

(3) Ed Eason commenced in an Executive Officer role from 15 August 2017, Andrew Morgan ceased in an Executive Officer role on 10 July 2017, Franca Di Blasio-Easter commenced in an Executive Officer role from 13 April 2018, Nicole Druce ceased in an Executive Officer role on 2 November 2017, John Lane commenced in an Executive Officer role from 2 November 2017, Kelly Power commenced in an Executive Officer role from 5 April 2018 and Anvij Saxena ceased in an Executive Officer role on 8 January 2018. Their remuneration reflects time spent in Executive Officer roles.

7. Face value assumptions for equity awards granted in FY18

For STVR awards deferred as rights, the face value is the volume weighted average closing price of CBA ordinary shares over the five trading days prior to grant date. The exercise price is nil across all awards.

Equity plan	Grant date	Face value \$	Performance period end
FY18 STVR - Tranche 1	01/09/2017	76.23	01/07/2018
FY18 STVR - Tranche 2	01/09/2017	76.23	01/07/2019
FY18 STVR - Tranche 3	01/09/2017	76.23	01/07/2020
Kelly Power Equity Award	19/03/2018	76.32	31/10/2018
Kelly Power Equity Award	19/03/2018	76.32	01/07/2019
Kelly Power Equity Award	19/03/2018	76.32	31/10/2019
Kelly Power Equity Award	19/03/2018	76.32	01/07/2020

Colonial First State Investments Limited

2017 Remuneration of Executive Officers

The Executive Officers of Colonial First State Investments Limited (CFSIL) for the 2017 financial year (FY17) are listed in the table below.

Name	Position	Term as Executive Officer
Anne Ward	Non-Executive Chairman	Full Year
Peter Hodgett	Non-Executive Director	Full Year
Penelope James	Non-Executive Director	Full Year
Elizabeth Lewin	Non-Executive Director	Full Year
Linda Elkins	Executive Director (ceased 5 September 2016) Executive Director (from 24 March 2017)	Part Year
Andrew Morgan	Executive Director	Full Year
Tommy Cheung	General Manager Information Technology (ceased 9 September 2016)	Part Year
Peter Chun	General Manager Product & Investments	Full Year
Nicole Druce	General Manager Colonial First State IT (from 14 September 2016)	Part Year
Linda Fox	General Manager Finance CFS	Full Year
Scott Henricks	General Manager Client Operations	Full Year
Bradley Massey	General Manager Fund Services	Full Year
Anvij Saxena	Chief Risk Officer CFS	Full Year

This report has been prepared in accordance with the disclosure requirements of Section 29QB (1)(a) of the *Superannuation Industry (Supervision) Act 1993* and Division 2.6 (section 2.37) of Part 2 of the *Superannuation Industry (Supervision) Regulations 1994*.

All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as a Registrable Superannuation Entity (RSE) Licensee for FY17. The RSE's financial year is from 1 July to 30 June. Executive Officers include Non-Executive Directors, Executive Directors and Senior Managers of the RSE licensee. The proportion of Executive Officer work related to the RSE is reviewed and attested to on an annual basis by the relevant Executive Officer.

The remuneration for Executive Officers of CFSIL is not paid for by any superannuation fund and is not incorporated into any fees paid by members. The remuneration of Executive Officers is paid by the Commonwealth Bank of Australia and its wholly owned subsidiaries (Group).

1. Remuneration Governance

The RSE Board has delegated all Remuneration Committee responsibilities to the CBA Board Remuneration Committee (Committee).

The Committee is the main governing body for remuneration across the Group. The Committee develops the remuneration philosophy, framework and policies for Board approval.

The Committee has a robust framework for the systematic review of risk and compliance issues impacting remuneration and works closely with the RSE Board's Risk Committee to

consider risk and reputational matters in the determination of variable remuneration outcomes.

2. Executive Officer Remuneration Framework

2.1. Non-Executive Directors Remuneration

Non-Executive Directors receive fees (inclusive of superannuation) 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-based remuneration.

2.2. Executive Director and Senior Manager Remuneration

The structure of remuneration arrangements for Executive Directors and Senior Managers consists of the following components:

- Fixed remuneration; and
- Short Term Variable Remuneration (STVR) at risk.

The 'at risk' components are based on performance against key financial and non-financial measures.

2.2.1. Fixed Remuneration

Fixed remuneration is made up of base remuneration and superannuation. Base remuneration includes cash salary and any salary sacrifice items.

Fixed remuneration is reviewed annually, following the end of the 30 June performance year.

2.2.2. Variable Remuneration

All Executive Directors and Senior Managers are eligible to participate in variable remuneration arrangements applicable to their position. Variable remuneration includes STVR awards. STVR awards are discretionary and recognise annual performance over the financial year. Performance is measured and reviewed against a balanced scorecard of financial and non-financial measures, including a risk and values assessment.

