



Trade Practices Act 1974

Undertaking to the Australian Competition and Consumer Commission given for
the purposes of section 87B

by

Commonwealth Bank of Australia
ACN 123 123 124

Recitals

- A. Commonwealth Bank of Australia (**Commonwealth Bank**) proposes to acquire ownership of Colonial Limited (**Colonial**) pursuant to Schemes of Arrangement (**proposed acquisition**).
- B. The proposed acquisition is subject to a number of approvals, including regulatory and shareholder approvals.
- C. Commonwealth Bank has made submissions to the Commission and has expressed the view that the proposed acquisition will not have the effect of substantially lessening competition in any market, or in any State of Australia, including in Tasmania.
- D. The Commission has expressed concerns that the proposed acquisition will contravene section 50 of the *Trade Practices Act 1974* in certain markets in Regional New South Wales and in Tasmania.
- E. Commonwealth Bank does not agree with any of the concerns expressed by the Commission with respect to the proposed acquisition but has agreed (without admission) to give the undertakings contained herein to overcome those concerns.
- F. The Commission agrees that upon implementation of the undertaking its concerns in respect of the proposed acquisition will be overcome.

Definitions

Access: Unilateral Access and/or Bilateral Access to the Designated ATM Network, the EFTPOS Facilities and/or the EFTPOS Gateway Facilities by a Card Issuer in accordance with clauses 2 and 3 of this undertaking as the case may be.

Access Dispute: a dispute between a Card Issuer and Commonwealth Bank arising out of or relating to Access to the Designated ATM Network, the EFTPOS Facilities and/or the EFTPOS Gateway Facilities.

ATM: automatic teller machine.

Banking Site: any building, or other physical structure, owned or leased by Commonwealth Bank, Colonial, the Colonial State Bank or the former Colonial Trust Bank at which Commonwealth Bank, the Colonial State Bank or the former Colonial Trust Bank carries or carried on banking business in Regional New South Wales or in Tasmania.

Bilateral Access: a reciprocal access arrangement whereby a Card Issuer's card is able to be used in facilities owned and/or operated by Commonwealth Bank, or owned and/or operated by a merchant customer of Commonwealth Bank, in which a Commonwealth Bank card can be used and vice versa.

Card Issuer: any institution, which carries on, or proposes to carry on, business in Regional New South Wales or in Tasmania, which issues credit or debit cards either alone or in conjunction with a deposit taking institution which is either:

- (a) an institution acting as a principal and/or agent with an Exchange Settlement Account or as a member of a body classified as a Special Services Provider; or
- (b) an institution that does not fall within paragraph (a) in this definition (**non-ESA institution**), provided that:
 - (1) the non-ESA institution is and remains a party to an enforceable agreement (a copy of which has been provided to Commonwealth Bank) with an institution which falls within paragraph (a) of this definition (**sponsor**), pursuant to which agreement the sponsor agrees to settle the non-ESA institution's transactions through its Exchange Settlement Account; and
 - (2) the sponsor enters into an enforceable agreement with Commonwealth Bank pursuant to which agreement the sponsor provides its Exchange Settlement Account without qualification to settle any transactions performed under an access arrangement between the non-ESA institution and Commonwealth Bank under clause 2 and 3 of this undertaking,

but only for so long as paragraphs (1) and (2) in this definition continue to be satisfied.

Designated ATM Network: Commonwealth Bank's ATM Network (including the ATM Networks formerly operated by the Colonial State Bank and by the former Colonial Trust Bank.)

Dispute: a dispute between Commonwealth Bank and a person seeking processing support as referred to in clause 7 or Commonwealth Bank's compliance with clause 6.

Effective Date: the date upon which the scheme of arrangement between Colonial and its ordinary shareholders becomes binding on those ordinary shareholders of Colonial in accordance with section 411 of the Corporations Law.

EFTPOS: electronic funds transfer at point of sale.

