



13 November 2023

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

### **Notice of 2023 Annual General Meeting**

ANZ Group Holdings Limited (ANZ) today released its Notice of 2023 Annual General Meeting.

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

Yours faithfully

**Simon Pordage**  
**Company Secretary**  
ANZ Group Holdings Limited

2023

# NOTICE OF ANNUAL GENERAL MEETING

The ANZ 2023 Annual General Meeting (AGM or Meeting) of ANZ Group Holdings Limited (Company or ANZ) will be held on Thursday, **21<sup>st</sup> December 2023** commencing at 9:00am (Brisbane Time) at the Brisbane Convention & Exhibition Centre

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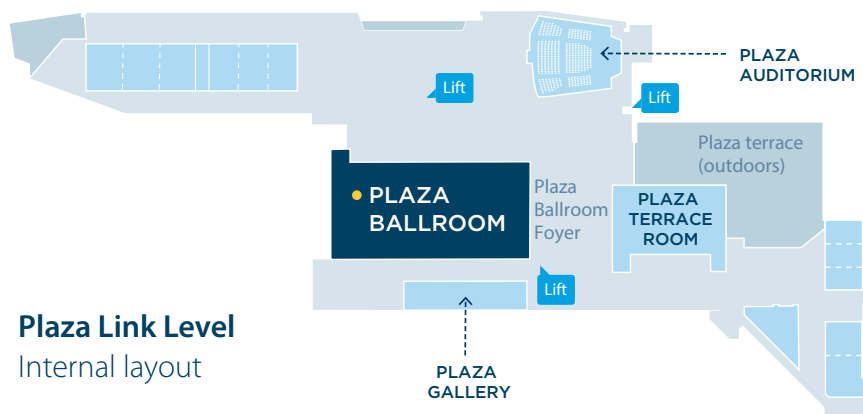
## TIME AND LOCATION OF THE ANNUAL GENERAL MEETING

**Thursday, 21 December 2023**  
at 9:00am (Brisbane Time)

**Brisbane Convention & Exhibition Centre,**  
Plaza Link Level, Plaza Ballroom,  
Glenelg St, South Brisbane QLD 4101



-  Car Park
-  Bus Stop
-  Train Station
-  Taxi Rank
-  City Cat





## BRISBANE CONVENTION & EXHIBITION CENTRE

The Brisbane Convention & Exhibition Centre (BCEC) has three entrances. The Main Entrance on the corner of Merivale & Glenelg Streets, the Grey Street Entrance, and the Exhibition Entrance at the corner of Melbourne & Merivale Streets.

## TRAVELLING BY PUBLIC TRANSPORT

Getting to BCEC via public transport is easy and efficient with bus, ferry and train options available. More information about planning your journey via public transport can be found on the [TransLink website](#).

### Train

South Brisbane Railway Station adjacent to the Convention Centre on Grey Street or South Bank Railway Station are the most convenient stations to the BCEC.

### Bus services

The Cultural Centre Station on Melbourne Street and the South Bank Busway Station cnr of Colchester and Tribune Streets are closest to BCEC.

## CityCat & ferries

The public transport ferries CityCats operate everyday and stop at the South Bank River Terminal on the Clem Jones Promenade. The inner-city ferry travels between the CBD, North Quay and Kangaroo Point, stopping at South Bank Terminal 1 and 2 on the Clem Jones Promenade.

### Taxi

Taxi ranks are located outside the main entrance to the Centre on Merivale Street and a taxi drop off located at the Convention Centre Grey Street entrance.

### Car

There is undercover parking for up to 1500 vehicles. The car park has direct lift access to the Centre's multiple convention floors and exhibition facilities. Car park 1 is best for Merivale Street rooms, Car Park 2 & 3 are best for Exhibition Halls and Grey Street rooms via Russell Street Walkway.

### From Brisbane Airport

Both Brisbane domestic and international airports are 30 min drive from the Centre.

The AirTrain connects South Brisbane station to Brisbane's international and domestic airports with stops in the Brisbane CBD and Fortitude Valley.

Tickets and a timetable for this service can be found at the Information Desk or you can pre-book on the [AirTrain Website](#).

## Important Dates

**Tuesday, 19 December 2023**

**9:00am (Brisbane Time)**

Latest time for receipt of proxy appointments

**Thursday, 21 December 2023**

**9:00am (Brisbane Time)**

Annual General Meeting

**Friday, 22 December 2023**

2023 Final Dividend Payment Date

## ANZ Shareholder Centre Website

Shareholders are able to view information in the manner that best suits them on our website: [anz.com/shareholder/centre](https://anz.com/shareholder/centre). Documents are available in various formats.

## 2023 Annual Report

The Annual Report provides detailed financial data and information on ANZ'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](https://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.



**2023 Annual Report**  
[anz.com/annualreport](https://anz.com/annualreport)

Brisbane Convention & Exhibition Centre



# ANNUAL GENERAL MEETING

## AGENDA

**Thursday, 21 December 2023**

**8:00am (Brisbane Time)**

### Registration opens

Please bring your proxy form with you as it will assist with your registration.

**8:15am (Brisbane Time)**

### Refreshments served

**9:00am (Brisbane Time)**

### Annual General Meeting commences

- Welcome to shareholders – Chairman
- Chairman's presentation
- Chief Executive Officer's presentation
- Items of Business

Please join the Chairman, Paul O'Sullivan, the Directors and Senior Executives of ANZ for refreshments after the Annual General Meeting.

### How business will be conducted at the AGM

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

Shareholders should monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the AGM.

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

### Discussion and asking questions

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

### Asking questions in person

Shareholders as a whole will have a reasonable opportunity at the Meeting to ask questions and make comments including regarding the management of the Company and the Remuneration Report as well as to ask questions of the Company's External Auditor, KPMG.