Executive Directors and Senior Managers receive two-thirds of their STVR award as cash and one-third of their STVR award is

deferred into rights to CBA shares (or cash equivalent) that vests in three equal tranches over three years

Executive Directors and Senior Managers will generally forfeit the remaining deferred portion of their STVR if they resign or are dismissed from the Group during the deferral period.

3. Executive Officer Statutory Remuneration

The following statutory tables detail the accounting expense of all remuneration related items for Executive Officers. This includes remuneration costs in relation to both the previous and current financial year.

3.1. Non-Executive Director Statutory Remuneration

The table below details individual statutory remuneration for Non-Executive Directors for FY17. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as an RSE Licensee.

	Short Term Benefits		Post-Employment Benefits	Total Statutory Remuneration ¹
	Cash	Superannuation		
	\$	\$		\$
Anne Ward				
2017	96,149	5,534		101,683
2016	96,151	5,414		101,565
Peter Hodgett				
2017	69,339	5,410		74,749
2016	69,368	5,198		74,566
Penelope James				
2017	64,742	4,948		69,690
2016	64,768	4,840		69,608
Elizabeth Lewin ²				
2017	71,114	5,685		76,799
2016	48,319	4,840		53,159

(1) Total Statutory Remuneration also includes fees payable for the CFSIL Board Audit & Risk Committee.

(2) For 2016 comparative, Elizabeth Lewin was appointed as a Non-Executive Director from 27 October 2015. Her remuneration has been prorated accordingly.

3.2. Executive Director and Senior Manager Statutory Remuneration

The table below details individual statutory remuneration for Executive Directors and Senior Managers for FY17. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for Colonial First State Investments Limited as an RSE Licensee.

	Fixed Remuneration ¹		Other Short-Term Benefits			Long-Term Benefits	Share-Based Payments	Total Statutory Remuneration
	Base Remuneration ²	Super-annuation	Non Monetary	Cash STVR (at risk) ³	Other ⁴	Long-Term ⁵	Deferred Rights ⁶	
	\$	\$	\$	\$	\$	\$	(at risk)	
Linda Elkins ⁷								
2017	37,306	1,758	-	33,538	(2,836)	1,107	19,962	90,835
2016	181,089	8,500	-	153,181	20,152	7,246	71,512	441,680
Andrew Morgan								
2017	12,393	618	-	7,554	(741)	320	5,961	26,105
2016	12,443	618	-	9,014	99	417	4,569	27,160
Tommy Cheung ⁷								
2017	22,417	1,526	-	8,818	(187)	463	5,178	38,215
2016	115,686	7,723	-	34,667	621	7,201	24,832	190,730
Peter Chun								
2017	111,362	6,992	-	110,000	(929)	4,092	79,760	311,277
2016	111,789	6,992	-	100,000	3,111	6,229	53,997	282,118
Nicole Druce ⁷								
2017	202,876	11,747	-	67,574	10,051	20,113	21,856	334,217
Linda Fox								
2017	211,579	12,750	-	100,422	5,128	3,128	53,780	386,787
2016	213,206	12,550	-	119,941	3,572	2,292	48,354	399,915
Scott Henricks								
2017	83,007	5,655	-	55,000	434	2,056	33,969	180,121
2016	83,325	5,655	-	55,000	1,393	3,370	25,355	174,098
Bradley Massey								
2017	113,741	8,896	-	62,000	(2,116)	2,660	47,023	232,204
2016	114,183	8,384	-	76,000	(634)	7,977	33,861	239,771
Anv ij Saxena								
2017	200,720	11,769	-	100,000	298	5,129	30,574	348,490
2016	175,763	11,585	-	79,400	10,156	4,247	6,278	287,429

⁽¹⁾ Fixed Remuneration comprises Base Remuneration and Superannuation (post-employment benefit).

⁽²⁾ Base Remuneration is the total cost of salary including cash and any salary sacrificed benefits.

⁽³⁾ Reflects the cash portion of the 2017 STVR for performance during 12 months to 30 June 2017 (payable September 2017), representing two-thirds of 2017 STVR.

⁽⁴⁾ Other short term benefits relate to company funded benefits (including associated fringe benefits tax where applicable). This item also includes the net change in accrued annual leave over the year.

⁽⁵⁾ Includes long service entitlements accrued during the year, which are determined in line with Australian Accounting Standards. For Peter Chun and Linda Fox the FY 16 comparative has been restated to reflect a disclosure methodology change where Deferred Rights are included in share-based payments instead of long-term benefits.

⁽⁶⁾ Includes the accounting expense of previous years' STVR deferred awards and sign-on and retention awards received as Deferred Rights. For FY17, this includes the expense of the FY14, FY15 and FY16 deferred STVR awards as applicable to each Executive Officer. For Peter Chun this also includes amounts relating to previously granted equity retention awards that are subject to forfeiture if the Executive Officer ceases to be employed by the Group due to his or her resignation in any circumstances. For Peter Chun and Linda Fox the FY16 comparative has been restated to reflect a disclosure methodology change where Deferred Rights are included in share-based payments instead of long-term benefits.

