AUSTRALIAN
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ANZ – Roll out of new "ANZ 2030" strategy underway: can it provide the answers?

Company/ASX Code	**ANZ Group Holdings Limited/ANZ**
AGM time and date	**9:00am (AEDT) on Thursday, 18 December 2025**
Location	The International Convention Centre (ICC) Darling Harbour Theatre, Level 1, 14 Darling Drive, Sydney NSW and meeting can be viewed online here.
Registry	Computershare
Type of meeting	Physical with webcast (no ability to vote online at the meeting)
Monitor	Chris Lobb assisted by Mike Robey and Michael Muntisov
Pre-AGM Meeting	Paul O'Sullivan (Chairman) Holly Kramer (Chair People and Culture Committee and Kylie Bundrock (Acting Group General Manager IR & MA)

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

Do you want your shareholding to count? Appoint ASA as your proxy prior to 9.00am on Tuesday 16 December 2025 – no on-line voting at the 2025 AGM is being provided.

1. How we intend to vote

Item No.	Resolution description	
2	**Election and Re-Election of Directors** **(a) To elect Ms A R Gerry as a director** **(b) To re-elect Mr P D O'Sullivan as a director** **(c) To re-elect Mr J P Smith as a director**	 For Against Undecided
3	**Adoption of Remuneration Report**	For
4	**Grant of restricted rights and performance rights to Mr N A Matos**	For
5	**Amend the Company's Constitution (special resolution)**	Abstain
6	**Spill Resolution (conditional item)**	Against
7	**Disclosure of financial deforestation (conditional item)**	Against
8	**Strategy to eliminate financed deforestation (conditional item)**	Against
9	**Customer Transition Plan Approach and Climate Commitments (conditional item)**	Against

2. Summary of Issues

After considerable push back by the Company over time as to various concerns raised about the Bank's practices and culture by customers and regulators dating back to 2022, specifically in relation to non-financial risk (NFR), the decision to appoint a new CEO, Nuno Matos to replace long-serving (9 years) CEO, Shayne Elliott, which was announced in December 2024, led to the "floodgates" opening in relation to these disputed matters.

Firstly, agreement was reached in April 2025 with regulator, APRA, to enter into a court enforceable undertaking (CEU) relating to NFR matters and in addition the Bank accepted an additional capital overlay of $250 million, taking the total amount of capital the Bank cannot lend against to $1billion.

Secondly, following Mr Matos commencement as CEO in May 2025, the Bank sought to resolve various matters outstanding with another regulator, ASIC. This culminated in agreeing on settlement amounts in September 2025, as follows:

- Management of a 2023 issue of Treasury Bonds on behalf of the Australian Office of Financial Management (AOFM) - **$85** million.
- The submission of inaccurate bond data to the AOFM over almost a 2-year period - and failing to advise ASIC of these inaccuracies - **$40** million.
- Failure to pay full interest entitlements on certain saving accounts and displaying inaccurate rates on these products - **$40** million.
- Breaches in obligations in the handling of customer hardship notices - **$40** million, and
- Breaches of obligations to deceased estates - **$35** million.

In total, if the above agreed amounts between the parties are approved by the Federal Court (as required and pending currently), shareholders will lose **$240** million in equity.

In addition to this amount, provision for legal costs **($31** million) have been made and the Board has re-allocated a further **$150** million from other initiatives in FY26 to address the remediation of these matters.

The Chairman's message in the Annual Report described it as a "challenging year". Whilst an apology was provided to customers on the announcement of the above ASIC settlement, it is shareholders (many of whom are also customers) who must incur these losses to their investment due to poor governance that led to so many serious issues being eventually disclosed and settled.

What is perhaps most disappointing is that after the pain and comprehensive review of the banking industry by way of the Royal Commission and its findings in 2019, which placed everyone involved in the sector on notice as to community expectations, lessons appear to still go unheeded.

Shareholders have some tough decisions to make at this AGM in terms of how best to register their view on these matters without further damaging their investment moving forward.

To date, the new CEO appears to be saying and demonstrating the behaviours we would expect from the leader of one of our major Australian financial institutions. However, these serious legacy issues will not disappear overnight. Trust and confidence in the management and governance of the Bank will take some time to be restored. ASA as a stakeholder via our representation of retail shareholders, seeks change from the Company to a governance level appropriate for one of our major Australian institutions.

3. Matters Considered

Accounts and reports

The Banking Group has consisted of four main divisions previously: Australian Retail, Australian Commercial, Institutional and New Zealand (being the largest bank in NZ). With the acquisition of Suncorp Bank domiciled in Queensland, in July 2024, the YE25 results includes 12 months of consolidated results for this entity for the first time (YE24 had 2 months).

