

AMP's Continued Transformation: Simplifying for Growth and Innovation

Company/ASX Code	AMP Limited (AMP)
AGM time and date	Friday, 11 April 2025
Location	10:00am (AEST), Wesley Theatre, 220 Pitt Street, Sydney
Registry	Computershare
Type of meeting	Hybrid
Monitor	Chad Moffiet assisted by Thivyan Aravindan
Pre-AGM Meeting	Yes, with Mike Hirst (Chair), Kathleen Bailey-Lord (Chair of the remuneration committee), Rebecca Nash (Chief People, Sustainability and Community Officer) and Richard Nelson (Head of Investor Relations)

Monitor Shareholding: The individual(s) (or their associates) who prepared this voting intention have no shareholding in this company.

1. How we intend to vote

No.	Resolution Description	
2a	Re-election of Mike Hirst as Director	For
2b	Re-election of Kathleen Bailey-Lord as Director	For
2c	Re-election of Anna Leibel as Director	For
3	Adoption of Remuneration Report	For
4	Approval of CEO 2025 Long-Term Incentive (LTI) Grant	For

Highlights at a Glance:

- **Underlying Net Profit After Tax (UPAT):** Increased 15.1% to \$236 million (FY23: \$205 million), driven by strong contributions from wealth businesses.
- **Statutory NPAT (NPAT):** Recorded at \$150 million (FY23: \$265 million), impacted by one-off costs associated with the sale of the Advice business.
- **Platforms:** NPAT rose 18.9% to \$107 million, supported by net cashflows of \$2.8 billion (up 96.7%), with the North platform's innovative retirement products gaining traction among advisers.

- **Superannuation & Investments:** NPAT increased 26.4% to \$67 million, with net cash outflows reduced to \$1.0 billion (FY23: \$6.4 billion), reflecting top-quartile investment returns and an enhanced member proposition.
- **AMP Bank:** NPAT fell 22.6% to \$72 million due to a decline in the net interest margin (NIM) to 1.26% (FY23: 1.42%), although mortgage book growth resumed in 2H24, increasing by \$359 million. The February 2025 digital bank launch targets small businesses, with 11,600 pre-release sign-ups.
- **Cost Management:** Controllable costs decreased 6.1% to \$648 million, meeting FY24 targets, supported by a \$150 million simplification program (FY24 spend: approximately \$60 million).
- **Capital Returns:** Since August 2022, \$1.1 billion has been returned to shareholders through buybacks and dividends, with a final FY24 dividend of 1.0 cent per share (20% franked) declared, bringing the full-year total to 3.0 cents.

2. Summary of Issues and Voting Intentions for AGM

In FY24, AMP Limited progressed its strategic transformation into a retirement solutions provider and digital banking innovator, achieving an Underlying Net Profit After Tax (UPAT) of \$236 million, a 15.1% increase from FY23. The wealth businesses underpinned this growth: Platforms NPAT rose 18.9% to \$107 million, fuelled by net cashflows of \$2.8 billion (up 96.7%), while Superannuation & Investments NPAT increased 26.4% to \$67 million, with net cash outflows reduced to \$1.0 billion from \$6.4 billion. AMP Bank, however, saw Statutory Net Profit After Tax (NPAT) decline 22.6% to \$72 million due to a net interest margin (NIM) drop to 1.26% from 1.42%, though mortgage growth resumed in 2H24. The completed sale of the Advice business simplified the group structure, and \$1.1 billion has been returned to shareholders since August 2022 via buybacks and dividends, with a final FY24 dividend of 1.0 cent per share (20% franked), bringing the full-year total to 3.0 cents.

Board renewal has been a priority, with technology-focused directors Kathleen Bailey-Lord and Anna Leibel appointed in early 2024, and Mike Hirst assuming the Chair role in late 2024. This enhances oversight of digital initiatives and aligns with ASA guidelines on independence and diversity (40:40:20 gender balance). The board's skills matrix now emphasises cyber, technology, and digital expertise, critical for the February 2025 digital bank launch targeting small businesses and self-employed customers. Leveraging Starling's cloud-native platform, success will be tracked through loan growth, deposit expansion, and customer satisfaction.

The remuneration framework has been refined to align executive pay with shareholder value, adopting Cost to Income ratio (CTI) as a core metric alongside customer satisfaction (up to 7.9/10). Over 50% of the CEO's \$3.324 million total pay is at risk, balancing short-term and long-term incentives.

