

# 2019 notice of meeting

Your guide to AMP's 2019 annual general meeting

## Dear shareholder

### It is my pleasure to invite you to the 2019 annual general meeting (AGM) of AMP Limited (AMP).

The meeting will be held in the Concert Hall at The Concourse, 409 Victoria Avenue, Chatswood, NSW, Australia on Thursday 2 May 2019, 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 is on page 3.

This event is an opportunity for you to share your views directly with the AMP Limited Board and senior management team and to hear from them about your company's progress and plans for the future. We encourage all 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, we are pleased to offer you the opportunity to ask questions via the live webcast.

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

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

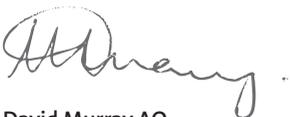
- my election (David Murray AO) and the election of John Fraser, John O'Sullivan and Andrea Slattery as directors of AMP
- the adoption of the remuneration report as set out on pages 37 to 62 of the AMP 2018 annual report
- certain amendments to AMP's constitution, and
- if required to be put to the meeting, a resolution (called a 'spill resolution') to hold another meeting of shareholders (called a 'spill meeting'). The purpose of any spill meeting would be to consider the election of directors. For additional information about the spill resolution and any spill meeting, please read the explanatory notes for item 5 (on pages 16 and 17).

The following pages contain further details of the items of business for the meeting and the voting procedures.

Geoff Roberts has indicated his intention to retire at the conclusion of the 2019 AGM due to the increasing demands on his time arising from both his executive role at SEEK Limited and as a director of the AMP Limited Board and a number of AMP's main subsidiaries. On behalf of the board, I would like to thank Geoff, who has served on the board since 2016, for his considerable contribution to AMP, in particular as Chairman of the AMP Limited Audit Committee.

We are pleased to host, once again, 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, 409 Victoria Avenue, Chatswood, NSW, Australia at 9.30am (Sydney time) on Thursday 2 May 2019. All shareholders are invited to attend the event in person or join the webcast and ask questions at [amp.com.au/ampinfoession](http://amp.com.au/ampinfoession).

I look forward to welcoming you to our 2019 AGM.



**David Murray AO**  
Chairman

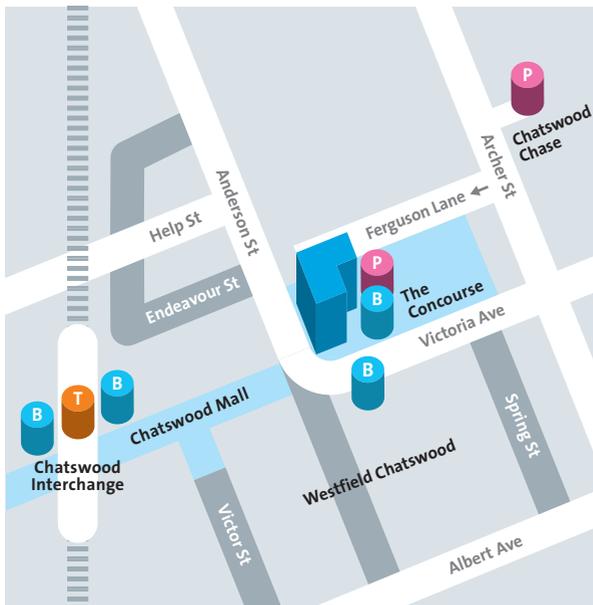
## Details of the meeting

AMP's 2019 annual general meeting will be held on Thursday 2 May 2019, **beginning at 11.00am (Sydney time)**, in the Concert Hall at The Concourse, 409 Victoria Avenue, Chatswood, NSW, Australia. Registration will open at 8.30am (Sydney time).

### How to watch the meeting and ask questions live online

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

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



### How to get to the meeting

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

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

**Bus:** there are bus stops on Victoria Avenue and at Chatswood Transport Interchange.

**Car:** parking is available at The Concourse, accessed from Ferguson Lane via Archer Street. Parking is also available at Chatswood Chase or Westfield Chatswood.

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

### AMP 2018 annual report

A copy of the AMP 2018 annual report (including the financial report, directors' report and auditor's report for the year ended 31 December 2018) is available online at [amp2018.reportonline.com.au](http://amp2018.reportonline.com.au). The report can also be found on our website at [amp.com.au/shares](http://amp.com.au/shares).

*Certain terms used in this notice have the meaning given to them on page 19.*

## Items of business

### 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 2018.

*Shareholders will be asked to consider and, if thought fit, to pass the resolutions below. Items 2 and 3 (and, if required to be put to the meeting, item 5) will be proposed as ordinary resolutions. Item 4 will be proposed as a special resolution.*

### Item 2: Election of directors

- (a) To elect David Murray AO as a director.
- (b) To elect John Fraser as a director.
- (c) To elect John O'Sullivan as a director.
- (d) To elect Andrea Slattery as a director.

### Item 3: Adoption of remuneration report

To adopt the remuneration report for the year ended 31 December 2018.

