

# ANZ NOTICE OF MEETING

## 2012 ANNUAL GENERAL MEETING

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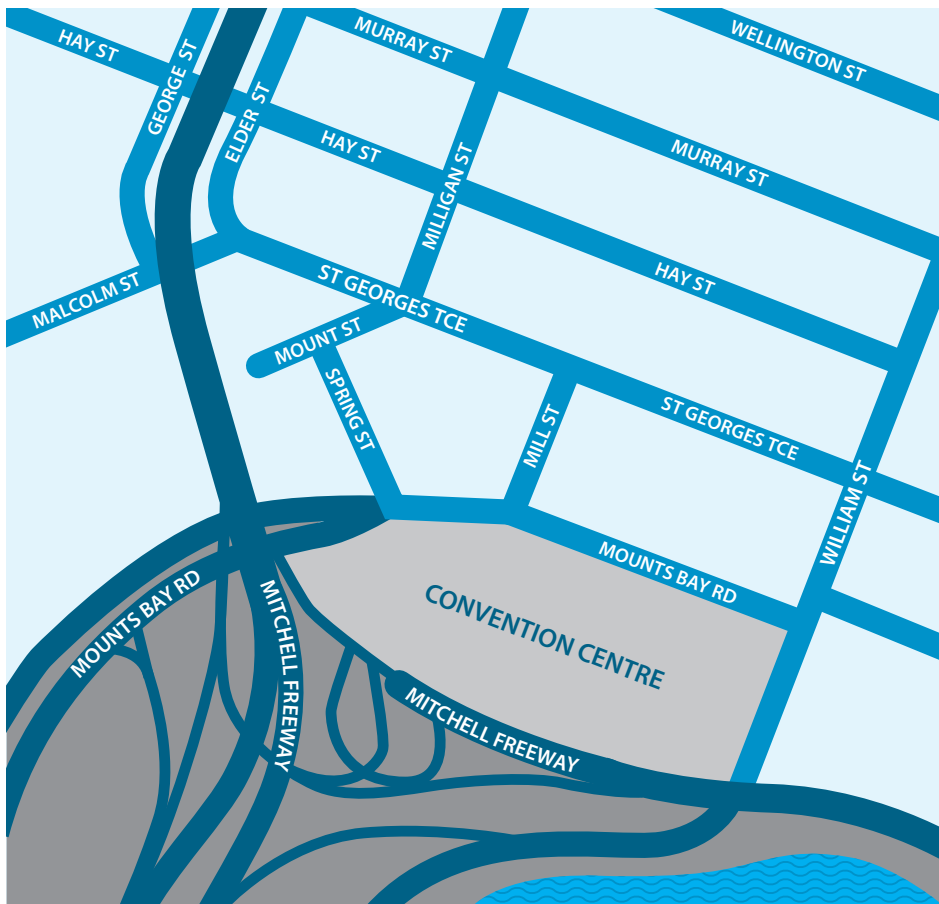
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## LOCATION OF THE ANNUAL GENERAL MEETING

**Wednesday, 19 December 2012 10:00 am (Perth time)**

Perth Convention and  
Exhibition Centre,  
Riverside Theatre,  
21 Mounts Bay Road, Perth,  
Western Australia



### THE PERTH CONVENTION AND EXHIBITION CENTRE

The Perth Convention and Exhibition Centre is located in the heart of Perth city, adjacent to the Swan River. The Centre is easily accessible by car, train, bus, taxi and on foot.



## TRANSPORT OPTIONS

### WALKING

Walking access into the Centre on Level 1 is via Mill Street or Mounts Bay Road. Level 2 can be accessed via the Esplanade Busport overpass.

### DRIVING

Access to the City of Perth Convention Centre Car Park is via Mill Street, Mounts Bay Road and the Riverside Drive off ramp of the Mitchell Freeway. Access to Level 1 Plaza area is from Mill Street or Mounts Bay Road.

## PUBLIC TRANSPORT

### TAXI

Perth Convention and Exhibition Centre is a designated Cab Spot location. A taxi phone is located at the Plaza Entry doors on Level 1. The Cab Spot number is 1088. Alternatively, to book a taxi, please contact:

Swan Taxis 13 13 30

Black and White Taxis 13 10 08

### BUSES

Esplanade Busport is located adjacent to the Perth Convention and Exhibition Centre. Many bus services depart and arrive at the Esplanade Busport including the free CBD 'Blue CAT' service. Perth's other major busport is the Wellington Street Bus Station, located along Wellington Street next to the Perth Central train station.

