

# Annual review and notice of meeting

**The Annual General Meeting of AMP Limited  
will be held on Friday, 8 May 2020 at 11.00am**

The formal Notice of meeting, including the items of  
business and explanatory notes, begins on page 17

# Message from the Chairman



As I foreshadowed last year, 2019 was a year of transition for AMP. As a board, and as a company, we have taken the necessary action to begin to address our legacy issues, in order to reinvent our 170-year-old business.

Our performance reflects the significant changes underway as we execute our new strategy, reposition the sale of AMP Life, address legacy issues, and navigate an increasingly complex regulatory environment.

## **Sale of AMP Life**

The sale of our Australian and New Zealand wealth protection and mature businesses, now known as AMP Life, to Resolution Life is critical to AMP's longer-term success.

In August 2019, we announced a revised agreement to sell AMP Life to Resolution Life for \$2.5 billion in cash, as well as a \$500 million interest in Resolution Life Australia, a new Australian-based company controlled by Resolution Life.

This agreement replaces the original transaction with Resolution Life, which could not progress due to challenges in achieving regulatory approvals.

The board assessed a number of options but remains convinced that the sale to Resolution Life will deliver the best outcomes for our shareholders, policyholders and business.

We continue to progress the transaction, which is expected to complete by 30 June 2020.

## **Client remediation**

The company is dealing with a number of legacy issues including the remediation of clients of advisers who received inappropriate advice, or who paid fees where there was no evidence of services delivered. The program accelerated as we said it would in 2019. Total program spend to date, including program costs and money repaid to clients, is \$264 million with \$190 million paid in the second half of the year. The program remains on track for completion in 2021.

## **Board renewal**

We commenced the program of board renewal in 2018 and were pleased to have the support of our shareholders at the 2019 AGM for the new directors. The new appointments to our board bring valuable insights to AMP as the industry navigates increasing regulatory, governance and risk obligations.

Turning to our more recently appointed directors, Debra Hazelton joined the board as an independent non-executive director in June 2019, bringing more than 30 years' experience in global financial services, including roles as the local Chief Executive of Mizuho Bank in Australia and Commonwealth Bank (CBA) in Japan.

Rahoul Chowdry joined the board as a non-executive director in January 2020. Rahoul has 35 years' experience in professional services, advising complex multinational organisations including Minter Ellison and PwC in Australia and overseas.

Michael Sammells joined the board as a non-executive director in March 2020. Michael brings more than two decades of experience as a CFO across private and ASX-listed companies. He is currently a non-executive director of Sigma Healthcare Limited.

We have also announced the retirement of three directors. Firstly, I want to acknowledge Mike Wilkins AO, who stepped down from the AMP Limited Board in February 2020. Mike has served AMP and its shareholders with distinction throughout his time on the board, particularly when he stepped into an executive capacity as interim Chairman and CEO at a deeply challenging time for the company in 2018. Mike will remain a non-executive director on the board of AMP Life until the completion of the sale of the business to Resolution Life.

Further, Peter Varghese AO and Andrew Harmos will also retire as directors at the conclusion of the AGM in May 2020. Andrew will remain a non-executive director on the board of AMP Life until the completion of the sale of the business to Resolution Life.

I would like to thank Mike, Peter and Andrew for their significant contributions to AMP over the past few years and wish them well for the future.

## 2019 performance and dividend

The business reported an underlying profit of \$464 million for the year. This was 32% lower than underlying profit in 2018 and largely reflected the challenging conditions faced by Australian wealth management. The net loss attributable to shareholders for the year was \$2.5 billion. This is due to a predominantly non-cash impairment of \$2.35 billion (post-tax) taken in the first half to reset

the business and support the new strategy. It is important to understand that this does not affect the financial stability of our business.

To ensure we maintained our capital position, and to enable management to begin implementing the new strategy immediately, AMP undertook a capital raising in 2019 through an institutional placement and a retail share purchase plan. We were pleased with the strong support from new and existing retail and institutional shareholders.

AMP remains well capitalised. Level 3 eligible capital above minimum regulatory requirements was \$2.5 billion at 31 December 2019, up from \$1.65 billion at 31 December 2018.

To maintain balance sheet strength and prudent capital management through a period of significant change, the board has resolved not to declare a final dividend in FY 19. This position will be reviewed after completion of the AMP Life sale.

AMP anticipates that any capital in excess of target surplus post completion will first be used to fund delivery of the new AMP strategy. Beyond this, AMP will assess all capital management options with the intent of returning the excess above target surplus to shareholders, subject to unforeseen circumstances.

## Reinventing AMP

In 2019, AMP announced a three-year transformational strategy to become a client-led, simpler, growth-oriented business. There is still much work to do to drive this turnaround but the foundations are now in place.



**David Murray AO**  
Chairman

## Message from the CEO



In my first year as CEO, we have set the foundations to turn our business around.

2019 was a year of fundamental reset for our business as we took bold but necessary action to address legacy issues and position AMP for the future. This was a critical first step in our transformational strategy to become a client-led, simpler, growth-oriented company and rebuild a business that you, our shareholders, can be proud of.

As a three-year strategy, there is still much to do, but I'm confident we're on the right course. We are driven by our purpose and motivated by our shared desire to serve our clients.

AMP was founded on a simple yet bold idea: that financial security enables people to live with dignity. Our commitment to improving financial literacy and making advice affordable to all Australians will help our clients live with the dignity that has been core to AMP's purpose for over 170 years.

AMP's commitment to our clients and the community remains as strong as it has ever been. The character of our company was on full display in 2019. The AMP Foundation continued to support the broader community, donating its 100 millionth dollar to a deserving charity partner. And following the devastating bushfires over summer, AMP answered the call.

We partnered with advisers to offer pro bono advice and other relief packages, while AMP employees and the AMP Foundation contributed financially to the Australian Red Cross Disaster Relief Appeal.

### **2019 financial performance**

Our performance in 2019 reflects the ongoing challenges we face as a business but was broadly in line with guidance.

Our underlying profit was \$464 million, down from \$680 million in 2018, following a decline in earnings in Australian wealth management. The net loss attributable to shareholders for the year was \$2.5 billion. This is due to a predominantly non-cash impairment of \$2.35 billion (post-tax) taken in the first half of 2019 to reset the business and support the new strategy.

AMP Capital had an outstanding year, particularly in infrastructure and real estate investments. In 2019, AMP Capital delivered two of the 10 largest infrastructure fundraisings in the world. AMP Bank put in a resilient performance in a competitive market, growing both deposits and residential loans.

Australian wealth management increased its assets under management over the year but its earnings were lower as we looked to improve competitiveness by reducing fees,

among other factors. We are working hard at reinventing our wealth business – it will take time, but we have taken some important steps in 2019, including the fundamental reshape of our advice network.

In New Zealand wealth management we saw a resilient underlying performance. Ongoing legislative change impacted the performance of AMP Life, our life insurance and mature business, which we have agreed to sell to Resolution Life.

## 2019 priorities

In 2019, AMP made significant progress in delivering three complex but fundamental priorities. These priorities are critical to laying the foundation for our new strategy.

We reached a revised agreement for the sale of AMP Life to Resolution Life, expected to complete by 30 June 2020. We firmly believe the sale is in the best interests of policyholders and the company over the long term.

Our client remediation program is on track for completion in 2021 and we are doing everything we can to do this as quickly as possible. Putting things right for our clients is paramount – not only is it the right thing to do, it ensures we can focus on building our future.

And AMP's risk, governance and control settings have been strengthened through a \$100 million (pre-tax) investment program, which will be complete by the end of 2020.

## Strategy

In 2019, we announced a bold, three-year transformational strategy that will put clients first, simplify the business and drive growth and returns for shareholders.

We have a clear motivation to get there – AMP is ambitious, because we're ambitious for our clients.

AMP is in a unique position as a result of the disruption in the market currently. There is a growing need for advice amongst Australians

– through face-to-face and digital services enabled by leading technology. We are well placed to develop whole-of-wealth offers encompassing advice, wealth and banking services to better serve our clients.

To support our strategy, we are committed to transforming our culture and improving our execution. In addition, we'll create a simpler and leaner business, through a multi-year cost-out program.

## 2020

In 2020, our focus will be on execution; we will meet our strategic priorities and implement a clear roadmap for delivering our three-year strategy.

We will simplify our portfolio by completing the sale of AMP Life, which will accelerate the simplification of our superannuation business. The reshape of our advice network will progress and we will capitalise on those areas of our business, like AMP Capital, AMP Bank and our platform business, that are performing strongly and continue to drive further growth.

This has been a challenging period for our business and I want to pay tribute to the resilience and professionalism shown by our employees. We are all energised by our mission. It will take a concerted team effort to build the new AMP and I know our employees are ready for the challenge. With your ongoing support, I'm confident we can harness this unique opportunity to reinvent our iconic business.



