



8 November 2021

Market Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Notice of 2021 Annual General Meeting

Australia and New Zealand Banking Group Limited (ANZ) today released its Notice of 2021 Annual General Meeting.

It has been approved for distribution by ANZ's Board of Directors.

Yours faithfully

Simon Pordage
Company Secretary
Australia and New Zealand Banking Group Limited

**2021 / NOTICE
OF MEETING**

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The 2021 Annual General Meeting (AGM or Meeting) of Australia and New Zealand Banking Group Limited (Company or ANZ) will be held virtually on **Thursday, 16 December 2021** commencing at 10:00am (AEDT).

The AGM will be held using our online AGM platform at web.lumiagm.com/393369083.

Further information on how to participate virtually is set out in this Notice, the Virtual AGM Guide and Virtual AGM Frequently Asked Questions document.

IMPORTANT DATES

All times are given in Australian Eastern Daylight Time (AEDT) unless otherwise specified.

14 December 2021

10:00am (AEDT)

Latest time for receipt of proxy appointments

16 December 2021

10:00am (AEDT)

Annual General Meeting

16 December 2021

2021 Final Dividend Payment Date

2021 ANNUAL REPORT

The Annual Report provides detailed financial data and information on the Group's performance as required to comply with applicable regulatory requirements. We also issue an Annual Review which is a non-statutory document covering key performance areas, financial information, remuneration details and corporate responsibility.



These documents are available at anz.com/annualreport or by calling the Share Registrar on 1800 11 33 99 (within Australia) or (+61 3) 9415 4010 (outside Australia) to request a hard copy.



2021 Annual Report
anz.com/annualreport

Annual General Meeting Agenda

9:00am

Registration opens – please log onto your electronic device and register your attendance

(you will need your SRN/HIN number in order to login to the online AGM platform. For Proxyholders, a login will be provided to you by Computershare)

10:00am

AGM commences Chairman's welcome to shareholders and presentation Chief Executive Officer's presentation Items of business

HOW BUSINESS WILL BE CONDUCTED AT THE MEETING

The AGM is an important event and we encourage shareholders to actively participate.

Important information about the conduct of the Meeting is set out below.

DISCUSSION AND ASKING QUESTIONS

Discussion will take place on all items of business that are put to the Meeting – refer to "Business" and "Explanatory Notes" sections for further information relating to the items of business.

Shareholders will have a reasonable opportunity to ask questions or make comments at the AGM via the online platform or verbally by phone, including an opportunity to ask questions of the Company's External Auditor, KPMG.

To ensure that as many shareholders as possible have the opportunity to participate, shareholders are requested to observe the following guidelines:

- all shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including arising from the Financial Report, the Directors' report (including the Remuneration Report) and the Auditor's Report, and general questions about the performance, business and management of the Company;
- if a shareholder has more than one question on an item of business, all questions should be asked at the one time; and
- shareholders should not ask questions at the Meeting relating to any matters that are personal to the shareholder or commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so.

A "Questions from Shareholders Form" will be made available on our Website anz.com/agm. You can also submit any questions via the Proxy Voting Link investorvote.com.au/login (Control Nbr 135312).

We will attempt to address as many of the more frequently asked questions as possible in the Chairman's and Chief Executive Officer's presentations to the Meeting.

Written questions must be received by the Company by 5:00pm (AEDT) on 9 December 2021, and can be submitted online, by mail, or email as set out on the top of the Questions from Shareholders Form.

VIRTUAL AGM & WEBCAST

The AGM will be webcast live for participation by shareholders and proxyholders via the online AGM Platform at web.lumiagm.com/393369083.

To participate you will need a computer or mobile/tablet device with internet access. When you log onto the AGM platform on the morning of the AGM, you will need to provide your details (including SRN or HIN) to be verified as a shareholder or proxyholder. Proxyholders will need their login details which will be provided by Computershare no later than 24 hours before the Meeting. Following this you will be given details as to how to vote and ask questions online during the AGM.

More information about how to use the AGM online platform (including how to vote and ask questions online during the AGM) is available in the Virtual AGM Guide and Virtual AGM Frequently Asked Questions document, which have been lodged with ASX and are available at anz.com/agm. If you intend to use the online AGM platform, we recommend that you test to see that it works on your device before the AGM commences at 10:00am.

Further instructions on device configurations are provided in the Virtual AGM Guide.

Alternatively, shareholders may listen to the proceedings of the AGM by dialling:

Country	Number	Guest Passcode
Australia	1800 173 224/1800 556 264	7500882
New Zealand	0800 452 794/0800 880 585	7500882
Worldwide	+61 7 3107 0200	7500882

You will not be able to ask a question or submit a vote using this method.

To ask a question verbally by phone, please call the Share Registrar on 1800 11 33 99 or +61 3 9415 4010 and press option 3 (ANZ AGM Phone conference details) to request a PIN and the conference call number. See question 20 in the Virtual AGM Frequently Asked Questions document for further details.

In addition to the above, shareholders can also watch an archived recording of the webcast after the Meeting at anz.com/agm.

Notice of 2021 Annual General Meeting

Notice is given that the 53rd Annual General Meeting of the Company will be held virtually on Thursday, 16 December 2021 commencing at 10:00am (AEDT).

Shareholders may participate in the AGM virtually via our online AGM platform at web.lumiagm.com/393369083 or via the appointment of a proxy.

BUSINESS

1. Annual reports

To consider the Annual Report, Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2021.

There is no requirement for shareholders to approve these reports.

2. Election and re-election of Board Endorsed candidates

(a) To elect Ms C E O'Reilly

Ms Christine Elizabeth O'Reilly having been appointed by the Board after the date of the 2020 Annual General Meeting, is retiring in accordance with the Company's Constitution and, being eligible, offers herself for election as a Director.

(b) To re-elect Rt Hon Sir John Key GNZM AC

Rt Hon Sir John Key GNZM AC is retiring in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

3. Adoption of the Remuneration Report

To adopt the Remuneration Report for the year ended 30 September 2021.

The vote on this resolution is advisory only and does not bind the Company.