Resolutions 2a-c: Re-election of Directors (Mike Hirst, Kathleen Bailey-Lord, Anna Leibel) – For

- Mike Hirst: His banking expertise and leadership as Chair are vital for the digital bank strategy and cultural transformation.
- Kathleen Bailey-Lord: Her skills in platforms and governance support AMP's digital and retirement focus.
- Anna Leibel: Her digital transformation experience strengthens strategic execution.

Resolution 3: Adoption of Remuneration Report – For

- The framework ties pay to performance metrics like CTI and customer satisfaction, reflecting FY24 successes (e.g., 15.1% UPAT growth to \$236M). Improved transparency and malus/clawback provisions align with ASA expectations, though specific target disclosures could be enhanced.

Resolution 4: Approval of CEO 2025 LTI Grant – For

- The grant links CEO Alexis George's remuneration to long-term value creation, with metrics tied to CTI and customer satisfaction, supporting the digital bank rollout and capital management achievements.

3. Discussion

3.1 Governance and Board Renewal

AMP's board has evolved to support its strategic pivot toward digital banking and retirement solutions. In early 2024, technology-focused directors Kathleen Bailey-Lord and Anna Leibel joined, followed by Mike Hirst's appointment as Chair in late 2024. These changes enhance expertise in platforms, transformation, and digital capabilities. The board's skills matrix now emphasises cyber, technology, and digital expertise—vital for overseeing the February 2025 digital bank launch, powered by Starling's cloud-native platform. Three directors face election this year, and three will participate in an MIT course on cyber and technology starting April 2025, signalling a commitment to ongoing development. This proactive approach is a strength, although ASA recommends that AMP should regularly disclose updates to the skills matrix to increase transparency with shareholders.

3.2 Financial Health and Strategy

AMP's FY24 performance highlights robust growth in its wealth businesses. Platforms NPAT rose 18.9% to \$107 million, fuelled by \$2.8 billion in net cashflows (up 96.7%), while Superannuation & Investments NPAT increased 26.4% to \$67 million, with net cash outflows dropping to \$1.0 billion from \$6.4 billion in FY23. These results reflect effective cost discipline and competitive offerings like North's retirement solutions. Conversely, AMP Bank's NPAT fell 22.6% to \$72 million due to net interest margin (NIM) compression to 1.26% from 1.42%, though mortgage growth rebounded in 2H24. The digital bank launch, targeting small businesses and self-employed customers, is a cornerstone of AMP's growth strategy. By leveraging Starling's platform and advancing cloud

migration, AMP is tackling legacy costs and systems to boost efficiency and counter margin pressures. While this sets a foundation for future growth, careful risk management will be critical amid technological and competitive challenges.

3.3 Capital Management

Since August 2022, AMP has returned \$1.1 billion to shareholders through buybacks and dividends, including a final FY24 dividend of 1.0 cent per share (20% franked), bringing the full-year total to 3.0 cents.

The board has shifted focus from buybacks to a balanced capital strategy, channelling funds into digital transformation, such as the Starling platform, to support the digital bank and core operations. This approach maintains financial stability while driving innovation in a regulated sector. The modest FY24 dividend reflects a cautious yet strategic use of capital during this transformation phase.

3.4 Digital Bank & Strategic Direction

AMP Limited's strategic direction is increasingly focused on digital banking, highlighted by the launch of its new digital bank in February 2025, aimed at small businesses and self-employed customers. This initiative is a cornerstone of AMP's transformation into a retirement solutions provider and digital banking innovator. Built on Starling's cloud-native platform, the digital bank delivers a seamless, branchless experience with advanced features like real-time analytics, AI-driven financial insights, and integrations with accounting tools such as Xero and QuickBooks. These offerings are designed to set AMP apart in the competitive small business lending market.

The board evaluates success through key performance indicators, including loan growth, deposit base expansion, and customer satisfaction, using Starling's analytics for agile monitoring and strategy adjustments. Meanwhile, AMP's customer-centric philosophy—rooted in "Leadership + culture" and "Customer focus"—drives the digital bank's rollout, while the NZ Wealth Management business capitalises on a lighter regulatory landscape and the digital bank's scalable innovations to sustain its growth.