**Francesco De Ferrari**  
Chief Executive Officer

## Who we are and what we do

**AMP was founded in 1849 on a simple yet bold idea: that all individuals should have the power and ability to control their money and achieve their financial goals.**

Over the course of our 170-year history, our business has evolved and it will continue to do so into the future.

AMP is a wealth management company with a growing retail banking business and an expanding international investment management business. We provide retail clients with financial advice and superannuation, retirement income, banking, investment products and life insurance. AMP also provides corporate superannuation products and services for workplace super and self-managed superannuation funds (SMSFs).

### **AMP Australia: Australian wealth management**

We help our clients to save for, and live well in, retirement. We do this through our retail and workplace superannuation products, and self-managed superannuation funds services, as well as retirement income solutions and investments for individuals. Our superannuation business paid out \$2.6 billion in retirement payments (including mature payments) in Australia in 2019.

As part of our three-year strategy, we are committed to reinventing wealth management in Australia. Bringing together our bank and wealth management teams in Australia will drive a more integrated organisation to better deliver whole-of-wealth services to clients.

### **AMP Australia: AMP Bank**

AMP Bank provides clients with residential and investment property home loans, deposit and transaction accounts and SMSF products. We also provide loans to AMP-aligned financial adviser practices. We empower our clients to access AMP Bank products via a variety of channels including digital and online, phone, and through AMP financial advisers and home loan brokers.

In 2019, we helped around 110,000 Australians with their banking needs, including providing over 5,600 new home loans.

### **AMP Capital**

AMP Capital is a global investment manager, which services institutional and direct clients, including AMP. The business continues to grow its global presence through differentiated



**We helped around  
110,000 clients with  
their banking needs**



**We have  
approximately  
725,000 shareholders**

capabilities in real assets (real estate and infrastructure) and public markets, investing more than \$203 billion for clients across the world. In real assets, we manage real estate and infrastructure assets including shopping centres, airports and trains on behalf of funds and clients; while in public markets, we manage investments in equities, fixed income, multi-asset and diversified capabilities on behalf of clients around the world.

In 2019, AMP Capital had 358 direct international institutional clients and our ongoing relationships with global partners such as China Life provide a strong opportunity towards meeting our growth ambitions overseas and in new markets.

### **New Zealand wealth management**

In New Zealand we provide clients with financial products and services, directly and through a large network of financial advisers. This is a strong business, that is now largely localised and running as a standalone business. We're in discussions with a number of interested parties and will provide an update at or before half-year results in August 2020.

In 2019, AMP maintained its position as New Zealand's leading non-bank retirement solutions provider with approximately 9% of the total KiwiSaver market and approximately 225,000 clients.

### **AMP Life**

In August 2019, AMP announced a revised agreement to divest its Australian and New Zealand wealth protection and mature businesses to Resolution Life. This is a major step in reshaping AMP as a simpler, more focused group. The revised transaction is expected to complete by 30 June 2020.

#### **Wealth protection (life insurance)**

We support our clients and their families during tough times with life insurance, income protection and disability insurance solutions. AMP provides policies that are held by individuals or are a part of their superannuation funds.

In 2019, we paid \$1.1 billion in Australian insurance claims and NZ\$54.6 million in New Zealand insurance claims when people needed us most.

#### **Mature**

Through our mature business, we manage closed insurance and superannuation products that are no longer being sold. This business is managed for yield and capital efficiency.



<sup>1</sup> Fee reductions include MyNorth fee reductions in 2019 and super fee reductions in February 2020.

# Reinventing AMP

## 2019 was a year of fundamental reset for our company.

The three-year strategy we have outlined will transform AMP into a client-led, higher growth and higher return business. The heart of our new strategy is the prioritisation of our clients.

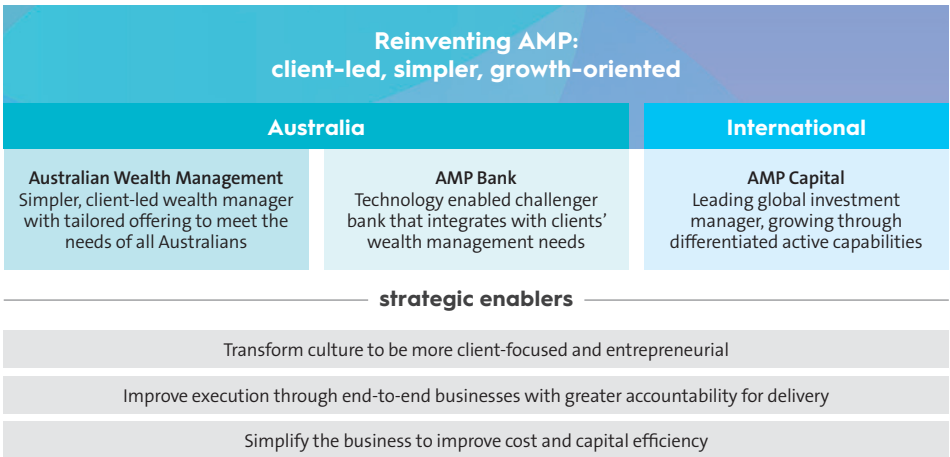
Recognising the substantial disruption in the wealth management industry, our new strategy aims to meet the growing advice needs of Australians, on their own terms. Our commitment to advice means AMP is uniquely positioned to develop whole-of-wealth client offers, encompassing wealth management, banking and advice.

In our investment management business AMP Capital, we will continue to invest to expand our global footprint through expertise in infrastructure and real estate investments, as well as growing our solutions in public markets. In our banking business, AMP Bank, the focus will be on growing through a broader mix of channels and seeking opportunities for closer integration of banking and wealth offers.

We are also simplifying our portfolio of businesses. The sale of AMP Life is progressing and expected to be complete by 30 June 2020. We are also exploring options to divest our New Zealand wealth management business.

To ensure the success of this strategy, we are making targeted investments. We've announced a program to invest between \$1 billion and \$1.3 billion over the next three years, focused on growth, cost improvement and de-risking the business. This includes \$350 million to \$450 million to create a leaner, simpler business, and \$300 million to \$400 million to restructure our advice network and simplify our superannuation business.

In moving to the implementation phase of our strategy, in 2020 we will focus on key drivers of value: simplifying our portfolio; reinventing wealth management in Australia; continuing to grow our successful asset management franchise; and creating a simpler, leaner business. We have outlined 10 strategic priorities against these drivers.





## 2020 strategic priorities

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### Simplify portfolio

#### 1. Sale of AMP Life

The sale of our insurance and mature businesses (AMP Life) is progressing well following a revised agreement reached in 2019. This is a complex transaction but we're on track to complete by 30 June 2020.

#### 2. Divest New Zealand

New Zealand wealth management is a well managed, cost efficient business, but we believe the strongest value for shareholders will be realised from it being a standalone, localised business. We're in discussions with a number of interested parties and expect to provide an update at or before our half-year results in August 2020.

### Reinvent wealth management in Australia

#### 3. Reinvent advice

We believe there is a strong social need for financial advice; however, it is not affordable to everyone who would benefit from it. In the second half of 2019 we embarked on significant reshaping of our adviser network to be more compliant, professional and productive. Our absolute focus is on continuing to provide high quality advice to our clients.

#### 5. Grow successful platform business

Our key wealth platform business, North, is highly rated by our clients and advisers – and we will continue to invest in North's features and capability to drive its growth in 2020. External financial advisers (EFAs), not just our aligned advisers, are increasingly utilising the North platform, with EFA inflows into North increasing 44% in 2019.

#### 4. Build best-in-class super business

In superannuation, our simplification program has started and following the sale of AMP Life, we expect to accelerate the change that will see us reduce from six superannuation offerings to one, and from around 70 super products to six.<sup>1</sup>

#### 6. Maintain growth momentum in bank

AMP Bank will focus on improving its technology and integrating with Australian wealth management – our superannuation and advice business. By investing to modernise the bank's platform, we'll improve the client experience, deliver efficiencies and help AMP to grow.

### Continue to grow successful asset management franchise

#### 7. Grow AMP Capital through differentiated capabilities

Our asset management business AMP Capital delivered a strong performance in 2019 and in 2020 we will continue to build on its success.

In 2019, our real assets businesses (real estate and infrastructure) delivered two of the top 10 largest infrastructure fundraisings in the world. And in public markets, we've continued to build a strong track record for performance, including top rankings for our global listed infrastructure and global companies funds.

### Create a simpler, leaner business

#### 8. Create simpler, leaner operating model

In 2020, we'll continue to simplify our business model and create clear accountabilities. We've set a target to deliver gross cost savings of \$300 million, excluding AMP Capital, by full-year 2022 and we've made good progress against this. We're targeting cumulative gross cost savings of \$140 million by 2020.

#### 9. Strengthen risk management

AMP is in the second year of a \$100 million investment program to improve risk management, controls and governance, including new technology and systems, training, and a strengthened whistleblowing program. This program is on track to complete by the end of 2020.