### TRAINS

Esplanade train station is located at the doorstep of the Centre and services the Mandurah and Joondalup Railway Line. Other train stations within close proximity of the Centre include:

Perth Underground station (Mandurah and Joondalup Railway Line) located on the corner of William Street and Murray Street Mall.

Perth Central station (Armadale-Thornlie Railway Line, Fremantle Railway Line and Midland Railway Line) located along Wellington Street (across from Forrest Place).

An underground walkway connects the Perth Central station to the Perth Underground station.

### FERRIES

A ferry service operates across the Swan River between Barrack Street Jetty (Perth) and Mends Street Jetty (South Perth). Barrack Street Jetty is only a short walk to the Centre. Services operate daily from 7:50am to 7:20pm (extended times operate on weekdays and during the summer months).

For all bus, train or ferry information, or to plan your journey, please contact Transperth on 13 62 13. For hearing impaired TTY please contact (08) 9428 1999.

## ANNUAL GENERAL MEETING AGENDA

**Wednesday, 19 December 2012**

|                 |                                                                                                                                       |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>9:00 am</b>  | Registration Opens                                                                                                                    |
| <b>9:15 am</b>  | Morning Tea                                                                                                                           |
| <b>10:00 am</b> | Annual General Meeting commences<br>Welcome to Shareholders – Chairman<br>Chief Executive Officer's presentation<br>Items of Business |

Please join the Chairman, John Morschel, the Directors and senior executives of ANZ for refreshments after the Annual General Meeting

### HOW BUSINESS WILL BE CONDUCTED AT THE MEETING

The Annual General Meeting is an important event and we encourage shareholders to actively participate.

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

### DISCUSSION AND ASKING QUESTIONS

Discussion will take place on all the items of business as set out on page 5.

The Explanatory Notes also provide further information relating to the items of business.

Shareholders will have the opportunity to ask questions at the Annual General Meeting (including an opportunity to ask questions of the Auditor).

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

- please keep questions as brief as possible and relevant to the matters being discussed;
- if a shareholder has more than one question, please ask all questions at the one time; and
- shareholders should not ask questions at the Meeting that they may have as an individual customer. These questions should be taken up with the ANZ representatives after the Meeting.

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so.

A Questions from Shareholders form has been included in the AGM mailing and is also available on the website. We will attempt to address as many of the more frequently asked questions as possible in the Chairman's and Chief Executive Officer's presentations to the Meeting.

A shareholder information stand will be available in the area outside the Meeting room. In addition Directors and senior executives will be available after the Meeting.

Discussion will take place on each item of business prior to shareholders being asked to vote.

### WEBCAST AND PHOTOGRAPHY

We have arranged for the Annual General Meeting to be filmed and broadcast via a webcast which can be viewed at [anz.com/agm](http://anz.com/agm). After the Meeting you can also watch an archived recording on the ANZ website.

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

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

Upon entry to the Meeting room, you will be asked to present your bag for a security search.

# NOTICE OF 2012 ANNUAL GENERAL MEETING

Notice is given that the 44th Annual General Meeting of Australia and New Zealand Banking Group Limited will be held at the Perth Convention and Exhibition Centre, Riverside Theatre, 21 Mounts Bay Road, Perth, Western Australia on Wednesday, 19 December 2012 at 10:00am (Perth time).

## BUSINESS

### 1. ANNUAL REPORTS

To consider the Annual Report, Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2012.

### 2. ADOPTION OF THE REMUNERATION REPORT

To adopt the Remuneration Report for the year ended 30 September 2012.

The vote on this resolution is advisory only.

### 3. GRANT OF PERFORMANCE RIGHTS TO MR MICHAEL SMITH

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

"That approval is given for the Company to grant to the Company's Chief Executive Officer, Mr Michael Smith, Performance Rights under the ANZ Share Option Plan on the terms set out in the Explanatory Notes to this Notice of Meeting."