EFTPOS Facilities: EFTPOS terminals and machines, EFTPOS merchant acquiring services and EFTPOS compatible cards issued by a financial institution.

EFTPOS Gateway Facilities: a commercial arrangement between Commonwealth Bank and a Card Issuer (including arrangements between the Colonial State Bank and a Card Issuer and between the former Colonial Trust Bank and a Card Issuer) that enables the Card Issuer to have access to Commonwealth Bank's bilateral links for card acceptance (including the bilateral links for card acceptance formerly operated by the Colonial State Bank and the former Colonial Trust Bank).

Exchange Settlement Account: a settlement account facility held at the Reserve Bank of Australia by a bank, or a financial institution subject to similar prudential requirements, or for use by a Special Services Provider, to settle debts arising from the clearing of payments.

Excluded Financial Institutions: National Australia Bank Limited, Westpac Banking Corporation Limited and Australia and New Zealand Banking Group Limited.

Information Technology and Telecommunications Services: information technology and telecommunication services in the nature of those necessary to support a financial institution providing financial services to customers, including business services and processing and information services.

Metropolitan New South Wales: the metropolitan and suburban area of Sydney.

Regional New South Wales: the geographic region of New South Wales other than Metropolitan New South Wales.

Special Services Provider: a body that is registered under the financial institutions legislation as a Special Services Provider, to provide services of the kind described in section 36(2)(b) of the *Australian Financial Institutions Commission Code*.

Undertaking Period: 5 years commencing on the Effective Date unless otherwise specified.

Unilateral Access: an access arrangement whereby a Card Issuer's card is able to be used in facilities owned and/or operated by Commonwealth Bank, or owned and/or operated by a merchant customer of Commonwealth Bank, in which a Commonwealth Bank card can be used.

Interpretation

In this undertaking the singular includes the plural and vice versa.

1 Commencement and duration of undertaking

- 1.1 This undertaking commences on the Effective Date.
- 1.2 This undertaking will continue for a period of 5 years commencing on the Effective Date, subject to any specific time period set out in this undertaking in which case that latter time period prevails.
- 1.3 This undertaking will cease to have any effect if, at the expiration of the first 3 years of its operation, the Commission and Commonwealth Bank agree that there have been no material breaches of any of its clauses.

2 EFTPOS Access

- 2.1 For the duration of the undertaking Commonwealth Bank will provide Access to the EFTPOS Facilities and/or the EFTPOS Gateway Facilities to any Card Issuer who requests such Access, on reasonable commercial terms and conditions, subject to the following:

- (a) Commonwealth Bank's obligations under this clause are limited to the provision of Access for the benefit of Regional New South Wales resident customers of the Card Issuer and Tasmanian resident customers of the Card Issuer or its principal;
 - (b) Commonwealth Bank's obligation to enter into an arrangement to provide Access, on reasonable commercial terms and conditions, is limited to the Undertaking Period; and
 - (c) where the provision of Access would require any step to be taken by any merchant customer of Commonwealth Bank, Commonwealth Bank will use its best endeavours to cause the merchant customer to take that step and Commonwealth Bank's obligations to provide access under this clause arise only when the merchant customer takes that step.
- 2.2 Commonwealth Bank will deal with any request for Access by a Card Issuer, or its agent, in good faith and on an expeditious basis.
- 2.3 Commonwealth Bank will negotiate in good faith and on an expeditious basis to enter into an agreement of the type described in paragraph (b)(2) of the definition of "Card Issuer" with a sponsor as defined in that paragraph.
- 2.4 Any Access Dispute as to the matters arising under this clause must be resolved in accordance with clause 4 below.