4. Grant of Performance Rights to Mr S C Elliott

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 10.14, sections 200B and 200E of the *Corporations Act 2001* (Cth) and for all other purposes, approval is given for the Company to grant to the Company's Chief Executive Officer (CEO) and Executive Director, Mr Shayne Elliott, Performance Rights under the ANZ Share Option Plan on the terms set out in, and to provide Mr Elliott any or all of the benefits (including on cessation of employment) described in, the Explanatory Notes to this Notice of Meeting."

5. Resolution requisitioned by members – Amendment to the Constitution

The following proposed resolution has been requisitioned under section 249N of the *Corporations Act* by a group of shareholders holding approximately 0.01% of the Company's ordinary shares on issue.

This resolution is not endorsed by the Board.

To consider and, if thought fit, to pass the following resolution as a special resolution:

"Insert into the Constitution in clause 13 'Meetings of members' the following new sub-clause 13.5A 'Advisory resolutions': "The Company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised. Such a resolution must relate to a material risk identified by the Directors or the Company and cannot advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company."

Note: for item 5 to be passed as a special resolution, at least 75% of the votes cast by shareholders entitled to vote on the resolution must be in favour of the resolution. If item 5 is not passed, the Chairman of the Meeting will not put the resolution proposed in item 6 to the Meeting.

Board Recommendation: The Board recommends that shareholders vote against item 5 for the reasons set out in the Explanatory Notes to this Notice of Meeting. The Chairman of the Meeting intends to vote undirected proxies against item 5.

6. Resolution requisitioned by members – Transition Planning Disclosure (conditional item)

Condition for item 6: This resolution will only be put to the Meeting if at least 75% of the votes validly cast on item 5 are for that resolution.

The following proposed resolution has been requisitioned under section 249N of the *Corporations Act* by a group of shareholders holding approximately 0.01% of the Company's ordinary shares on issue.

This resolution is not endorsed by the Board.

Subject to and conditional upon the resolution in item 5 (Amendment to the Constitution) being passed as a special resolution, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“Shareholders note the Company’s stated support for the goal of achieving net zero emissions globally by 2050,¹ along with the publication of the International Energy Agency’s Net Zero by 2050 scenario.² Shareholders therefore request the Company disclose, in subsequent annual reporting, information demonstrating how the Company will manage its Fossil Fuel³ exposure in accordance with a scenario in which global emissions reach net zero by 2050. This information should include:

- A commitment to no longer provide Banking and Financing⁴ where proceeds would be used for new Fossil Fuel projects; and
- Targets to reduce Fossil Fuel exposure consistent with net zero by 2050.”

Board Recommendation: The Board recommends that shareholders vote against item 6 for the reasons set out in the Explanatory Notes to this Notice of Meeting. The Chairman of the Meeting intends to vote undirected proxies against item 6.

Voting restrictions

Voting restrictions for item 3 (adoption of the Remuneration Report)

The Corporations Act restricts Key Management Personnel (KMP) and their closely related parties from voting on the resolution proposed in item 3. Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

Any votes cast in any capacity (e.g. as a shareholder, proxy or corporate representative) on the proposed resolution in item 3 by or on behalf of:

- Directors and the other members of the KMP, details of whose remuneration are included in the Remuneration Report; and
- closely related parties of those persons,

will be disregarded.

In addition, any votes cast as a proxy on item 3 by any other members of the KMP (and their closely related parties) will also be disregarded.

However, the Company will not disregard the votes as a result of these restrictions if cast:

- on behalf of a person entitled to vote in accordance with a direction on the proxy appointment specifying the way the proxy is to vote on the resolution; or
- by the person who is the chair of the meeting and the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the Company, as chair of the Meeting, intends to vote undirected proxies (where appropriately authorised) in favour of item 3.

Voting restrictions for item 4 (grant of Performance Rights to Mr S C Elliott)

Item 4 is also a resolution connected directly with the remuneration of a member of the KMP, namely, Mr Elliott.

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of the resolution in item 4 by or on behalf of:

- Mr Elliott (being the only director eligible to participate in the ANZ Share Option Plan); or
- an associate of Mr Elliott.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, in accordance with the Corporations Act, the Company will disregard any votes cast on the resolution in item 4 as a proxy, by: (i) a member of the KMP at the date of the meeting; or (ii) a closely related party of such a member, unless the vote is cast:

- on behalf of a person entitled to vote in accordance with a direction on the proxy appointment specifying the way the proxy is to vote on the resolution; or
- by the person who is the chair of the meeting and the proxy appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairman of the Company, as chair of the Meeting, intends to vote undirected proxies (where appropriately authorised) in favour of item 4.

1. 2020 Annual Report, Australia and New Zealand Banking Group, p.34. 2. 'Net Zero by 2050', International Energy Agency, May 2021. 3. Upstream, midstream and downstream oil and gas; coal mining and transport (including haulage and ports); coal, oil and gas power generation. 4. Advisory services, project financing, loan syndications, leveraged and acquisition financing, structured asset finance, structured export finance, and sustainable finance, as listed by ANZ at anz.com/corporate/solutions/corporate-finance

Associates

The Voting Restrictions for item 4 apply to “associates” of Mr Elliott. The applicable definitions of “associate” are set out in the Corporations Act and ASX Listing Rules. Shareholders who are “associates” subject to the Voting Restrictions and who intend to participate in and cast a vote at the Meeting, should inform the Company’s Share Registrar, Computershare, of that fact when they register at the Meeting.

Questions on voting restrictions

If shareholders (including nominees, custodians or fiduciaries) have questions on the Voting Restrictions, they should contact the Company’s Share Registrar, Computershare, on 1800 11 33 99 (within Australia), 0800 174 007 (within New Zealand), 0870 702 0000 (within the United Kingdom) or (+61 3) 9415 4010 (outside Australia).

Entitlement to attend and vote

The Board has determined that, for the purposes of the Meeting (including voting at the Meeting) shareholders are those persons who are the registered holders of the Company’s shares at 7:00pm (AEDT) on Tuesday, 14 December 2021.

Holders of the Company’s ordinary shares may vote on all items of business, subject to the Voting Restrictions described previously.

Undirected proxies

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the Voting Restrictions described previously) in favour of items 2, 3 and 4 and against items 5 and 6 (where item 6 is put to the Meeting).

