Explanatory notes

The information below is an explanation of the business to be considered at the 2021 AGM.

Item 1: Financial report, Directors' report and Auditor's report

The AMP 2020 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 amp2020.reportonline.com.au. A printed copy of the AMP 2020 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, 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 AMP 2020 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 10. All written questions to the auditor must be received on or before Friday 23 April 2021.

Item 2: Election of director

For the reasons set out later in these explanatory notes, the board, excluding Kate McKenzie to whom the resolution relates, unanimously recommends that members vote in favour of Kate's election.

Kate McKenzie, a non-executive director, was appointed to the board since AMP's 2020 annual general meeting following completion of appropriate checks into her background and experience.

Kate McKenzie is eligible to be elected and she intends to offer herself for election at the 2021 AGM.

Kate McKenzie's profile is included below. The board considers Kate 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 her judgement.

Kate McKenzie

BA, LLB

Kate was appointed to the AMP Limited Board as a non-executive director in November 2020 and is a member of the Audit, Nomination, Risk and Remuneration committees. At the same time, Kate was appointed to the AMP Bank Limited Board and its Audit and Risk committees.

Experience

Kate has more than 25 years of experience in other board and senior executive leadership roles.

She is currently non-executive director of NBN Co., Stockland Corporation Limited and Healius Ltd and has previously served on the boards of Allianz Australia, Foxtel, Telstra Ventures, Sydney Water and Workcover. Kate was the Chief Executive Officer of Chorus, the New Zealand telecommunication group, listed on the ASX and NZX, from February 2017 to December 2019, and held several executive roles at Telstra, including as Chief Operating Officer.

Kate has a track record for leading change and managing diverse stakeholders across government, communities, investors, and employees. She has earned a reputation for integrity, great judgement and building collaborative and effective teams.

Directorships of other ASX listed companies

- Stockland Corporation Limited (appointed December 2019)
- Allianz Australia (January 2012 – June 2020)
- Healius Ltd (appointed 25 February 2021)

Government and community involvement

- Member, Chief Executive Women (CEW) Australia

Board recommendation

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

Item 3: Adoption of Remuneration report

Our Remuneration report (which forms part of the Directors' report) for the year ended 31 December 2020:

- explains the board's policies in relation to the nature and level of remuneration paid to the members of the KMP in 2020, being the CEO, nominated direct reports of the CEO, and the non-executive directors
- discusses the alignment between the board's remuneration policies, AMP's performance and KMP remuneration outcomes for 2020 with a specific focus on ensuring remuneration outcomes reflect the shareholder experience, and
- outlines 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 in 2020.

Explanatory notes (continued)

Item 3: Adoption of Remuneration report (continued)

The 2020 financial year has seen extraordinary challenges in the external environment due to the ongoing COVID-19 pandemic and continuing industry transformation. Closer to home, AMP also faced unprecedented pressure with significant public scrutiny related to high profile employment issues and uncertainty stemming from the portfolio review. Despite this complexity, AMP remained focused on executing our transformation strategy, winning back the confidence of clients and our people and ensuring delivery of appropriate shareholder returns.

Given the strike against the 2019 Remuneration report and the ongoing work in developing a new remuneration framework for 2021, the board considered 2020 as a transition year for our remuneration structure and sought to balance outcomes for our people and investors by more actively applying board discretion.

In determining the 2020 remuneration outcomes, the board actively considered a range of factors including: overall group performance, progress against key milestones in delivering our three-year transformation strategy, instability driven by the portfolio review, feedback from investors in relation to our 2019 Remuneration report and appropriate risk overlays.

As a result, the 2020 remuneration outcomes for the CEO and KMP included no short or long-term incentives and no fixed remuneration increases. This outcome recognises that the group financial performance remains below plan and ensures alignment with the shareholder experience.