3 ATM Access

- 3.1 For the duration of the undertaking Commonwealth Bank will provide Access to the Designated ATM Network to any Card Issuer who requests such Access, on reasonable commercial terms and conditions, subject to the following:
- (a) Commonwealth Bank's obligations under this clause are limited to the provision of Access for the benefit of Regional New South Wales resident customers of the Card Issuer and Tasmanian resident customers of the Card Issuer or its principal;

- (b) Commonwealth Bank's obligation to enter into an arrangement to provide Access, on reasonable commercial terms and conditions, is limited to the Undertaking Period.
- 3.2 Commonwealth Bank will deal with any request for Access by a Card Issuer, or its agent, in good faith and on an expeditious basis.
- 3.3 Commonwealth Bank will negotiate in good faith and on an expeditious basis to enter into an agreement of the type described in paragraph (b)(2) of the definition of "Card Issuer" with a sponsor as defined in that paragraph.
- 3.4 Any Access Dispute as to the matters arising under this clause must be resolved in accordance with clause 4 below.

4 Resolution of Access Disputes

- 4.1 Commonwealth Bank will promptly appoint:
 - (a) a person mutually acceptable to Commonwealth Bank and the Commission; or, failing agreement on such person
 - (b) an independent expert nominated by the Commissionto resolve any Access Dispute (**appointee**).
- 4.2 If clause 4.1(b) applies, the independent expert should have a good understanding of and/or experience and expertise in:
 - (a) the Australian payments system, including interchange arrangements; and
 - (b) banking products and system and processing support for such products.The independent expert appointed must be independent of Commonwealth Bank, the relevant Card Issuer, the Card Issuer's agent or sponsor, and approved by the Commission.
- 4.3 The appointee has the power to determine all matters relevant to the subject matter of the Access Dispute.
- 4.4 A Card Issuer may refer any Access Dispute to the appointee. Commonwealth Bank must inform each Card Issuer who obtains or seeks to obtain Access under clause 2 or 3 of that right.

- 4.5 Commonwealth Bank may refer an Access Dispute to the appointee with the written consent of the Card Issuer.
- 4.6 Subject to legal rights of review or appeal, Commonwealth Bank and the relevant Card Issuer will be bound by any decision of the appointee in relation to any Access Dispute referred to the appointee by Commonwealth Bank or a Card Issuer.
- 4.7 The particulars of an Access Dispute referred to the appointee must be submitted in writing by the referring party. The other party shall be entitled to make written submissions to the appointee in relation to the Access Dispute.
- 4.8 The appointee will consider each Access Dispute in the following manner:
- (a) the appointee may request information, assistance, cooperation reasonably relevant to the Access Dispute, from Commonwealth Bank or the relevant Card Issuer, who must comply with the request;
 - (b) the fees and expenses of the appointee will be borne by Commonwealth Bank;
 - (c) Commonwealth Bank and the relevant Card Issuer will bear their own costs;
 - (d) the appointee has the power to determine whether or not the Access terms and conditions proposed by Commonwealth Bank are reasonable commercial terms and conditions, having regard to:
 - (1) the matters described in paragraphs (a), (b) and (c) of the relevant Access provision in clause 2 or 3;
 - (2) the legitimate business interests of Commonwealth Bank and Colonial;
 - (3) the public interest, including the public interest in having competitive markets;
 - (4) the interests of the Card Issuer seeking access;
 - (5) the direct costs of providing Access to the relevant facilities;