Voting by proxy

A shareholder who is entitled to attend and cast a vote at the Meeting may appoint a proxy. A proxy need not be a shareholder. A person can appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.

A shareholder who is entitled to cast 2 or more votes may appoint up to 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

The following addresses are specified for the purposes of receipt of proxy appointments and any authorities under which proxy appointments are signed (or certified copies of those authorities):

Australia

ANZ Share Registrar
GPO Box 242
Melbourne
Victoria 3001
Australia

ANZ Share Registrar
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Australia

United Kingdom

ANZ Share Registrar
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
United Kingdom

New Zealand

ANZ Share Registrar
Private Bag 92119
Auckland 1142
New Zealand

Proxy appointments and any authorities under which they are signed (or certified copies of those authorities) may be sent by fax to facsimile number 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia).

Shareholders may also submit their proxy instructions electronically to the Company’s Share Registrar by visiting investorvote.com.au, and Intermediary Online subscribers only (custodians) should visit intermediaryonline.com.

To be effective, a proxy appointment and, if the proxy appointment is signed by the shareholder’s attorney, the authority under which the appointment is signed (or a certified copy of the authority) must be received by the Company at least 48 hours before the commencement of the Meeting.

For more information concerning the appointment of proxies and the addresses to which Proxy Forms may be sent, please refer to the Proxy Form.

Voting by attorney

A shareholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or one of the addresses listed previously for the receipt of proxy appointments at least 48 hours before the commencement of the Meeting.

Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Evidence of his or her appointment, including any authority under which it is signed, will need to be provided to the Company’s Share Registrar prior to the Meeting unless it has been given previously to the Company.

By Order of the Board



Simon Pordage | Company Secretary

Melbourne, 8 November 2021

Explanatory notes

ITEM 1 - ANNUAL REPORTS

A copy of the Company's 2021 Annual Report, including the Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2021, can be found on the Company's website at anz.com/annualreport.

As a shareholder you may elect to receive by mail, free of charge, the Company's 2021 Annual Report (which includes detailed financial statements and reports) or the 2021 Annual Review (a non-statutory document covering key performance areas, financial information, remuneration details and corporate responsibility). If you would like a hard copy of either document, please contact the Company's Share Registrar, Computershare.

The Company mails a copy of the Annual Report or the Annual Review as applicable (when they are released each year) only to those shareholders who have made an election to receive them.

ITEM 2 - ELECTION AND RE-ELECTION OF BOARD ENDORSED CANDIDATES

Item 2 (a)

To elect Ms C E O'Reilly

Ms Christine Elizabeth O'Reilly | BBus

Independent Non-Executive Director, appointed as a Director in November 2021. Ms O'Reilly is a member of the Audit Committee and Nomination and Board Operations Committee.

Career

Ms O'Reilly is one of Australia's leading non-executive directors. Ms O'Reilly has held executive roles in the infrastructure and financial services industries. This includes being CEO of GasNet Australia and Co-Head of Unlisted Infrastructure Investments at Colonial First State Global Asset Management and follows an early career including investment banking and audit experience at Price Waterhouse.

Relevant Other Directorships

Director: The Baker Heart & Diabetes Institute (from 2013), Medibank Private Limited (from 2014 and due to retire on 18 November 2021), Stockland (from 2018) and BHP Group Limited (from 2020).

Relevant Former Directorships held in last three years include

Former Director: CSL Limited (2011-2020), Transurban Group (2012-2020) and Energy Australia Holdings Limited (2012-2018).

Age: 60 years. **Residence:** Melbourne, Australia.

Board Recommendation: The Board (excluding Ms O'Reilly because of her interest) endorses the election of Ms Christine O'Reilly.

Item 2 (b)

To re-elect Rt Hon Sir John P Key GNZM AC

Sir John Key | BCom, DCom (Honoris Causa)

Independent Non-Executive Director, appointed in February 2018. Sir John Key is a member of the Ethics, Environment, Social and Governance Committee, Digital Business and Technology Committee, Nomination and Board Operations Committee and Risk Committee.

Career

Sir John Key was Prime Minister of New Zealand from 2008 to 2016, having commenced his political career in 2002. Sir John Key had a long career in international finance, primarily for Bankers Trust in New Zealand and Merrill Lynch in Singapore, London and Sydney. He was previously a member of the Foreign Exchange Committee of the Federal Reserve Bank of New York (from 1999-2001).

Sir John Key was made a Knight Grand Companion of the New Zealand Order of Merit in the 2017 Queen's Birthday Honours. In 2017 Sir John Key became a Companion of the Order of Australia for advancing the Australia-New Zealand bilateral relationship.

Relevant Other Directorships

Chairman: ANZ Bank New Zealand Limited (from 2018, Director from 2017).

Director: Palo Alto Networks (from 2019).

Relevant Former Directorships held in last three years include

Former Chairman: The International Democratic Union (2014-2018).

Former Director: Air New Zealand Limited (2017-2020).

Age: 60 years. **Residence:** Auckland, New Zealand.

Board Recommendation: The Board (excluding Sir John Key because of his interest) endorses the re-election of Sir John Key as a Director.

ITEM 3 - ADOPTION OF THE REMUNERATION REPORT

As required by the Corporations Act, the Board presents the Remuneration Report to shareholders for consideration and adoption by a non-binding vote. The Remuneration Report contains:

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and most senior executives;
- a description of the relationship between the remuneration policy and the Company's performance; and
- remuneration details for key management personnel (including the Directors of the Company) for the period ended 30 September 2021.

The Remuneration Report, which is part of the 2021 Annual Report, can be found on the Company's website at anz.com/annualreport or can be obtained by contacting the Company's Share Registrar, Computershare.

Board Recommendation: The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the Company's performance and competitive with the external market. On this basis, the Board recommends that shareholders eligible to do so vote in favour of item 3.

ITEM 4 – GRANT OF PERFORMANCE RIGHTS TO MR S C ELLIOTT

The Company is asking shareholders to approve the proposed grant of Performance Rights to the Company's Chief Executive Officer (CEO) and Executive Director, Mr Shayne Elliott, under the ANZ Share Option Plan on the terms and conditions set out below. The proposed grant is part of Mr Elliott's variable remuneration.

