

## Earnings are improving, but AMP's 2026 LTI still lacks sufficient stretch

<b>Company / ASX code</b>	AMP Limited / AMP
<b>AGM time and date</b>	10.00am (Sydney time), Friday, 10 April 2026
<b>Location</b>	Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney NSW, and online
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Chad Moffiet assisted by Thivyan Aravindani
<b>Pre-AGM meeting</b>	Mike Hurst (Chair), Kathleen Bailey-Lord (Rem Committee Chair), Rebecca Nash (Chief People Officer), Richard Nelson (Investor Relations), Chad Moffiet (ASA Company Monitor)
<b>Monitor shareholding</b>	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	Election of Linda Elkins as a director	For
2b	Re-election of Andrew Best as a director	For
2c	Re-election of Michael Sammells as a director	For
3	Adoption of remuneration report	For
4	Approval of Blair Vernon's 2026 long-term incentive grant	Against

## 2. Summary of issues and voting intentions for the AGM

### **Underlying earnings are recovering, but the market wants proof of sustainable growth.**

AMP Limited (AMP) enters the 2026 annual general meeting with improved underlying operating performance but still needs to rebuild market confidence. Underlying net profit after tax (NPAT) rose to \$285m, controllable costs fell to \$603m, and the full-year dividend increased to 4.0 cents per share. Even so, the market response to the FY25 result was negative, suggesting shareholders still want stronger evidence on earnings quality, capital discipline, and the path to sustainable growth.

**CEO transition and board renewal matter.** Blair Vernon will replace Alexis George as chief executive officer on 30 March 2026. At the same time, AMP is asking shareholders to back a refreshed board that now includes Linda Elkins, whose platforms and superannuation experience are relevant to the current strategy.

Remuneration remains the key voting issue. ASA is prepared to support item 3, albeit with reservations. The FY25 outcomes show some genuine at-risk exposure: the board cut the short-term incentive funding outcome to 95% after a 101% scorecard result, and the tested 2023 long-term incentive vested at only 65% because the relative total shareholder return leg failed at the 48th percentile. But the forward-looking 2026 LTI for incoming chief executive officer Blair Vernon still falls short of ASA's preferred standards on stretch, time horizon and discretion. The lower overall package is welcome, yet median-entry vesting, a three-year measurement period and the reintroduction of adjusted EPS keep item 4 on the wrong side of the line. ASA therefore intends to vote for items 2a, 2b, 2c and 3, and against item 4.

## 3. Matters considered

### **Accounts and reports - no vote required.**

Item 1 covers the financial report, sustainability report, directors' report and auditor's report for the year ended 31 December 2025. No vote is required, but shareholders should use this item to test earnings quality and AMP's capital allocation priorities.

### **Financial performance**

AMP's 2025 result showed genuine improvement, especially in the wealth businesses. Underlying NPAT increased 20.8% to \$285m, group cost-to-income improved to 61.5% and total assets under management (AUM) rose to \$161.7bn. Statutory NPAT was \$133m, so the gap between statutory and underlying earnings remains relevant when considering remuneration and management's claim that the group has largely moved beyond its legacy clean-up phase.

AMP Bank remained profitable overall, but AMP Bank GO recorded an underlying loss of \$10m as it scaled. By year's end, it had reached \$310m of deposits and 15,665 customers. This may become strategically useful, but for now, it is still an execution and capital discipline issue rather than a proven contributor to earnings.

As at FYE	2025	2024	2023	2022	2021
NPAT (\$m)	133	150	265	387	(252)
Underlying NPAT (\$m)	285	236	205	184	280
Share price at 31 December (\$)	1.82	1.59	0.93	1.31	1.01
Dividend paid during year (cents)	4	3	4.5	2.5	0
Simple TSR (%)	17	74	(33.5)	32	(35)
EPS (cents) underlying	11.3	9.0	6.8	5.7	8.4
CEO total remuneration, actual (\$m)	3.33	3.32	2.98	2.79	2.94

Notes: Simple TSR is calculated as the change in year-end share price plus dividends paid during the year, divided by the prior year-end share price. CEO total remuneration reflects AMP's voluntary realised remuneration disclosure.

### **Governance and culture**

AMP reports an independent chair, a majority-independent board and 50% female representation. Recent board renewal has improved the board's alignment with AMP's platforms and retirement strategy, and none of the directors standing this year raises an obvious tenure issue under ASA's usual approach to independence.

Committee accountability also matters. Andrew Best chairs the Risk and Compliance Committee; Michael Sammells serves on the Audit Committee and the People and Remuneration Committee; and Linda Elkins has joined the Audit and Risk Committee and the Compliance Committee.

### **Key events, capital allocation and strategic execution**

The biggest strategic issue is whether AMP can convert improved trading into durable shareholder value. Management has emphasised organic growth in platforms, superannuation and retirement solutions, while leaving open the possibility of inorganic opportunities. Shareholders should seek clear capital allocation rules across dividends, reinvestment, AMP Bank GO and any acquisitions.