3.5 AMP's Platforms Strength

AMP's Platforms business, led by the North Platform, achieved robust FY24 performance, with assets under management reaching \$79.8 billion by December 31. Net cashflows surged by 96.7% to \$2.8 billion, driven by innovative retirement offerings like MyNorth Lifetime, which boosted average retirement income by over 50% for clients, while managed portfolios expanded 43.8% to \$19.1 billion, reflecting strong adviser uptake with 99 new distribution agreements and 140 net new advisers managing over \$1 million in funds. Compared to competitors like Hub24, which reported platform funds under administration of \$79.7 billion as of March 31, 2024 [Money Management, "HUB24 breaks through \$100bn FUA," April 15, 2024], growing to \$98.9 billion by December 31, 2024 [InvestorDaily, "HUB24 welcomes record inflows in 2Q25," January 20, 2025], North remains highly competitive. This performance underscores AMP's resilience and strategic strength in Australia's dynamic wealth management sector.

3.6 Stakeholder Engagement and Looking Ahead

AMP's emphasis on customer satisfaction and responsible lending is supported by hardship monitoring and flexible repayment options, enabled by Starling's data reporting capabilities. The board is managing strategic risks—such as legacy systems, regulatory demands, and the digital bank rollout—through cloud migration, disciplined capital allocation, and a 12-month post-launch evaluation period. The completed sale of the Advice business underscores AMP's divestment prowess and refines its focus on growth areas. Moving forward, AMP must balance innovation with risk management to ensure shareholder returns align with its investment in transformative initiatives.

3.4 Remuneration Practices

AMP has refined its remuneration framework to align executive compensation with shareholder value and regulatory standards, such as APRA's CPS 511, as noted in pre-AGM commentary. The framework emphasises profitability and strategic priorities, with over 50% of CEO Alexis George's pay at risk in 2024, balancing short- and long-term incentives. Enhanced malus and clawback provisions, including a two-year clawback period post-vesting for the 2025 LTI, strengthen accountability.

3.4.1 CEO Remuneration Structure for 2025

The 2025 remuneration for Alexis George, as outlined in the Notice of 2025 AGM [Page 13], comprises three components:

- **Fixed Remuneration**
 - **Amount:** \$1,715,000
 - **Details:** A cash-based base salary, unchanged from 2024.
- **Short-Term Incentive (STI)**
 - **Opportunity:**
 - **At Target:** \$1,715,000 (100% of Fixed Remuneration)

- **Maximum:** \$2,572,500 (150% of Fixed Remuneration)
 - **Details:** Paid 60% in cash and 40% deferred into share rights. It was highlighted in the pre-AGM meeting that Cash Taxable Income (CTI) and customer satisfaction (reaching 7.9/10 in 2024) as core metrics.
- **Long-Term Incentive (LTI)**
 - **Amount:** \$1,715,000 (maximum face value), awarded as 1,072,277 performance rights
 - **Details:** Calculated using the Volume Weighted Average Price (VWAP) of AMP shares (\$1.598) over the 10-day period before January 1, 2025. It simplifies from three to two metrics, vesting after a performance period from January 1, 2025, to December 31, 2027, pending shareholder approval on April 11, 2025.

3.4.2 Key Metrics and Hurdles for 2025 LTI

The 2025 LTI has two explicitly defined components [Notice of 2025 AGM, Pages 14-15]:

- **Relative Total Shareholder Return (RTSR) - 70% (750,594 performance rights)**
 - **Metric:** Compound Average Growth Rate (CAGR) in Total Shareholder Return (TSR) relative to S&P ASX 200 Financial companies (excluding A-REITs) as of January 1, 2025.
 - **Hurdles:**
 - Positive absolute TSR over the performance period as a gateway.
 - Vesting Schedule: Below 50th percentile (0%), 50th percentile (50%), 50th-75th percentile (straight-line vesting from 50% to 100%), 75th percentile or above (100%).
 - **Peer Group:** 25 companies, including AMP Limited, ANZ Group Holdings Limited, and others.
- **Reputation (RepTrak Score) - 30% (321,683 performance rights)**
 - **Metric:** RepTrak score relative to 15 organizations in RepTrak's Benchmark 60 index as of January 1, 2025.
 - **Hurdles:**
 - Starting value: 63.9 as of December 31, 2024.
 - Vesting Schedule: Below 50th percentile (0%), 50th percentile (50%), 50th-75th percentile (straight-line vesting from 50% to 100%), 75th percentile or above (100%).
 - **Comparator Group:** Includes AGL Energy Limited, AMP Limited, Qantas Airways Limited, and others.
- **Restriction Periods:** Vested shares are restricted with 33.3% released on January 31, 2030, and 33.4% on January 31, 2031.