For the 2021 grant, Mr Elliott's Long Term Variable Remuneration (LTVR) will be delivered as two tranches of Performance Rights with forward looking performance hurdles where:

- 75% will be measured against the Total Shareholder Return (TSR) of the Select Financial Services comparator group (Tranche 1); and
- 25% will be measured against Absolute Compound Annual Growth Rate (CAGR) TSR (Tranche 2).

At a glance:

- Long Term Variable Remuneration (LTVR), in the form of Performance Rights, with a current face value of A\$3,500,000 at full vesting (A\$1,750,000 at threshold vesting);
- the Performance Rights will be granted in two tranches:
 - for Tranche 1, the performance condition is based on ANZ's TSR performance compared against a set comparator group with nil vesting below median, 50% vesting at median (i.e. threshold), and increasing to 100% vesting at the 75th percentile of the relevant comparator group; and
 - for Tranche 2, the performance condition is based on ANZ's Absolute CAGR TSR performance against targets as set by the Board, with nil vesting below 8.1%, 50% vesting at 8.1% (threshold), and increasing to 100% vesting at 12.2%; and
- performance is assessed at the end of a four-year performance period (with no retesting).

In more detail:

A Performance Right is a right to acquire an ordinary fully paid share in the Company at nil cost (i.e. nil exercise price), subject to meeting the applicable performance conditions. To the extent the performance conditions are met, the relevant number of Performance Rights will vest on the fourth anniversary of grant (Vesting Date). Upon vesting the Board will determine whether to settle the Performance Rights with ANZ shares or by payment of a cash equivalent amount.

Mr Elliott's entitlement to the Performance Rights and to any shares/cash equivalent payment will be subject to:

- the Board's on-going discretion to adjust downward (including to zero) the number of Performance Rights if the Board considers such a reduction to be necessary or appropriate (see further below); and
- the rules concerning treatment on termination of employment or on a change of control referred to below.

Mr Elliott will not be entitled to trade, transfer or otherwise deal in (including by entering into any hedging arrangements in respect of) any Performance Rights, or any entitlement to shares or cash equivalent payment, prior to vesting.

If the Board determines to settle the Performance Rights in shares each Performance Right entitles Mr Elliott to one ANZ ordinary share which will rank equally with shares in the same class, subject to any adjustments in accordance with the Listing Rules and the rules of the Plan. Mr Elliott is not required to pay any amount on grant of the Performance Rights, nor on vesting. The Performance Rights form part of Mr Elliott's "at risk" remuneration.

Performance Rights granted under the ANZ Share Option Plan do not carry any dividend or voting rights.

If approval is obtained, it is the intention of the Board that the Performance Rights will be granted to Mr Elliott on 16 December 2021 (but, in any event, not more than 12 months after the date of this Annual General Meeting).

Grant value and calculation of the number of Performance Rights to be granted

The Board believes that the proposed grant of Performance Rights is an important part of Mr Elliott's remuneration as it reinforces the CEO's focus on achieving longer term strategic objectives and creating long-term value for all stakeholders. The grant of Performance Rights means that the actual value (if any) of shares Mr Elliott will receive from this grant is not determined until the end of the four-year performance period, and will depend on the extent to which the two performance conditions are achieved and the ANZ share price at the time of vesting.

Using a face value allocation methodology, the number of Performance Rights proposed to be granted to Mr Elliott will be determined by dividing the face value of the grant (i.e. A\$3,500,000) by the Volume Weighted Average Price (VWAP) of the Company's ordinary shares traded on the ASX in the five trading days up to and including 22 November 2021, which is the start of the Performance Period. The actual number of Performance Rights to be granted is not known at this stage as it will depend on the VWAP at the start of the Performance Period. Details of the actual number of Performance Rights will be announced to the ASX as soon as practicable after the start of the Performance Period, and will also be advised to shareholders at the 2021 Annual General Meeting.

The grant value will be split into two tranches of Performance Rights (75% Tranche 1 and 25% Tranche 2).

If, for example, the VWAP was A\$27.50, then 95,454 Performance Rights would be allocated to Mr Elliott for Tranche 1 and 31,818 Performance Rights for Tranche 2, summing to a total allocation of 127,272 Performance Rights.

Performance conditions

Tranche 1

The Board has determined that the Performance Rights to be granted to Mr Elliott (if approval is received) under Tranche 1 will be subject to a TSR hurdle which ranks the TSR performance of the Company with the TSR performance of the Select Financial Services comparator group.

The Select Financial Services comparator group includes the Bank of Queensland Limited, Bendigo and Adelaide Bank Limited, Commonwealth Bank of Australia Limited, DBS Bank Limited, Macquarie Group Limited, National Australia Bank Limited, Standard Chartered PLC, Suncorp Group Limited and Westpac Banking Corporation.

Broadly, TSR is the growth in share price, plus the value of the dividends and distributions on the relevant shares. The TSR is measured over a four-year performance period starting on 22 November 2021 and ending on 21 November 2025 (Performance Period). The proportion of the Tranche 1 Performance Rights that will become exercisable will depend on the Company's TSR relative to the TSR of the constituents in the comparator group at the end of the Performance Period.

The level of performance required for each level of vesting, and the percentage of Performance Rights that vest at each level of performance, is set out in the table below. The Performance Rights lapse if the applicable performance condition is not met. There is no re-testing.

If the TSR of the company compared to the TSR of the constituents of the comparator group:

The percentage of Performance Rights which will vest is:

Does not reach the 50 th percentile	0%
Reaches or exceeds the 50 th percentile	50%, plus 2% for every one percentile increase above the 50 th percentile
Reaches or exceeds the 75 th percentile	100%

Tranche 2

The Board has determined that the Performance Rights to be granted to Mr Elliott (if approval is received) under Tranche 2 will be subject to an Absolute CAGR TSR hurdle with targets outlined below.

The Absolute CAGR TSR is measured over the same four-year Performance Period that applies to Tranche 1. The proportion of the Tranche 2 Performance Rights that will become exercisable will depend upon the Company's Absolute CAGR TSR at the end of the Performance Period compared to the targets set by the Board.

The level of performance required for each level of vesting, and the percentage of Performance Rights that vest at each level of performance, is set out in the table below. The Performance Rights lapse if the performance condition is not met. There is no re-testing.