#### 10. Transform culture

Culture will play a major role in AMP's transformation. Creating a high-performance culture is integral to delivering for our shareholders. In 2019, we took the first steps to defining and embedding our values; and in 2020, our focus will be on execution and accountability.

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<sup>1</sup> Metrics are for AMP's Mastertrust, mature and wealth protection in super businesses.

# Corporate sustainability

## Our approach to sustainability is built around three areas of stakeholder focus: our clients, our people and our community.

We are committed to rebuilding trust in AMP to ensure it has a sustainable future – one that has shared value for clients, shareholders, employees, the community and the environment.

In consultation with stakeholders, we have identified nine material sustainability issues, in our three key focus areas, which impact our ability to create and protect value for our stakeholders into the future. These issues are outlined below.

### Our clients

AMP is committed to reinventing our business to deliver better outcomes for our clients and meet the financial needs of Australians. We are investing to simplify our business and processes and to improve service and value for our clients.

### Client experience

In 2019, more than 85,000 clients benefitted from reduced MyNorth fees, and reduced super fees announced in February 2020 will benefit a further 500,000 clients.

In 2019, we continued to listen to client feedback, asking more than 570,000 clients for feedback through NPS surveys and enacting 91 changes to systems and processes as a result.

In addition, the AMP Customer Advocate conducts impartial reviews of client complaints using a 'fair and reasonable' framework. In 2019, the number of client complaint reviews increased 140% from 2018, while the proportion of new or enhanced client outcomes remained steady.

### Regulatory and legislative change

AMP operates within a sophisticated legal and regulatory framework, set down by the government and enforced by our regulators. This framework covers how we serve our clients, design products and provide financial services.

In 2019, we contributed to many of the important government policy developments in the sector such as the consultation processes relating to proposed legislation for a Compensation Scheme of Last Resort and the government's Retirement Income Review. During the year, AMP also responded to the Final Report of the Financial Services Royal Commission and appeared before the House of Representatives Economics Committee.

During 2019, we have continued to strengthen our incident, issue, breach, risks and control systems to enhance processes for the mitigation and reporting of breaches. We have also updated our Regulatory Contact Policy, to centralise our engagement with regulators.

### Digital and technology

Technology and digital transformation are creating new opportunities for clients to engage with their wealth. In 2019, we increased the functionality of our platforms to help clients bank, track cash flow, budget and model for retirement.

With greater technology adoption, the importance of cyber security and data privacy grows. We have strengthened our information security framework and training to enhance our resilience to cyber-attacks. In 2019, we notified authorities of three data breaches which impacted a small number of clients and employees and took actions to protect individuals from harm and prevent future breaches.

### Our people

#### Ethical conduct and professional standards

AMP employs more than 6,500 employees and works with many partners across our businesses, including more than 2,100 aligned advisers. We have always believed in investing in our people and their development, which is why creating the right culture is an integral part of our new strategy.

AMP has continued to make progress on our client remediation program, which is paying money back to clients of advisers who received inappropriate advice or who paid fees where there was no evidence of services being delivered. Total program spend to date, including program costs and money repaid to clients, is \$264 million with \$190 million paid in the second half of the year. The program remains on track for completion in 2021.

We are actively supporting our employed and aligned advisers transition to be degree-certified in compliance with the Financial Adviser Standards and Ethics Authority (FASEA). We have partnered with Griffith University to provide entry pathways and blended learning of professional development and education.

### **Supporting and developing people**

AMP encourages a respectful, diverse and safe workplace that supports the physical and psychological safety of our people. In 2019, AMP developed a mentally healthy workplace strategy to provide improved support to employees. This included training over 90 accredited mental health first aid officers throughout our Australian offices, with a further 80 to be trained in 2020.

We value differences and encourage a flexible and inclusive work environment where people can bring their whole selves to work. AMP has gender targets in place for management positions, including 40% representation on the AMP Limited Board, 47% representation for senior executives and 50% for middle management.

In 2019, our LGBTIQ+ community hosted its inaugural AMProud Week, including LGBTIQ awareness sessions and functions to champion diversity of thought and lived experience.

## **Our community**

### **Responsible investing**

A key consideration of AMP Capital, our investment management business, is assessing the environmental, social and governance (ESG) performance of its investments, through dedicated investment specialists.

In 2019, AMP Capital achieved A/A+ ratings for the United Nations Principles for Responsible Investment (UNPRI) across all asset classes.

It achieved top five global rankings for two infrastructure funds and scored 90% average across six real estate funds in the Global Real Estate Sustainability Benchmarking (GRESB) survey.

### **Climate change**

AMP recognises that climate change is a significant global risk driver that presents economic and environmental challenges to society. AMP has maintained an A- score in our annual submission through the Carbon Disclosure Project (CDP).

AMP Capital manages climate risk as part of its ESG investment philosophy. It considers climate-related risks and opportunities in investment strategies and provides low carbon investment opportunities to institutional and AMP superannuation clients. AMP Capital has also committed its real estate portfolio to be carbon neutral for Scope 1 and 2 emissions by 2030.

### **Operations and supply chain**

As a symbol of our commitment on climate change, AMP is carbon neutral across our own operations. In 2019, we reduced our Scope 1 and 2 emissions by 48% from 2013 levels.

We have also strengthened our supplier management framework by introducing a new Supplier Code of Practice which clearly outlines AMP's expectations of suppliers, including issues such as information security and modern slavery.

### **Community investment**

The AMP Foundation works with non-profit enterprises that provide sustainable employment opportunities for marginalised Australians. Since 1992, the AMP Foundation has distributed over \$100 million to help charities and individuals make a positive impact in their communities.

In 2019, the AMP Foundation distributed over \$5 million in the community, including \$1 million in grants through the AMP Tomorrow Fund to help 37 talented Australians achieve their dreams. Our advisers helped 623 clients affected by cancer with pro bono advice through our partnership with Cancer Council Australia.

You can find further information in our sustainability report at [amp.com.au/corporatesustainability](https://amp.com.au/corporatesustainability)

# Remuneration

## Overview of 2019

In 2019, AMP committed to a significant transformation of its business, setting out a new strategy as well as changes to its operating model. The leaders and wider employee base took on the challenge of reshaping the business, including managing the complex separation of AMP's life insurance business and addressing the long-term legacy issues in financial advice and superannuation. This had to be conducted in an environment of rapid regulatory change.

Our CEO Francesco De Ferrari led the development of the new strategy and implemented required changes in the business in his first full year with the company. The CEO has reshaped and streamlined his leadership team, articulated a new corporate purpose, and established the new operating model. The board has established systems of oversight to track its progress of the strategy.

Following the challenges the company faced in 2018, and associated loss of shareholder value, our senior executives understood and accepted the board's decision not to award short-term incentive payments for that year.

For 2019, the board has been cognisant that the renegotiation of the AMP Life sale, the new capital issuance, and ongoing complexity, again adversely affected the company's share price. Accordingly, in considering the 2019 short-term incentives the board has sought to balance the need to exercise some restraint to reflect our shareholders' experience, but at the same time be able to attract and retain the right people to work through the complexities in the business.

## Conduct and culture

Improving the conduct and culture within the business forms a core element of AMP's transformation. The board seeks to set the tone by requiring management to address legacy issues by establishing robust processes around risk management, governance, reporting and people systems.

Together, these systems are intended to build a culture which reflects the company purpose and its underlying principles, with its focus on meeting our customers' needs and helping them to realise their broader ambitions in life.

Important steps have also been taken in articulating expected behaviours and embedding them within our performance management, remuneration and employee recognition systems. These behaviours are reinforced by our employee conduct management policy and guidelines.

A major investment to enhance our risk management, internal controls and governance was outlined to shareholders in 2018. This has included putting in place new mechanisms to identify risks, ensure they are properly managed and reported, and reinforce necessary practices within the business.

The board has been deliberate in ensuring conduct and culture of the organisation, including risk outcomes, are taken into account in remuneration outcomes. As AMP continues its transformation, the board will continue to exercise discretion to ensure there are remuneration consequences applied where warranted.

## 2019 performance and remuneration

The board's role is to ensure remuneration outcomes have appropriately considered financial returns to shareholders while balancing longer-term non-financial measures such as delivery against strategic priorities, risk management (including people risks), customer outcomes, individual behaviours and culture.

The company's remuneration approach recognises areas of strong performance where teams and individuals have delivered and outperformed against their targets. The board is aware of the challenges implicit in the transformation and delivery of the strategic plan and that this is dependent on attracting and retaining skilled people.

The board awarded 2019 outcomes for the CEO and executives taking into account the need to appropriately motivate and retain executives while ensuring alignment with stakeholder outcomes and exercising restraint. 2019 STI outcomes ranged between 0% and 63% of maximum opportunity, illustrating differentiation for factors such as business unit and individual performance including risk management, conduct and behaviours.