- (6) the value to Commonwealth Bank of any Unilateral Access or Bilateral Access obtained or provided;
 - (7) the operational and technical requirements necessary for the safe and reliable operation of the relevant facilities, for the continued provision of services by the Commonwealth Bank to existing customers and for the continued operation of arrangements between Commonwealth Bank and other Card Issuers; and
 - (8) the economically efficient operation of the relevant facilities.
- (e) The appointee must give written reasons for any determination;
 - (f) The appointee will act as an independent expert and not as an arbitrator;
 - (g) The appointee must act as speedily as a proper consideration of the Access Dispute allows, having regard to the need to investigate and enquire carefully and quickly into the Access Dispute and all matters affecting the merits and fair settlement of the Access Dispute; and
 - (h) The appointee must keep confidential all information in relation to Access Disputes.
- 4.9 The determinations of the appointee will be binding on Commonwealth Bank and the Card Issuer such that:
- (a) Commonwealth Bank must act in a timely manner with respect to the resolution of any Access Dispute referred to the appointee; and
 - (b) Commonwealth Bank will provide Access to the Card Issuer on the terms determined by the appointee; and
 - (c) Commonwealth Bank may not impose Access terms which the appointee has determined are not reasonable; and
 - (d) subject only to this clause, the relevant Card Issuer must comply with Access terms which the appointee has determined to be reasonable; and
 - (e) the determination of the appointee will apply from the date of the determination and will not operate retrospectively to entitle any Card Issuer to compensation from Commonwealth Bank in respect of Access terms subsequently determined not to be reasonable.

- 4.10 Commonwealth Bank will permit any Card Issuer to terminate any access arrangement provided under clause 2 or 3 by 30 days notice in writing, within 90 days after any determination by the appointee (but determinations in relation to costs will remain enforceable, and all amounts incurred by the Card Issuer under the access arrangement up to the date of termination will remain payable to Commonwealth Bank).
- 4.11 Commonwealth Bank or the Commission may refer any Access Dispute arising under clause 2 or 3 to the appointee.
- 4.12 Commonwealth Bank and the Commission acknowledge the desirability of resolving Access Disputes by reference to the appointee, without affecting the right of the Commission to enforce this undertaking in respect of a breach by Commonwealth Bank of its obligations under clause 2 or 3.

5 Vacation of banking sites

5.1 If:

- (a) during the first 24 months of the Undertaking Period;
- (b) in the locations listed in item 1 of the Schedule (or as agreed between Commonwealth Bank and the Commission)

there is both a Commonwealth Bank and a Colonial Banking Site, and

- (c) Commonwealth Bank proposes to sell or lease the Banking Site, or assign any lease over that Banking Site,

the provisions in clause 5.2 apply.

5.2 In the circumstances set out in clause 5.1:

- (a) If an offer is made for the Banking Site by a financial institution, other than an Excluded Financial Institution, who intends to provide financial services to customers near the location of the Banking Site (**intended provider**), at or above its fair value as premises for the conduct of a financial or professional services business, and that offer is the only offer made for the Banking Site, Commonwealth Bank will sell or lease the

Banking Site, or assign a lease over the Banking Site (as the case may be) to the intended provider.

- (b) If an offer is made for the Banking Site by an intended provider at or above its fair value as premises for the conduct of a financial or professional services business, and also by one or more entities whether or not an intended provider, Commonwealth Bank will sell or lease the Banking Site, or assign a lease over the Banking Site (as the case may be), to the intended provider which makes the highest offer.

5.3 If Commonwealth Bank and the intended provider cannot reach agreement that an offer has been made at or above the fair value of the Banking Site as premises for the conduct of a financial or professional services business, it will be determined by appointing a valuer mutually acceptable to both Commonwealth Bank and the intended provider. The cost of obtaining this valuation will be shared equally between Commonwealth Bank and the intended provider.

6 Systems support

Commonwealth Bank will make good faith efforts to facilitate the provision of Information Technology and Telecommunications Services from EDS (Australia) Pty Limited (**EDSA**) or a related company of EDSA, or other relevant technology partners or suppliers to Commonwealth Bank, the Colonial State Bank or the former Colonial Trust Bank:

- (a) to any financial institution who intends to provide or extend its provision of financial services to customers residing in Regional New South Wales and/or in Tasmania, other than Excluded Financial Institutions;
- (b) at a price which would be set by EDSA or the other suppliers for the supply to one of its customers (eg. Commonwealth Bank) of services of a kind and quantity required by the financial institution seeking to obtain the benefit of this clause.