The Board retains discretion to adjust the Absolute CAGR TSR hurdle in exceptional circumstances to ensure that Mr Elliott is neither advantaged nor disadvantaged by matters outside management's control that materially affect achievement of the Absolute CAGR TSR performance condition.

If the Absolute Compound Annual Growth Rate TSR of the company:

The percentage of Performance Rights which will vest is:

Does not reach 8.1%	0%
Reaches 8.1%	50%
Exceeds 8.1% but does not reach 12.2%	Progressive pro-rata vesting between 50% and 100% (on a straight line basis)
Reaches or exceeds 12.2%	100%

Board discretion

The Board also retains an on-going and absolute discretion to adjust at any time the number of Performance Rights granted to Mr Elliott downwards (including to zero). This discretion may be exercised, for example, where the Board considers this is necessary to protect the financial soundness of ANZ or to meet regulatory requirements, or there has been a material failure of risk management or controls within ANZ.

Accordingly, before the scheduled vesting of any Performance Rights the Board considers whether any malus/downward adjustment of Performance Rights (or deferral of vesting for a further period or periods) should be made.

Treatment on termination of employment

If:

- Mr Elliott resigns prior to the Vesting Date the Performance Rights will lapse;
- Mr Elliott's employment is terminated by the Company with notice, except as set out below in relation to "good leaver" termination, all unvested Performance Rights as at the "full notice termination date"[#] will lapse;
- Mr Elliott's employment is terminated by the Company for misconduct with notice, all unvested Performance Rights will lapse on cessation of employment. If Mr Elliott's employment is terminated by the Company for serious misconduct without notice, all Performance Rights will lapse (whether or not the Performance Rights have vested), on cessation of employment; or
- Mr Elliott ceases employment in circumstances of death or total and permanent disability, the performance conditions will be waived and all unvested Performance Rights will vest on cessation.

In certain circumstances termination may be classified by the Board as a "good leaver". In such case, unless the Board determines otherwise, the Performance Rights held by Mr Elliott will remain on-foot and, where and to the extent the Board determines the applicable performance condition is met, the relevant number of Performance Rights will vest at the end of the Performance Period. On vesting, the Board may determine to settle the relevant Performance Rights with a cash equivalent payment, rather than with shares.

Treatment on change of control

The Conditions of Grant will set out the treatment of the Performance Rights on a change of control prior to the Vesting Date. Where a change of control occurs, which includes a person acquiring a relevant interest in at least 50% of the Company's ordinary shares as a result of a takeover bid, or other similar event, the applicable performance conditions applying to the Performance Rights will be tested and the Performance Rights will vest based on the extent the performance conditions are satisfied. No pro rata reduction in vesting will occur, and vesting will only be determined by the extent to which the relevant performance conditions are satisfied.

Any Performance Rights which vest based on satisfaction of the performance conditions will vest at a time (being no later than the final date on which the change of control event will occur) determined by the Board.

Any Performance Rights which do not vest will lapse with effect from the date of the change of control event occurring, unless the Board determines otherwise.

Other information

By virtue of Listing Rule 10.14, the Company (as an ASX listed company) must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company (Listing Rule 10.14.1);
- an associate of a director of the Company (Listing Rule 10.14.2); or
- a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders by ordinary resolution.

[#] "Full notice termination date" means the date of cessation of employment or, if later, the date on which cessation of employment would have occurred but for any payment made in lieu of notice.

The proposed grant of Performance Rights to Mr Elliott, a director of the Company, falls within Listing Rule 10.14.1 above and, therefore, requires the approval of the Company's shareholders under Listing Rule 10.14. Mr Elliott is the only Director entitled to participate in the ANZ Share Option Plan. No associate of any Director is entitled to participate.

Item 4 therefore seeks the required shareholder approval to the grant under and for the purposes of Listing Rule 10.14.

If resolution in item 4 is passed, the Company will be able to proceed with the grant as described in these explanatory notes.

In the event that shareholders do not approve the grant of Performance Rights, the Performance Rights would not be granted and the Board would review the feedback from shareholders to clearly understand why the resolution was not supported. The Board sees LTVR as a very important component of Mr Elliott's total remuneration package, and the Board would look to review the structure (each of the elements) of the CEO's total remuneration package.

Mr Elliott's current total remuneration package is comprised of:

- Fixed remuneration of A\$2,500,000 (inclusive of superannuation) per annum;
- Annual Variable Remuneration (AVR) of up to 150% of fixed remuneration (maximum opportunity); and
- Long Term Variable Remuneration (LTVR) of up to 140% of fixed remuneration (face value at full vesting).

Shareholders are referred to the 2021 Remuneration Report published in the Company's 2021 Annual Report for further details of Mr Elliott's remuneration.

As CEO and a director of the Company, and as approved by shareholders at Annual General Meetings of the Company, Mr Elliott has been granted a total of 891,088 Performance Rights under the ANZ Share Option Plan, as part of his remuneration as Long Term Variable Remuneration (LTVR), as follows:

Grant date	Number of Performance Rights granted	Overall Performance Rights outcome
17 Dec 15 ¹	159,573	21.8% vested and 78.2% lapsed
16 Dec 16	150,482	0% vested and 100% lapsed
19 Dec 17	143,294	43.3% vested and 56.7% lapsed
19 Dec 18	110,365	To be confirmed post Vesting Dates
17 Dec 19	168,066	
16 Dec 20	159,308	
Total	891,088	

1. Grant approved by shareholders at the 2015 Annual General Meeting in anticipation of Mr Elliott's appointment as a director and CEO becoming effective on 1 January 2016.

No amount was or is payable by Mr Elliott at grant or on vesting for the above Performance Rights.

There is no loan scheme in relation to the Performance Rights (or the shares underlying them).

For the settlement of the Performance Rights on vesting, shares may be issued or acquired on market, or the Board may determine to settle the Performance Rights with a cash equivalent amount.

Details of any securities issued under the ANZ Share Option Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons

covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the ANZ Share Option Plan after the resolution on item 4 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders under section 200E or an exemption applies. Section 200B of the Corporations Act applies to managerial or executive officers of the Company or any of its subsidiaries, which includes Mr Elliott. The term "benefit" has a wide operation and could include the early vesting of the Performance Rights as contemplated above or otherwise under the ANZ Share Option Plan.