### Asking questions online during the meeting

Shareholders who are unable to attend the Meeting may ask a question online via the online AGM platform. To ask a question via the online AGM platform, shareholders will need a computer or smartphone/tablet device with internet access and to visit <https://meetnow.global/ANZ2023>. When logging onto the online AGM platform on the morning of the AGM, shareholders will need to provide details (including SRN or HIN) to be verified as a shareholder. For Proxyholders, a login will be provided to you by Computershare.

More information about how to use the online AGM platform to ask written questions online during the AGM is available in the Online Meeting Guide & Frequently Asked Questions document, which has been lodged with ASX and is available at [anz.com/agm](https://anz.com/agm).

### Moderation of questions

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 AGM, including questions 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;
- shareholders should not ask questions at the AGM relating to any matters that are personal to the shareholder or commercial in confidence; and
- questions or comments that include defamatory or offensive language or concepts will not be answered.

### Pre-submitting questions

Shareholders are encouraged to register questions in advance of the AGM.

A "Questions from Shareholders Form" will be made available on our Website [anz.com/agm](https://anz.com/agm). You can also submit any questions via the Proxy Voting Link [investorvote.com.au/login](https://investorvote.com.au/login) (Control Nbr 132972).

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 AGM. However, there may not be sufficient time available at the Meeting to address all of the questions raised.

Individual responses will not be sent to shareholders.

Written questions, including questions for the External Auditor, must be received by the Company by 4:00pm (Brisbane Time) on 14 December 2023, and can be submitted online, by mail, or email as set out on the top of the Questions from Shareholders Form. The External Auditor is not obliged to provide written answers.

### Webcast and photography

We have arranged for the AGM to be filmed and broadcast via a webcast which can be viewed at [anz.com/agm](https://anz.com/agm).

We have arranged for photographs to be taken at the AGM. If you attend the AGM, you may be included in photographs or the webcast recording.

For the safety and security of all those present at the AGM, personal cameras and recording devices are not permitted.

Shareholders can also watch an archived recording of the webcast after the AGM at [anz.com/agm](https://anz.com/agm).

### Voting options for the Meeting

Shareholders have the option to vote on resolutions at the Meeting by:

- appointing a proxy or attorney to vote on your behalf at the Meeting by 9:00am (Brisbane Time) on Tuesday, 19 December 2023; or
- voting in person at the Meeting.

Shareholders will not be able to vote online during the Meeting. Further information on voting at the AGM is set out in the Notice of AGM.

# NOTICE OF 2023 ANNUAL GENERAL MEETING

Notice is given that the 2023 Annual General Meeting of the Company will be held on Thursday, 21 December 2023 commencing at 9:00am (Brisbane Time) at Brisbane Convention & Exhibition Centre, Plaza Link Level, Plaza Ballroom, Glenelg St, South Brisbane QLD 4101.

## Business

### 1. Annual reports

To receive and consider the Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2023.

### 2. Election of Board Endorsed candidate

To elect Ms H S Kramer

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

*"That Ms Holly Suzanna Kramer be elected as a director of the Company".*

Ms Kramer was appointed by the Board after the date of the 2022 Annual General Meeting, retires in accordance with Rule 3.2 of the Company's Constitution and, being eligible, offers herself for election.

### 3. Adoption of the Remuneration Report

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

*"That the Remuneration Report for the financial year ended 30 September 2023 be adopted."*

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

A Voting Restriction applies in respect of this resolution.

### 4. Grant of restricted rights and 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, restricted rights and 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 the Notice convening this Meeting."*

A Voting Restriction applies in respect of this resolution.

## Voting Restrictions

### VOTING RESTRICTIONS FOR ITEM 3 (ADOPTION OF THE REMUNERATION REPORT)

ANZ will disregard any votes cast on the resolution in item 3:

- by, or on behalf of, a member of ANZ's Key Management Personnel (KMP) named in the Remuneration Report for the financial year ended 30 September 2023 or their closely related parties (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who is a member of ANZ's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on the resolution in item 3:

- in accordance with the directions on the Proxy Form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though the resolution in item 3 relates to the remuneration of ANZ's KMP.

### VOTING RESTRICTIONS FOR ITEM 4 (GRANT OF RESTRICTED RIGHTS AND PERFORMANCE RIGHTS TO MR S C ELLIOTT)

ANZ will disregard any votes cast on the resolution in item 4:

- by or on behalf of Mr Elliott, or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of ANZ's KMP at the date of the AGM or their closely related parties,

unless the vote is cast on the resolution in item 4:

- as proxy for a person entitled to vote on the resolution in accordance with a direction given to the proxy to vote on the resolution in that way; or
- by the Chair of the Meeting as proxy for a person entitled to vote on the resolution, pursuant to an express authorisation to exercise the proxy as the chairman decides.

### Express authorisations of Chair of the Meeting

If you do not name a proxy in the Proxy Form or your named proxy does not register to attend the AGM, the Chair of the Meeting will become your proxy by default. If your named proxy registers to attend the AGM but does not vote on a poll in accordance with your instructions on an Item, the Chair of the Meeting will become your proxy for that Item. In this case, the Chair of the Meeting must vote your proxies in accordance with your instructions on the Item.

If you appoint the Chair of the Meeting as your proxy, or the Chair of the Meeting is appointed as your proxy by default, and you do not mark a voting box for the resolutions in Items 2, 3 or 4, then by submitting the proxy appointment you expressly authorise the Chair of the Meeting to exercise the proxy in respect of the relevant Item as they decide, even though the Item is connected with the remuneration of one or more of the Company's KMP.

### Undirected proxies

The Chair of the Meeting intends to vote undirected proxies (where appropriately authorised, having regard to the Voting Restrictions described previously) in favour of the resolutions in items 2, 3 and 4.

### 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.

### Entitlement to attend and vote

The Board has determined that, for the purposes of the AGM (including voting at the Meeting) shareholders are those persons who are the registered holders of the Company's shares at 6:00pm (Brisbane Time) on Tuesday, 19 December 2023.

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

### Voting by proxy

A shareholder who is entitled to attend and cast a vote at the AGM 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 AGM.

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. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the shareholder's votes.