Notwithstanding the acquisition of Suncorp, full year statutory profit was down 10%, largely due to the regulatory penalties referred to above. Divisionally, Australian Retail and Commercial were the laggards. The final dividend (partially franked) was nevertheless held at 83 cents per ordinary share; with the full year dividend being maintained from YE24 at 166 cents per ordinary share (partially franked).

Financial performance

As at FYE 30 September	**2025**	**2024**	**2023**	**2022**	**2021**
NPAT ($m)	5,891	6,535	7,106	7,119	6,162
Cash NPAT ($m)	5,787	6,725	7,413	6,496	6,181
Share price ($)	33.21	30.48	25.66	22.80	28.15
Dividend (cents)	166	166	175	146	142
Simple TSR[1] (%)	14	27	20	(14)	71
EPS (cents)	198	218	237	250	215
Former CEO total remuneration, actual ($m)	5.2	4.1*	4.6*	6.0	5.7

*Lower in 2024 due to consequences applied to matters arising from Markets business and additional Non-Financial Risk capital overlay. In 2023 reduction primarily due to there being no Long-Term Variable Remuneration due for testing.

[1]Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Governance and culture

We will not repeat matters that go to this topic that are detailed above. Needless to say, they reflect poorly on the governance, management and culture of the Bank.

In January 2023, the Bank adopted a holding company structure, with the previous head entity, being the banking group, becoming a subsidiary of this new holding company. The holding company adopted the same ASX code, ANZ and for all intents and purposes, there was no change for shareholders. The current holding company Board has eight (8) directors, with the CEO being the only executive director. Gender balance being 5 males and 3 females.

In addition to this holding company Board, two additional directors were appointed to the Company's bank subsidiary board. Board meetings of the holding and bank boards are held concurrently, resulting in a potential maximum ten directors attending each meeting. The additional bank subsidiary directors are also members of the audit and risk committees. Their details are provided on page 22 of the Annual Report. We are advised these appointments were made to satisfy APRA on the establishment of the new holding company, to ensure that oversight was maintained on the potential impact of any decision made by the holding company on banking operations. Unfortunately, shareholders have no voting entitlements in relation to these two additional directors and it is unclear which of the current Board policies apply to them.

During the year, as regulatory issues continued to escalate, the Board had little choice but to look outside its existing executive ranks to appoint a new CEO in an attempt to "stop the bleeding". Their choice is an international banker with a reputation for instigating cultural and operational change, which the Company is in desperate need of if it is to remain competitive with its peers.

The CEO recently released his strategy to address these needs, "ANZ 2030", and set some aggressive financial metrics as part of this new strategy. Progress or success will be measured under four pillars under this strategy – "Customer First, Simplicity, Resilience and Delivering Value". Further details are provided on page 13 of the Annual Report.

Key board or senior management changes

Board

Ms Jane Hatton AO ceased as a Non-Executive Director on 31 March 2025 and Ms Alison Gerry was appointed an independent Non-Executive Director on 9 May 2025.

As part of the CEO transition Mr Shayne Elliott retired on 11 May 2025 and Mr Nuno Matos took up his position as the new CEO on 12 May 2025.

Executive Management

Not unexpectedly a number of changes were made following the appointment of the new CEO. Details of these changes are detailed in the Annual Report on pages 24 and 25 and involve the recruitment of three external executives with international banking experience.

Sustainability/ESG

This environment area continues to be a contentious issue not only for the Company but for all parties involved in the finance industry as the funding of Australia's energy transition works its way through the broader economy. We have no doubt various environment groups will scrutinise the actions taken by ANZ to date and the matter will be prosecuted at the AGM. We continue to observe this and have some concerns as to the Company's leadership in this area, following recently announced Executive departures. How these issues are linked into the remuneration scorecard approach is also unclear at this point.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

Fair Capital raising – Given the level of fines incurred, ANZ has had to pivot from a $2 billion share buyback position previously to now needing to shore up additional capital. The Board have decided to do this via a Dividend Reinvestment Plan (DRP) open to all shareholders, offering a 1.5% discount to a 14-day volume weighted average price (VWAP). Whilst this is a reasonably equitable way to raise additional capital as it allows all shareholders to participate, not all shareholders are in a financial position where they can forego the cash provided via dividend payments to reinvest into additional shares. As a result, their holding is diluted as major institutional shareholders can utilise the DRP should they desire.

Shareholder engagement and AGM participation – disappointingly, a hybrid AGM is again not being held which would have allowed shareholder participation and live voting nationwide.

Board Accountability and Directors and Boards – a directors skills matrix was not provided in the Annual Report or Corporate Governance Statement (CGS) this year as it is currently “under review”, Therefore shareholders must determine which of the ten skills/experience that were contained in the CGS as being necessary for Board oversight, apply to each individual director. In addition, each skill or experience listed has no pre-determined criteria disclosed and therefore readers have to assess individual directors against what they consider should be the criterion. It would be much simpler and potentially more accurate if ANZ advised as to which of the skills or experience each director holds, so shareholders could quickly assess that director’s contribution to the Board mix and vote accordingly when annual director elections are held.