Accordingly, shareholder approval is also sought for the purpose of section 200E of the Corporations Act to allow vesting of Performance Rights and settlement of them with shares or a cash equivalent payment upon Mr Elliott ceasing employment, (as summarised under "Treatment on termination of employment" above), including where to do so would involve the giving of a "benefit" to Mr Elliott in connection with him ceasing to hold a managerial or executive office. The approval is sought in relation to the Performance Rights proposed to be granted to Mr Elliott under item 4 in this Notice of Meeting.

The value of any benefit relating to the Performance Rights given in connection with Mr Elliott ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Performance Rights held by Mr Elliott prior to cessation of employment;
- the circumstances of or reasons for Mr Elliott's cessation of employment (see "Treatment on termination of employment" above);
- the result of any pro rating on cessation of employment;
- whether performance hurdles are waived or (if not waived) met, and the number of Performance Rights that vest (which could be all of the Performance Rights held by Mr Elliott);
- whether the Performance Rights are settled in ANZ shares or by payment of a cash equivalent amount; and
- the market price of ANZ shares on ASX on the date shares are provided to Mr Elliott upon vesting of the Performance Rights or, if the Board decides to settle the Performance Rights by payment of a cash equivalent amount, in the five trading days up to (and including) the date of vesting.

The rules of the ANZ Share Option Plan address the impact of rights issues and bonus issues on the Performance Rights.

A copy of the ANZ Share Option Plan rules is available on request from the Company Secretary.

Board Recommendation: The Board considers that the proposed granting of Performance Rights is appropriate and is in the best interests of the Company and its shareholders, as the grant strengthens the alignment of Mr Elliott's interests with shareholders, and the Performance Rights provide a strong link between the reward for Mr Elliott's performance and total shareholder returns over the next four-year period.

The Board also considers that obtaining shareholder approval to allow Performance Rights to vest upon Mr Elliott ceasing employment in accordance with the Conditions of Grant, as described above, is appropriate and in the best interests of the Company and its shareholders. It will provide the Company with the ability to ensure

its ongoing compliance with section 200B of the Corporations Act and with the Conditions of Grant for the Performance Rights.

Accordingly, the Board (excluding Mr Elliott because of his interest) recommends that shareholders eligible to do so vote in favour of item 4.

ITEM 5 – RESOLUTION REQUISITIONED BY MEMBERS – AMENDMENT TO THE CONSTITUTION (NON-BOARD ENDORSED ITEM)

A group of shareholders holding approximately 0.01% of the Company's ordinary shares on issue has proposed resolutions under section 249N of the Corporations Act. The Company has included those proposed resolutions as items 5 and 6 in this Notice of Meeting. The resolutions in items 5 and 6 are proposed by shareholders understood by the Company to be associated with the group "Market Forces".

These resolutions are not endorsed by the Board.

The same group of shareholders has also requested, under section 249P of the Corporations Act, that the Company provides statements prepared by them to shareholders about these proposed resolutions. The statements can be found in the Appendix to this Notice of Meeting. By including these statements in this Notice of Meeting, the Company does not make any representations as to the truth or accuracy of their contents and disclaims all liability for them.

Reasons why the Board recommends that shareholders vote against item 5

The resolution in item 5 is a proposal to amend the Company's Constitution. The amendment would enable shareholders to, in effect, express non-binding opinions, or request information, about the way the Board exercises the powers vested in it, in relation to material risks identified by ANZ.

The Board respects the rights of shareholders to seek to amend the Company's Constitution. It does not, however, consider it in shareholders' best interests to amend the Constitution in the manner outlined in the requisitioned resolution. Shareholders have a number of existing ways in which they can engage with the Company including by asking or submitting questions at general meetings, by distributing members' statements under the Corporations Act and by choosing whether to support the election of Directors and other resolutions proposed at general meetings. The Company also has a variety of existing avenues whereby it seeks robust discussion and can gauge differing opinions, including through regular engagement with retail and institutional shareholders. This constructive engagement gives the Company important insights into perspectives on the Company's operations.

Under the law and the Company's Constitution, it is the Board's responsibility to manage the business of the Company. The Board believes that the proposed amendment to the Constitution would provide a platform for groups of shareholders to promote any number of matters that may not be in the interest of the Company or shareholders as a whole. If shareholders disagree with the direction the Company is taking, other options are already available to them, as set out above.

Board Recommendation: Having regard to the matters set out above, the Board does not consider the proposed resolution to be in the best interests of the Company and its shareholders. Therefore, the Board recommends that shareholders vote against item 5.

ITEM 6 – RESOLUTION REQUISITIONED BY MEMBERS – TRANSITION PLANNING DISCLOSURE (CONDITIONAL, NON-BOARD ENDORSED ITEM)

The same group of shareholders that proposed the resolution in item 5 has also proposed the resolution in item 6 in this Notice of Meeting.

The resolution is an advisory resolution.

The resolution is not endorsed by the Board.

The resolution in item 6 will be proposed to the Meeting only if the resolution in item 5 is passed by the requisite majority.

Reasons why the Board recommends that shareholders vote against item 6 if it is put to the Meeting

Commitment to supporting the transition to net zero emissions

We are committed to playing our part in supporting the transition to net zero emissions by 2050.

The Paris Agreement saw nations set goals to seek to reduce carbon emissions. We believe the most important role we can play in supporting those goals is to help finance our customers' transition to net zero emissions, and enhance their resilience to a changing climate. We support an orderly transition that recognises and responds to social impacts. This aligns with our purpose to help shape a world in which people and communities thrive.

We also understand the importance of seeking to align our lending decisions with the goals of the Paris Agreement and in doing so, reduce our 'scope 3' emissions from lending to customers. This is why ANZ is the first Australia and New Zealand-based bank to join the Net Zero Banking Alliance. In joining the alliance, we have committed to further measure our scope 3 emissions in key sectors and set pathways so that our shareholders and other stakeholders can track our progress. ANZ will this year set two sectoral pathways for our lending to power generation and large-scale commercial buildings in Australia. The pathways will help guide our decision making about who we lend to and what we lend for. We expect to set further pathways next year in other carbon-intensive sectors.