### 4. INCREASE IN NON-EXECUTIVE DIRECTORS' FEE CAP

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

"That the maximum annual aggregate amount of remuneration (within the meaning of the Company's Constitution) that Non-Executive Directors are entitled to be paid for their services as Directors out of the funds of the Company under rule 10.2(a) of the Constitution be increased by \$500,000 and fixed at \$4,000,000."

### 5. ELECTION OF BOARD-ENDORSED CANDIDATES

#### (a) TO ELECT MS P. J. DWYER

Ms Dwyer, having been appointed by the Board after the date of the 2011 Annual General Meeting, is retiring in accordance with the Company's Constitution and, being eligible, offers herself for election as a Director.

#### (b) TO RE-ELECT MR J. P. MORSCHER

Mr Morschel is retiring and, being eligible, offers himself for re-election as a Director.

#### (c) TO RE-ELECT MR LEE HSIEN YANG

Mr Lee is retiring and, being eligible, offers himself for re-election as a Director.

### 6. ELECTION OF NON-BOARD-ENDORSED CANDIDATE – MR R. J. REEVES

Mr Reeves, being eligible, offers himself for election as a Director.



## ANZ SHAREHOLDER CENTRE WEBSITE

Our shareholder website has recently been updated to better serve our shareholders. Shareholders are able to view information in the manner that best suits them. Documents are available in various formats – view online, download or request a hard copy.

## 2012 ANNUAL REPORT AND 2012 SHAREHOLDER REVIEW

The Annual Report provides detailed financial data and information on the Group's performance as required to comply with applicable regulatory requirements. We also issue a Shareholder 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](http://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.



## VOTING RESTRICTIONS

### VOTING RESTRICTIONS FOR ITEM 2

The Corporations Act prohibits Directors and other key management personnel of the Company (details of whose remuneration are included in the 2012 Remuneration Report) and their closely related parties from voting in any capacity (e.g. as a shareholder, proxy or corporate representative) on item 2. The prohibition does not apply if the person has been appointed as a proxy by writing that specifies how the proxy is to vote on item 2, provided that the person who appointed the proxy is not themselves a person subject to the prohibition.

In addition, the prohibition does not apply to the Chairman of the Meeting as proxy where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a shareholder appoints the Chairman of the Meeting as their proxy and the shareholder does not direct the Chairman of the Meeting how to vote on item 2, the shareholder may authorise the Chairman of the Meeting in respect of item 2 to exercise the proxy notwithstanding that item 2 is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

The Chairman of the Meeting intends to vote undirected proxies (where the Chairman has been appropriately authorised) in favour of item 2.

Other Directors and other key management personnel of the Company and their closely related parties will not cast any votes in respect of item 2 that arise from any undirected proxy that they hold.

### VOTING RESTRICTIONS FOR ITEMS 3 AND 4

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on items 3 and 4 by each Director (except, in the case of item 3, those who are ineligible to participate in any employee incentive scheme operated by the Company) and their associates, other than where the vote:

- is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Corporations Act also prohibits a member of the Company's key management personnel or a closely related party voting as a proxy on resolutions connected directly or indirectly with the remuneration of key management personnel (such as items 3 and 4), if the proxy appointment does not specify the way the person is to vote.

The prohibition does not apply to the Chairman of the Meeting as proxy where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy in the manner contemplated by the proxy form accompanying this Notice of Meeting.

The Chairman of the Meeting intends to vote undirected proxies (where the Chairman has been appropriately authorised) in favour of items 3 and 4.

Other Directors and other key management personnel of the Company and their closely related parties/associates will not cast any votes in respect of items 3 and 4 that arise from any undirected proxy that they hold.

**If you do not wish to appoint the Chairman of the Meeting to vote in favour of items 2, 3 and/or 4, it will be important for you to complete the voting directions in respect of those items in Step 2 of the Proxy Form.**

**If shareholders (including nominees or custodians) have questions on the voting restrictions for items 2, 3 or 4, they should contact the Company's Share Registrar, Computershare, on 1800 11 33 99 (within Australia), 0800 174 007 (within New Zealand), 0870 702 0000 (within the United Kingdom) or (61 3) 9415 4010 (outside Australia).**

### UNDIRECTED PROXIES

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the voting restrictions above) in favour of each item of business, except for item 6 (the election of Mr Reeves). On item 6, the Chairman of the Meeting intends to vote any undirected proxy against Mr Reeves' election.