## Changes to the remuneration structure for 2019

For 2019, the Remuneration Committee refreshed the group incentive structures to support the new strategy through:

- the development of the 2019 group incentive pool based on the achievement of financial outcomes and a set of key priorities. This departure from the scorecard approach used in prior years provides the board with flexibility and discretion to react to rapidly shifting strategic priorities as needed to deliver long-term shareholder value;
- introduction of a new long-term incentive plan for executives and senior leaders. The plan includes a Risk and Conduct Gateway to ensure the board's expectations of an individual's performance are met before vesting can occur; and
- senior leaders moving to an STI and LTI structure in support of our objective to differentiate reward outcomes for our best performers.

## Committee priorities for 2020

The priorities for 2020 include:

- responding to changes in the regulation of executive remuneration;
- embedding the new conduct management policy and guidelines, which address inappropriate conduct and recognise behaviours that are consistent with AMP values; and
- monitoring of the remuneration framework and its consistency with AMP's transformation.

The board appreciates the feedback we have received from our shareholders and clients and will continue to engage as the company delivers on its transformation strategy.

## David Murray AO

Chairman, AMP Limited Board and AMP Remuneration Committee

## Director board and committee membership

Director	AMP Limited	Audit committee	Risk committee	Nomination committee	Remuneration committee	AMP Bank Board	AMP Capital Holdings Board	National Mutual Life Board	AMP Life Board
David Murray AO	C		●	C	C	C ▲			
Francesco De Ferrari	●					●	●		
Rahoul Chowdry	●	●	●		●	● ▲			
John Fraser	●	●	●	●	●	● ▲	C ▲		
Andrew Harnos (retiring 8 May 2020)	●	●	C		●	● ▲		● ▲	● ▲
Debra Hazelton	●	●	●	●	●	● ▲	● ▲		
Trevor Matthews	●	●	●		●	● ▲		C ▲	C ▲
John O'Sullivan	●	●	●		●	● ▲			
Michael Sammells	●	●	●		●	● ▲			
Andrea Slattery	●	C	●		●	● ▲		● ▲	● ▲
Peter Varghese AO (retiring 8 May 2020)	●	●	●	●	●	● ▲	● ▲		

C Chairman

● Member

▲ Additional committee membership

## Board remuneration

The following table shows the remuneration paid to AMP Limited Non-executive Directors for 2019.

Name	Appointed to the AMP Board	Year	Total fees and benefits <sup>1</sup> \$'000	Super-annuation \$'000	Total \$'000	AMP shares held <sup>3</sup>
David Murray Chairman	June 2018	<b>2019</b> 2018	<b>831</b> 438	<b>19</b> 11	<b>850</b> 449	<b>291,375</b>
John Fraser Non-executive Director	September 2018	<b>2019</b> 2018	<b>345</b> 50	<b>24</b> 6	<b>369</b> 56	<b>21,875</b>
Andrew Harmos Non-executive Director	June 2017	<b>2019</b> 2018	<b>392</b> 281	<b>24</b> 20	<b>416</b> 301	<b>36,818</b>
Debra Hazelton Non-executive Director	June 2019	<b>2019</b> 2018	<b>232</b> —	<b>19</b> —	<b>251</b> —	<b>102,877</b>
Trevor Matthews Non-executive Director	March 2014	<b>2019</b> 2018	<b>427</b> 304	<b>24</b> 20	<b>451</b> 324	<b>100,000</b>
John O'Sullivan Non-executive Director	June 2018	<b>2019</b> 2018	<b>287</b> 101	<b>24</b> 11	<b>311</b> 112	<b>54,086</b>
Andrea Slattery Non-executive Director	February 2019	<b>2019</b> 2018	<b>312</b> —	<b>22</b> —	<b>334</b> —	<b>58,475</b>
Peter Varghese Non-executive Director	October 2016	<b>2019</b> 2018	<b>364</b> 292	<b>24</b> 20	<b>388</b> 312	<b>85,575</b>

Name	Retired	Year	Total fees and benefits <sup>1</sup> \$'000	Super-annuation \$'000	Total \$'000	AMP shares held <sup>3</sup>
<b>Former directors</b>						<b>n/a</b>
Geoff Roberts Former Non-executive Director	May 2019	<b>2019</b> 2018	<b>125</b> 255	<b>9</b> 20	<b>134</b> 275	
Mike Wilkins Former Non-executive Director	February 2020	<b>2019</b> 2018	<b>355</b> 1,497	<b>22</b> 19	<b>377</b> 1,516 <sup>2</sup>	<b>108,525</b>

1 Includes all board and committee fees and additional board duties.

2 Mike Wilkins was appointed executive Chairman of the AMP Limited Board from 30 April to 20 June 2018. He then held the position of acting Chief Executive Officer from 20 June 2018 to 30 December 2018. These fees reflect the remuneration paid in his capacity in these roles during 2018.

3 Shares held at 31 December 2019.

## Executive remuneration

The following table shows the remuneration paid to the AMP Executive team for 2019.

Name and position	Year	Cash salary \$'000	Cash incentives \$'000	Other short-term benefits \$'000	Super-annuation \$'000	Rights, options and restricted shares \$'000	Other \$'000	Total \$'000
Francesco De Ferrari Chief Executive Officer	2019	2,177	1,320	1,711	22	8,196	5	13,431
	2018	156	—	341	5	774	—	1,276
Megan Beer Chief Executive, AMP Life	2019	860	225	56	25	641	13	1,820
	2018	861	—	45	25	618	9	1,558
David Cullen Group General Counsel	2019	668	260	8	25	531	13	1,505
	2018	426	—	29	15	45	88	603
Jenny Fagg Chief Risk Officer	2019	877	200	43	22	283	2	1,427
	2018	797	—	159	57	330	2	1,345
James Georgeson Chief Financial Officer	2019	182	78	1	7	115	3	386
	2018	—	—	—	—	—	—	—
Helen Livesey Group Executive, People and Corporate Affairs	2019	802	280	16	22	617	17	1,754
	2018	666	—	55	22	507	8	1,258
Craig Ryman Chief Operating Officer	2019	846	200	43	25	552	40	1,706
	2018	755	—	54	25	575	52	1,461
Adam Tindall Chief Executive, AMP Capital	2019	878	1,442	30	25	1,090	658	4,123
	2018	853	785	41	25	1,272	333	3,309
Alex Wade Chief Executive, AMP Australia	2019	909	400	581	39	1,051	1	2,981
	2018	—	—	—	—	—	—	—

Name and position	Year	Cash salary \$'000	Cash incentives \$'000	Other short-term benefits \$'000	Super-annuation \$'000	Rights, options and restricted shares \$'000	Other \$'000 <sup>1</sup>	Total \$'000
<b>Former executives</b>								
Sally Bruce Former Group Executive, AMP Bank	2019	655	165	222	23	623	408	2,096
	2018	725	—	232	25	526	5	1,513
Gordon Lefevre Former Chief Financial Officer	2019	684	150	70	22	582	941	2,449
	2018	939	—	121	22	790	10	1,882
Paul Sainsbury Former Group Executive, Wealth Solutions and Customer	2019	129	—	81	24	(80)	1,815	1,969
	2018	897	—	35	25	778	(26)	1,709
Fiona Wardlaw Former Group Executive, People and Culture	2019	298	—	31	18	556	1,198	2,101
	2018	757	—	43	25	538	29	1,392

1 Includes termination benefits.

## Our board

### AMP Limited Board (as at 5 March 2020)

Details of the directors' qualifications, experience, special responsibilities and directorships of other listed companies are given in the 'Our board' section of our annual report.



**David Murray AO**  
Chairman



**Francesco De Ferrari**  
Chief Executive Officer  
and Managing Director



**Rahoul Chowdry**  
Independent Director



**John Fraser**  
Independent Director



**Andrew Harnos**  
Independent Director



**Debra Hazelton**  
Independent Director



**Trevor Matthews**  
Independent Director



**John O'Sullivan**  
Independent Director



**Michael Sammells**  
Independent Director



**Andrea Slattery**  
Independent Director



# Notice of 2020 Annual General Meeting

**Notice is given that the Annual General Meeting (AGM) of AMP Limited will be held on Friday, 8 May 2020, beginning at 11.00am (Sydney time), in the Concert Hall at The Concourse, 409 Victoria Avenue, Chatswood, New South Wales, Australia.**

The AGM will be held in the Concert Hall at The Concourse, Chatswood, 409 Victoria Avenue, Chatswood, New South Wales, Australia on Friday, 8 May 2020, beginning at 11.00am (Sydney time). Shareholders who are attending the AGM can register from 8.30am at the venue. Information on how to get to The Concourse, Chatswood is on page 31.

We encourage shareholders to join us either in person or via the live webcast at [amp.com.au/agm](http://amp.com.au/agm). If you are unable to attend in person, we are pleased to offer you the opportunity to ask questions via the live webcast.

You may also appoint a proxy before the AGM, by post, fax or online.