Our climate change statement outlines our approach and commitments more broadly in support of a global transition to net zero. The Company is currently reviewing its position, which will be updated and released before the Meeting, together with our 2021 Climate-related Financial Disclosures (our fifth report using the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)). They will be available at anz.com/annualreport.

To date we have made strong progress. We have committed to fund and facilitate \$50 billion by 2025 to help our customers lower their emissions⁵, and we are on track to achieve that goal with around \$22 billion achieved to date. Since 2015 we have also reduced our lending to thermal coal mining by around 75% and increased our direct lending to renewables by around 55%. Gas represents around 10% and renewable energy around 87% of our direct lending to electricity generation projects.

Our policies in relation to thermal coal are set out in our social and environmental risk policies available on our website, in particular the 'sensitive sector' requirements for energy and extractive industries: anz.com.au/about-us/esg-priorities/fair-responsible-banking/responsible-business-lending/

⁵ Our \$50 billion target is directed towards sustainable solution for our customers, including initiatives that help improve environmental sustainability, increase access to affordable housing and promote financial wellbeing. The majority of the target is directed towards environmental sustainability initiatives that help customers to lower their emissions.

Our commitments on climate change

Our Climate Change Statement focuses on three areas:

1. Helping our customers with their transition planning;
2. Supporting transitioning industries; and
3. Reducing our own footprint.

We are committed to maximising the financial opportunities available in the transition to a net zero emissions economy. We are doing this by funding and facilitating at least \$50 billion by 2025 to help our customers reduce their impact on the environment⁶. ANZ will also ensure that \$1 billion of this \$50 billion target is allocated to disaster resilience. For example, we will allocate capital to fund or facilitate resilience initiatives for weather related events, or to build resilience against non-weather related disasters such as pandemics.

In 2021/22 we are seeking to enhance our response to climate-related risks and opportunities through steps including:

- stress testing of customer segments to align with regulatory guidance on climate-related risk governance. We have been working with the regulator, APRA, on its 2021/22 Climate Vulnerability Assessment that is analysing potential risks for home mortgage customers and business sectors such as energy and manufacturing;
- continuing to encourage 100 of our largest emitting customers to develop and disclose their transition plans;
- developing an enhanced climate risk management framework that strengthens our governance and anticipates potential climate-related impacts and regulatory requirements; and
- progressing further towards our target of using 100% renewable electricity for our operations by 2025.

How ANZ is working with its large business customers

We have engaged with 100 of our largest emitting business customers, supporting them to establish and, where appropriate, strengthen existing transition plans.

Customers have valued our engagement on this topic, and our perspectives. A number of customers outside of the 100 have sought to engage with us, seeking clarity on our expectations, or requesting suggestions to improve their approach.

While our original target was aimed at supporting customers (where applicable) to establish their plans, we recognise that amongst the group of 100 there are now few at that stage – rather, they are at various stages of implementation even if they have not disclosed their plans publicly. Our focus now is on supporting our customers' efforts to implement or, where a plan is less developed, strengthen their transition plans.

We consider three key elements constitute a robust low carbon transition plan:

- governance;
- targets/long term plans; and
- disclosures that are preferably TCFD-aligned.

Overall, customers have improved their governance, strategies and targets or disclosures. Many customers have clearly demonstrated their intention to develop 'Paris aligned' or 'science-based' targets, and a similar interest in engaging with ANZ on this topic. We will continue to work with these customers and expect them to make substantive progress towards their targets.

While we consider this to be good progress, we understand there is still much to be done. That is why we have committed to continue supporting these larger emitting customers to implement and, where appropriate, strengthen their low carbon transition plans and enhance their efforts to protect biodiversity, by the end of 2024.

Disclosure

ANZ is among the banking sector's carbon reporting leaders, each year expanding and improving disclosure.

ANZ was the first Australian bank to report under the Financial Stability Board's Task Force on Climate-related Financial Disclosures' framework, or the 'TCFD'. In 2020 we provided more information about how our financing is supporting the achievement of the Paris goals. This involves the disclosure of better metrics so the emissions impact of our financing can be more clearly tracked. We began this updated reporting in 2020 starting with commercial property and power generation. In 2021, targets will be mapped out to 2030 to reduce the 'scope 3' lending emissions to customers in both sectors.

Investor groups and the leading global environment, social and governance (ESG) assessment have found your bank to be:

- an ASX ESG reporting leader: the Australian Council of Superannuation Investors;
- "industry best" on climate strategy, with six others within our sector globally: Dow Jones Sustainability Index; and
- sole Australian bank to have achieved "Leadership" ranking for three consecutive years (2018, 2019 and 2020) in the Carbon Disclosure Project Climate Survey, the benchmark assessment of corporate carbon management.

⁶ Our \$50 billion target is directed towards sustainable solution for our customers, including initiatives that help improve environmental sustainability, increase access to affordable housing and promote financial wellbeing. The majority of the target is directed towards environmental sustainability initiatives that help customers to lower their emissions.

APPENDIX – SUPPORTING STATEMENTS PROVIDED BY MARKET FORCES

The statements which follow for items 5 and 6 were provided by the shareholders who proposed the resolutions in items 5 and 6. The statements are not endorsed by the Board. The Board recommends that shareholders vote against item 5 and, if put to the Meeting, item 6.

Item 5 – Amendment to the Constitution

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian cousins in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The Constitution of ANZ is not conducive to the rights of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of ANZ, the ANZ board and all ANZ shareholders.

Passage of this resolution – to amend the ANZ constitution – will simply put the company in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

Item 6 – Transition Planning Disclosure

Despite committing to the climate goals of the Paris Agreement and achieving net zero emissions by 2050, ANZ is aligning its investment practices and policies with the failure of these goals, resulting in our company falling behind rapidly evolving investor and regulator expectations, and the practices of other financial institutions.

In May 2021, the International Energy Agency (IEA) released its 'Net Zero by 2050' roadmap (NZE2050), providing a "comprehensive study of how to transition to a net zero energy system by 2050 while ensuring stable and affordable energy supplies, providing universal energy access, and enabling robust economic growth". The October 2021 IEA World Energy Outlook elaborates on the roadmap, providing sufficient detail to enable companies and investors to align their own strategies with this goal.