### ENTITLEMENT TO ATTEND AND VOTE

The Board has determined that, for the purposes of the Meeting (including voting at the Meeting), shareholders are those persons who are the registered holders of ordinary shares at 7:00pm (Melbourne time) on Monday, 17 December 2012.

### VOTING BY PROXY

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

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

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

**Australia**

|                                                                               |                                                                                                       |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| ANZ Share Registrar<br>GPO Box 242<br>Melbourne<br>Victoria 3001<br>Australia | ANZ Share Registrar<br>Yarra Falls<br>452 Johnston Street<br>Abbotsford<br>Victoria 3067<br>Australia |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|

**United Kingdom**

|                                                                                               |                                                                                                |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| ANZ Share Registrar<br>The Pavilions<br>Bridgwater Road<br>Bristol BS99 6ZZ<br>United Kingdom | <b>New Zealand</b><br>ANZ Share Registrar<br>Private Bag 92119<br>Auckland 1142<br>New Zealand |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|

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

Shareholders may also submit their proxy instructions electronically to the Company's Share Registrar by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and Intermediary Online subscribers only (custodians) should visit [www.intermediaryonline.com](http://www.intermediaryonline.com)

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

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

**VOTING BY ATTORNEY**

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

**CORPORATE REPRESENTATIVES**

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

By Order of the Board



**Bob Santamaria**  
Secretary  
Melbourne  
15 November 2012

**EXPLANATORY NOTES**

**ITEM 1 ANNUAL REPORTS**

A copy of the Company's 2012 Annual Report, including the Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 September 2012, can be found on the Company's website at [anz.com/annualreport](http://anz.com/annualreport)

As a shareholder you may elect to receive by mail, free of charge, the Company's 2012 Annual Report (which includes detailed financial statements and reports) or the 2012 Shareholder Review (a non-statutory document covering key performance areas, financial information, remuneration details and corporate responsibility). If you would like a hard copy of either document please contact the Company's Share Registrar, Computershare.

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

**ITEM 2 ADOPTION OF THE REMUNERATION REPORT**

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

- information about Board policy for determining the nature and amount of remuneration of the Company's Directors and most senior executives;
- a description of the relationship between the remuneration policy and the Company's performance; and
- remuneration details for key management personnel (including the Directors of the Company) for the period ended 30 September 2012.

The Remuneration Report, which is part of the 2012 Annual Report, can be found on the Company's website at [anz.com/annualreport](http://anz.com/annualreport) or can be obtained by contacting the Company's Share Registrar, Computershare.

**Board Recommendation:** The Board considers that the remuneration policies adopted by the Company are appropriately structured to provide rewards that are commensurate with the Company's performance and competitive with the external market. On this basis, the Board recommends that shareholders vote in favour of item 2.

### ITEM 3 GRANT OF PERFORMANCE RIGHTS TO MR MICHAEL SMITH

The Company is seeking the approval of shareholders for the proposed grant of Performance Rights to the Chief Executive Officer, Mr Michael Smith, under the ANZ Share Option Plan on the terms and conditions set out below.

#### Grant of Performance Rights

A Performance Right is a right to acquire an ordinary fully paid share in the Company at nil cost (i.e. nil exercise price), subject to meeting the performance condition. Upon exercise, each Performance Right entitles Mr Smith to one ordinary ANZ share which will rank equally with shares in the same class. (There will be an exercise period ending 2 years after the vesting date.) Mr Smith is not required to pay any amount on grant of the Performance Rights, nor on their vesting and exercise.

Performance Rights granted under the ANZ Share Option Plan do not carry any dividend or voting rights until they vest and are exercised.

If approval is obtained, it is the intention of the Board that the Performance Rights will be granted to Mr Smith on 19 December 2012 (but, in any event, not more than 12 months after the date of this Annual General Meeting).

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

It is proposed that Mr Smith be granted Performance Rights with a grant value of \$3,150,000. The actual number of Performance Rights to be granted is not known at this stage as it will depend on the valuation at the date of grant. However, the total value of the Performance Rights allocated will not exceed the \$3,150,000 grant value. The dollar value at grant may also vary from the value at some future date, as it will depend on the Total Shareholder Return (TSR) performance of the Company relative to a comparator group of companies and the share price at the time.