Shareholders may lodge their Proxy Form in one of the following ways:

- electronically by visiting [investorvote.com.au](https://investorvote.com.au). For Intermediary Online subscribers only (custodians), visit [intermediaryonline.com](https://intermediaryonline.com).
- by post at the following addresses

#### 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

- by fax to facsimile number 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia).

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 AGM. (i.e. before 9:00am (Brisbane Time) Tuesday, 19 December 2023).

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 their behalf. For an appointment to be effective for the AGM, 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 AGM (that is, before 9:00am (Brisbane Time) Tuesday, 19 December 2023).

### 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 AGM. 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 AGM unless it has been given previously to the Company.

### Explanatory Notes

The Explanatory Notes that follow forms part of the Notice of Meeting, and is an important document and should be read carefully by all shareholders.

### By Order of the Board



**Simon Pordage**  
Company Secretary

Melbourne, 13 November 2023



# EXPLANATORY NOTES

## Item 1 – Annual Reports

In accordance with section 317 of the *Corporations Act 2001* (Cth) (Corporations Act), the Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 September 2023 will be laid before the Meeting.

A copy of the Company's 2023 Annual Report, including the Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2023, can be found on the Company's website at [anz.com/annualreport](https://anz.com/annualreport).

Shareholders are not required to vote on this Item, but shareholders will be given a reasonable opportunity as a whole to ask questions and make comments on these reports or about the management of ANZ.

ANZ's auditor will also be present at the Meeting. Shareholders as a whole will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by ANZ in relation to the preparation of the Financial Statements, and the independence of the auditor in relation to the conduct of the audit.

## Item 2 – Election of Board endorsed candidate

Both Ilana Atlas and John Macfarlane will retire at the conclusion of the 2023 AGM, having served as independent Non-Executive Directors on the Board since 2014.

The details of the Board endorsed candidate that is standing for election as a Director of the Company are set out below. Ms Kramer offers herself for election in accordance with Rule 3.2 of the Company's Constitution. More details on the Company's governance arrangements pertaining to Directors can be found in the 2023 Corporate Governance Statement at [anz.com/annualreport](https://anz.com/annualreport).

## Item 2 To elect Ms H S Kramer

### Ms Holly Suzanna Kramer

BA (Hons), MBA

Independent Non-Executive Director, appointed by the Board in August 2023. Ms Kramer (Holly) is a member of the Nomination and Board Operations Committee and will become a member of the Risk Committee, Human Resources Committee and Ethics, Environment, Social and Governance Committee, effective 1 December 2023.

If elected, Holly will become Chair of the Human Resources Committee on Ilana Atlas' retirement at the conclusion of the 2023 AGM.

### Career

Holly has extensive experience as a board director, having served on a wide range of major listed and unlisted boards in Australia and New Zealand and having chaired remuneration, sustainability and audit and risk committees.

In her executive career, Holly was Chief Executive Officer of retailer Best & Less and served in a range of senior customer facing roles at Telstra, Ford and Pacific Brands.

Holly brings a strong focus on people, customers and culture, as well as extensive experience in retail and digital channels.

The Board considers that Holly is a valuable addition to the Board in light of the particular skills, knowledge and experience that she brings to the Board. The Board considers that Holly's extensive executive leadership experience, deep knowledge of retail markets, and her high competency in strategy, governance, risk management, enhanced customer outcomes, stakeholder engagement and people and culture matters support her election.

The Board considers Holly to be independent.

### Relevant other directorships

**Director:** Woolworths Group Limited (from 2016) and Fonterra Co-operative Group Limited (from 2020).

**Member:** Board Advisory Group, Bain & Company (from 2021).

**Senior Advisor:** Pollination (from 2023).

**Pro Chancellor:** Western Sydney University (from 2018).

### Relevant former directorships held in last three years include

**Former Chair:** Lendi Group (2020-2021).

**Former Deputy Chair:** Australia Post (2015-2020).

**Former Director:** Abacus Group Holdings (2018-2022) and Endeavour Group Limited (2021-2023).

**Board Recommendation:** The Board (with Ms Holly Kramer abstaining) recommends that shareholders vote in favour of the election of Ms Holly Suzanna Kramer.

## Item 3 – adoption of the Remuneration Report

As required by the Corporations Act, the Board presents the Remuneration Report for the financial year ended 30 September 2023, 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 policies, and the Company's performance; and
- remuneration details for KMP (including the Directors of the Company) for the period ended 30 September 2023.

The Remuneration Report, which is part of the 2023 Annual Report, can be found on the Company's website at [anz.com/annualreport](https://anz.com/annualreport) or can be obtained by contacting the Company's Share Registrar, Computershare.

The vote on this Item is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the Company's future remuneration arrangements.



**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 the resolution in item 3.

#### Item 4 – Grant of restricted rights and performance rights to Mr S C Elliott

The Company is asking shareholders to approve the proposed grant of restricted rights and 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 2024 variable remuneration.

Long Term Variable Remuneration (LTVR) is structured to provide material weight to non-financial measures in line with APRA's Prudential Standard *CPS 511 Remuneration*. Accordingly, for the 2024 grant, Mr Elliott's LTVR will be delivered as:

- 50% LTVR restricted rights – with a pre vest assessment of non-financial measures; and
- 50% LTVR performance rights – with forward looking Total Shareholder Return (TSR) performance hurdles where:
  - 75% will be measured against the TSR of the Select Financial Services comparator group; and
  - 25% will be measured against absolute Compound Annual Growth Rate (CAGR) TSR.

#### At a glance:

- 2024 LTVR, delivered in the form of 50% restricted rights and 50% performance rights, with a combined current face value LTVR opportunity of A\$3,375,000.
- 2024 LTVR will be deferred over four to six years with a two-year exercise period post the end of the relevant deferral period<sup>1</sup>.
- The restricted rights:
  - have been subject to a pre grant assessment by the Board which determined that the award should be made at full value (i.e., no reduction); and
  - will be subject to a pre vest assessment by the Board of non-financial measures at the end of the performance period to determine whether the restricted rights should vest in full.