⁽⁷⁾ Tommy Cheung ceased as Senior Manager on 9 September. Nicole Druce commenced in a Senior Manager role from 14 September 2016. Linda Elkins ceased as an Executive Director on 5 September 2016 and was then re-appointed on 24 March 2017. Their remuneration reflects time spent in Executive Officer roles.

4. FY17 STVR Outcomes

The following table provides the FY17 STVR outcomes for Executive Officers (excluding Non-Executive Directors who do not receive any variable remuneration).

	STVR Maximum ¹	STVR Actual			STVR Actual as a % of STVR Maximum
		Total	Cash ²	Deferred ³	
	(\$)	(\$)	(\$)	(\$)	(%)
Linda Elkins	55,897	50,308	33,538	16,769	90%
Andrew Morgan	16,096	11,332	7,554	3,777	70%
Tommy Cheung ⁴	22,393	13,227	8,818	4,409	59%
Peter Chun	166,860	165,000	110,000	55,000	99%
Nicole Druce ⁴	160,890	101,361	67,574	33,787	63%
Linda Fox	212,160	150,634	100,422	50,211	71%
Scott Henricks	91,208	82,500	55,000	27,500	90%
Bradley Massey	132,376	93,000	62,000	31,000	70%
Anv ij Saxena	180,900	150,000	100,000	50,000	83%

⁽¹⁾ The minimum possible STVR is zero.

⁽²⁾ Includes two-thirds of the STVR award payable as cash in recognition of performance for FY17 (payable in September 2017).

⁽³⁾ Represents one-third of the STVR award that is deferred as equity and vests in three equal tranches on 1 July 2018, 1 July 2019 and 1 July 2020. The deferred awards are subject to risk review prior to vesting.

⁽⁴⁾ Tommy Cheung ceased as a Senior Manager on 9 September 2016. Nicole Druce commenced in a Senior Manager role on 14 September 2016. Linda Elkins ceased as an Executive Director on 5 September 2016 and was then re-appointed on 24 March 2017. The STVR awards reflect time spent in Executive Officer roles.

5. Equity Awards Received as Remuneration

The table below details the value and number of equity awards that were granted or forfeited/lapsed to Executive Officers during FY17. It also shows the number of previous year's awards that vested during FY17.

Name	Class	Granted during FY17 ⁽¹⁾		Previous Years' Awards Vested during FY17 ⁽²⁾	Forfeited or Lapsed during FY17	
		Units	\$	Units	Units	\$
Linda Elkins ³	STVR Deferred Rights	218	15,841	185	-	-
Andrew Morgan	STVR Deferred Rights	62	4,507	56	-	-
Tommy Cheung ³	STVR Deferred Rights	46	3,377	70	-	-
Peter Chun	STVR Deferred Rights	1,512	110,035	746	-	-
Nicole Druce ³	STVR Deferred Rights	492	35,783	-	-	-
Linda Fox	STVR Deferred Rights	826	60,014	-	-	-
Scott Henricks	STVR Deferred Rights	379	27,517	338	-	-
Bradley Massey	STVR Deferred Rights	523	38,015	414	-	-
Anv ij Saxena	STVR Deferred Rights	547	39,738	-	-	-

⁽¹⁾ This represents the maximum number of deferred rights that may vest to each Executive Officer. The value represents the fair value at grant date.

⁽²⁾ Previous years' awards that vested include deferred STVR equity awards.

⁽³⁾ Tommy Cheung ceased as a Senior Manager on 9 September 2016. Nicole Druce commenced in a Senior Manager role on 14 September 2016. Linda Elkins ceased as an Executive Director on 5 September 2016 and was then re-appointed on 24 March 2017. The equity awards reflect time spent in Executive Officer roles.

6. Face Value Assumptions for Equity Awards Granted in FY17

For STVR awards deferred as rights, the face value is the volume weighted average closing price of Commonwealth Bank ordinary shares over the 5 trading days prior to grant date. The exercise price is nil across all awards.

Equity Plan	Grant Date	Face Value \$	Performance Period End
Peter Chun Equity Award ¹	3/11/2016	72.81	1/07/2017
Peter Chun Equity Award ¹	3/11/2016	72.81	1/07/2018
FY17 STVR Deferred Rights	1/09/2016	72.70	1/07/2017
FY17 STVR Deferred Rights	1/09/2016	72.70	1/07/2018
FY17 STVR Deferred Rights	1/09/2016	72.70	1/07/2019

⁽¹⁾ This represents the face value used to calculate Peter's equity award granted in FY17. The award vests in two equal tranches over two years, 1 July 2017 and 1 July 2018 and is subject to risk review prior to vesting.