Separately the board recognised the portfolio review being undertaken created significant additional workload for our key executives and generated substantial additional challenge and uncertainty across the group. The position was exacerbated through a series of executive departures which disrupted business operations, leaving those remaining critical to stabilising the business, retaining corporate knowledge and continuing to drive the turnaround strategy. Faced with these extraordinary circumstances, the board sought to stabilise the management team by introducing a one-off retention payment for KMP and critical talent across the organisation. The CEO did not participate in the retention awards.

The Remuneration committee has listened to your feedback and completed a formal review of the executive remuneration framework. As a result of this review, we have introduced a new approach that better aligns performance, risk management, remuneration and the shareholder experience.

With regards to non-executive director remuneration, NED fees remained unchanged in 2020 and the Chair's fee was reduced from $850,000 to $660,000 from 1 March 2020. Further, the board indicated that NED fees will be reviewed (including consideration of a potential decrease) post the completion of the portfolio review.

More details about our remuneration principles and outcomes for 2020, our response to the 2019 Remuneration report strike including a summary of changes to our remuneration framework for 2021 can be found in our 2020 Remuneration report, which appears on pages 32 to 62 of the AMP 2020 Annual report (available online at amp2020.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.

Under the Corporations Act, if at least 25% of the votes validly cast on the resolution to adopt the Remuneration report at two consecutive annual general meetings are against the resolution, shareholders must be given an opportunity to vote on a 'spill resolution' (as set out in item 5) at the second meeting. This is known as the 'two strikes' rule.

Due to the two strikes rule, votes against the resolution proposed in item 3 may lead to a further meeting to elect directors.

AMP received a first strike at the 2020 AGM against its Remuneration report for the year ended 31 December 2019. As a result, if at least 25% of the votes validly cast on the resolution to adopt the Remuneration report for the year ended 31 December 2020 are cast against that report's adoption, AMP would receive a 'second strike' for the purposes of the Corporations Act and section 250V(1) of that Act would apply. In these circumstances, AMP would be required to put the conditional spill resolution in item 5 to the vote of shareholders at the 2021 AGM. For details of the effect of the spill resolution, please read the explanatory notes for item 5 (on page 9).

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 4 under the heading 'Chair 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 2020 Remuneration report), each director recommends that shareholders vote **in favour** of adopting the 2020 Remuneration report.

Explanatory notes (continued)

Special Business

Item 4: Approval of the CEO's long-term incentive for 2021

Under AMP's executive remuneration framework for 2021, the remuneration for AMP Chief Executive Officer and Managing Director, Francesco De Ferrari, consists of:

- fixed remuneration of $2,200,000 (Fixed Remuneration)
- short-term incentive (STI) opportunity with an 'at target' amount of 100% of Fixed Remuneration and a maximum opportunity of 200% of Fixed Remuneration, and
- long-term incentives (LTI) awarded in performance rights equivalent to 100% of Fixed Remuneration on a face value basis.

Approximately 75% of the CEO's maximum remuneration opportunity for 2021 is made up of STI and LTI and is 'at risk'. Vesting of the CEO's 2021 LTI award is subject to AMP achieving relative total shareholder return performance at or above the median of its peer group.

Details of the terms and conditions of the LTI award are provided on pages 7 and 8.

Why is shareholder approval being sought?

AMP will satisfy any vested performance rights with shares that have been purchased on-market. This means shareholder approval for the CEO's LTI award is not required under the ASX Listing Rules. Nevertheless, for good governance, the board has determined that it is appropriate to seek shareholder approval.

What will happen if shareholders do not approve the 2021 LTI grant?

If shareholder approval is not obtained, the board will consider alternative arrangements to appropriately remunerate and incentivise Mr De Ferrari.

What is the CEO's proposed LTI for 2021?

The board is proposing AMP grant the CEO performance rights with a face value of $2,200,000 under AMP's Equity Incentive Plan (EIP).

The actual value (if any) that the CEO will receive from this award cannot be determined until the end of the three-year performance period and will depend on the market share price at the end of the additional 12-month restriction period.

What are performance rights?