- The performance rights:
  - 75% will be subject to a relative TSR performance condition which compares ANZ's TSR performance against the comparator group, with nil vesting below median, 50% vesting at median (i.e., threshold), and increasing to 100% vesting at the 75<sup>th</sup> percentile of the comparator group;
  - 25% will be subject to an absolute CAGR TSR performance condition which measures ANZ's absolute CAGR TSR performance against a time weighted Cost of Capital target over the four-year performance period, with nil vesting below the threshold target, 50% vesting at the threshold target, and increasing to 100% at the full vesting target (i.e., 150% of threshold target).
- The performance conditions for both restricted rights and performance rights are assessed at the end of the four-year performance period (with no retesting). The four-year performance period commences on 1 October 2023 and ends four years later on 30 September 2027.
- Holding periods apply at the end of the four-year performance period (to the extent the restricted rights and performance rights meet the relevant performance conditions). The holding period commences the day after the end of the four-year performance period and finishes on the 4<sup>th</sup>, 5<sup>th</sup> or 6<sup>th</sup> anniversary of grant.
- The deferral period is the sum of the four-year performance period and the applicable holding period.

#### In more detail:

Each restricted right and each 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 time and performance conditions. To the extent the performance conditions are met, the relevant number of restricted rights and performance rights will be eligible to vest on the fourth, fifth and sixth anniversary of grant (**vesting dates**) as described below. Upon vesting the Board will determine whether to settle the restricted rights and performance rights with ANZ shares or by payment of a cash equivalent amount.

Mr Elliott's entitlement to the restricted rights and 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 restricted rights and/or performance rights if the Board considers such a reduction to be necessary or appropriate (see further below); and
- the terms of the grant, including 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 restricted rights or performance rights, or any entitlement to shares or cash equivalent payment, prior to vesting.

If the Board determines to settle the restricted rights and/or performance rights in shares each restricted right/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 restricted rights and performance rights, nor on vesting. The restricted rights and performance rights form part of Mr Elliott's 'at risk' remuneration.

Restricted rights and performance rights granted under the ANZ Share Option Plan do not carry any voting rights prior to vesting. A dividend equivalent payment (DEP) is paid in cash at the end of the relevant deferral period, but is only made to the extent that all or part of the underlying rights actually vest. Dividend equivalents accrue only on rights that meet the performance condition and actually vest, and accrue over the full deferral period for restricted rights, and only during the holding period for performance rights.

If approval is obtained, it is the intention of the Board that the restricted rights and performance rights will be granted to Mr Elliott on 21 December 2023 (but, in any event, not more than 12 months after the date of this AGM).

1. Deferral period = performance period + holding period.

### Grant value and calculation of the number of restricted rights and performance rights to be granted

The Board believes that the proposed grant of LTVR restricted rights and performance rights is an important part of Mr Elliott's remuneration as it reinforces the CEO's focus on achieving longer term strategic objectives, driving outperformance relative to peers and creating long term sustained value for all stakeholders. The grant of restricted rights and 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, five and six year deferral periods and will depend on the extent to which the performance conditions are achieved and the ANZ share price at the time of exercising the rights.

Using a face value allocation methodology, the number of restricted rights and performance rights proposed to be granted to Mr Elliott has been determined by firstly dividing the face value of the grant (i.e., A\$3,375,000) by two to determine the restricted rights award value and the performance rights award value.

- The restricted rights award value (i.e., \$1,687,500) has then been split into three tranches (33% ~4 year deferral, 33% ~5 year deferral and 34% ~6 year deferral) and then divided 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 1 October 2023, i.e., the start of the four-year performance period – which was \$25.33. This has determined the actual number of restricted rights for each tranche of Restricted Rights, as follows:

Restricted rights tranches	Actual number of restricted rights proposed to be allocated to Mr Elliott
Tranche one: ~ 4 year deferral	21,984
Tranche two: ~ 5 year deferral	21,984
Tranche three: ~ 6 year deferral	22,651
<b>Total restricted rights</b>	<b>66,619</b>

- The performance rights award value (i.e., \$1,687,500) has been split into two parts:
  - those rights subject to the relative TSR performance condition (75% / \$1,265,625) and
  - those rights subject to the absolute CAGR TSR performance condition (25% / \$421,875).
- Each part is then split into three tranches (33% ~4 year deferral, 33% ~5 year deferral and 34% ~6 year deferral) and then divided by the same five-day VWAP (as used to calculate the number of restricted rights) \$25.33. This has determined the actual number of performance rights for each tranche, as follows:

Performance rights relative TSR tranches	Actual number of performance rights proposed to be allocated to Mr Elliott
Tranche four: ~ 4 year deferral	16,488
Tranche five: ~ 5 year deferral	16,488
Tranche six: ~ 6 year deferral	16,988
<b>Sub total</b>	<b>49,964</b>
<b>Performance rights absolute CAGR TSR tranches</b>	
Tranche seven: ~ 4 year deferral	5,496
Tranche eight: ~ 5 year deferral	5,496
Tranche nine: ~ 6 year deferral	5,662
<b>Sub total</b>	<b>16,654</b>
<b>Total performance rights</b>	<b>66,618</b>

### Performance conditions

Restricted rights and performance rights will have a four-year performance period and a further holding period – these periods combined are the total deferral period. The rights may vest after expiry of the holding period, as follows:

Tranche	Deferral period		
	Four-year performance period	Holding period	Vesting date
~ 4 year deferral (1 Oct 23 – 20 Dec 27)		1 Oct 27 – 20 Dec 27	21 Dec 27
~ 5 year deferral (1 Oct 23 – 20 Dec 28)	1 Oct 23 – 30 Sep 27	1 Oct 27 – 20 Dec 28	21 Dec 28
~ 6 year deferral (1 Oct 23 – 20 Dec 29)		1 Oct 27 – 20 Dec 29	21 Dec 29

## Restricted rights

Restricted rights will be subject to a pre vest assessment to be conducted by the Board after expiry of the four-year performance period. The pre vest assessment will take into consideration any adjustments applied for the same event/outcomes in either the current or prior years (i.e., adjustments to Short Term Variable Remuneration (STVR) and LTVR, malus and clawback), to ensure the overall impact is fair and proportionate to the severity of the outcome.