At the AGM, you will have the opportunity to vote on:

- the re-election of Trevor Matthews and the election of Debra Hazelton, Rahoul Chowdry and Michael Sammells as directors of AMP
- the adoption of the remuneration report as set out on pages 28 to 52 of the AMP 2019 annual report
- approving the cancellation of CEO 2018 Recovery Incentive
- approving the refreshment of AMP's share placement capacity, and
- approving the convertibility of the AMP Capital Notes 2.

The following pages contain further details on the items of business and the voting procedures for the AGM. Certain terms used in this notice of meeting have the meaning given to them on page 30.

## **How to watch the AGM and ask questions live online**

You can watch a live webcast of the AGM and ask questions at [amp.com.au/agm](http://amp.com.au/agm). After the AGM, you will also be able to watch an archived recording of the meeting on our website.

If you attend the AGM in person, you may be included in the webcast recording or in photographs taken at the AGM.

## **AMP 2019 annual report**

A copy of the AMP 2019 annual report (including the financial report, directors' report and auditor's report for the year ended 31 December 2019) is available online at [amp2019.reportonline.com.au](http://amp2019.reportonline.com.au)

## **A free information session for shareholders prior to the AGM**

This is an opportunity for you to hear from AMP's Chief Economist Shane Oliver. The information session will be held in the Theatre at The Concourse, Chatswood, 409 Victoria Avenue, Chatswood, New South Wales, Australia at 9.30am (Sydney time) on Friday, 8 May 2020. The session will be available on our website to view after the meeting at [amp.com.au/ampinfosession](http://amp.com.au/ampinfosession)

# Items of business

*Note: Item 1 does not require a resolution and is for discussion only. Shareholders will be asked to consider and, if thought fit, to pass the resolutions in items 2, 3, 4, 5 and 6, which will be proposed as ordinary resolutions.*

## **Item 1: Financial report, directors' report and auditor's report**

To receive and consider the financial report, the directors' report and the auditor's report for the year ended 31 December 2019.

## **Item 2: Re-election and election of directors**

- (a) To re-elect Trevor Matthews as a director.
- (b) To elect Debra Hazelton as a director.
- (c) To elect Rahoul Chowdry as a director.
- (d) To elect Michael Sammelms as a director.

## **Item 3: Adoption of remuneration report**

To adopt the remuneration report for the year ended 31 December 2019.

*Note: Under the Corporations Act, the vote on this resolution is advisory only and will not bind AMP or the directors.*

## **Item 4: Cancellation of CEO 2018 Recovery Incentive**

That approval be given for the cancellation of the 2018 Recovery Incentive which was granted to Francesco De Ferrari on his appointment as CEO of AMP for the purposes of ASX Listing Rule 6.23.2 and for all other purposes.

## **Item 5: Refresh placement capacity**

That approval be given for the issue of 406.3 million fully paid ordinary shares which were issued pursuant to the institutional placement announced by AMP Limited to the ASX on 8 August 2019 for the purposes of ASX Listing Rule 7.4 and for all other purposes.

## **Item 6: Approval of convertibility of AMP Capital Notes 2**

That approval be given for conversion of 2,750,000 AMP Capital Notes 2 into fully paid ordinary shares of AMP Limited subject to and in accordance with the AMP Capital Notes 2 Terms for the purposes of ASX Listing Rule 7.1 and for all other purposes.

The proposed items of business should be read in conjunction with the explanatory notes on pages 22 to 29, which form part of this notice of meeting.

## **Note: Voting exclusions for the resolution set out in item 3**

In accordance with the Corporations Act, no votes may be cast, and AMP will disregard any votes cast, on the resolution set out in item 3:

- by or on behalf of a member of the KMP whose remuneration details are included in the remuneration report for the year ended 31 December 2019 or a Closely Related Party of any such member of the KMP, in any capacity, or
- as a proxy by any person who is a member of the KMP at the time of the AGM, or by a Closely Related Party of any member of the KMP,

unless the vote is cast as proxy for a person who is entitled to vote on the relevant resolution and:

- the vote is cast in accordance with a direction on the proxy form specifying how the proxy is to vote on the resolution, or
- the vote is cast by the Chairman of the AGM and the proxy form expressly authorises the Chairman to exercise the proxy and vote as the Chairman decides even though the resolution is connected directly or indirectly with the remuneration of members of the KMP.

Please read the information under the heading 'Chairman of the AGM as proxy', on page 21, which deals with the Chairman's voting of proxies on the resolution set out in item 3.

### **Note: Voting exclusions for the resolution set out in item 4**

AMP will disregard any votes cast on the resolution set out in item 4:

- that are cast in favour of the resolution by or on behalf of Mr De Ferrari and any of his associates (regardless of the capacity in which the vote is cast); and
- that are cast as a proxy by a member of the KMP at the date of the AGM or their Closely Related Parties,

unless the vote is cast:

- as proxy or attorney for a shareholder who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the AGM as proxy or attorney for a shareholder who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Please read the information under the heading ‘Chairman of the AGM as proxy’, on page 21, which deals with the Chairman’s voting of proxies on the resolution set out in item 4.

### **Note: Voting exclusions for the resolutions set out in items 5 and 6**

AMP will disregard any votes cast in favour of the resolutions set out in item 5 and item 6 by or on behalf of:

- a person who:
  - participated in the issue of shares under the institutional placement the subject of the resolution set out in item 5; or
  - is a holder of Capital Notes 2 as at the date of the AGM; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution set out in item 5 or item 6 by:

- a proxy or attorney for a shareholder who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the AGM as proxy or attorney for a shareholder who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
  - the beneficiary provides written confirmation to the shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Please read the information under the heading ‘Chairman of the AGM as proxy’, on page 21, which deals with the Chairman’s voting of proxies on the resolutions set out in items 5 and 6.

# How to vote

As a shareholder, you can vote on the items of business by:

- attending the AGM and voting, or
- appointing a proxy, representative or attorney to vote on your behalf at the AGM.

## Voting at the AGM

The board has determined that you will be entitled to attend and vote at the AGM if you are a registered shareholder of AMP at 7.00pm (Sydney time) on Wednesday, 6 May 2020. You will be entitled to vote in respect of the number of AMP shares registered in your name at that time.

Voting on all proposed resolutions at the AGM will be conducted by poll.

## Appointing a proxy

A shareholder who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote at the AGM on their behalf. A proxy does not need to be a shareholder of AMP. If a shareholder is entitled to cast two or more votes at the AGM, the shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the shareholder's votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes on a poll. Fractions will be disregarded.

Completed proxy forms (and any necessary supporting documents) must be received by AMP no later than 11.00am (Sydney time) on Wednesday, 6 May 2020.

## Submitting your proxy form

You can submit your proxy form in the following ways:

**Online** by visiting [www.investorvote.com.au](http://www.investorvote.com.au) on your computer or smartphone. You will need the control number and holder number shown on your proxy form to submit your form online. To use the smartphone voting service, scan the QR code which appears at the top of your proxy form and follow the instructions provided or go to [www.investorvote.com.au](http://www.investorvote.com.au) from your smartphone. To scan the code, you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions.

If you received an email link to your proxy form, you can lodge your proxy form by following the instructions set out in the email.

### By post:

using the envelope provided or by posting your proxy form to:

**Australia:** Reply paid 2980, Melbourne VIC 8060

**New Zealand:** PO Box 91543, Victoria Street West, Auckland 1142

**Other countries:** GPO Box 2980, Melbourne VIC 3001, Australia

### By fax:

**Australia:** 1300 301 721

**New Zealand:** +649 488 8787

**Other countries:** +613 9473 2555

### By post or hand delivery to:

**AMP's registered office:**

33 Alfred Street, Sydney NSW 2000, Australia

**or the AMP share registry:**

**Australia:** Level 4, 60 Carrington Street, Sydney NSW 2000, Australia

**New Zealand:** Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, New Zealand

### Participating intermediaries:

can lodge their proxy form online through [www.intermediaryonline.com](http://www.intermediaryonline.com)

## Power of attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the AMP share registry. A proxy cannot be appointed under a power of attorney or similar authority online.

## Corporate representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the AGM, the representative will need to bring to the AGM adequate evidence of their appointment unless this has been previously provided to the AMP share registry. An appointment of corporate representative form may be obtained from the AMP share registry or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) (select Help and then click the Printable Forms icon).

## Chairman of the AGM as proxy

AMP encourages you to consider directing your proxy how to vote by marking the appropriate box on the proxy form for each of the proposed resolutions.

If the Chairman of the AGM is appointed as your proxy or becomes your proxy by default, the Chairman intends to vote all available undirected proxies in favour of each item of business (where permissible).

If you appoint the Chairman of the AGM as your proxy, and you do not direct your proxy how to vote on the resolution set out in item 3 or 4 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If:

- you appoint someone other than the Chairman of the AGM as your proxy and direct them how to vote on the proposed resolutions, and
- your nominated proxy does not attend the AGM, or does not vote on your behalf on the proposed resolutions,

then the Chairman of the AGM will cast your votes on a poll as directed (where permissible).