Each performance right will give the CEO the right to acquire one fully paid ordinary share in AMP on vesting. The board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares. Performance rights are granted at no cost to the CEO and there is no loan associated with the performance rights. Performance rights do not carry any dividend or voting rights.

The board has determined to use performance rights because they create share price alignment between the CEO and ordinary shareholders but do not provide the CEO with the full benefits of share ownership (such as dividend and voting rights) unless and until the performance rights vest.

Terms and conditions associated with the 2021 LTI performance rights	
Vesting period	1 January 2021 to 31 December 2024
Performance period	1 January 2021 to 31 December 2023
Service period	1 January 2024 to 31 December 2024
Date of grant	If approval is obtained, the 2021 LTI performance rights will be granted in May 2021.
How many performance rights will be granted to the CEO?	The number of performance rights is calculated by dividing 100% of the CEO's fixed remuneration as at 1 January 2021 by the face value of an AMP ordinary share rounded to the nearest whole number of performance rights. The face value of an AMP ordinary share is based on the volume weighted average price (VWAP) of AMP shares on the ASX during the 10-day trading period prior to the start of the performance period (18 to 31 December 2020). For this period the VWAP was $1.649. Based on this VWAP, the number of performance rights to be allocated is 1,334,141 performance rights.

Explanatory notes (continued)

Item 4: Approval of the CEO's long-term incentive for 2021 (continued)

<table>
<tr><th colspan="2">Terms and conditions associated with the 2021 LTI performance rights</th></tr>
<tr><td>Performance condition</td><td>AMP's Compound Average Growth Rate (CAGR) in Total Shareholder Return (TSR) relative to a peer group of ASX 100 financial companies excluding A-REITs as at 1 January 2021.
The performance rights will vest according to the following vesting schedule:
<table>
<tr><th>CAGR TSR performance</th><th>Proportion of LTI grant vesting</th></tr>
<tr><td>AMP's TSR ranking below the 50th percentile of the peer group</td><td>0%</td></tr>
<tr><td>AMP's TSR ranking at the 50th percentile of the peer group</td><td>50%</td></tr>
<tr><td>AMP's TSR ranking between the 50th and 75th percentile of the peer group</td><td>50% plus 2% for each additional percentile (rounded to nearest whole percentile)</td></tr>
<tr><td>AMP's TSR ranking is at least at the 75th percentile of the peer group</td><td>100%</td></tr>
</table>
</td></tr>
<tr><td>Testing of the performance condition</td><td>The performance condition will be tested following the end of the performance period. The board has discretion in relation to the appropriate calculation methodology and may adjust the comparator group to take into account events including but not limited to takeovers, mergers or demergers that might occur during the performance period.
Any performance rights that do not vest following testing will immediately lapse. There is no retesting if the performance condition is not met.
Shareholders will be advised of the performance outcome for the 2021 LTI award in the annual report for the year ending 31 December 2024.</td></tr>
<tr><td>Additional service condition</td><td>Any shares allocated to the CEO on vesting of the performance rights will be subject to an additional 12-month service condition following the end of the performance period (restricted shares). During this time, the CEO will not be able to trade or otherwise deal in his restricted shares, but he will be entitled to dividend and voting rights.</td></tr>
<tr><td>Treatment of performance rights if the CEO leaves AMP</td><td>If the CEO is terminated for cause or gives notice of resignation to AMP before the vesting date, all unvested performance rights (or restricted shares) will lapse or be forfeited, unless the board determines otherwise. In all other cases, unless the board determines otherwise:
– the CEO's performance rights will remain on foot and will be tested in the ordinary course
– any restricted shares allocated to the CEO on vesting of his performance rights will remain on foot until the end of the 12-month restriction period.</td></tr>
<tr><td>Other material terms</td><td>The board has broad 'clawback' powers to determine that performance rights lapse, any shares allocated on vesting are forfeited, or that amounts are to be repaid, in certain circumstances (for example, in the case of fraud or serious misconduct, proceeds of any sale of shares or the value of dividends provided for vested shares might be repaid as a debt to AMP).
The board also has discretion to vest performance rights or lift restrictions on restricted shares if there is a change of control.</td></tr>
</table>

Securities previously issued under the EIP

A total of 8,024,378 performance rights have previously been granted to the CEO under the EIP and no price was payable. Of the total rights which have been granted, 1,656,976 performance rights have subsequently lapsed in the intervening period.