Bank GO deserves particular attention: it broadened AMP's digital offer, but its current losses mean the board should clearly articulate stage gates, expected payback and the capital at risk. This is especially important while the group is still rebuilding market credibility.

### **Key board and senior management changes**

Alexis George will retire from executive roles on 30 March 2026, and Blair Vernon will become chief executive officer. This is a significant change following a multi-year transformation. Shareholders should expect the board to explain which operating and capital-discipline measures will define success in Blair Vernon's first 12 to 24 months.

Linda Elkins joined the board in September 2025 following Andrea Slattery's retirement. The change adds sector experience relevant to AMP's current focus on platforms and superannuation.

## **Sustainability / ESG**

There is no separate climate or sustainability vote at this AGM. For AMP, the more immediate environmental, social and governance lens focuses on trust, customer outcomes, conduct, operational resilience, and the accessibility of products and advice. The sustainability disclosures are reasonably accessible, but shareholders should continue to judge them by whether they are reflected in measurable customer and risk outcomes rather than presentation alone.

## **4. Explanation of voting intentions**

### **Overarching comment on board composition**

AMP's board is not the main voting problem at this AGM. The board appears to have an independent majority, useful financial services experience, balanced tenure and continued renewal. ASA therefore supports the directors standing this year, while continuing to expect stronger scrutiny of risk, capital allocation and incentive design.

### **Item 2a - Election of Linda Elkins as a director**

**Vote: For.** Linda Elkins was appointed to the board on 22 September 2025 and is standing for election. Her experience in wealth management, superannuation and platform businesses is directly relevant to AMP's current strategy. Her committee roles on Audit and Risk and Compliance should also help strengthen oversight in areas that matter to retail shareholders.

### **Item 2b - Re-election of Andrew Best as a director**

**Vote: For.** Andrew Best was appointed to the board on 1 September 2022 and chairs the Risk and Compliance Committee. Given AMP's continuing exposure to operational, conduct and banking risk, his background in banking and capital markets remains relevant. The current evidence supports his re-election.

### **Item 2c - Re-election of Michael Sammells as a director**

**Vote: For.** Michael Sammells was appointed to the board on 1 August 2017 and brings strong finance and chief financial officer experience. He serves on the Audit Committee and the People and Remuneration Committee. ASA should continue to test remuneration and audit judgement, but those concerns are better expressed through item 4 than through opposition to his re-election.

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

**Vote: For, with reservations.** Item 3 is backward-looking and asks shareholders to assess FY25 remuneration outcomes rather than endorse the proposed 2026 chief executive officer

long-term incentive design. On that basis, AMP has done enough to secure support this year. The report discloses actual remuneration received; more than half of executive opportunity remains at risk through short-term and long-term incentives; the board reduced a 101% scorecard result to a 95% short-term incentive funding outcome; and the tested 2023 long-term incentive vested at only 65% because the relative total shareholder return leg failed at the 48th percentile. These are genuine pay-at-risk features.

However, support is qualified. Average short-term incentive paid to executive key management personnel was still 94.5% of target, which looks generous given AMP's continuing gap between statutory and underlying earnings and the market's cautious response to the FY25 result. The short-term incentive mix remains 60% cash and 40% deferred equity, and AMP still uses underlying or adjusted measures in places where statutory outcomes and shareholder experience can diverge. Shareholders can therefore support item 3 this year while sending a firmer message on future pay design by opposing item 4.

#### **Item 4 - Approval of Blair Vernon's 2026 long-term incentive grant**

**Vote: Against.** The lower overall remuneration package for Blair Vernon is a genuine positive and should be acknowledged. Compared with the prior chief executive officer framework described in last year's voting intentions report, fixed remuneration is lower (\$1.4m versus \$1.715m) and target total pay has been reduced (\$4.20m versus \$5.145m). Shareholders are nevertheless being asked to approve the grant of up to 766,871 performance rights with a maximum face value of \$1.4m, calculated using the 10-trading-day volume-weighted average price (VWAP) of \$1.8256 before 1 January 2026. The award is measured over 1 January 2026 to 31 December 2028 and, if it vests, is then subject to restriction periods extending to February 2032. AMP says vested rights will be satisfied with on-market purchases of shares, thereby avoiding dilution.

The proposal has some positive features, and it is important to acknowledge them. It uses more than one hurdle, keeps the non-financial component to 20% of the award, applies a positive absolute total shareholder return gateway, prohibits retesting and uses on-market purchases rather than new issuance. Those features mean AMP meets some baseline ASA expectations. The problem is that the core hurdles still lack sufficient stretch. ASA's preferred approach is that a relative total shareholder return award should not begin vesting unless performance is above the 50th percentile of the peer group over a minimum four-year period, with around 30% vesting at the 51st percentile and straight-line vesting to 100% only at the 85th percentile. AMP instead starts both its relative total shareholder return and RepTrak hurdles at 50% vesting at the 50th percentile and reaches full vesting at the 75th percentile over only three years.