Colonial First State Investments Limited

2019 Remuneration of Executive Officers

1. List of Executive Officers

The Executive Officers of Colonial First State Investments Limited (CFSIL) for the 2019 financial year (FY19) are listed in the table below.

Name	Position	Term as Executive Officer
Anne Ward	Independent Non-Executive Chairman	Full Year
Benjamin Heap ⁽¹⁾	Independent Non-Executive Chairman (from 1 January 2019)	Part Year
Peter Hodgett	Independent Non-Executive Director	Full Year
Penelope James	Independent Non-Executive Director	Full Year
Elizabeth Lewin	Independent Non-Executive Director (ceased 31 December 2018)	Part Year
Ed Eason ⁽²⁾	Non-Executive Director	Full Year
Linda Elkins	Executive Director (ceased 17 March 2019)	Part Year
Peter Chun ⁽³⁾	General Manager Distribution	Full Year
Franca Di Blasio-Easter	Chief Risk Officer CFS	Full Year
Linda Fox	Chief Financial Officer CFS	Full Year
Scott Henricks	General Manager CFS Operations	Full Year
John Lane	General Manager CommInsure & CFS IT	Full Year
Bradley Massey ⁽⁴⁾	General Manager Fund Services	Part Year
Kelly Power ⁽³⁾	General Manager Product	Full Year

(1) Benjamin Heap received employment agreement during FY19 with remuneration set in accordance with the Commonwealth Bank of Australia (CBA) Group Remuneration Policy.

(2) No remuneration for Ed Eason has been disclosed as payments, benefits or compensation paid to him by CBA or related entities, as it is not related to work performed for CFSIL as an RSE entity.

(3) Peter Chun and Kelly Power were in joint roles of Executive General Manager (Acting) Colonial First State role for the period 18 March 2019 to 7 July 2019, in addition to their substantive (non-Acting) roles.

(4) Mark Seymour was in the role of General Manager Fund Services (Acting) from 1 January 2019 to 27 March 2019, while Bradley Massey was seconded to the role of General Manager Strategic Products.

This report has been prepared in accordance with the disclosure requirements of Section 29QB (1)(a) of the *Superannuation Industry (Supervision) Act 1993* and Division 2.6 (section 2.37) of Part 2 of the *Superannuation Industry (Supervision) Regulations 1994*.

All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as a Registrable Superannuation Entity (RSE) Licensee for FY19, and this apportionment may change from year to year. The RSE's financial year is from 1 July to 30 June. Executive Officers include Independent Non-Executive Directors, Non-Executive Directors, Executive Directors and Senior Managers of the RSE licensee. The proportion of Executive Officer work related to the RSE is reviewed and attested to on an annual basis by the relevant Executive Officer.

The remuneration for Executive Officers of CFSIL is not paid for by any superannuation fund and is not incorporated into any fees paid by members. The remuneration of Executive Officers is paid by the Commonwealth Bank of Australia (CBA) and its wholly owned subsidiaries (Group).

Any Executive Officers who commenced or changed their role during FY19 were contracted on standard terms and conditions relevant to their respective role, and received fees or remuneration (as applicable) in accordance with the Group's remuneration policy and practices.

2. Remuneration governance

The RSE Board has delegated all Remuneration Committee responsibilities to the CBA Board and Remuneration Committee (Committee). The Committee is the governing body for developing, assessing and monitoring the remuneration philosophy, framework and policies across the Group for Board approval. The responsibilities of the Committee are outlined in its Charter and is annually reviewed and approved by the Group Board.

The Committee works closely with the Board's Risk and Audit Committees, the Group Chief Risk Officer (CRO) and Executive General Manager (EGM) Internal Audit to consider risk and reputational matters when determining remuneration outcomes.

3. Executive Officer remuneration framework

Independent Non-Executive Director fees

Independent Non-Executive Directors receive fees (inclusive of superannuation) to recognise their contribution to the work of the Board and the associated committees on which they serve. Independent Non-Executive Directors do not receive any performance-related remuneration.

Executive Director and Senior Manager Remuneration

The structure of remuneration arrangements for Executive Director and Senior Managers consists of the following components:

- Fixed Remuneration; and
- Short-term variable remuneration (STVR) at risk.

The 'at risk' components are based on performance against key financial and non-financial measures across performance categories of customer, people, shareholder / financial, and business and strategic initiatives.

Fixed remuneration

Fixed remuneration comprises base remuneration and superannuation. Base remuneration includes cash salary and any salary-sacrificed items. It is reviewed annually.

Variable remuneration

All Executive Directors and Senior Managers are eligible to participate in variable remuneration arrangements applicable to their position. Variable remuneration includes STVR awards. STVR awards are discretionary and recognise annual performance over the financial year. Performance is measured and reviewed against a balanced scorecard of financial and non-financial measures. It includes a risk and values assessment.