The restricted rights pre vest assessment consists of a three-step process which considers, over the four-year performance period:

### 1. Prudential soundness;

- Nil award if ANZ does not meet capital ratio and liquidity prudential minimums.

### 2. Risk measures;

- Consideration of any **Material Risk Outcomes** from executive actions or inactions which is expected to/or has resulted in significant impacts.
- Consideration of any significant adverse change in **APRA's Active Supervision** level.
- Consideration of **Risk Culture** that examines whether or not ANZ has maintained (or made progress towards) a sound risk culture, considering both executive actions or inactions.

### 3. Apply Board discretion.

- Board to determine whether any reduction should be made to the restricted rights outcome based on consideration of a range of factors, including:
  - the outcomes from steps 1 and 2 above;
  - the impact, if any, of the issue/s on ANZ's reputation/standing in the market;
  - whether the issue was specific to ANZ, the banking industry or the broader market;
  - any impacts already applied (e.g., re downward adjustment mechanisms, pre grant assessment impact to restricted rights);
  - whether any impact should be made on an individual or collective basis.

The assessment is not intended to be formulaic given the circumstances requiring the application of Board discretion will typically be different or unique, however a Board decision making framework is in place to guide the Board in applying discretion.

## Performance rights – Relative TSR

75% of the performance rights 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, Macquarie Group Limited, National Australia Bank Limited, Standard Chartered PLC, Suncorp Group Limited and Westpac Banking Corporation. The Board may vary the comparator group from time to time if it considers it appropriate to do so, for example, to take account of any constituent company ceasing to be listed.

Broadly, TSR is the growth in share price, plus the value of the dividends and distributions on the relevant shares. The proportion of performance rights that will become exercisable will depend on the Company's TSR relative to the TSR of the constituent companies in the comparator group at the end of the four-year performance period.

The level of performance required for each level of vesting, and the percentage of performance rights that will become eligible to 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:

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 <sup>th</sup> percentile	0%
Reaches or exceeds the 50 <sup>th</sup> percentile	50%, plus 2% for every one percentile increase above the 50 <sup>th</sup> percentile
Reaches or exceeds the 75 <sup>th</sup> percentile	100%

## Performance rights – Absolute CAGR TSR

25% of the performance rights will be subject to an absolute CAGR TSR hurdle with targets as outlined below.

ANZ has utilised an LTVR absolute CAGR TSR performance metric since 2015. This is an internal hurdle focused on ANZ achieving or exceeding a threshold level of growth that is set by the Board at the start of the performance period. The Board reviews and approves the absolute CAGR TSR targets for each performance rights award. When determining the targets, the Board references ANZ's assessed Cost of Capital (CoC).

ANZ has updated its absolute CAGR TSR model for the 2024 award to reflect a dynamic (rather than a static) target for CoC. The TSR hurdle is now based on the time weighted CoC over the four-year performance period. Therefore, the CAGR TSR target will be adjusted on a time weighted basis unless the Board applies discretion not to adjust.

Any CoC changes approved by the Board throughout the performance period are prospective only (i.e., reflect current market factors) and will form part of the dynamic CAGR TSR target calculation. This approach further strengthens executive and shareholder alignment as the target is more responsive to future changes in both the interest rate cycle and ANZ's risk profile. This only applies to awards from 2024 (no impact to prior awards).

The absolute CAGR TSR is measured over the same four-year performance period and the proportion of performance rights that will become exercisable will depend upon the Company's absolute CAGR TSR at the end of the four-year performance period compared to the targets approved 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 based on the time weighted CoC over the four-year performance period. The Board will review and approve any changes to the CoC on a quarterly basis throughout the performance period, based on the output from the Capital Asset Pricing Model (CAPM) methodology (which takes into consideration the risk-free bond rate, the market risk premium and the beta – i.e., the volatility of ANZ's historical share price relative to the market). The Board will also approve the level of vesting (if any) at the end of performance period based on the time weighted CoC. 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.

<b>If the absolute Compound Annual Growth Rate TSR of the company:</b>	<b>The percentage of performance rights which will vest is:</b>
Does not reach the threshold	0%
Reaches the threshold (currently 9.75%)	50%
Exceeds the threshold but does not reach the full vesting level (i.e., 150% of threshold)	Progressive pro-rata vesting between 50% and 100% (on a straight line basis)
Reaches or exceeds 150% of threshold (currently 14.63%)	100%

Note, based on the CoC at the start of the performance period, the CAGR TSR threshold is 9.75% and the full vesting level is based on a CAGR TSR of 14.63%; however this may be subject to change based on the time weighted CoC over the performance period unless the Board exercises discretion to set it otherwise.

### **Downward adjustment – Board discretion**

The Board retains an on-going and absolute discretion to:

- apply further deferral or freeze the vesting of restricted rights and performance rights;
- apply malus (an adjustment to reduce the value of part or all of the restricted rights and performance rights before they have vested); and
- apply clawback (the recovery of restricted rights and performance rights which have already vested).

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 restricted rights and performance rights the Board considers whether any further deferral/freezing or malus should be applied, and also considers whether clawback should be applied during the applicable clawback period.

### **Treatment on termination of employment**

If:

- Mr Elliott resigns prior to the vesting date the restricted rights and performance rights will lapse;
- Mr Elliott's employment is terminated by ANZ<sup>2</sup> with notice, except as set out below in relation to 'good leaver' termination, all unvested restricted rights and performance rights as at the 'full notice termination date'<sup>3</sup> will lapse;
- Mr Elliott's employment is terminated by ANZ for misconduct with notice, all unvested restricted rights and performance rights will lapse on cessation of employment. If Mr Elliott's employment is terminated by ANZ for serious misconduct without notice, all vested (but unexercised) and unvested restricted rights and performance rights will lapse 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 restricted rights and performance rights will vest on cessation.