External Auditor Competitive tender – we continue to recommend that ANZ test the market by undertaking a competitive tender. The Bank appointed Peat, Marwick, Mitchell & Co (predecessor to the current auditor, KPMG) in 1969. On page 93 of the Annual Report the Board’s position on the matter is provided, noting that KPMG was also the auditor for Suncorp Bank. ASA policy is that a competitive tender should be held at least every ten years (or sooner where there is concern over the financial statements).

4. Rationale for Voting Intentions

Item 2: Re-election/Election of Directors Resolution

There are three Non-Executive Directors facing shareholders for endorsement this year. The independent Chairman, Paul O’Sullivan, and independent NED’s Jeff Smith and Alison Gerry. Ms Gerry was first appointed by the Board in May 2025.

As noted above, ASA raised that no skills matrix has been provided by the Company in this year’s reporting suite. We therefore attempted to understand what individual directors contributed to the Board mix and what was the criteria used to qualify for that skill or experience. Previously ANZ has been reluctant to individualise, but it appears each of the directors facing election hold many of the skills or experience considered necessary by the Board.

(a) To elect Ms A R Gerry (For)

Ms Gerry resides in Queenstown, New Zealand and is a former director of the ANZ Bank New Zealand (2019 -2025) subsidiary. She holds a Bachelor of Management Studies with honours. Ms Geary has had more than 35 years of experience in the financial services and infrastructure sectors.

She is currently Chairman of Infratil Limited, an ASX listed, NZ based entity with infrastructure investments spanning four sectors: digital, renewables, healthcare and an airport. She is also a director of Air New Zealand Limited. Her workload therefore appears manageable.

With this background, she brings significant experience and insights of the important New Zealand geographical and regulatory market to the Board

Pleasingly, she has commenced her alignment with shareholders, by acquiring 1,243 ordinary shares in ANZ since her appointment earlier this year.

(b) To re-elect Mr P D O'Sullivan (Against)

Mr O'Sullivan resides in Sydney and was first appointed a director of the Company in November 2019, taking over from David Gonski as Chairman in October 2020. He holds a Bachelor of Arts with honours from Trinity College, University of Dublin, specialising in economics. He is also a graduate of the Advanced Management Program of Harvard University.

Mr O'Sullivan's executive career included leadership roles at Singapore Telecommunications (Singtel) and Optus. At Optus he was CEO from 2004 to 2012. He went on to become Chairman of Singtel Optus Pty Limited from 2014-2025. He is currently also Chairman of Western Sydney Airport Corporation, taking up that role in 2017. His workload therefore appears manageable.

Given this background, he holds extensive experience in technology and digitisation.

In line with a change in Board policy in terms of director share ownership, Mr O'Sullivan has re-organised his personal holdings to now hold 36,650 ordinary shares. He has also undertaken to re-invest his Chairman fees in additional ANZ shares for his final term as a director, thus demonstrating his commitment for directors to align their interests with shareholders.

In considering his nomination for re-election we are aware of the standard practice of the need to ensure stability at Chairman level, when a CEO transition is occurring. In this case, the new CEO is entering the Australian banking environment for the first time.

In this regard, Mr O'Sullivan has confirmed his intention to not seek further endorsement as a director beyond this term and possibly may not serve out his full term if re-elected at this year's AGM. Therefore, a replacement Chairman needs to be identified and appointed, bearing in mind various regulatory approvals that may be required if an external candidate to the existing Board members is identified as the best appointment.

Notwithstanding the above, we believe the regulatory failings during his tenure and the need to establish new leadership as a priority, are sufficient for us to vote undirected proxies against the re-election of Mr O'Sullivan. The deciding factor being that shareholders have little ability to influence the governance and performance of the companies in which they invest, beyond holding directors accountable when facing re-election. In this case we believe Mr O'Sullivam must be held accountable for the serious events that have unfolded under his chairmanship.

(c) To re-elect Mr P J Smith (Undecided)

Mr Smith resides in the USA and was first appointed to the Board in August 2022. He holds a Bachelor of Applied Science from Miami University and a Master of Business Administration from San Jose State University.

His executive career involved positions in the telecommunications, financial services, manufacturing and energy sectors, including Chief Information Officer at IBM Corporation. He also held senior positions at Telstra, Honeywell, Toyota and Suncorp Group.

He is a director Sonrai Security Inc, a New York-based firm offering cloud identify and access solutions and PEXA Australia Limited, an ASX-listed property title settlement platform. Leaving time differences and travel logistics aside, he would appear to have sufficient time to carry out his responsibilities with ANZ.