## Other KMP as proxy

If you appoint a director (other than the Chairman of the AGM) or another member of the KMP (or a Closely Related Party of a member of the KMP) as your proxy, you should direct them how to vote on the resolutions set out in items 3 and 4 by marking the appropriate boxes. If you do not do so, your proxy will not be permitted to vote on your behalf on the resolutions set out in items 3 and 4.

By order of the board.



**Marissa Bendyk**

Company Secretary

5 March 2020

# Explanatory notes

**The information below is an explanation of the business to be considered at the 2020 AGM.**

## **Item 1: Financial report, directors' report and auditor's report**

The AMP 2019 annual report (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting. Shareholders can access a copy of the annual report at [amp2019.reportonline.com.au](http://amp2019.reportonline.com.au). A printed copy of the AMP 2019 annual report has been sent only to those shareholders who have elected to receive a hard copy. To receive a printed copy of the annual report, free of charge, please contact the AMP share registry.

Shareholders are not required to vote on this item. However, during this item, shareholders will be given an opportunity to ask questions about, and make comments on, the 2019 annual report and AMP's management, business, operations, financial performance and business strategies.

Shareholders will also be given an opportunity to ask a representative of AMP's auditor, Ernst & Young, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by AMP in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

If you would prefer to submit a written question to the auditor, please do so in accordance with the instructions on page 30 under the heading 'Questions from shareholders'. All written questions to the auditor must be received by no later than 5.00pm (Sydney time) on Tuesday, 5 May 2020.

## **Item 2: Re-election and election of directors**

### **Directors standing for re-election and election**

For the reasons set out later in these explanatory notes, the board, excluding the director to whom each resolution relates, unanimously recommends that shareholders vote in favour of the re-election and elections respectively.

Trevor Matthews was re-elected as a director by shareholders at the 2017 annual general meeting. Debra Hazelton, Rahoul Chowdry and Michael Sammells, each a non-executive director, were appointed to the board since AMP's 2019 annual general meeting following completion of appropriate checks into their background and experience.

Trevor is eligible to be re-elected as a director of AMP and intends to stand for re-election at the meeting, noting that Trevor intends to resign as a director of AMP following the completion of the AMP Life transaction. Debra Hazelton, Rahoul Chowdry and Michael Sammells are all eligible to be elected and intend to offer themselves for election at the 2020 AGM.

Profiles of each candidate are included below. The board considers Trevor, Debra, Rahoul and Michael to be independent and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.



Trevor Matthews



Debra Hazelton



Rahoul Chowdry

## Trevor Matthews

### MA

Trevor was appointed to the board in March 2014, became a member of its Audit Committee in May 2014 and a member of the Risk Committee in November 2014. He was also appointed as a member of the Remuneration Committee in May 2018.

Trevor joined the AMP Life Limited and The National Mutual Life Association of Australasia Limited boards in June 2014 and was appointed chairman of those boards in May 2016. He is also a member of the Audit Committee and Risk Committee of each of those boards.

In February 2019, Trevor was appointed to the AMP Bank Limited board and as a member of its Audit and Risk Committees.

### Experience

Trevor, an actuary with more than 40 years' experience in financial services, has expertise in life insurance, general insurance, wealth management, banking, investment management and risk. He has held life and general insurance chief executive roles in Australia, North America, Asia and Europe. He returned to Australia in 2013 after 15 years overseas and has assembled a portfolio of non-executive directorships. His last overseas position was as an executive director of Aviva plc., a leading global life and general insurer. He was also chairman of its UK and French businesses. Prior to that he was Group CEO of Friends Provident plc.

### Listed directorships

- Chairman of 1st Group Ltd (appointed February 2015)
- Director of Cover-More Group Limited (ceased April 2017)

### Government and community involvement

- Chairman of the NSW State Insurance Regulatory Authority (appointed November 2015)

### Board recommendation

The board, with Trevor abstaining, unanimously recommends that shareholders vote **in favour** of his re-election.

## Debra Hazelton

### BA (Hons), MCom

Debra was appointed to the board in June 2019 and is a member of the Remuneration, Audit and Risk Committees. At the same time, she was appointed to the AMP Bank board and is a member of its Audit and Risk Committees.

In addition, Debra was appointed to the AMP Capital Holdings Limited board in June 2018 and is a member of its Audit and Risk Committee.

### Experience

Debra brings significant experience from more than 30 years in global financial services, including as the local Chief Executive of Mizuho Bank in Australia and Commonwealth Bank (CBA) in Japan. She has expertise across fixed interest, treasury, institutional banking, risk management and financial markets.

## Explanatory notes (continued)



Michael Sammells

Debra is also a non-executive director on the boards of Treasury Corporation of Victoria, Persol Australia Holdings and the Australia-Japan Foundation. Her previous board experience includes Australian Financial Markets Association (AFMA), Asia Society and Women in Banking and Finance. She has graduate and post-graduate degrees in Japanese language, literature and philosophy as well as economics and finance.

### Government and community involvement

- Director, Treasury Corporation of Victoria (appointed August 2018)
- Director, Australia-Japan Foundation (appointed October 2015)
- Advisory Committee Member (Japan) (appointed May 2019)
- Australian Chamber Orchestra (appointed May 2019)

### Board recommendation

The board, with Debra abstaining, unanimously recommends that shareholders vote **in favour** of her election.

### Rahoul Chowdry

BCom, FCA

Rahoul was appointed to the board as a non-executive director in January 2020 and is a member of the Remuneration, Audit and Risk Committees. At the same time, he was appointed to the AMP Bank board and is a member of its Audit and Risk Committees.

### Experience

Rahoul has 35 years' experience in professional services, advising complex multinational organisations in Australia and overseas.

He is currently a Partner and National Leader of Minter Ellison Consulting's financial services, risk and regulatory practice in Australia. Prior to this, Rahoul was a Partner at PwC for almost 30 years, where he undertook a number of leadership roles, delivering audit, assurance, and risk consulting services to major financial institutions in Australia, Canada and the United Kingdom.

### Government and community involvement

- Member, Reserve Bank of Australia, Audit Committee (appointed February 2018)

### Board recommendation

The board, with Rahoul abstaining, unanimously recommends that shareholders vote **in favour** of his election.

### Michael Sammells

BBus, FCPA and GAICD

Michael was appointed to the AMP Limited Board as a non-executive director in March 2020 and is a member of the Remuneration, Audit and Risk Committees. At the same time, he was appointed to the AMP Bank Limited Board and is a member of its Audit and Risk Committees.

### Experience

Michael has over 35 years of professional experience, with significant experience in senior management and financial controller roles. His experience as Chief Financial Officer spans over 20 years from 1999 to 2019, where he held this role at private and ASX-listed companies.

Michael is also a non-executive director of Sigma Healthcare Limited and served on numerous private boards over the last 10 years.

### Listed directorships

- Director, Sigma Healthcare Limited (appointed February 2020)

### Board recommendation

The board unanimously recommends that shareholders vote **in favour** of his election. Michael Sammells was not a director of the board at the date this recommendation was made.



### Item 3: Adoption of remuneration report

Our remuneration report (which forms part of the directors' report) for the year ended 31 December 2019:

- explains the board's policies in relation to the nature and level of remuneration paid to the members of the KMP in 2019, being the CEO, nominated direct reports of the CEO, and the non-executive directors
- discusses the link between the board's remuneration policies and AMP's performance
- sets out remuneration details for the members of the KMP in 2019
- provides details of the performance conditions applicable to the incentive components of the remuneration of the CEO and nominated direct reports of the CEO who were KMP members in 2019, and
- outlines the link between AMP's performance in 2019 and the remuneration outcomes for the KMP.

For 2019, the board has been cognisant that the renegotiation of the AMP Life sale, the new capital issuance and ongoing complexity, again adversely affected the company's share price. The board is also aware of the challenges implicit in the transformation and delivery of the strategic plan and that this is dependent on attracting and retaining skilled people.

The board's role is to ensure remuneration outcomes have appropriately considered financial returns to shareholders while balancing longer term financial and non-financial measures such as delivery against strategic priorities, risk management (including people risks), customer outcomes, individual behaviours and culture. Accordingly, in considering the company's remuneration approach and 2019 short-term incentives (STI), the board has sought to balance these needs by exercising some restraint to reflect our shareholders' experience, but at the same time be able to attract and retain the right people to work through the complexities in the business.

The 2019 remuneration outcomes for the CEO and executives take into account the need to appropriately motivate and retain executives

while ensuring alignment with stakeholder outcomes and exercising restraint. As such, the 2019 STI outcomes ranged between 0% and 63% of maximum opportunity, illustrating differentiation for factors such as business unit and individual performance including risk management, conduct and behaviours.

The board also adjusted the CEO's STI remuneration terms through an increase in the maximum STI opportunity from 120% to 200% of the CEO's base salary. This adjustment does not change the CEO's 'on-target' STI opportunity at 100% of base salary, only the maximum STI achievable if targets set for the CEO are exceeded. This change will be effective for the year ending 31 December 2020 and brings the CEO's STI potential into line with the policy that applies for senior executives.