PricewaterhouseCoopers and Mercer Finance & Risk Consulting will independently value the Performance Rights. The valuation model takes into account a range of factors to determine the value of a Performance Right, such as the life of the Performance Right, the likelihood of vesting, the current price of the underlying shares, expected volatility of the share price and the dividends expected to be paid in relation to the shares. In accordance with AASB 2, the model reflects both the performance condition and the non-transferability of the Performance Rights (noting that the performance condition must be met before the Performance Rights vest and become exercisable). These valuations are then reviewed by KPMG and the highest acceptable value will then be approved by the Board as the allocation value.

For example, based on a grant value of \$3,150,000 and an approved allocation value of, for example, \$10 for each Performance Right, the number of Performance Rights that would be allocated is 315,000.

#### Performance condition

The Board has determined that the Performance Rights to be granted to Mr Smith (if approval is received) will be subject to a TSR hurdle which ranks the TSR performance of the Company with the TSR performance of a comparator group of companies.

The comparator group of companies currently includes the Commonwealth Bank of Australia, National Australia Bank Limited, Westpac Banking Corporation, Suncorp-Metway Limited, Macquarie Group Limited, AMP Limited, ASX Limited, QBE Insurance Group Limited and Insurance Australia Group Limited (**Comparator Group**).

Broadly, TSR is the growth in share price, plus the value of the dividends and distributions on the relevant shares. The TSR is measured over a three year performance period starting on the date of grant of the Performance Rights (e.g. 19 December 2012) and ending on the third anniversary of the date of grant of the Performance Rights (e.g. 19 December 2015) (**Performance Period**). The proportion of the Performance Rights that will become exercisable will depend upon a single point of testing of the TSR achieved by the Company relative to the TSRs of the Comparator Group at the end of the Performance Period. An average calculation will be used for TSR over a 90 day period for start and end values in order to reduce the impact of share price volatility.



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

| IF THE TSR OF THE COMPANY:                                                                                       | THE PERCENTAGE OF PERFORMANCE RIGHTS WHICH WILL VEST IS:                 |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Does not reach the 50th percentile of the TSR of the Comparator Group                                            | 0%                                                                       |
| Reaches or exceeds the 50th percentile of the TSR of the Comparator Group but does not reach the 75th percentile | 50%, plus 2% for every one percentile increase above the 50th percentile |
| Reaches or exceeds the 75th percentile of the TSR of the Comparator Group                                        | 100%                                                                     |

Mr Smith is not entitled to trade, transfer or otherwise deal in (including entering into any hedging arrangements in respect of) the Performance Rights or the underlying shares prior to vesting.

#### Treatment on termination of employment

If Mr Smith:

- resigns, all unexercised Performance Rights will be forfeited;
- is terminated by the Company with notice, all Performance Rights which have vested or which will vest during the notice period will be retained and become exercisable; all remaining Performance Rights will vest and become exercisable, subject to the relevant time and performance conditions being satisfied, unless the Board determines otherwise;
- is terminated by the Company without notice, all unexercised Performance Rights will be forfeited (whether or not the Performance Rights have vested); or

- ceases employment in circumstances of death or total and permanent disability, the performance condition will be waived and all unvested Performance Rights will vest.

In determining whether a different treatment should apply to that set out above where Mr Smith is terminated by the Company on notice, the Board will have regard to factors including, but not limited to, performance and the proportion of the Performance Period that has expired at the time of cessation of employment.

The Board could determine, for example, that:

- only some Performance Rights (whether vested or unvested) will continue on foot and become exercisable at the normal testing date (subject to satisfaction of the performance condition); or
- some or all unvested Performance Rights will lapse or be tested against the performance condition on cessation of employment; or
- any portion of the award which vests may be satisfied by a cash equivalent payment rather than shares.

#### Treatment on change of control

In the event of a takeover, scheme of arrangement or other change of control event occurring, the performance condition applying to the Performance Rights will be tested and the Performance Rights will vest based on the extent the performance condition is satisfied. No pro rata reduction in vesting will occur based on the period of time from the date of grant to the date of the change of control event occurring, and vesting will only be determined by the extent to which the performance condition is satisfied.

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

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

#### Other information

The ASX Listing Rules require that the following additional information be provided in relation to the proposed grant of Performance Rights to Mr Smith.

Mr Smith is the only Director entitled to participate in the ANZ Share Option Plan. No associate of any Director is entitled to participate.