Executive Directors and Senior Managers receive two-thirds of their STVR award as cash and one-third of their STVR award is deferred into CBA restricted shares (or cash equivalent) that vests in three equal tranches over three years.

On a case-by-case basis, Executive Director or Senior Managers may be eligible for a deferred sign-on or retention award. Any such awards are made in accordance with the Group Remuneration Policy, and are subject to conditions including satisfactory performance, behaviours, risk management and continued service with the Group.

Executive Directors and Senior Managers will generally forfeit the remaining deferred portion of their STVR if they resign or are dismissed from the Group during the deferral period.

4. Executive Officer statutory remuneration

The following statutory tables detail the accounting expense of all remuneration related items for Executive Officers. This includes remuneration costs in relation to both the previous and current financial year.

Independent Non-Executive Director statutory remuneration

The table below details individual statutory remuneration for Independent Non-Executive Directors for FY19 and FY18. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as an RSE Licensee. This apportionment may change from year to year.

	Short-term benefits	Post-employment benefits	Total statutory remuneration ¹
	Cash	Superannuation	
	\$	\$	\$
Anne Ward			
2019	124,259	7,528	131,788
2018	95,578	5,650	101,228
Benjamin Heap ⁽²⁾			
2019	46,565	4,218	50,783
Peter Hodgett			
2019	92,433	7,462	99,895
2018	68,925	5,425	74,350
Penelope James			
2019	86,305	6,949	93,254
2018	64,355	5,051	69,406
Elizabeth Lewin ⁽³⁾			
2019	47,753	4,678	52,431
2018	70,689	5,804	76,493

(1) Total statutory remuneration also includes fees payable for the CFSIL Board Audit & Risk Committee.

(2) Benjamin Heap commenced as Independent Non-Executive Director effective 1 January 2019, therefore no prior year comparison is shown.

(3) Elizabeth Lewin ceased her Independent Non-Executive Director role on 31 December 2018. Her FY19 remuneration reflects time spent in the Independent Non-Executive Director role in the FY19 year.

Executive Director and Senior Manager statutory remuneration

The table below details individual statutory remuneration for Executive Director and Senior Managers for FY19 and FY18. All remuneration disclosures have been apportioned to reflect the work performed by the relevant Executive Officer for CFSIL as an RSE Licensee. This apportionment may change from year to year.

	Fixed remuneration ¹		Other short-term benefits			Long-term benefits	Share-based payments	Total statutory remuneration
	Base remuneration ²	Super-annuation	Non-monetary	Cash STVR (at risk) ³	Other ⁴	Long-term ⁵	Deferred rights (at risk) ⁶	
	\$	\$	\$	\$	\$	\$	\$	\$
Linda Elkins ⁽⁷⁾								
2019	258,777	12,000	-	140,800	8,727	97,915	83,495	601,713
2018	253,711	12,000	-	172,992	(7,553)	7,826	112,345	551,321
Peter Chun								
2019	116,679	6,992	-	72,000	649	48,356	46,181	290,857
2018	113,676	6,992	-	100,000	8,473	7,792	53,093	290,026
Franca Di Blasio-Easter								
2019	122,164	7,186	-	44,100	(25)	46,928	18,752	239,106
2018	21,590	1,314	-	7,055	3,805	1,248	4,984	39,996
Linda Fox								
2019	182,609	11,292	-	36,622	4,921	54,743	32,204	322,391
2018	179,028	11,027	-	64,627	1,919	2,194	44,900	303,695
Scott Henricks								
2019	100,219	6,786	-	36,479	1,120	41,687	25,822	212,114
2018	100,537	6,786	-	56,000	(6,514)	3,416	32,878	193,103
John Lane								
2019	142,010	8,213	-	38,448	(51)	1,850	20,529	210,999
2018	62,997	2,637	-	15,781	783	3,535	2,977	88,710
Bradley Massey								
2019	113,311	8,635	-	48,538	1,490	(3,851)	27,345	195,468
2018	113,735	8,635	-	62,000	(2,549)	3,535	34,288	219,644
Kelly Power								
2019	136,327	7,186	-	93,333	31,427	1,169	97,674	367,116
2018	16,859	944	-	12,001	16,194	96	-	46,094
Mark Seymour ⁽⁷⁾								
2019	58,777	5,620	-	-	1,233	637	-	66,268

(1) Fixed remuneration comprises base remuneration and superannuation (post-employment benefit).

(2) Base remuneration is the total cost of salary including cash and any salary sacrificed benefits.

(3) Reflects the cash portion of the STVR for performance during the 12 months to 30 June 2019 (payable September 2019), representing two-thirds of FY19 STVR.

(4) Other short-term benefits relate to company-funded benefits (including associated fringe benefits tax where applicable). This item also includes the net change in accrued annual leave over the year and any sign-on/retention deferred cash awards.