Our 2019 remuneration report appears on pages 28 to 52 of the AMP 2019 annual report (which is available online at [amp2019.reportonline.com.au](http://amp2019.reportonline.com.au)).

#### Additional information

During item 3, shareholders will be given an opportunity to ask questions about, and make comments on, the remuneration report.

Shareholders will be asked to vote on a resolution to adopt the remuneration report at the meeting. In accordance with the Corporations Act, the vote on the resolution will be advisory only and will not bind the directors or AMP. Nevertheless, the board will take the outcome of the vote into account when considering AMP's future remuneration arrangements.

If you intend to appoint a proxy to vote on your behalf on the resolution for adoption of the remuneration report, please read the information on page 21 under the headings 'Chairman of the AGM as proxy' and 'Other KMP as proxy'.

#### Board recommendation

Noting that each director has a personal interest in their own remuneration from AMP (as described in the 2019 remuneration report), each director recommends that shareholders vote **in favour** of adopting the 2019 remuneration report.

## Explanatory notes (continued)

### Special Business

#### Item 4: Cancellation of CEO 2018 Recovery Incentive

##### Background to proposed amendments

As described in AMP's 2018 annual report, when Mr De Ferrari commenced as CEO of AMP, he was granted a recovery incentive package in consideration for incentives forgone from his previous employer that he would have otherwise been entitled to receive (**2018 Recovery Incentive**).

The 2018 Recovery Incentive was comprised as follows:

Type	Value	Grant Date	Vesting Schedule	Vesting Conditions
8,000,000 AMP options	Fair value of approximately \$300,000	14 December 2018	Exercise price of \$5.50 Vesting 15 February 2023 Expiration 31 March 2024	Continuous employment
1,656,976 AMP performance rights	Face value of approximately \$5.7 million	21 August 2018	Tested by the board on 15 February of each of 2021, 2022 and 2023	Must be in employment on relevant testing date. On first testing date, 25% will vest if share price is \$4.50. On second testing date, 50% or 75% (including any that have vested already) will vest if share price is \$4.75 or \$5.00 (respectively). On third testing date, the balance will vest if share price is \$5.25. If share price is between \$4.50 and \$5.25, between 25% and 100% (including any that have vested already) will vest, as determined on a straight-line basis.

As announced on 8 August 2019, the board has granted Mr De Ferrari a new recovery incentive (**2019 Recovery Incentive**) and proposes to cancel Mr De Ferrari's 2018 Recovery Incentive performance rights and options. The terms of the 2019 Recovery Incentive are as follows:

Type	Value	Grant Date	Vesting Schedule	Vesting Conditions
2.5 million performance rights	Face value of approximately \$4.4 million	8 August 2019	Testing on February 2022 and 2023	On the first testing date, 50% will vest if the share price is \$2.45 (adjusted for any significant capital initiatives). On the second testing date, the balance of the award will be eligible to vest. If the share price is \$2.45 (adjusted for any significant capital initiatives), 50% (including any awards that have vested already) would vest and 100% will vest if the share price is \$2.75 (adjusted for any significant capital initiatives), with straight-line vesting between these share price hurdles.

If the performance rights vest, shares may not be allocated for a further period to ensure compliance with the Banking Executive Accountability Regime.

## ASX Listing Rule requirements

ASX Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration cannot be made without the approval of shareholders.

The 2018 Recovery Incentive consists of both performance rights and options. Both instruments are considered to be options for the purposes of the ASX Listing Rules.

As such, AMP is seeking the approval of its shareholders to permit AMP to cancel the 2018 Recovery Incentive. As announced on 8 August 2019, the purpose of the proposed cancellation of the 2018 Recovery Incentive and the issuance of the 2019 Recovery Incentive is to enable Mr De Ferrari to be properly remunerated. The 2018 Recovery Incentive no longer fulfils this purpose due to changes to AMP's share price and performance which occurred prior to Mr De Ferrari joining AMP and which were outside Mr De Ferrari's control.

If approval is not provided, Mr De Ferrari will remain entitled to receive the 2018 Recovery Incentive. However, if any value is subsequently realised under the 2018 Recovery Incentive, it would offset the vesting outcome of the 2019 Recovery Incentive.

The board notes that the market for executives and other employees is competitive and that it is important to ensure that AMP's remuneration arrangements are commensurate with the remuneration arrangements offered by its Australian and international competitors.

The board, with Francesco abstaining, recommends that shareholders vote **in favour** of the cancellation of the 2018 Recovery Incentive.

## Item 5: Refresh placement capacity

On 8 August 2019 (**Issue Date**), AMP issued 406.3 million ordinary shares pursuant to an institutional placement (**Issue**).

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the number of fully paid ordinary securities it had on issue at the start of that period.

The Issue did not fit within any of the exceptions. As it has not yet been approved by AMP's

shareholders, the Issue used up part of AMP's 15% limit under ASX Listing Rule 7.1. This reduces AMP's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the Issue Date.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made. If they do so, the issue is taken to have been approved under Listing Rule 7.1 and does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

AMP wishes to retain flexibility to issue additional equity securities in the 12-month period following the Issue Date without having to obtain shareholder approval within that 15% annual limit for such issues under ASX Listing Rule 7.1.

To this end, this resolution seeks shareholder approval for the Issue under and for the purposes of ASX Listing Rule 7.4.

If this resolution is passed, the Issue will be excluded in calculating AMP's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

If this resolution is not passed, the Issue will be included in calculating AMP's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

## Information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the proposed approval of the Issue:

- Number of shares issued for which approval is sought: 406.3 million ordinary shares.
- Issue price of shares: \$1.60 per share.
- Date of issue: 8 August 2019.
- Terms of the shares: The shares were issued on the same terms as existing shares on issue.
- Names of the persons to whom AMP issued the shares or the basis on which those persons were determined: The shares were issued pursuant to an institutional placement to existing and new institutional investors.

## Explanatory notes (continued)

- Use of funds: Commence the immediate implementation of the new strategy, including investments to reposition and de-risk the core businesses and realise cost savings, fund ongoing growth in the core business of AMP Capital and AMP Bank, and provide balance sheet strength to absorb uncertainties ahead of the sale of AMP Life.

### Board recommendation

The board recommends that shareholders vote in **favour** of this resolution.

### Item 6: Approval of convertibility of AMP Capital Notes 2

On 26 November 2019, AMP launched an offer of AMP Capital Notes 2 (**Capital Notes 2**) to raise approximately \$275 million (**Capital Notes 2 Offer**). The Capital Notes 2 Offer was made under a prospectus dated 4 December 2019 and lodged with ASX on that date (**Prospectus**). Capital Notes 2 were issued on 23 December 2019 as part of the AMP group's ongoing funding and capital management strategy. The proceeds of the Capital Notes 2 Offer will be used to meet general funding requirements, including to fund Additional Tier 1 Capital of one or more APRA-regulated entities within the AMP group.

Under the Capital Notes 2 Offer, 2,750,000 Capital Notes 2 were issued to participating institutional investors, Australian resident clients of Syndicate Brokers and eligible AMP shareholders at a price of \$100 per Capital Note 2.

In a winding-up of AMP, Capital Notes 2 rank ahead of AMP Shares, and equally amongst themselves and other equal ranking instruments (including Capital Notes 1 and AMP Wholesale Capital Notes).

The terms of Capital Notes 2 are summarised in the Prospectus and are set out in the AMP Capital Notes 2 Trust Deed dated 26 November 2019 and lodged with ASX on that date (**Capital Notes 2 Terms**).

### Reasons for seeking shareholder approval

As noted above, in general terms, ASX Listing Rule 7.1 imposes a limit on the number of equity securities that a company can issue or agree

to issue without shareholder approval amounting to 15% of issued share capital (**Placement Capacity**) where an exemption to the rule does not apply.

As a result of the placement and share purchase plan that AMP completed during August to September 2019, AMP did not have sufficient Placement Capacity to issue Capital Notes 2 as convertible equity securities without shareholder approval. As a result, to enable Capital Notes 2 to be issued without restriction under ASX Listing Rule 7.1 on 23 December 2019, Conversion into ordinary share of AMP, other than Conversion on account of a Non-Viability Event (each as defined in the Prospectus) of Capital Notes 2 does not apply unless and until shareholder approval is obtained.

The effect of approving this resolution will be that the Conversion features of Capital Notes 2 will apply on and from the time that this resolution is passed. The Conversion features include Mandatory Conversion on the Mandatory Conversion Date (subject to the satisfaction of certain conditions) on 16 December 2027, Optional Conversion on a Tax Event, Regulatory Event or Potential Acquisition Event and Mandatory Conversion on an Acquisition Event. Shareholders should refer to sections 1.2, 2.2, 2.3 and 2.5 of the Prospectus for a summary of these Conversion features.