The adjusted earnings per share compound annual growth rate hurdle is a further concern and makes this proposal harder to support than last year's. ASA was prepared to support the 2025 chief executive officer grant when AMP simplified the LTI to relative total shareholder return and reputation. The 2026 proposal lowers overall pay quantum, which is positive, but it

also reintroduces adjusted EPS and allows the board to adjust underlying net profit after tax for one-off gains and losses when assessing performance. That weakens the connection to fully inclusive outcomes and makes the hurdle less transparent. On balance, the shorter-than-preferred performance period, soft median-entry vesting scale and adjusted-EPS discretion outweigh the welcome reduction in remuneration and justify a vote against item 4.

## **Appendix - remuneration framework detail**

AMP's remuneration report includes a helpful voluntary table showing actual remuneration received, which assists shareholders in understanding what executives actually took home rather than only the accounting expense.

Compared with last year's report, Blair Vernon's 2026 framework reduces fixed remuneration to \$1.40m from \$1.715m and target total remuneration to \$4.20m from \$5.145m. That is a positive reset in quantum. However, the design case is not stronger: last year's 2025 chief executive officer LTI removed adjusted EPS and used relative total shareholder return and reputation only, whereas the proposed 2026 grant reintroduces adjusted EPS.

For 2025, AMP reported a 101% scorecard result but applied downward discretion to set STI funding at 95%. Average STI paid to executive key management personnel was 94.5% of target, 40% of each award is deferred into equity, and the 2023 LTI vested at 65% overall because the relative TSR leg did not vest. These features explain why ASA is prepared to support the remuneration report this year, but only with reservations.

Relevant ASA LTI guidance is useful in assessing item 4. LTIs should use at least two hurdles, include a total shareholder return measure, limit non-financial metrics to no more than 50% of the award and test performance over more than three years, preferably four or more. AMP meets some of that framework: it uses three hurdles, includes relative total shareholder return and limits the RepTrak component to 20%. The decisive shortfalls are the three-year test period, median-entry vesting on the main relative hurdles and board discretion over adjusted EPS.

ASA's preferred relative total shareholder return schedule is materially more demanding than AMP's proposal. ASA prefers no vesting unless performance is above the 50th percentile, with around 30% vesting at the 51st percentile and straight-line vesting to 100% only at the 85th percentile over a minimum four-year period. AMP's proposed 50% vesting at median and 100% at the 75th percentile is therefore materially softer.

## CEO remuneration framework for 2026

CEO remuneration framework for 2026	Target \$m	% of total	Max opportunity \$m	% of total
Fixed remuneration	1.40	33.3%	1.40	30.8%
STI - cash	0.84	20.0%	1.05	23.1%
STI - equity	0.56	13.3%	0.70	15.4%
LTI	1.40	33.3%	1.40	30.8%
<b>Total</b>	<b>4.20</b>	<b>100.0%</b>	<b>4.55</b>	<b>100.0%</b>

The STI values above reflect AMP's disclosed 60% cash / 40% deferred equity mix. The LTI is shown at grant value because AMP describes the chief executive officer's 2026 long-term incentive as 100% of fixed remuneration on a maximum face value basis. These figures describe plan design, not expected take-home pay.

## CEO 2026 long-term incentive design against ASA guidelines

Design feature	AMP proposal	ASA view
Performance period	3-year measurement period (2026-2028) plus post-vesting restrictions to February 2032	ASA prefers performance to be measured over more than 3 years, and preferably 4 or more. The holding lock helps, but the tested period is still shorter than ASA's preferred standard.
RTSR (40%)	50% vesting at the 50th percentile and 100% at the 75th percentile, with a positive absolute TSR gateway	ASA prefers no vesting below the 51st percentile and about 30% vesting at the 51st percentile, rising to 100% only at the 85th percentile over at least 4 years. AMP's 50th/75th schedule is materially softer.
Adjusted EPS CAGR (40%)	50% vesting at 7.5% CAGR and 100% at 15%, based on adjusted or underlying EPS with board discretion over one-off items	Board discretion over one-off items weakens transparency and makes it harder to judge whether the financial hurdle is genuinely stretching.
RepTrak (20%)	Relative reputation measure with the same 50th / 75th percentile vesting schedule	The 20% weighting is within ASA's 50% cap for non-financial measures, but the same 50th/75th vesting schedule is too soft.
Grant method and governance	Face-value grant sizing using 10-day VWAP; no retesting; on-market share purchase; malus and clawback apply	No retesting and on-market purchase are positive. But face-value sizing is less conservative and the overall design still falls short of ASA's preferred standard.

This voting intentions report is prepared to assist ASA members in considering how to vote at AMP's 2026 AGM. It does not constitute personal financial advice. Shareholders should consider their own circumstances and, if necessary, seek independent professional advice.