3.4.3 Actual CEO Pay for 2024

- **Total Remuneration:** \$3.324 million, up from \$2.984 million in FY23, with \$1.715 million fixed, leaving \$1.609 million variable.

- **STI Outcome:** Over 50% of pay was at risk, tied to a scorecard including CTI and customer satisfaction (7.9/10).

4. Summary of Financial Performance

The table summarises AMP Limited’s financial performance from 2020 to 2024, detailing metrics like Statutory Net Profit After Tax (NPAT), Underlying NPAT (UPAT), share price, dividends, Total Shareholder Return (TSR), Earnings Per Share (EPS), and CEO total remuneration. Extracted from Annual Reports, it illustrates AMP’s financial trends and strategic progress over the five years.

Table 1 - Financial performance

(As at FYE)	2024	2023	2022	2021	2020
Statutory NPAT (\$m)	150	265	387	(252)	177
Underlying NPAT (\$m)	236	205	184	280	233
Share price (\$)	1.59	0.93	1.31	1.01	1.56
Dividend (cents)	3.0	4.5	2.5	0	10
Simple TSR (%)	74	(33.5)	32	(35)	(7.2)
EPS (cents) underlying	9.0	6.8	5.7	8.4	8.6
CEO total remuneration, actual (\$m)	3.324	2.984	2.792	2.936	4.69*

*Includes prior CEO, De Ferrari, sign on payments. His remuneration was reported as \$2.2m.

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

5. Rationale for Voting Intentions

Item 2 - Re-election of Directors

2(a) Re-election of Director – Mike Hirst - For

Mike Hirst brings extensive banking expertise, including his tenure as CEO of Bendigo Bank, to AMP’s Board. His oversight of the digital bank strategy, leveraging the Starling cloud-native platform, has been pivotal. With AMP Bank transitioning to a branchless model, his skills in platforms and transformation are critical. His re-election aligns with the Board’s focus on enhancing cyber, technology, and digital capabilities.

2(b) Re-election of Director – Anna Leibel - For

Anna Leibel's expertise in platforms and digital transformation strengthens AMP's retirement and banking strategies. Her participation in an MIT course on technology and cybersecurity, commencing April 2025, reflects the Board's commitment to continuous development. Her re-election ensures leadership in navigating AMP's digital evolution and addressing the governance priorities outlined in the FY24 Annual Report.

2(c) Re-election of Director – Kathleen Bailey-Lord - For

Kathleen Bailey-Lord brings extensive experience in platforms and governance, which is crucial for AMP's transition to a digital bank and retirement specialist. Her contributions to the Board's skills matrix evolution—particularly in cyber and technology—support AMP's strategic priorities. Her re-election provides continuity and expertise as AMP addresses emerging risks and opportunities.

Item 3 - Adoption of Remuneration Report - For

Alignment with ASA Guidelines: The report ties executive pay to long-term shareholder value, using metrics such as Cash Taxable Income (CTI) and customer satisfaction, which reflect strategic successes, including the digital bank launch and a 43.8% growth in North Managed Portfolios to \$19.1 billion.

Key Performance Metrics: AMP achieved a 15.1% increase in Underlying NPAT and a 25% rise in Earnings Per Share (EPS).

Remuneration Structure: Over 50% of the CEO's \$3.324 million total compensation is at risk (including short-term incentives and long-term incentives), with fixed pay at \$1.715 million. Transparency has improved, though specific performance targets and peer comparisons are still needed.

Item 4 - Approval of Long-Term Incentive Grant to CEO Alexis George - For

The proposed LTI grant for CEO Alexis George, detailed in the Notice of Meeting, ties her remuneration to AMP's long-term success. Key details include:

- **Performance Metrics:** Linked to CTI and customer satisfaction, aligning with FY24 achievements, such as North Managed Portfolios growing 43.8% to \$19.1 billion.
- **Leadership Impact:** Under George's direction, AMP completed the \$1.1 billion capital return program and sold the Advice business, sharpening its focus on retirement and banking.
- **Strategic Value:** Pre-AGM notes highlight her role in positioning AMP for growth, including the launch of the digital bank.

The Board considers this grant vital for retaining top talent and driving AMP's strategic roadmap, recommending shareholder approval.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY24	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.715	33.3	1.715	25
STI - Cash - 60%	1.029	20	2.058	30
STI - Equity - 40%	0.686	13.3	1.372	20
LTI	1.715	33.3	1.715	25
Total	5.145	100	6.86	100

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

*Target remuneration is sometimes called budgeted remuneration. It is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.