

Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Competition and Consumer Act 2010*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

N100044 **Commonwealth Bank of Australia (the Bank)**, ABN 48 123 123 124 of 201 Sussex Street, Sydney, NSW 2000

and

N100045 **Collinson Group Pty Ltd ("Collinson")**, ABN 24 121 054 724 of Level 13, 124 Walker Street, North Sydney NSW 2060, Australia.

- (b) Short description of business carried on by that person:
(Refer to direction 3)

The Bank provides banking and financial services, including credit and debit card facilities, and holders of eligible Awards credit cards issued by the Bank are offered an optional membership in the Bank's loyalty program, called the Commonwealth Awards Program under which customers accumulate points for certain usage of their Awards credit card and other activities and can redeem those points for goods, services, gift cards and airline loyalty program points.

Collinson provides loyalty marketing solutions and services and has arrangements with a substantial number of merchants (and merchant aggregators) (**Collinson sourced merchants**) who participate through Collinson in various loyalty program arrangements.

The Bank has selected Collinson to operate an online eShop which provides members of the Commonwealth Awards Program the ability to earn bonus points at participating Collinson sourced online merchants featured on the eShop site, provided that customers access the merchant's website via the eShop site. Customer's purchases are tracked from the eShop website to the

merchant's website and Bonus Points are awarded for purchases made via the eShop.

- (c) Address in Australia for service of documents on that person: [please complete this section]

Commonwealth Bank of Australia
Jennifer Wood
Head of Compliance Policy and Framework
Level 14, 201 Sussex Street, Sydney, NSW 2000

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Customers who are members of the Commonwealth Awards Program will earn bonus points for purchases at participating Collinson sourced merchants featured on the eShop site, provided that they access the merchant's website via the eShop site (it isn't necessary for customers to use their Awards credit card to earn bonus points for purchases made via the eShop).

From time to time Commonwealth Awards Program and/or eShop marketing material will offer members bonus points and other non-cash benefits (for example, the right to enter into a trade promotion or the provision of additional goods or services at a discounted price or without charge) where specific goods and services and/or specific packages of goods and services offered by individual participating merchants are purchased via the eShop site.

Participating Collinson sourced merchants may offer a discount or allowance in relation to the supply of their products and services, or to supply or offer to supply the goods or services at a particular price, or to supply or offer to supply particular goods, services or other benefits in relation to the supply of the products or services, on the condition that a person is a member of the Commonwealth Awards Program who accesses the merchants website via the eShop website.

At launch, there will be approximately 150 Collinson sourced merchants participating in the eShop website.

- (b) Description of the conduct or proposed conduct:
Offering Bonus Points and other discounts as stated above

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)
Members of the Commonwealth Awards Program as well as potential new members to the Program.
- (b) Number of those persons:
- (i) At present time:
1.3 million members
- (ii) Estimated within the next year:
(Refer to direction 6)
1.4 million members
- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:
Not applicable

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

The proposed conduct will promote competition amongst loyalty program providers and online shopping sites by providing a one stop shop for eligible customers who wish to make online purchases that will save them time and also reward them with bonus points, discounts and other benefits.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

The relevant markets are:

- * The banking and financial services market, in particular in relation to the provision of debit and credit cards; and
- * The online shopping market.

The proposed conduct will not lessen competition in the relevant banking and financial services market. Competition in this market is vigorous and consumers will continue to have the choice from a large number of credit and debit card issuers and their associated loyalty programs. As this market is extremely competitive, any decision by consumers on which credit or debit card or loyalty program to use can be made solely on an assessment of the merits of each issuer's product.

The proposal will also not lessen competition in the online shopping market as it is highly competitive with many players, which enables consumers to make choices based on the price, value and quality of the products and services offered. Goods and services offered by participating merchants are available for purchase by consumers independent of their membership in the Program and directly with the merchant.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

There is no foreseen public detriment resulting from the proposed conduct for the following reasons:

- * Participation in the Commonwealth Awards Program is voluntary. By participating, Members are not prevented from also participating in Programs offered by other providers.
- * Customers are not prevented from holding debit or credit cards issued by other cards issuers.
- * There is no exclusivity of conditions applying to the purchasing and services offered by participating merchants and customers from other

banks are not prevented from purchasing goods and services from them.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Inka Kroon

Senior Loyalty Manager

Credit Cards, Retail Bank Services

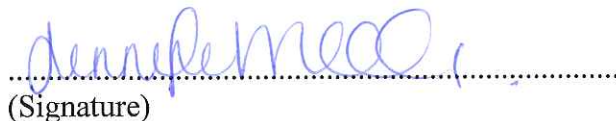
Level 1C, 1 Harbour Street

Sydney NSW 2000

Phone: 0424 309 977

Dated 2 November 2017

Signed by/on behalf of the applicant


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(Signature)

Jennifer Wood

(Full Name)

Commonwealth Bank of Australia

(Organisation)

Head of Compliance Policy and Framework

(Position in Organisation)

DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 of the *Competition and Consumer Act 2010* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.