7 Processing support

7.1 Commonwealth Bank will provide access on reasonable commercial terms and conditions, to Commonwealth Bank's credit and debit card processing services,

both as an issuer and an acquirer including, where reasonably feasible, haulage or switching services in respect of card based transactions, and Commonwealth Bank's cheque, item and loan processing services, to any financial institution who intends to provide or extend its provision of financial services to customers residing in Regional New South Wales and/or in Tasmania, other than to Excluded Financial Institutions.

- 7.2 Where the provision by Commonwealth Bank of processing support to a financial institution under this clause requires co-operation by or with a third party, Commonwealth Bank will make good faith efforts to facilitate the co-operation of the third party to enable Commonwealth Bank to provide the processing support.

8 Resolution of Disputes over processing support and systems support

- 8.1 Commonwealth Bank will promptly appoint:

- (a) a person mutually acceptable to Commonwealth Bank and the Commission, or, failing agreement on such a person
 - (b) an independent expert nominated by the Commission
- to resolve any Dispute (**second appointee**).

- 8.2 If clause 8.1(b) applies, the independent expert should have a good understanding of and/or experience and expertise in:

- (a) the Australian financial services industry; and
- (b) banking products and system and processing support for such products.

The independent expert appointed must be independent of Commonwealth Bank, and the person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking and be approved by the Commission.

- 8.3 The second appointee has the power to determine all matters relevant to the subject matter of the Dispute.

- 8.4 Any person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking may refer any Dispute to the second appointee. Commonwealth Bank must inform each person seeking processing support under clause 7 or assistance under clause 6 of this undertaking of that right.
- 8.5 Commonwealth Bank may refer a Dispute to the second appointee with the written consent of the person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking.
- 8.6 Subject to legal rights of review or appeal, Commonwealth Bank and each person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking will be bound by any decision of the second appointee in relation to any Dispute referred to the second appointee by Commonwealth Bank or such person.
- 8.7 The particulars of a Dispute referred to the second appointee must be submitted in writing by the referring party. The other party shall be entitled to make written submissions to the second appointee in relation to the Dispute.
- 8.8 The second appointee will consider each Dispute in the following manner:
- (a) the second appointee may request information, assistance, cooperation reasonably relevant to the Dispute, from Commonwealth Bank or the person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking, who must comply with the request;
 - (b) the fees and expenses of the second appointee will be borne by Commonwealth Bank;
 - (c) Commonwealth Bank and the relevant person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking will bear their own costs;
 - (d) The second appointee must give written reasons for any determination;
 - (e) The second appointee will act as an independent expert and not as an arbitrator;

- (f) The second appointee must act as speedily as a proper consideration of the Dispute allows, having regard to the need to investigate and enquire carefully and quickly into the Dispute and all matters affecting the merits and fair settlement of the Dispute.
- (g) The second appointee must keep confidential all information in relation to Disputes.

8.9 In making determinations, the second appointee must, where applicable, have regard to the following matters:

- (a) the legitimate business interests of Commonwealth Bank;
- (b) the public interest, including the public interest in having competitive markets;
- (c) the interests of the financial institution seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking;
- (d) the direct costs of providing access to the processing support under clause 7 of this undertaking;
- (e) the value to Commonwealth Bank of the access to the processing support under clause 7 of this undertaking;
- (f) the operational and technical requirements necessary for the safe and reliable operation of the services that are the subject of the processing support under clause 7 of this undertaking;
- (g) the economically efficient operation of the services that are the subject of the processing support under clause 7 of this undertaking.