In certain circumstances termination may be classified by the Board as a 'good leaver'. In such a case, unless the Board determines otherwise, the restricted rights and 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 restricted rights and performance rights will be eligible to vest on their applicable vesting date. On vesting, the Board may determine to settle the relevant restricted rights and/or performance rights with a cash equivalent payment, rather than with shares.

<sup>2</sup>. 'ANZ' means Australia and New Zealand Banking Group Limited, the employing entity. <sup>3</sup>. '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.

### Treatment on change of control

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 restricted rights and performance rights will be tested and the restricted rights and performance rights will become eligible to vest based on the extent the performance conditions are satisfied. In such a case the performance period will be taken to end at a time (being no later than the final date on which the change of control event will occur) determined by the Board. 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 over the adjusted performance period.

Any restricted rights and/or performance rights which vest based on satisfaction of the performance conditions over the adjusted performance period 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. If applicable law or APRA requirements prevent vesting at this time, the Board may determine a later time that complies with applicable law or APRA requirements and/or that any consideration that is received must be deferred until the expiry of that later time.

Any restricted rights and/or performance rights that remains unvested will lapse with effect from the date of the change of control event occurring, unless the Board determines otherwise.

### Other information

The proposed grant of restricted rights and performance rights to Mr Elliott, a director of the Company, falls within Listing Rule 10.14 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 the 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 restricted rights and performance rights, the restricted rights and 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 (FR) of A\$2,500,000 (inclusive of superannuation) per annum;
- Short Term Variable Remuneration (STVR) of up to 100% of FR (maximum opportunity); and
- Long Term Variable Remuneration (LTVR) of up to 135% of FR (maximum opportunity).

Shareholders are referred to the 2023 Remuneration Report published in the Company's 2023 Annual Report for further details of Mr Elliott's remuneration.

As CEO and a director of the Company, and as approved by shareholders at AGMs of the Company, Mr Elliott has been granted a total of 73,145 restricted rights and 1,090,584 performance rights under the ANZ Share Option Plan, as part of his remuneration as LTVR, as follows:

Grant date	Number of restricted rights granted	% vested	% lapsed
15 Dec 22	73,145	To be confirmed post vesting date	
<b>Total</b>	<b>73,145</b>		

Grant date	Number of performance rights granted	% vested	% lapsed
17 Dec 15 <sup>4</sup>	159,573	21.8%	78.2%
16 Dec 16	150,482	0%	100%
19 Dec 17	143,294	43.3%	56.7%
19 Dec 18	110,365	51.6%	48.4%
17 Dec 19	168,066	To be confirmed post vesting dates	
16 Dec 20	159,308		
16 Dec 21	126,353		
15 Dec 22	73,143		
<b>Total</b>	<b>1,090,584</b>		

No amount was or is payable by Mr Elliott at grant or on vesting for the above restricted rights and/or performance rights.

There is no loan scheme in relation to the restricted rights and/or performance rights (or the shares underlying them).

For the settlement of the restricted rights and performance rights on vesting, shares may be issued or acquired on market, or the Board may determine to settle the restricted rights and/or performance rights with a cash equivalent amount.

<sup>4</sup>. Grant approved by shareholders at the 2015 AGM in anticipation of Mr Elliott's appointment as a director and CEO becoming effective on 1 January 2016.

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. Mr Elliott holds such an office. The term 'benefit' has a wide operation and could include the early vesting of the restricted rights and/or 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 restricted rights and 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 restricted rights and performance rights proposed to be granted to Mr Elliott under item 4 in this Notice of Meeting.

If shareholder approval is obtained, the value of the approved termination benefits in this resolution will be disregarded when calculating Mr Elliott's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

The value of any benefit relating to the restricted rights and 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 restricted rights and 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;
- any other factors that the Board determines to be relevant when exercising its discretions;
- whether performance hurdles are waived or (if not waived) met, and the number of restricted rights and performance rights that vest (which could be all of the restricted rights and performance rights held by Mr Elliott);
- whether the restricted rights and/or 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 restricted rights and performance rights or, if the Board decides to settle the restricted rights and/or performance rights by payment of a cash equivalent amount, in the five trading days up to (and including) the date of vesting.

Under the rules of the ANZ Share Option Plan, the Board has discretion to adjust the rules of the Plan and awards granted under it. If the Company makes a bonus issue, or rights issue, or undertakes a re-organisation, the number of restricted rights and performance rights granted to Mr Elliott or their terms may be adjusted under the Plan as required by the Listing Rule or to address any material advantage or disadvantage that may occur (subject to any applicable ASX Listing Rule requirements). Any such adjustments would be explained in the Company's next Annual Report issued following the adjustment.

**Board Recommendation:** The Board considers that the proposed granting of restricted rights and performance rights on the terms above 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 to six year period.

The Board also considers that obtaining shareholder approval to allow restricted rights and 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 restricted rights and performance rights.

Accordingly, the Board (with Mr Elliott abstaining) recommends that shareholders eligible to do so vote in favour of the resolution in item 4.



## APPENDIX

A group of shareholders (holding approximately 0.01% of the Company's ordinary shares on issue) understood by the Company to be associated with the group "Market Forces" have requested pursuant to section 249P of the Corporations Act 2001 that the statement set out in this Appendix to the Notice of AGM be provided to the Company's shareholders.

Details of ANZ's material climate-related financial risks, as well as details of how ANZ manages those risks are available in the Company's 2023 ESG Supplement and 2023 Climate-related Financial Disclosures report, both of which will be released to ASX and be made available on our website at [anz.com/annualreport](https://anz.com/annualreport) on 13 November 2023.

The Company is legally required to circulate the statement to shareholders. However, the Board and Company do not endorse, and are not responsible for, the contents of the statement.