(5) Includes long service entitlements accrued during the year, which are determined in line with Australian Accounting Standards.

(6) Includes the accounting expense of previous years' STVR deferred awards and sign-on and retention awards received as Deferred Rights. For FY19, this includes the expense of the FY16, FY17 and FY18 deferred STVR awards as applicable to each Executive Officer.

(7) Linda Elkins ceased in her Executive Director role from 17 March 2019. Mark Seymour was Acting General Manager Funds Manager from 1 January to 27 March and ceased with the Group on 12 July 2019. Their remuneration reflects the time spent in their respective roles.

5. FY19 STVR outcomes

The following table provides the FY19 STVR outcomes for Executive Officers (excluding Independent Non-Executive Directors who do not receive any variable remuneration). The minimum possible STVR is zero.

	STVR maximum	STVR actual			STVR actual as a % of STVR maximum
		Total	Cash ¹	Deferred ²	
	\$	\$	\$	\$	%
Linda Elkins ⁽³⁾	389,232	211,200	140,800	70,400	54%
Peter Chun	175,500	108,000	72,000	36,000	62%
Franca Di Blasio-Easter	110,250	66,150	44,100	22,050	60%

Linda Fox	183,110	54,933	36,622	18,311	30%
Scott Henricks	110,544	54,719	36,479	18,240	50%
John Lane	128,160	57,672	38,448	19,224	45%
Bradley Massey	132,376	72,807	48,538	24,269	55%
Kelly Power	150,372	140,000	93,333	46,667	93%
Mark Seymour ⁽³⁾	29,469	-	-	-	-

(1) Includes two-thirds of the STVR award payable as cash in recognition of performance for FY19 (payable in September 2019).

(2) Represents one-third of the STVR award that is deferred as equity and vests in three equal tranches over three years. The deferred awards are subject to risk and reputation review prior to vesting.

(3) Linda Elkins ceased in her Executive Director role on 17 March 2019. Mark Seymour was Acting General Manager Funds from 1 January to 27 March 2019 and ceased with the Group on 12 July 2019. Their remuneration reflects the time spent in their respective roles.

6. Equity and Deferred cash awards received as remuneration

The table below details the value and number of equity awards that were granted or forfeited/lapsed to Executive Officers during FY19. It also shows the number of previous year's awards that vested during FY19.

Name	Class	Granted during FY19 ^{1,2}		Previous years' awards vested during FY19 ²		Forfeited or lapsed during FY19 ²	
		Units	\$	Units	\$	Units	\$
Linda Elkins ⁽⁴⁾	STVR Deferred Rights	1,201	86,504	2,184	171,570	-	-
	Deferred Cash	-	144,000	-	-	-	-
Peter Chun	STVR Deferred Rights	695	50,004	1,223	95,925	-	-
	Deferred Cash	-	75,000	-	-	-	-
Franca Di Blasio-Easter	STVR Deferred Rights	268	19,278	583	46,015	-	-
	Deferred Cash	-	73,500	-	-	-	-
Linda Fox	STVR Deferred Rights	449	32,314	893	70,205	-	-
	Deferred Cash	-	110,000	-	-	-	-
Scott Henricks	STVR Deferred Rights	389	28,015	641	50,325	-	-
	Deferred Cash	-	66,000	-	-	-	-
John Lane	STVR Deferred Rights	334	24,019	250	19,235	-	-
Bradley Massey	STVR Deferred Rights	431	31,018	725	57,072	-	-
Kelly Power	STVR Deferred Rights	195	14,011	363	26,099	-	-
	Deferred Cash	-	-	-	49,000	-	-
Mark Seymour ⁽⁴⁾	STVR Deferred Rights	2	149	-	-	-	-

(1) This represents the maximum number of deferred rights or deferred cash awards that may vest to each Executive Officer. The equity value represents the fair value at grant date (which equates to the face value). The minimum potential outcome is zero. Deferred cash awards to Linda Elkins, Peter Chun and Scott Henricks were granted on 24 September 2018, Franca Di Blasio-Easter were granted on 21 September 2018 and Linda Fox were granted on 5 November 2018 which vests in two tranches, 40% on 1 December 2019 and 60% on 1 December 2020. The deferred cash award to Kelly Power was granted on 19 March 2018 and vested in full on 1 December 2018. Deferred cash awards vest subject to satisfactory performance and service conditions.

(2) Disclosed amounts for awards granted during FY10, and previous years' awards that vested during FY19, include both deferred STVR equity awards and deferred cash awards. Of these awards, 100% of the awards vested and 0% was forfeited as all performance and/or service conditions were met.

(3) Linda Elkins ceased in an Executive Director role on 17 March 2019 and Mark Seymour was in an Acting General Manager Funds Manager role from 1 January to 27 March 2019 and ceased with the Group on 12 July 2019. Their remuneration reflects time spent in their roles.