ASX has confirmed that it will treat the activation of the Conversion features following shareholder approval as an 'issuance' of Capital Notes 2 as equity securities for the purposes of Listing Rule 7.1. Capital Notes 2 are quoted on ASX – they will be treated as being 'issued' to those persons who hold Capital Notes 2 on the day of the AGM if shareholder approval is obtained.

AMP is required under the Capital Notes 2 Terms to use reasonable endeavours to obtain shareholder approval. If shareholder approval is not obtained, AMP is required to continue to use reasonable endeavours to seek approval at each next succeeding annual general meeting until it is obtained.

If shareholder approval is not obtained, the consequence will be that holders of Capital

Notes 2 will not have the benefit of the Conversion features listed above. The absence of these Conversion features may be disadvantageous to investors in Capital Notes 2. A failure to obtain shareholder approval for the activation of the Conversion features may also adversely affect AMP's reputation as an issuer of hybrid securities.

## Summary of material terms of Capital Notes 2:

- The Capital Notes 2 are perpetual, convertible, subordinated and unsecured notes issued by AMP
- The Capital Notes 2 have no fixed maturity date and could remain on issue indefinitely if not Converted, Redeemed or Written-off
- AMP must Convert all Capital Notes 2 into AMP Shares on 16 December 2027 if the Mandatory Conversion Conditions are satisfied for that date
- AMP may Exchange Capital Notes 2 earlier if certain events occur
- Capital Notes 2 are scheduled to pay floating rate Distributions quarterly in arrears unless and until Redeemed, Converted or Written-off
- The Distribution Rate is the BBSW Rate plus the Margin, adjusted for franking. The Margin determined under the Bookbuild is 4.5000% per annum
- The first Distribution on the Capital Notes 2 is scheduled to be paid on 16 March 2020
- Distributions are payable only if AMP decides to pay them and if no Payment Condition exists. If a Payment Condition exists, a Distribution will not be paid. Distributions that are not paid do not accumulate which means that if they are not paid, they will never be paid. Non-payment of a Distribution on Capital Notes 2 will not be an event of default and AMP will have no liability to Holders in respect of any unpaid Distribution
- Distributions are expected to be franked at the same rate as Dividends on AMP Shares. The Franking Rate applicable to the first Distribution is expected to be 100%. The Franking Rate may vary over time and Distributions may be partially, fully, or not franked
- The greater the rate of franking of the Distribution, the lower the Distribution Rate and the amount of cash Distribution, reflecting the value of the Franking Credits attached to the Distribution
- AMP is the only entity which can convert the Capital Notes 2. They can be converted into ordinary fully paid shares in the following circumstances:
  - on the Mandatory Conversion Date
  - on the occurrence of a Non-Viability Event
  - on the Optional Exchange Date
  - on an Exchange Date following the occurrence of a Tax Event or a Regulatory Event, or
  - on an Exchange Date following the occurrence of a Potential Acquisition Event.
- Capital Notes 2 will convert at the market price of AMP ordinary shares at the time of Conversion. In the case of Conversion on the Mandatory Conversion Date, this would mean that the following number of AMP ordinary shares would be issued in the following three scenarios:
  - if the price of AMP ordinary shares is the same as the price on or about the date of this notice of meeting (\$1.67) – 166,333,998 ordinary shares
  - if the price of AMP ordinary shares is twice the price on or about the date of this notice of meeting (\$3.34) – 83,166,999 ordinary shares
  - if the price of AMP ordinary shares is half the price on or about the date of this notice of meeting (\$0.84) – nil ordinary shares. Shareholders should note that Conversion on the Mandatory Conversion Date can only occur if the price of AMP ordinary shares at the time is at least 50.51% of the price at the time of issue of the Capital Notes 2 (\$0.96).

For capitalised terms used in this summary that are not defined in the Schedule to this notice of meeting, please see the defined terms in the Capital Notes 2 Prospectus.

### Board recommendation

The board recommends that shareholders vote **in favour** of the resolution in item 6.

# Questions from shareholders and definitions

## Questions from shareholders

We welcome questions from shareholders before and during the meeting. Questions should relate to matters relevant to the business of the meeting, including matters arising from the performance, business or management of AMP, and relevant questions about the conduct of the audit. You can ask AMP or the auditor a question in the following ways:

- Online at [amp.com.au/shares](http://amp.com.au/shares) (click on Ask a question) or through the online proxy service. You will need your holder number and control number, which can be found on your proxy form.
- Complete and return the Shareholder Questions Form, sent to shareholders who have elected to receive your AGM information by post. You can use the envelope provided to post your question. Registry contact details are on the back of this booklet.
- In person at the meeting or online via the live webcast at [amp.com.au/aggm](http://amp.com.au/aggm)

If you have questions relating to private affairs, as either a shareholder or customer of AMP, our staff at the customer service desk or shareholder services desk at the AGM will be happy to assist you on the day of the meeting. Before or after the meeting, you can contact the AMP Investor Relations team on 1800 245 500 (Australia) or +612 9257 9009 (international) or by sending an email to [shares@amp.com.au](mailto:shares@amp.com.au)

Your questions (other than questions you wish to ask during the meeting) must be received no later than 5.00pm (Sydney time) on Wednesday, 6 May 2020.

The Chairman of the meeting will endeavour to answer as many of the frequently asked questions as possible at the meeting. However, there may not be sufficient time available at the meeting to address all of the questions raised.

Due to the expected volume of questions, AMP and its auditor will not be sending individual replies.

The meeting will be webcast live at [amp.com.au/aggm](http://amp.com.au/aggm)

## Definitions

**AGM or meeting** means AMP's 2020 annual general meeting.

**AMP or Company** means AMP Limited ABN 49 079 354 519.

**AMP Share Registry** means Computershare Investor Services Pty Limited ABN 48 078 279 277 of Level 4, 60 Carrington Street, Sydney NSW 2000.

**Board** means the board of directors of AMP.

**CEO** means chief executive officer and managing director of AMP.

**Closely Related Party**, in relation to a member of the key management personnel, means the member's spouse (or de facto partner), child or dependant (or a child or dependant of the member's spouse or de facto partner), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with AMP (or the AMP group), and any company the member controls.

**Corporations Act** means the *Corporations Act 2001* (Cth).

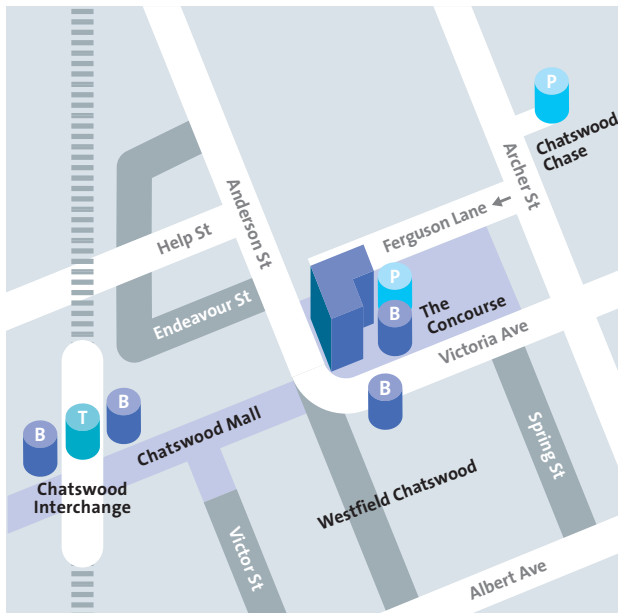
**Key Management Personnel or KMP** means those people who have authority and responsibility for planning, directing and controlling the activities of AMP or the AMP group, whether directly or indirectly. Members of the KMP include directors (both executive and non-executive) and certain senior executives.

**Sydney time** means Australian Eastern Standard Time.

**You or shareholder** means a holder of AMP shares.

## How to get to the AGM

The AGM will be held in the Concert Hall at The Concourse, Chatswood, 409 Victoria Avenue, Chatswood, New South Wales, Australia on Friday, 8 May 2020, beginning at 11.00am (Sydney time). Shareholders who are attending the AGM can register from 8.30am at the venue.



### How to get to the AGM

The Concourse, Chatswood is located within a two-minute walk from the Chatswood Transport Interchange – a major train and bus transport hub.

**Train:** The closest train station is Chatswood Station.

**Bus:** Buses 340, 343, 273 and 200 depart regularly from CBD locations and stop in Chatswood.

**Car:** Parking is available at The Concourse, Chatswood or in parking stations at Westfield Chatswood or Chatswood Chase.

**Accessibility:** The venue has ramps and lifts for any accessibility needs.

# Information session with AMP Chief Economist Shane Oliver

**Join us prior to the AGM as Shane  
provides an economic update.**

**When** 9.30am (Sydney time) Friday, 8 May 2020.

**Where** The Theatre at The Concourse, Chatswood,  
409 Victoria Avenue, Chatswood, New South Wales.

**Online** View the archive, which will be available after the  
presentation, at [amp.com.au/ampinfosession](http://amp.com.au/ampinfosession)

This event will be followed by the 2020 AGM.

## Contact us

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