8.10 The determinations of the second appointee will be binding on Commonwealth Bank and the person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6 of this undertaking such that:

- (a) Commonwealth Bank must act in a timely manner with respect to the resolution of any Dispute referred to the second appointee; and
- (b) Commonwealth Bank will provide processing support to the person on the terms determined by the second appointee; and

- (c) Commonwealth Bank will make the efforts to facilitate the provision of systems support as determined by the second appointee;
 - (d) Commonwealth Bank may not impose terms and conditions which the second appointee has determined are not reasonable; and
 - (e) subject only to this clause, the person must comply with the terms and conditions which the second appointee has determined to be reasonable; and
 - (f) the determination of the second appointee will apply from the date of the determination and will not operate retrospectively to entitle any person to compensation from Commonwealth Bank in respect of terms and conditions subsequently determined not to be reasonable.
- 8.11 Commonwealth Bank will permit any financial institution to terminate any access arrangement provided under clause 7 by 30 days notice in writing, within 90 days after any determination by the second appointee (but determinations in relation to costs will remain enforceable, and all amounts incurred by the financial institution under the access arrangement up to the date of termination will remain payable to Commonwealth Bank).
- 8.12 Commonwealth Bank or the Commission may refer any Dispute arising under clause 6 or 7 to the second appointee.
- 8.13 Commonwealth Bank and the Commission acknowledge the desirability of resolving Disputes by reference to the second appointee, without affecting the right of the Commission to enforce this undertaking in respect of a breach by Commonwealth Bank of its obligations under clause 6 or 7.

9 Pricing

- 9.1 Commonwealth Bank will set rates, fees and charges for all products, supplied to customers residing in Regional New South Wales and in Tasmania such that they are equivalent to or as favourable as the rates, fees and charges charged to Commonwealth Bank customers residing in Metropolitan New South Wales.

- 9.2 When pricing for risk in Regional New South Wales and in Tasmania, Commonwealth Bank must apply the same principles and considerations and apply those principles and considerations in the same manner as used to price risk in Metropolitan New South Wales.

10 Service Quality

- 10.1 Commonwealth Bank will maintain the quality of service to customers in Regional New South Wales and in Tasmania as a whole, such that the internal index used by Commonwealth Bank (to determine service quality of Commonwealth Bank) when applied to Regional New South Wales and Tasmania will produce an equivalent or more favourable outcome for each of Regional New South Wales and Tasmania as a whole to that for Metropolitan New South Wales. A variation of no more than 5 percentage points below the average for Metropolitan New South Wales over the measurement period is to be taken as “equivalent” for the purposes of this clause.
- 10.2 The index used to determine service quality will be that used in the survey adopted by Commonwealth Bank as at 1 March 2000, or such other method of service quality measurement as agreed between Commonwealth Bank and the Commission.

11 Product range

Commonwealth Bank will make available to customers residing in Regional New South Wales and in Tasmania the same standard products as are available to Commonwealth Bank customers residing in Metropolitan New South Wales subject to those customers meeting Commonwealth Bank’s ordinary credit, security and pricing requirements.

12 Monitoring

- 12.1 Commonwealth Bank appoints:
- (a) in the case of Tasmania, the Government Prices Oversight Commission (GPOC), if GPOC and the Commission agrees and, in the case of New

South Wales, the Independent Pricing and Regulatory Tribunal (**IPART**) if IPART and the Commission agrees; or, failing such agreement,

- (b) such other independent entity who is mutually acceptable to Commonwealth Bank and the Commission, or failing such agreement,
- (c) an independent expert nominated by the Commission,

(**the monitor**) to verify that Commonwealth Bank has complied with clauses 9, 10 and 11 of this undertaking in respect of pricing, service quality and product range for the duration of this undertaking.

12.2 In respect of prices and product range, the monitor need only, in the first instance, monitor those products specified in item 2 of the Schedule in order to verify Commonwealth Bank's compliance with this undertaking.

12.3 The monitor is not limited to monitoring those products specified in item 2 of the Schedule in respect of Commonwealth Bank's obligations under this undertaking. Where the monitor:

- (a) receives a complaint in relation to a product which is not listed in item 2 of the Schedule (**unlisted product**); or
- (b) the monitor identifies an unlisted product in respect of which Commonwealth Bank appears to have failed to comply with this undertaking,

Commonwealth Bank will provide such information as required by the monitor to determine, with respect to the unlisted product, whether or not Commonwealth Bank has complied with this undertaking.