7. Face value assumptions for equity awards granted in FY19

For STVR awards deferred as rights, the face value is the volume weighted average closing price of CBA ordinary shares over the five trading days prior to the grant date. The exercise price is nil across all awards.

Equity plan	Grant date	Face value \$	Vesting period end
FY19 STVR - Tranche 1	01/09/2018	72.00	01/09/2019
FY19 STVR - Tranche 2	01/09/2018	72.00	01/09/2020
FY19 STVR - Tranche 3	01/09/2018	72.00	01/09/2021

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS114QW: Self-managed super funds

- a. Can you please advise whether you manage funds for SMSFs?
- b. Have you allowed individuals and/or SMSFs to co-invest alongside your investments?
- c. Do you allow individuals and/or SMSFs to co-invest alongside your investments?

Answer:

- a. Colonial First State is not an SMSF administrator nor do we provide such services. Colonial First State, in our role as IDPS operator, holds selected investments in custody and provides administrative services for those investments under the IDPS arrangement for investors using the service. This may include accounts where an SMSF is the beneficial owner
- b. No
- c. No

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

Colonial First State

CFS115QW: Please advise whether you manage funds for:

- a. family trusts?
- b. trusts?
- c. registered organisations, and if so which registered organisations?

Answer:

Colonial First State does not manage funds on behalf of any of the organisations or trusts listed in this question.

As an IDPS operator, we may provide custodial and administrator services (through our IDPS products) to these trusts and organisations who elect to utilise our IDPS products to administer their investments.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS116QW: Managing money for related parties

- a. Do you manage money for any related parties, whether superannuation funds or otherwise?
- b. If so, which organisations or entities?
- c. In relation to these organisations or entities:
 - i. Are you aware whether those related parties have assessed the value of these arrangements, relative to best-practice arms-length arrangements available elsewhere, in terms of generating returns for members?
 - ii. Please provide your conflicts of interest policy for managing related party arrangements.
 - iii. Please provide your risk management approach for related party arrangements including line 1, line 2 and line 3 roles.

Answer:

For the purposes of this question and to the extent multiple definitions of 'related party' exist in legislation, we have interpreted this definition in accordance with our Conflicts Management Policy.

The superannuation funds under the trusteeship of Avanteos Investments Limited (AIL) include investment options issued by Colonial First State Investment Limited (as Responsible Entity). The inclusion of these investment options on the Investment List is governed by the requirements of AIL's Investment Governance Framework

Colonial First State Investments Limited (in its capacity as Responsible Entity) also manages a proportion of the assets in the Commonwealth Bank Group Superannuation Fund, which is operated by a separate superannuation trustee. We expect the trustee of this superannuation fund to have considered the value of these arrangements at an arms-length basis, however we are unable to verify this as we do not have visibility of decisions made by another trustee.

Colonial First State may from time to time also manage the superannuation and investments of Directors and their spouses, who are also identified as related parties in the Conflicts Management Policy. We are unable to confirm the details of any investments which may have been made by these individuals as the provision of this information would breach privacy legislation.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS117QW: Please provide the number of clients by funds under management on behalf of each client, in the following ranges:

- <\$20 million
- \$20 million - \$50 million
- \$50 million - \$100 million
- \$100 million - \$1 billion
- >\$1 billion.

Answer:

All members of Colonial First State's superannuation funds have balances below \$20 million.

The number of members in each fund is provided below, separated by superannuation fund and trustee entity:

Colonial First State Investments Limited

FirstChoice Superannuation Trust:	628,875
Commonwealth Essential Super:	202,699
CFS Rollover and Superannuation Fund:	25,829
CFS Pooled Superannuation Trust:	29

Avanteos Investments Limited

Avanteos Superannuation Trust:	27,171
Symetry Personal Retirement Fund:	6,544
Encircle Superannuation Fund:	5,824
Star Portfolio Superannuation Fund:	1,198
Ultimate Superannuation Fund:	1,298

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

Colonial First State

CFS119QW: Do you support remuneration disclosure laws in Corporations Law?

Answer:

Yes

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS120QW: If you are an investor in any banking institution, have you individually as a fund (or in collaboration with other funds), ever commissioned reports into its valuation in the past decade?

- a. If so, how many reports and in what year?
- b. Please provide copies.

Answer:

Colonial First State has not commissioned reports into the valuations of Australian banking institutions over the last decade.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS121QW: Please provide details of the process you apply for assessing voting at annual general meetings of listed companies, including:

- a. The committee appointed to make decisions.
- b. The committee membership.
- c. Whether that committee reports to the board.
- d. What principles guide decision making.
- e. Whether there is a report to the board about decisions made.
- f. Whether decisions are made based on the objectives of improving capital value, or social or environmental priorities.

Answer:

Colonial First State Investments Limited

Voting at annual general meetings with our investee companies is delegated to the investment managers appointed to manage individual mandates.