### RESPONSE TO MARKET FORCES STATEMENT PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT

ANZ's ambition is to be the leading Australia and New Zealand-based bank in supporting customers to transition to net zero by 2050. Naturally, the strategies engaged by ANZ in pursuit of this ambition, and in the management of climate-related financial risk, are determined by ANZ independently, and will not in all instances mirror those of other Australian financial institutions (FIs). Some other FIs are, for example, principally retail and small business lenders. Their customers pose different challenges which need appropriately different responses.

The transition to net zero will create significant employment and lending opportunities. However, the social costs of a net zero transition could be significant for workers in regions currently dependent on fossil fuels for employment and we expect customers to avoid or manage these potential adverse human rights impacts and social costs.

As the first Australian Bank to join the Net Zero Banking Alliance (NZBA), a key pillar of ANZ's net zero strategy is implementing our NZBA commitment by transitioning our lending portfolio in line with the goal of net zero greenhouse gas emissions by 2050. The sector targets ANZ has adopted in line with the NZBA commitment will help steer the most carbon-intensive parts of our portfolio, including fossil fuels lending, towards this goal. For example, ANZ has adopted a target of reducing absolute financed emissions in the oil and gas sector by 26 per cent by FY2030 when compared to FY2020 financed emissions, and is currently 'on track' with that target. Our 2023 Climate-Related Financial Disclosures (Climate Report) provide a detailed and transparent update on our progress against

existing sector targets, and also provides details of our four new sector targets.

ANZ's overall exposure to the upstream oil and gas sector is also trending down. It is now 29% lower than it was in FY2020, and we are now targeting a 40% reduction against a FY2020 baseline by FY2025.

ANZ's approach to engaging with its highest emitting business customers is consistent with our previous achievements. As outlined in our Climate Report, ANZ is entering into a new phase of its Large Emitters Engagement Program (LEEP), which will involve enhanced expectations and focused engagement, and the expansion of customers covered by LEEP. From FY24 we will be applying an enhanced transition plan assessment framework and will communicate to these customers our expectation that they obtain third-party assurance of their emissions performance and targets. By the end of FY2025, we expect both new and existing upstream oil and gas customers to publish a transition plan which meets the threshold of 'well developed' under ANZ's transition plan assessment framework, which is discussed in more detail in our Climate Report. We already require the provision of customer transition plans which we evaluate before considering any new material transactions (as defined in our Climate Report) in the oil and gas sector.

Our LEEP program, which will see us engaging with our 100 largest emitting business customers, also extends to the metallurgical coal sector. When selecting customers for engagement through LEEP, we have regard to the scope 1, 2 and 3 emissions of coal mining customers, including metallurgical coal miners. Our exposures to thermal coal mining have reduced by ~85% since 2015 when we first started engaging with our thermal coal

customers and now comprises ~0.02% of ANZ's exposure at default. We have set a new target to reduce absolute financed emissions from our lending directly to thermal coal by 100% by 2030, which complements our existing approach to reduce our exposures to that sector.

Reducing portfolio emissions in line with the NZBA and engaging with high emitting clients not only assists us to meet our climate commitments, it assists us to manage our exposure to climate-related financial risk in line with our regulatory obligations. More broadly, ANZ also implements a range of measures to proactively manage climate-related financial risks. As outlined in our Climate Report, climate-related financial risks – including transition risk in carbon-intensive sectors – are managed through our Risk Management Framework, as well as through lending tools and processes, including our Climate Change Risk Assessment process. Although climate change is already managed substantively through our Risk Management Framework, on 9 November 2023, ANZ's Board Risk Committee approved the elevation of climate as one of our most material risks in its Risk Management Framework.

### STATEMENT PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT

#### ANZ failing to demonstrate adequate management of material climate-related financial risks

Despite committing to the 1.5°C target of the Paris Agreement and net zero global emissions by 2050, ANZ continues to finance fossil fuel expansion, undermining these goals and exposing our company to increased climate-related financial, legal, regulatory, and reputational risks.

## Inadequate consideration of risk

It appears, from ANZ's 2022 annual report, that ANZ has failed to address climate change as a material risk within its risk management strategy,<sup>1</sup> an approach that is inconsistent with its peers.<sup>2</sup> Australian laws require that ANZ properly manages material risk.<sup>3</sup> We are concerned with ANZ's management of the physical and transition risks associated with climate change.

## Financing fossil fuel expansion

ANZ has loaned \$11.1 billion to fossil fuel expansion since the Paris Agreement, significantly more than any of its major Australian banking peers. ANZ loaned \$1.5 billion to fossil fuel expansion in 2022 alone, the most of the big four Australian banks and over seven times more than Commonwealth Bank.<sup>4</sup>

The Intergovernmental Panel on Climate Change (IPCC) has concluded that limiting global warming to 1.5°C leaves no room for new or expanded fossil fuel developments.<sup>5</sup> The UN - convened Net-Zero Banking Alliance (NZBA), of which ANZ is a member, has categorically stated it "does not support the financing of fossil fuel expansion."<sup>6</sup>

ANZ claims it is focused on "aligning our lending decisions to the Paris Agreement goals" and "factoring climate change risk into lending decisions for large business customers."<sup>7</sup> Yet in the last two years ANZ has loaned a combined A\$686 million to Woodside, Santos, Global Infrastructure Partners,<sup>8</sup> and JERA<sup>9</sup> – companies that are pursuing massive oil and gas expansion plans.

ANZ's financing continues to facilitate fossil fuel expansion incompatible with global climate goals. The bank must disclose a credible and comprehensive plan to assess all fossil fuel customers for alignment with a 1.5°C pathway to address the glaring inconsistency between its climate commitments and its financing activities.

## Policy gaps

ANZ is the only 'big four' Australian bank that has no policy to restrict project finance to new oil and gas fields. It has also failed to restrict project finance for new or expanded metallurgical coal mines, and critical infrastructure required to unlock new fossil fuel supply, such as pipelines and LNG terminals.