12.4 Where, in the ordinary course of business, Commonwealth Bank substitutes on a national basis a product which is listed in item 2 of the Schedule with another product, the Commission acknowledges that that other product will replace the substituted product in item 2 of the Schedule.

12.5 The monitor will report to the Commission half-yearly as to Commonwealth Bank's substantial compliance with clauses 9, 10 and 11 and will state whether or not Commonwealth Bank has substantially complied with those undertakings.

- 12.6 Commonwealth Bank will be deemed to have complied with clauses 9, 10 and 11 if the monitor reports to the Commission that Commonwealth Bank has substantially complied with the undertaking set out in each of such clauses.
- 12.7 Commonwealth Bank will pay the reasonable cost, to the monitor, of verifying Commonwealth Bank's compliance with clauses 9, 10 and 11.
- 12.8 Commonwealth Bank will provide such information as required by the monitor to carry out its functions as described in this clause.
- 12.9 In verifying that Commonwealth Bank has complied with clauses 9, 10 and 11 of this undertaking the monitor must, where applicable, have regard to the following matters:
- (a) the legitimate business interests of Commonwealth Bank and Colonial;
 - (b) the public interest, including the public interest in having competitive markets;
 - (c) whether it is practically possible to provide the relevant product and/or products having regard to the level of demand from customers residing in Regional New South Wales and in Tasmania for that product or those products and the skilled personnel or special infrastructure needed to deliver that product or those products.

13 Variation

The Commission will agree to the termination of this undertaking if it forms the opinion, in the Undertaking Period, that the state of competition in the relevant market in Regional New South Wales or in Tasmania has changed to such an extent that continuance of the undertaking will substantially lessen competition in that market.

14 Force Majeure

- 14.1 Commonwealth Bank will not be liable for any failure to perform any obligation under this undertaking if the failure is due to Force Majeure.

14.2 If Commonwealth Bank is by reason of Force Majeure unable to perform an obligation under this undertaking, Commonwealth Bank will as soon as practicable and in any event within 30 days notify the Commission specifying:

- (a) the cause and extent of non-performance;
- (b) the date of commencement of Force Majeure;
- (c) the means proposed to be adopted to remedy or abate the Force Majeure;
- (d) and will use all reasonable diligence and employ all reasonable means to remedy or abate the Force Majeure as expeditiously as possible.

14.3 Force Majeure means:

- (a) any act of God;
- (b) war, revolution, or any other unlawful act against public order or authority;
- (c) an industrial dispute; or
- (d) a governmental restraint.

15 Notification

15.1 Commonwealth Bank will give written notice to the Commission of the following matters as soon as practicable and in any event within 30 days after the relevant occurrence:

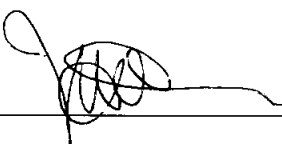
- (a) the Effective Date;
- (b) the commencement and termination or abatement of the Force Majeure;
- (c) any Access Dispute referred to the appointee under clause 4, including the name and contact details of the Card Issuer seeking access;
- (d) offers for Banking Sites by intended providers under clause 5, including the name and contact details of each intended provider making the offer;
- (e) any Disputes referred to the second appointee under clause 8, including the name and contact details of the person seeking processing support under clause 7 or Commonwealth Bank's assistance under clause 6, as the case may be; and

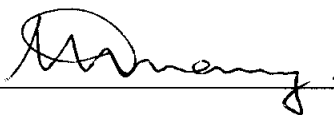
- (f) all other matters required to be notified to the Commission under this undertaking.