Critically from a shareholder's perspective he is Chairman of the Board's Digital Business and Technology Committee (DBTC), as well as being a member of the Risk, People and Culture and Nominations and Operation committees. His leadership and knowledge in these areas have great importance, given they form the fundamental areas of advancement for ANZ. Surprisingly given the level of technology change driving the finance sector, the DBTC only met 3 times in the YE2025. The new CEO has made recalibration of customer facing IT systems one of his key priorities under his *ANZ 2030* strategy.

His shareholding is minimal with 2,779 ordinary shares, having not acquired any shares during the financial year just completed. He will however have to increase this holding by approximately $150,000 to align with his current base director fee as he approaches five years of service and the minimum shareholdings directors are required to hold under the Board policy at that point in time. (ASA's guideline being directors should be allowed three years to hold shares to the equivalent of their base director fee).

We have therefore adopted an "undecided" position on his re-election at this point and will await his presentation to the meeting before finalising our vote on undirected proxies held.

Further details on each of these candidates can be found in the 2025 Notice of Annual General Meeting and Annual Report.

Item 3: Remuneration Report (For)

Given the breadth and quantum of the matters raised above, the Board has had to grapple with the appropriate consequences for the former CEO and Disclosed Executives for cultural and non-financial risk issues that arose over their tenure. The approach adopted is summarised on page 53 of the Annual Report. Based on information currently available their approach appears reasonable and balanced bearing in mind people remain their key resource if they are to return the Company to a level expected by shareholders. The quantum of remuneration recovery from the former CEO and some of the departed executives will always be debatable, and we are advised there remains some opportunity to claw back further performance-related rights in future periods. Therefore, after considerable consideration, ASA will support the approval of the report for the year ended 30 September 2025.

We also note from discussions with the Chair of the Board's People and Culture Committee that work which commenced in YE24 continues to simplify the Bank's executive "scorecard" assessment process going forward by increasing the weighting applied to the financial aspects and reducing the number of key objectives and indicators.

We are advised this will improve focus and accountability on key matters and be reinforced and closely monitored by the Board.

One serious shortcoming that still requires attention, is the practice of noting additional fees paid to NEDs for their roles on Group subsidiaries as a non-descript note. All fees paid to NEDs should be incorporated into a single table regardless of which entity is responsible for the payment (refer section 9.2 on page 82 of the Annual Report). We are also closely monitoring the level of these additional fees. Approximately $1 million in total was paid to five current and former non-executive directors of Group subsidiaries.

Item 4: Approval of Allocation of Restricted Rights and Performance Rights to CEO and Executive Director Mr N A Matos (For)

This approval relates to the remuneration of the new CEO, Nuno Matos. With his appointment it was an opportunity for the Board to review the previous CEO remuneration structure as discussed under Item 3 above. If Mr Matos can achieve what he has been engaged to undertake, these rights will be just reward.

Item 5, 7, 8 and 9: Shareholder Resolutions (some conditional) (Item 5, Abstain, Items 7,8 and 9 Against)

The above items were proposed by shareholders under the provisions of 249N of the Corporations Act. Item 5 seeks to amend the Company's Constitution to provide for greater shareholder participation in the governance of the companies in which shareholders invest.

ASA is developing a policy position in relation to resolutions requisitioned by groups of shareholders. There is merit in allowing shareholders to propose ordinary resolutions as is allowed routinely in the UK and USA. In Australia currently, this requires the passing of a constitutional change as a pre-requisite. Against this, we observe that similar resolutions often involve extensive questioning at AGM's on topics that can detract from broader governance matters. As the ASA is in the midst of developing its policy position on shareholder resolutions, we propose to abstain on this resolution (item 5) and vote against the conditional resolutions should it be passed.

Item 6: Spill Resolution (Conditional) (Against)

Should the Company receive a second strike against its Remuneration Report this year, this automatically triggers a requirement to determine if the full Board should face re-election. Given the majority of current directors have had short tenures, there seems little value in supporting this item should it occur.

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Appendix 1
Remuneration framework detail

CEO rem. Framework for FY26	**Max. Opportunity $m**	**% of Total**
Fixed Remuneration	2.50	26
STI – Cash (Paid Y1)	1.25	13
STI – Equity (deferred 50% Y2, 50% Y3)	1.25	13
LTI Restricted Rights LTI Performance Rights *Note 1*	2.35 2.35	24 24
Total	**9.70**	**100**

The CEO commenced in May 2025 and was paid $925k in FR in the FY25.

Note 1 – To reflect that the CEO did not participate in the LTI awards in YE25 due to his start date, an additional 53% has been added to his standard maximum opportunity of 135% of Fixed Remuneration in FY26 only.