

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 Westpac Banking Corporation ('WBC', 'Westpac', 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: Transition Plan Assessments) 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

To amend the Constitution to insert beneath Clause 7 'General meetings' the following new sub-clause: "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 – Transition Plan Assessments

Shareholders recognise the substantial transitional and physical risks of climate change and their potential financial impacts on our company. Noting our company's requirement that upstream oil and gas customers have 'credible transition plans'¹ in place by 30 September 2025 in order to receive corporate lending and bond facilitation, shareholders request further disclosure addressing:

¹ As defined in Westpac's November 2023 Climate Change Position Statement and Action Plan (https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Climate_Change_Position_Statement_and_Action_Plan.pdf)

1. Whether all 'fossil fuel companies'² will be required to have such plans in place by 30 September 2025 in order for Westpac to provide 'new financing'³; and
2. How Westpac will assess such plans for alignment with the bank's definition of a credible transition plan.

(Westpac Banking Corporation's Notice of 2024 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. Typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian counterparts 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 some situations, the appropriate course of action for shareholders dissatisfied with the conduct or performance of the board is to seek to remove directors individually. However, in many situations, a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The constitution of Westpac is not conducive to the rights of shareholders to place resolutions on the agenda of a shareholder meeting. This is contrary to the long-term interests of Westpac, its board and shareholders.

Passage of this resolution – to amend the Westpac 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

Last year, 21.59% of Westpac's shareholders voted in favour of this resolution,⁴ yet Westpac has not provided any further disclosure or amendments to its policy framework to materially address this significant demonstration of shareholder concern. We note that such a vote in the UK would require a board to formally gather and respond to shareholder feedback.⁵

Westpac's policy settings and fossil fuel finance activity have become increasingly out of step with international and domestic peers over the last year. For example, consistent with international best practice, Commonwealth Bank announced in August it had already decided to no longer provide corporate or trade finance or bond facilitation with a maturity beyond 2024 to oil and gas, metallurgical coal mining, or coal-fired power generation clients that would not have,

² As defined in Science-Based Targets Initiative Financial Institutions Near-Term Criteria Version 2.0 (<https://sciencebasedtargets.org/resources/files/Financial-Institutions-Near-Term-Criteria.pdf>)

³ 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.

⁴ <https://www.listcorp.com/asx/wbc/westpac/news/2023-annual-general-meeting-results-2972140.html>

⁵ https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2024_ofM100g.pdf

or would be unlikely to have, a transition plan aligned with the Paris Agreement by 2025.⁶ Commonwealth Bank's lending exposure to upstream oil and gas has almost halved in the last two years.⁷

Westpac has committed to the 1.5°C target of the Paris Agreement and net zero global emissions by 2050 but continues to undermine these goals by financing fossil fuel expansion, exposing our company to increased climate-related financial, legal, regulatory and reputational risks.

For Westpac to adequately meet its climate commitments, and the expectations of regulators, investors and broader stakeholders, the bank must require all clients in the fossil fuel value chain to produce credible transition plans before providing them with further finance.

Further policy disclosure required

Westpac's current disclosures relating to climate transition plan (CTP) expectations lack critical detail regarding policy implementation in two key areas; *scope of application* and *impact on financing decisions*.

Currently, the scope of fossil fuel clients required to produce a CTP by 30 September 2025 is limited to only upstream oil and gas,⁸ exempting clients in other fossil fuel sub-sectors – such as metallurgical coal mining, thermal power generation, and midstream oil and gas infrastructure – whose activities similarly threaten to undermine Westpac's climate commitment.

Westpac has also failed to disclose clear actions the bank will take if a company fails to produce a credible CTP.

Financing fossil fuel expansion

The gaps in Westpac's current policy have enabled our company to continue providing billions to fossil fuel expansion, which undermines the Paris goals.