Avanteos Investments Limited (AIL)

AIL has a Voting Policy in place that details its approach for voting in listed companies. It generally however does not participate in voting resolutions and did not participate in any listed company voting resolutions during the 2020 financial year.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS122QW: In the context of your board:

- a. What is the process for board appointments?
- b. Is there a skills matrix completed before board appointments?
- c. Are any of your shareholders entitled to appoint directors?
- d. How, if at all, are shareholders represented to the board?
- e. How, if at all, are shareholders represented within the company?

Answer:

a. Appointment to the Board of CFSIL and AIL is governed through the CBA Board approved 'Group Board Appointment, Renewal and Performance Policy' (the 'Policy'). The relevant CBA Group Executive must evaluate and recommend the Non-Executive Director candidate to the Group Nominations Committee having regard to the Director Appointment Criteria and Group Subsidiary board composition requirements as outlined within the policy. All Non-Executive Director appointments are considered and approved by the Group Nomination Committee.

b. The Director Appointment Criteria within the Policy states that each Director appointment will be considered having regard to the nature of the business conducted by the relevant Group Subsidiary, the size and composition of the relevant board, its board skills matrix and:

- the collective capability of the relevant board in terms of the mix of skills, experience and diversity required relative to the Group's or BU/SU's strategy, finance, operations and risk management;
- the relevant board's succession plans and development intentions; and
- the need to have a sufficient number of Directors with Chair potential on the CBA Board and the Key Operating Subsidiaries.

c. As confirmed in 'a' above, the Group Nominations Committee approves the appointment of a Director. That said, CBA acting as shareholder may remove any Director from the board of a Group Subsidiary or revoke the appointment of a Director appointed, subject to any legal obligations or the relevant company's constitution

d. The current Board of CFSIL and AIL constitute of Non-Executive Directors only.

e. Both CFSIL and AIL are 100% owned by Capital 121 Pty Ltd.

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

Colonial First State

CFS123QW: Rent for tenancies during COVID-19

- a. Can you please advise what action you, or any entities you control, have taken to defer the payment of rent for tenancies for listed and/or unlisted assets owned by your fund during the COVID-19 pandemic?
- b. To what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

This question is not applicable to Colonial First State's superannuation funds.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS124QW: Please provide the titles of all externally commissioned reports over the past five years that have reviewed any of the following:

- a. Performance of funds.
- b. Investment strategies for funds.
- c. Conflicts of interest for funds.

Answer:

a. Colonial First State engages with Mercer on a regular basis to complete reviews of the performance of funds that we manage.

b.

- Colonial First State – FirstChoice Alternatives Portfolio Review

c.

- Report for SPS Triennial Review – SPS 521 Conflicts of Interest (dated May 2019)
- Conflicts Management Framework Review April 2016

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS125QW: For each fund where more than 30 per cent of capital is managed by another entity, please complete the below table including:

- The name of the fund.
- The allocation of capital as a percentage of the total capital held by the fund.
- The allocation of capital of the total capital held by the fund.
- The entity managing the capital.
- Whether you are a shareholder in that entity.

Fund	Allocation of fund capital		Managing entity	Shareholder
	%	\$		
i.e. Hostplus infrastructure options	i.e. 70%	i.e. \$10 billion	i.e. IFM Investors	i.e. Yes

Answer:

Colonial First State is responsible for managing approximately \$120bn on behalf of both superannuation and non-superannuation clients.

Colonial First State Investments Limited employs nearly 80 investment managers to manage assets on its behalf. One of these managers is First Sentier Investors (FSI) with FSI managing investments across a range of investment strategies and options. In aggregate, the total managed by FSI may exceed 30% of CFSIL's total funds under management. Colonial First State is not a shareholder in FSI.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS127QW: Please provide details of the following reduction to remuneration packages since 11 March 2020:

- a. Board members.
- b. The chief executive.
- c. Executive management.

Answer:

Any decision regarding remuneration and changes to remuneration packages (including adjustments down) will form part of the final performance year review process which is yet to be completed. The remuneration of Board members and key executives is disclosed publicly on our website in accordance with statutory requirements.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Colonial First State

CFS128QW: Is the fund considering divestment from pure play fossil fuel producers in order to mitigate climate-related financial risks and to increase the cost of capital for those producers?

If not, how has the fund arrived at the conclusion that this approach would not be in members' best interests?

Answer:

Decisions to divest any asset are considered under our Responsible Investment policy. Considerations include whether the activity of a particular asset or sector go against global norms and whether they are illegal under Australian law.

We have not divested from pure play fossil fuel producers as we do not believe this would be in members' best interests. We acknowledge there are risks associated with those investments however acknowledge this is the case for all investments.

Colonial First State has appointed investment managers to make these decisions on behalf of our members and each investment manager has its own processes to determine how it invests.