At the time of preparation of this Notice, Mr Smith holds 840,230 Performance Rights under the ANZ Share Option Plan which were granted in accordance with his contract and or shareholder approval given at the 2007, 2010 and 2011 Annual General Meetings.

There is no loan scheme in relation to the acquisition of the Performance Rights (or the shares underlying them) as no payment is required.

On vesting of the Performance Rights, shares may be issued or acquired on market, or the Board may determine to settle in cash. Details of any shares issued under the ANZ Share Option Plan will be published in the Company's annual report for the relevant period.

The Board retains discretion to reduce any equity grant made to Mr Smith (including reducing it to zero) if the Board considers such an adjustment necessary to protect the financial soundness of ANZ, to meet unexpected or unknown regulatory requirements or if the Board subsequently considers that having regard to information which has come to light after the grant of equity, the grant was not justified.

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

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

**Board Recommendation:** The Board considers that the granting of Performance Rights is appropriate and is in the best interests of the Company and its shareholders, as the grant strengthens the alignment of Mr Smith's interests with shareholders, and the Performance Rights provide a strong link between the reward for Mr Smith's performance and total shareholder returns over the next three year period. Accordingly, the Board recommends that shareholders vote in favour of item 3.

#### ITEM 4 INCREASE IN NON-EXECUTIVE DIRECTORS' FEE CAP

In accordance with the ASX Listing Rules and the Company's Constitution, shareholders determine the maximum annual aggregate amount of remuneration that may be provided to Non-Executive Directors for their services as Directors (**fee cap**). The meaning of remuneration within the Company's Constitution includes salary, fringe benefits and superannuation contributions.

The current fee cap is \$3,500,000, as approved by shareholders at the 2008 Annual General Meeting.

Non-Executive Director remuneration for the financial year ended 30 September 2012 is detailed in the 2012 Remuneration Report which forms part of the Directors' Report. The total aggregate value of remuneration provided to all Non-Executive Directors during the last financial year was \$2,861,776.

Shareholder approval is now sought to increase the fee cap by \$500,000 up to \$4,000,000.

This increase is required to allow for the appointment of additional Non-Executive Directors which will enable appropriate handover and succession at the Board. The Board expects to appoint two new Non-Executive Directors in the coming year. These proposed appointments, and the appointment of Ms Dwyer to the Board in April this year, are part of a succession planning process in connection with the expected retirement of up to three Non-Executive Directors at the time of the 2013 Annual General Meeting.

The proposed increase in the fee cap will also provide the Company with the flexibility to ensure that a high calibre Board of appropriate size, expertise and experience is in place to serve the Company and its shareholders effectively.

It is important to note that there has not been any increase for the financial year ended 30 September 2012 in the base Board fee per Non-Executive Director nor in the Committee fee rates per Non-Executive Director.

**Board Recommendation:** For the reasons noted above, the Board recommends that shareholders vote in favour of item 4.

#### ITEM 5 ELECTION OF BOARD-ENDORSED CANDIDATES

**The board-endorsed candidates standing for election and re-election as Directors, and their details, are set out below. Mr Morschel and Mr Lee are retiring and offer themselves for re-election. Ms Dwyer, having been appointed by the Board after the date of the 2011 Annual General Meeting, is retiring in accordance with the Company's Constitution and offers herself for election.**

#### ITEM 5(a) TO ELECT MS P. J. DWYER

##### **Ms Dwyer**

Ms P. J. Dwyer

B Com, FCA, F Fin, FAICD

Independent Non-Executive Director, appointed in April 2012.

Ms Dwyer is a member of the Audit Committee, the Risk Committee and the Human Resources Committee. She is chairman of Tabcorp Holdings Limited, a director of Leighton Holdings Limited and Lion Pty Ltd, deputy chairman of Baker IDI Heart & Diabetes Institute and a member of the Takeovers Panel.

Ms Dwyer is a former director of Suncorp Group Limited, Foster's Group Limited, Astro Japan Property Group Limited, David Jones Limited, Healthscope Limited, CCI Investment Management Limited and Promina Group Limited.

Lives in Melbourne. Age: 52

Ms Dwyer is an established non-executive director with extensive experience in financial services and a strong accounting background, and has previously held executive roles in the investment management, corporate finance and accounting industries.