The Intergovernmental Panel on Climate Change has confirmed projected emissions from the planned lifetimes of existing fossil fuel infrastructure would significantly exceed the carbon budget remaining to limit global warming to 1.5°C.⁹

The International Energy Agency (IEA) concluded in 2021 that reaching net zero emissions by 2050 means no new or expanded coal mines and no new oil and gas fields should be approved,¹⁰ largely reiterating this finding in 2022¹¹ and 2023.¹² Westpac has relied on the IEA's

6

<https://www.commbank.com.au/content/dam/commbank-assets/investors/docs/results/fy24/CBA-2024-Climate-Report.pdf>

⁷ <https://www.marketforces.org.au/commbank-2024-climate-report/>

8

https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/sustainability/Climate_Change_Position_Statement_and_Action_Plan.pdf

⁹ <https://www.ipcc.ch/report/sixth-assessment-report-working-group-3/>

¹⁰ <https://www.iea.org/reports/net-zero-by-2050>

¹¹ <https://www.iea.org/reports/world-energy-outlook-2022>

¹² <https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>

Net Zero by 2050 scenario to develop some of its climate policies, yet has failed to align its financing decisions with this key conclusion.

The UN-convened Net Zero Banking Alliance, of which Westpac is a member, has also categorically stated it “does not support the financing of fossil fuel expansion.”¹³

Yet Westpac loaned \$533 million to companies involved in fossil fuel expansion in 2023, almost three times as much as Commonwealth Bank.¹⁴

In 2023 and 2024, Westpac has:

- Acted as a mandated lead arranger for a \$1.24 billion loan for Santos, a company targeting FID on three new oil and gas projects in the coming years.¹⁵
- Loaned \$80 million to APA Group, a pipeline company developing several new pipelines for the Beetaloo Basin, a project estimated to result in 1.1 billion tonnes of CO₂-equivalent over its lifetime.
- Loaned \$101 million to JERA Global Markets, a company involved in several large LNG expansion projects, including Scarborough, Barossa, and Freeport LNG’s expansion.
- Participated in a \$9.2 billion loan for the world’s largest gas turbine supplier, GE Vernova,¹⁶ in 2024.¹⁷

Westpac’s financing continues to facilitate fossil fuel expansion that is incompatible with global climate goals the bank claims commitment to. Requiring fossil fuel clients to provide a credible CTP to be eligible for new or renewed finance would remedy this inconsistency.

Regulatory and legal risk

Australian misleading and deceptive conduct law requires companies to have a reasonable basis for making climate-related statements, including net zero commitments.¹⁸ The misalignment between Westpac’s Paris and net zero commitments and its ongoing financing of fossil fuel expansion raises greenwashing risks. 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.”¹⁹

¹³ <https://www.unepfi.org/industries/banking/nzba-responds-to-recent-research-on-fossil-fuels-coal/>

¹⁴ <https://www.marketforces.org.au/campaigns/banks/banking-climate-failure/>

¹⁵

<https://www.marketforces.org.au/wp-content/uploads/2024/03/03-2024-Santos-Investor-briefing-FINAL-2.pdf>

¹⁶ <https://www.governova.com/gas-power/products/gas-turbines>

¹⁷

<https://www.marketforces.org.au/wp-content/uploads/2024/07/Banking-Climate-Failure-2024-report.pdf>

¹⁸

<https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products/>

¹⁹ https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf

Regulators have begun taking enforcement action in this area, with some companies fined several million dollars for misconduct.²⁰ ASIC's Chair, Joe Longo, has stated one of the main types of misconduct identified by the regulator has been "net zero statements and targets, that were either made without a reasonable basis or that were factually incorrect".²¹

The inconsistency between Westpac's climate commitments and fossil fuel finance activity could see Westpac facing increased legal and regulatory scrutiny.

Without disclosing a comprehensive and credible approach to ensuring its fossil fuel customers are aligned with a 1.5°C warming pathway, Westpac does not have a reasonable basis for its commitments to the Paris Agreement and net zero emissions by 2050, leaving the bank open to greenwashing challenges.

This resolution presents an opportunity for Westpac to address these risks and meet the best practice standards set by international and domestic peers.

We urge shareholders to vote in favour of this resolution.

20

<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-213mr-asic-s-vanguard-greenwashing-action-results-in-record-12-9-million-penalty/>;
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-173mr-asic-s-first-greenwashing-case-results-in-landmark-11-3-million-penalty-for-mercero/>

²¹ <https://asic.gov.au/about-asic/news-centre/speeches/greenwashing-a-view-from-the-regulator/>