Net zero: implications for fossil fuel finance

NZE2050 provides clear "red lines" to clarify fossil fuel developments no longer permissible if we are to achieve the goal of net zero emissions by 2050, along with trajectories for the reduction of fossil fuels over time. Financial institutions committed to the goal of net zero emissions by 2050 should therefore look towards NZE2050 as a key reference when developing their own strategies and targets. NZE2050 projects unabated coal demand falling by 98% by 2050, oil demand by 75% and gas demand by 55%, compared to 2020.⁷ The IEA has confirmed having even a 50% chance of limiting global temperature rise to 1.5°C means no investment in new fossil fuel projects, beyond those already committed to as of 2021.

The gap between ANZ's actions and NZE2050

In July 2021, 115 investors with US\$4.2 trillion in assets under management and/or stewardship wrote to 63 global banks, calling on them to integrate the IEA's Net Zero by 2050 findings into their climate strategies.⁸ ANZ's current policies and practices fall well short of this demand.

NZE2050 scenario conclusions

Unabated coal demand falls by 98% by 2050, oil demand by 75% and gas demand by 55%, compared to 2020.

ANZ practice

No targets to reduce exposure to oil and gas.

Loan book fails to reflect NZE2050-aligned declines in fossil fuel demand. Reported exposure at default to oil and gas increased from \$17.7B in FY16 to \$19.9B in FY19, before declining to \$17.6B in FY20.⁹ Despite this one off decline, ANZ's oil and gas exposure (\$17.6B in FY20) rivals the total disclosed fossil fuel exposure of all its major peers combined (Commonwealth Bank, NAB and Westpac: \$21B in FY20).

"No new coal mines or mine extensions are required."

"Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway."

"Also not needed are many of the liquefied natural gas (LNG) liquefaction facilities currently under construction or at the planning stage."

Loaned at least \$2.2B for 19 projects that expand the fossil fuel industry since 2016, including lending in late 2020. These projects are estimated to enable the release of 4.6 billion tonnes of CO₂, equivalent to nine times Australia's 2020 national emissions.¹⁰

Since January 2019 ANZ has loaned over \$900M to seven ASX300 companies pursuing new or expanded coal, oil or gas projects, including AGL Energy, Aurizon, BHP, Origin Energy, Santos, Viva Energy and Woodside.¹¹

7. <https://www.iea.org/reports/net-zero-by-2050> 8. <https://shareaction.org/investors-call-on-banks-to-strengthen-climate-ambitions-before-cop26> 9. anz.com.au/content/dam/anzcom/shareholder/ANZ-2020-Climate-related-Financial-Disclosures.pdf (p.9) 10. <https://www.marketforces.org.au/campaigns/banks/bigfourscorecard> 11. <https://www.marketforces.org.au/campaigns/super/outofline/>

Our company is also allowing thermal coal clients to pursue business plans aligned with the failure of the Paris Agreement for another four years before requesting 'diversification plans' from them.¹² This allows ANZ to continue funding new coal mining projects incompatible with the bank's own climate commitments via corporate lending, exposing us to climate transition risks, and increasing physical risks, which will be exacerbated by further expansion of fossil fuel production.

ANZ being left behind

ANZ's failure to restrict finance to new or expanded oil and gas projects sits in stark contrast to other financial institutions domestically and abroad.

In 2020 Suncorp ruled out underwriting new oil and gas production assets, committing to "not directly invest in, finance or underwrite... new oil and gas exploration or production", and will phase out underwriting for the sector by 2025 and direct investment by 2040.¹³ Similarly, IAG "committed to ceasing underwriting entities predominantly in the business of extracting fossil fuels, and power generation using fossil fuels, by 2023."¹⁴

Over the last year, UniSuper has reduced its look-through exposure to major Australian oil and gas producers Santos and Woodside by 80% and 88%, respectively.¹⁵ In May 2021, Vision Super added a significant number of undiversified oil and gas producers to its 'Divestment List', including Santos and Woodside.¹⁶ In March 2021, Danske Bank committed to immediately end direct finance for expansion of oil and gas exploration and production worldwide,¹⁷ while NedBank,¹⁸ SEB,¹⁹ and NatWest²⁰ have made similar commitments.

Financial and regulatory risks

In April 2021, the Australian Prudential Regulation Authority (APRA) published draft Prudential Practice Guide 'CPG 229 Climate Change Financial Risks', "designed to assist APRA-regulated entities in managing climate-related risks and opportunities."²¹

APRA's Guide states:

"Where an APRA-regulated institution has identified material climate risks, a prudent institution would establish and implement plans to mitigate these risks and manage its exposures, as well as regularly review and assess the effectiveness of those plans."

To comply with APRA's guidance, ANZ should disclose targets to manage down exposure to gas, oil and coal sub-sectors, in line with the carbon constraints that can be anticipated as the global economy transitions to net zero emissions by 2050.

Investor support required

Despite its stated support for the Paris Agreement, and net zero emissions by 2050, ANZ remains an active investor in fossil fuel expansion, further exposing shareholders to financial risks associated with the energy transition required to meet the Paris climate goals.

We urge shareholders to vote in favour of this resolution, and expect the many institutional investors already outspoken on this issue to offer their support.

12. anz.com/content/dam/anzcom/shareholder/2020-Full-Year-Results-Investor-Discussion-Pack.pdf (p.111) 13. <https://www.suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-insurance-investing> 14. <https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/FY20-Climate-related-disclosure.pdf> 15. <https://unisuperdivest.org/unisuper-first-steps-on-oil-and-gas-divestment> 16. <https://www.visionssuper.com.au/wp-content/uploads/2021/07/SecuritiesList-31May2021-v3.pdf> 17. <https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/5/danske-bank-position-statement-fossil-fuels.pdf> 18. <https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2021/Nedbank%20Group%20Energy%20Policy.pdf> 19. <https://webapp.sebgroup.com/mb/mblib.nsf/dld/80AF6A2E5F88CDC2C12586B1002E33C2?opendocument> 20. https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/oil-and-gas.pdf 21. <https://www.apra.gov.au/consultation-on-draft-prudential-practice-guide-on-climate-change-financial-risks>



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