

Notice to company pursuant to ss 249N & P of the Corporations Act 2001 (CA)

I/we [name of 'shareholder']

of

..... [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN) [HIN or SRN]

in respect of any holding of the shareholder's Australia and New Zealand Banking Group Limited ('ANZ' or 'the Company') ordinary fully paid shares;

hereby give notice to the company in accordance with sections 249N & P of the CA of: the following resolutions (1: Amendment to the Constitution, 2: Climate Risk Safeguarding) the shareholder proposes to move at a general meeting of the company; and request in accordance with section 249P that the company give to all members each of the Supporting Statements following the resolutions.

SIGNED

.....

(Signature of individual Shareholder [†] /company director)	(Signature of second shareholder in a joint holding/for a company second director or company secretary)
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† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all shareholders must sign)

Resolution 1 – Amendment to the Constitution

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."

Resolution 2 – Climate Risk Safeguarding

Shareholders recognise the substantial transitional and physical risks of climate change and their potential financial impacts on our company. We also note our company's support for the Paris climate change agreement and the goal of net-zero emissions by 2050. Shareholders therefore request the company disclose, in subsequent annual reporting, information demonstrating how the company's financing will not be used for the purposes of new or expanded fossil fuel projects.

(Australia and New Zealand Banking Group Limited's Notice of 2022 Annual General Meeting is to include Resolutions 1 and 2. Shareholders voting by proxy can vote on both resolutions.)

Supporting Statement 1

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.

Supporting Statement 2

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 2020.¹ 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.² ANZ’s current policies and practices fall well short of this demand.

NZE2050 scenario conclusions	ANZ practice
<p>Unabated coal demand falls by 98% by 2050, oil demand by 75% and gas demand by 55%, compared to 2020.</p>	<p>No targets to reduce exposure to oil and gas.</p> <p>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 FY20.³ 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).</p>
<p>“No new coal mines or mine extensions are required.”</p> <p>“Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway.”</p> <p>“Also not needed are many of the liquefied natural gas (LNG) liquefaction facilities currently under construction or at the planning stage.”</p>	<p>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.⁴</p> <p>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.⁵</p>

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’

¹ <https://www.iea.org/reports/net-zero-by-2050>

² <https://shareaction.org/investors-call-on-banks-to-strengthen-climate-ambitions-before-cop26/>

³

<https://www.anz.com.au/content/dam/anzcom/shareholder/ANZ-2020-Climate-related-Financial-Disclosures.pdf> (p.9)

⁴ <https://www.marketforces.org.au/campaigns/banks/bigfourscorecard/>

⁵ <https://www.marketforces.org.au/campaigns/super/outofline/>

from them.⁶ 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 2040.⁷ Similarly, IAG "committed to ceasing underwriting entities predominantly in the business of extracting fossil fuels, and power generation using fossil fuels, by 2023".⁸

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.⁹ In May 2021, Vision Super added a significant number of undiversified oil and gas producers to its 'Divestment List', including Santos and Woodside.¹⁰ In March 2021, Danske Bank committed to immediately end direct finance for expansion of oil and gas exploration and production worldwide,¹¹ while NedBank,¹² SEB,¹³ and NatWest¹⁴ 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".¹⁵

APRA's Guide states:

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<https://www.anz.com/content/dam/anzcom/shareholder/2020-Full-Year-Results-Investor-Discussion-Pack.pdf> (p.111)

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<https://www.suncorpgroup.com.au/corporate-responsibility/sustainable-growth/responsible-banking-in-surance-investing>

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<https://www.iag.com.au/sites/default/files/Documents/Safer%20Communities/FY20-Climate-related-disclosure.pdf>

⁹ <https://unisuperdivest.org/unisupers-first-steps-on-oil-and-gas-divestment/>

¹⁰ <https://www.visionsuper.com.au/wp-content/uploads/2021/07/SecuritiesList-31May2021-v3.pdf>

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<https://danskebank.com/-/media/danske-bank-com/file-cloud/2017/5/danske-bank-position-statement-fossil-fuels.pdf>

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<https://www.nedbank.co.za/content/dam/nedbank/site-assets/AboutUs/Information%20Hub/Integrated%20Report/2021/Nedbank%20Group%20Energy%20Policy.pdf>

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<https://webapp.sebgroup.com/mb/mblib.nsf/dId/80AF6A2E5F88CDC2C12586B1002E33C2?opendocument>

¹⁴ https://www.natwestgroup.com/content/dam/natwestgroup_com/natwestgroup/pdf/oil-and-gas.pdf

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<https://www.apra.gov.au/consultation-on-draft-prudential-practice-guide-on-climate-change-financial-risks>

“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.