**Board Recommendation:** The Board (excluding Ms Dwyer because of her interest) endorses the election of Ms Dwyer as a Director.

#### ITEM 5(b) TO RE-ELECT MR J. P. MORSCHEL

##### **Mr Morschel**

Mr J.P. Morschel

DipQS, FAICD

Independent Non-Executive Director, appointed in October 2004.

Mr Morschel is Chairman of the Board (appointed in March 2010) and an ex officio member of each of the Board's principal Committees. He is a director of CapitaLand Limited, Tenix Group Pty Limited and Gifford Communications Pty Limited.

Mr Morschel is a former chairman of Rinker Group Limited, Leighton Holdings Limited and CSR Limited, and a former director of Rio Tinto Plc, Rio Tinto Limited and Singapore Telecommunications Limited. He was managing director of Lend Lease Corporation Limited from 1988 to 1995 and a director of Westpac Banking Corporation between 1993 and 2001, including two years as an executive director where his responsibilities included retail banking and wealth management.

Lives in Sydney. Age: 69

Mr Morschel has a strong background in banking, financial services and property as well as a depth of experience as a chairman and director of major Australian and international companies.

**Board Recommendation:** The Board (excluding Mr Morschel because of his interest) endorses the re-election of Mr Morschel as a Director.

#### **ITEM 5(c) TO RE-ELECT MR LEE HSIEN YANG**

##### **Mr Lee**

Mr Lee Hsien Yang  
MSc, BA

Independent Non-Executive Director, appointed in February 2009.

Mr Lee is a member of the Risk Committee, the Human Resources Committee and the Technology Committee. He is chairman of The Islamic Bank of Asia Limited, Fraser & Neave, Limited, Asia Pacific Investments Pte Ltd and the Civil Aviation Authority of Singapore, and a director of the Singapore Exchange Limited and Kwa Geok Choo Pte Ltd. Mr Lee is also a member of the Governing Board of the Lee Kuan Yew School of Public Policy and the Rolls Royce International Advisory Council, and a consultant to the Capital International Inc Advisory Board.

Mr Lee is a former chairman of the Republic Polytechnic, and a former director of SingTel Optus Pty Limited and Singapore Post Limited. He is also a former chief executive officer of Singapore Telecommunications Limited.

Lives in Singapore. Age: 55

Mr Lee is one of Asia's most respected business leaders and has considerable knowledge of the region. He has a background in engineering and brings to the Board his international business and management experience across a wide range of sectors including food and beverages, properties, publishing and printing, telecommunications, financial services, education, civil aviation and land transport.

**Board Recommendation:** The Board (excluding Mr Lee because of his interest) endorses the re-election of Mr Lee as a Director.

#### **ITEM 6 ELECTION OF NON-BOARD-ENDORSED CANDIDATE – MR R. J. REEVES**

**Mr Reeves has nominated himself for election as a Director. His candidacy is not endorsed by the Board.**

In connection with his nomination, Mr Reeves provided a statement to the Company with details of his experience and qualifications and his reasons for nominating. That statement has not been included in this Notice of Meeting on the basis of various legal considerations. However, the Company has compiled the following details having regard to the information provided by Mr Reeves. The Company has not verified the information provided by Mr Reeves and assumes no responsibility for it.

##### **Mr Reeves**

Mr R.J. Reeves  
BEc, DPM

Lives in Melbourne and Vietnam.  
Age: 62

Mr Reeves is a former employee of the Company who commenced litigation against the Company in connection with the cessation of his employment in 2003.

The litigation was settled by the parties and subsequently Mr Reeves has nominated himself for election as a Director each year since (and including) 2007.

Mr Reeves has indicated to the Company that he has nominated himself for election in order to remind ANZ's shareholders and Directors of governance issues that he believes were behind the settlement of the litigation, and of his separate concerns in relation to the Opes Prime matter.

Mr Reeves has stated he is a past Fellow Certified Practising Accountant and that his experience includes roles as Deputy Secretary – Department of Treasury Victorian State Government, and with Price Waterhouse and BHP, and encompassed chairing the Victorian Government's Treasury Department Audit Committee and being a Member of the State Revenue Office's Audit Committee. He has lived and worked extensively in Asia during his 30 year plus financial markets professional experience.

**Board Recommendation:** The Board does not endorse the election of Mr Reeves as a Director.