In addition, a total of 264,000 share rights were previously granted to the CEO under the EIP and no price was payable.

Explanatory notes (continued)

Item 4: Approval of the CEO's long-term incentive for 2021 (continued)

Board recommendation

In the non-executive directors' view, it is in the best interests of shareholders to approve the 2021 LTI grant to the CEO because vesting of the performance rights will be subject to a performance hurdle which aligns the CEO's remuneration with shareholder returns. Your directors (with the CEO Francesco De Ferrari abstaining) therefore recommend that shareholders approve the 2021 LTI grant to the CEO.

Item 5: Spill resolution (conditional item)

This is a conditional item of business. In accordance with the Corporations Act, the resolution set out in item 5 (called a 'spill resolution') will only be put to the AGM if AMP receives a 'second strike' on its Remuneration report with at least 25% of the votes validly cast on the resolution in item 3 to adopt the 2020 Remuneration report being cast against that resolution. If less than 25% of the votes validly cast on the resolution in item 3 are against the resolution, the spill resolution will not be put to the AGM.

If the spill resolution is put to the vote and passed at the AGM, it will have the effect outlined below.

– AMP would be required to hold another meeting of shareholders (called a 'spill meeting') within 90 days after the spill resolution is passed, to consider the composition of the board. If a spill meeting is required, details of the meeting would be notified to shareholders in due course.
– If a spill meeting is held, the following non-executive directors would automatically cease to hold office at the end of the spill meeting unless they are willing to stand for re-election and are re-elected, at that meeting:
  – Debra Hazelton
  – Rahoul Chowdry
  – Kate McKenzie*
  – John O'Sullivan
  – Michael Sammells
  – Andrea Slattery

  **This assumes that Kate McKenzie is elected at the AGM under item 2.*

  The directors listed above are those who held office on 11 February 2021 when the Directors' report (including the Remuneration report) for the year ended 31 December 2020 was approved.

  Each of the listed non-executive directors would be eligible to seek re-election at any spill meeting. However, there is no assurance that any or all of them would do so.

  In accordance with the Corporations Act, our CEO, Francesco De Ferrari, would not be required to stand for election as a director at any spill meeting, and would continue to hold office after the spill meeting regardless of the outcome of the spill meeting.

  If Kate McKenzie is elected at the AGM, she would still need to be re-elected at any spill meeting to remain in office after that time. If any additional directors were to be appointed before the spill meeting, they would not need to stand for election at the spill meeting to remain in office.
– Resolutions to appoint individuals to the offices that would be vacated immediately before the end of the spill meeting would be put to the vote at that meeting. Eligibility for election as a director at any spill meeting would be determined in accordance with AMP's Constitution (including clauses 53 'Qualification of Directors' and 58 'Nomination of Director').

For the spill resolution to be passed at the meeting, more than 50% of the votes validly cast on the resolution must be in favour of it.

In deciding how to vote on item 5, the board suggests that shareholders take the following factors into account:
– Substantial additional costs would be incurred if AMP is required to call and hold a spill meeting
– The steps taken by the board to address shareholder concerns related to the first strike
– The current board has the skills and experience required to provide effective oversight of AMP
– Disruption to the board, which could undermine AMP's stability
– There is no assurance that any or all of the directors would stand for re-election at the spill meeting.

If you intend to appoint a proxy to vote on your behalf on any spill resolution put to the meeting, please read the information on page 4 under the heading 'Chair of the AGM as proxy'.

Board recommendation

Each director recommends that shareholders vote **against** any spill resolution put to the vote at the AGM.