Based on ANZ's current disclosures, the bank will not require fossil fuel companies<sup>10</sup> to have credible transition plans aligned with the 1.5°C goal of the Paris Agreement to continue providing new finance<sup>11</sup> to those companies. ANZ has only disclosed an 'expectation' that customers in the 'energy sector' have a climate change transition plan in place prior to 2025.<sup>12</sup> ANZ says it will not onboard energy customers without such plans, and 'reduce exposure' to its largest emitting business customers who have not improved their transition plans by 2025,<sup>13</sup> a commitment that falls well short of peers.

While Commonwealth Bank,<sup>14</sup> NAB,<sup>15</sup> and Westpac<sup>16</sup> have committed to not provide certain types of new finance for certain fossil fuel companies without transition plans, ANZ only has a vague commitment to reduce exposure. ANZ's 'expectation' also fails to include critical fossil fuel sub-sectors – such as metallurgical coal mining – which threaten to undermine the climate goals ANZ claims to support. By contrast, Commonwealth Bank has committed to not provide corporate finance, trade finance or bond facilitation to oil and/or gas producing, metallurgical coal mining and coal-fired power generation clients that do not have climate transition plans in place by 2025.<sup>17</sup> These plans will be assessed using a framework based on the Climate Action 100+ benchmark, must include scope 1, 2 and 3 emissions targets, and will be verified by an independent third-party.<sup>18</sup>

Without a clearly articulated commitment and process to assess all fossil fuel customers' plans for alignment with a 1.5°C warming pathway before providing further finance, our bank is failing to demonstrate adequate risk management.

## Risks to shareholders

By failing to bring its substantial fossil fuel financing into line with its climate commitments, ANZ exposes shareholders to significant risk.

ANZ's peers have already faced legal action in relation to their fossil fuel financing.<sup>19</sup> With climate litigation on the rise around the world, and Australians filing the highest number of cases per capita,<sup>20</sup> ANZ is vulnerable to climate-related litigation.

Australian misleading and deceptive conduct laws require companies to have a reasonable basis for making climate-related statements, including net zero commitments.<sup>21</sup> As stated by the chair of a UN High-Level Expert Group focused on corporate net zero claims: "Non-state actors cannot claim to be net zero while continuing to build or invest in new fossil fuel supply."<sup>22</sup> The misalignment between ANZ's climate commitments and its ongoing financing of new fossil fuels enlivens this 'greenwashing' risk, which is an increasing focus for regulators and policymakers.<sup>23</sup>

We urge shareholders to request further disclosure from ANZ addressing its management of climate risk and its processes for ensuring fossil fuel financing decisions are aligned with the goals of the Paris Agreement.

1. <https://www.anz.com/content/dam/anzcom/shareholder/2022-anz-annual-report.pdf> 2. For example, see NAB's 2022 Annual Report on pp 41 and 91 where climate change is considered as part of the material risk category "Sustainability risk": <https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2022-annual-report.pdf> 3. Banking Act 1959 (Cth) s 11AG and APRA's Prudential Standard CPS 220 Risk Management 4. <https://www.marketforces.org.au/campaigns/banks/banking-climate-failure-2023/> 5. <https://www.ipcc.ch/report/sixth-assessment-report-working-group-3/> 6. <https://www.unepfi.org/industries/banking/nzba-responds-to-recent-research-on-fossil-fuels-coal/> 7. <https://www.anz.com/content/dam/anzcom/shareholder/2022-anz-climate-related-financial-disclosures-report.pdf> 8. <https://www.marketforces.org.au/campaigns/banks/anz/> 9. <https://www.marketforces.org.au/campaigns/asia/jera/> 10. As defined in Science-Based Targets Initiative Fossil Fuel Finance Position Paper Consultation Draft (<https://sciencebasedtargets.org/resources/files/The-SBTi-Fossil-Fuel-Finance-Position-Paper-Consultation-Draft.pdf>) 11. Defined as: The provision of new corporate lending, project finance or trade finance to a customer, including the refinancing of existing facilities, and the arranging or underwriting of capital markets transactions to a customer. 12. <https://www.anz.com.au/content/dam/anzcomau/about-us/anz-climate-change-commitment-2023.pdf> 13. <https://www.anz.com/content/dam/anzcom/shareholder/2022-anz-climate-change-roundtable-investor-presentation.pdf>; <https://www.anz.com.au/content/dam/anzcom/shareholder/2022-anz-climate-related-financial-disclosures-report.pdf> 14. <https://www.commbank.com.au/content/dam/commbank/about-us/download-printed-forms/environment-and-social-framework.pdf> 15. <https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2022-climate-report.pdf> 16. [https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Climate\\_Change\\_Position\\_Statement\\_and\\_Action\\_Plan.pdf](https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Climate_Change_Position_Statement_and_Action_Plan.pdf) 17. <https://www.marketforces.org.au/commbanks-climate-policy-update-leaves-anz-nab-and-westpac-in-the-dust/> 18. [https://www.commbank.com.au/content/dam/commbank-assets/investors/2023-08/climate/2023-climate-report\\_print.pdf](https://www.commbank.com.au/content/dam/commbank-assets/investors/2023-08/climate/2023-climate-report_print.pdf) 19. See, for example: <https://www.afr.com/companies/financial-services/shareholder-gets-early-victory-in-climate-change-case-against-cba-20211111-p5980b> 20. <https://www.afr.com/companies/professional-services/australia-tops-world-in-climate-litigation-20230626-p5djgk#:~:text=However%2C%20the%20Global%20Climate%20Litigation,4.8%20per%20million%20for%20Australia> 21. <https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products/> 22. [https://www.un.org/sites/un2.un.org/files/high-level\\_expert\\_group\\_n7b.pdf](https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf) 23. [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Environment\\_and\\_Communications/Greenwashing](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Greenwashing); <https://download.asic.gov.au/media/ao0lz0id/rep763-published-10-may-2023.pdf>; [https://www.accc.gov.au/system/files/Environmental%20and%20sustainability%20claims%20-%20draft%20guidance%20for%20business\\_web.pdf](https://www.accc.gov.au/system/files/Environmental%20and%20sustainability%20claims%20-%20draft%20guidance%20for%20business_web.pdf)



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