16 Confidentiality

- 16.1 Commonwealth Bank acknowledges that the Commission will make this undertaking available for public inspection other than item 1 of the Schedule which will remain confidential.
- 16.2 Commonwealth Bank acknowledges that the Commission will from time to time publicly refer to this undertaking.
- 16.3 Commonwealth Bank further acknowledges that this undertaking in no way derogates from the rights and remedies available to any other person arising from the proposed acquisition and conduct to which this undertaking relates.
- 16.4 The Commission will not, save for the purposes of enforcement action under section 87B of the Trade Practices Act, or under any other legal obligation, publish or disclose:
 - (a) any fee or charge described in this undertaking;
 - (b) the particular terms of any access arrangement made in accordance with this undertaking; and
 - (c) any decision or the reasons for any decision of the appointee and the second appointee under clause 4 and 8.

IN WITNESS of these undertakings and its agreement the common seal of Commonwealth Bank of Australia (ACN 123 123 124) was hereunto affixed by authority of the Board of Directors in the presence of:




J.D. Hatton
Company Secretary

D.V. Murray
Managing Director


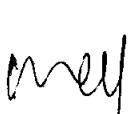
This 24th day of May 2000

ACCEPTED BY THE AUSTRALIAN COMPETITION AND CONSUMER
COMMISSION PURSUANT TO SECTION 87B OF THE TRADE PRACTICES ACT
1974.

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Professor Allan Fels

Chairman

This  day of  2000

Schedule

Item 1:

Item 2: **Products**

This item describes the initial list of products to be monitored for the purposes of clause 12.

[Where this item describes a product category rather than a product the Commission will nominate the relevant product or products within that category and refer that product or products to the monitor in accordance with the last dot point of this Schedule.]

- Transaction products
 - Personal
 - Streamline Account
 - Streamline Express Account
 - Dollarmite Account
 - Club Australia Account
 - Non Personal/Society
 - Standard Cheque Account - CABI
 - Business
 - Business Banking Accounts:
 - Premium Business Account
 - Standard Cheque Account - CANBI
- Savings/Investment Products
 - On Demand / At Call
 - AwardSaver Account
 - Cash Management Call Account - CMCA
 - Retirement Savings Account - RSA
 - Pensioner Security Account
 - Farm Management Deposit Account
 - Mortgage Interest Saver Account

- Fixed Term
 - Term Deposits - TD (standard or compound interest, Annual Interest Option, Deferred Interest Option, Regular Interest Option)
 - \$1 000-\$4 999 for 1 to 6 months
 - \$5 000-\$9 999 for 1 to 6 months
 - \$10 000-\$24 999 for 5 to 6 months
 - \$10 000-\$24 999 for 12 to 13 months
 - \$25 000-\$49 999 for 5 to 6 months
 - \$25 000-\$49 999 for 12 to 13 months
 - \$50 000-\$99 000 for representative terms from 1 month to 5 years
- Credit Products
 - Personal
 - Home Loan - Standard Variable Rate and Fixed Rates (1 to 5 years), 1 year Guaranteed Rate and Residential Equity Rate
 - The Economiser Home Loan - Base Variable Rate
 - Home Equity Facility
 - Credit Card - 55 day interest free period
 - Credit Card - no interest free period
 - Personal loan
 - Business
 - Better Business Package (Against Residential Security)
 - Better Business Loan - Variable
 - Better Business Loan - Fixed rate
 - Commonwealth Bank Business Card
 - Business Overdraft
- Other services
 - The full range of electronic business services including:
 - (a) Quickline, Netbank, Quickbooks, Merchant Services ((EFTPOS) (COMM2000) & Internet Shopping), and the Diamond Products (Cash management, Bulk funds movement, Individual funds movement)

- (b) The full range of products in the Business Solutions range viz
 - AgriOptions
 - Superannuation
 - Wholesale Investment Services
 - Interest Rate Risk Management
 - Payroll Management
 - Business Planning
 - Business Insurance
 - Fleet Management
 - International Trade
- Such other product referred to the monitor by the Commission.