*Under the Corporations Act, the vote on this resolution is advisory only and will not bind AMP or the directors. However, if 25% or more of the votes validly cast on this resolution are against it, the conditional spill resolution in item 5 will be put to the AGM.*

### Item 4: Amendments to constitution

That the constitution of AMP Limited is amended in the manner set out in the schedule to the notice convening the meeting, with effect from the conclusion of the meeting.

### Item 5: Spill resolution (conditional item)

That, subject to and conditional on at least 25% of the votes validly cast on the resolution to adopt the remuneration report for the year ended 31 December 2018 being cast against the adoption of the report:

- (a) an extraordinary general meeting of AMP Limited (the 'spill meeting') be held within 90 days of the passing of this resolution;
- (b) all of the directors who were directors of AMP Limited when the resolution to make the directors' report for the year ended 31 December 2018 was passed (other than the chief executive officer and managing director), and who remain in office at the time of the spill meeting, cease to hold office immediately before the end of the spill meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.

*This resolution will only be put to the AGM if at least 25% of the votes validly cast on the resolution proposed in item 3 are against that resolution. If you do not want a spill meeting to take place, you should vote 'against' item 5. If you want a spill meeting to take place, you should vote 'for' item 5.*

The proposed items of business should be read in conjunction with the explanatory notes on pages 7 to 17.

## Voting exclusions for items 3 and 5

In accordance with the Corporations Act, no votes may be cast, and AMP will disregard any votes cast, on a resolution set out in item 3 or item 5:

- by or on behalf of a member of the key management personnel (KMP) whose remuneration details are included in the remuneration report for the year ended 31 December 2018 or a closely related party of any such member of the KMP, in any capacity, or
- as a proxy by any other person who is a member of the KMP at the time of the AGM, or by a closely related party of any such 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 meeting 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 meeting as proxy, on page 6, which deals with the chairman's voting of proxies on items 3 and 5.

## How to vote

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

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

### Voting at the meeting

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 Tuesday 30 April 2019. 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 meeting will be conducted by poll.

### Appointing a proxy

A shareholder who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote at the meeting 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 meeting, 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 Tuesday 30 April 2019.

### 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.

## How to vote [continued](#)

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 a personalised email link to your proxy form, you can lodge the proxy form by following the instructions set out in the email.

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

**By post** using the envelope provided or by posting it 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 or the AMP share registry	33 Alfred Street, Sydney NSW 2000, Australia
Australia	Level 4, 60 Carrington Street, Sydney NSW 2000, Australia
New Zealand	Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, New Zealand

### 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 proxyholder will be attending the meeting, the representative will need to bring to the meeting 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 meeting 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 you appoint the chairman of the meeting as your proxy (or the chairman becomes your proxy by default) and you do not direct your proxy how to vote on the proposed resolutions set out in this notice, then by completing and submitting the proxy form you will be expressly authorising the chairman of the meeting to exercise the proxy and vote as the chairman decides on the proposed resolutions (even though the resolutions proposed in items 3 and 5 are connected directly or indirectly with the remuneration of members of the KMP and the chairman is a member of the KMP).

The chairman of the meeting intends to vote, as your proxy, in favour of each item of business (where permissible), except the conditional spill resolution in item 5. If the spill resolution is put to the vote at the meeting, the chairman of the meeting intends to vote against that resolution (where permissible).

- If:
- you appoint someone other than the chairman of the meeting as your proxy and direct them how to vote on the proposed resolutions, and
  - your nominated proxy does not attend the meeting, or does not vote on your behalf on the proposed resolutions,
- then the chairman of the meeting will cast your votes on a poll as directed (where permissible).

### Other key management personnel as proxy

If you appoint a director (other than the chairman of the meeting) 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 items 3 and 5 by marking the appropriate boxes. If you do not do so, your proxy will not be permitted to vote on your behalf on items 3 and 5.

By order of the board.



**David Cullen**

Company Secretary, 28 February 2019

## Explanatory notes

The information below is an explanation of the business to be considered at the 2019 AGM.

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

The AMP 2018 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 [amp2018.reportonline.com.au](http://amp2018.reportonline.com.au). A printed copy of the AMP 2018 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 AMP Investor Relations at [shares@amp.com.au](mailto:shares@amp.com.au) or call 1800 245 500 (within Australia) or +612 9257 9009 (from overseas).

During this item, shareholders will be given an opportunity to ask questions about, and make comments on, the 2018 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 19 under the heading Questions from shareholders. All written questions to the auditor must be received by no later than Friday 26 April 2019.

### Item 2: Election of directors

#### Directors standing for election

Four non-executive directors appointed to the AMP Limited Board since our 2018 AGM are eligible to be elected, and intend to offer themselves for election, at the 2019 AGM. They are David Murray AO, the new independent AMP Limited Chairman, and three other independent non-executive directors, John Fraser, John O'Sullivan and Andrea Slattery.



Profiles of each candidate are included below. The board considers David Murray, John Fraser, John O'Sullivan and Andrea Slattery 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 judgment on issues brought before the board.

### **David Murray AO<sup>1</sup>**

BBus, MBA

David was appointed to the AMP Limited Board as Chairman in June 2018. He is also Chairman of the Nomination and Remuneration Committees and was appointed a member of the Risk Committee in January 2019.

In addition, in February 2019, David was appointed Chairman of the AMP Bank Limited Board and a member of its Risk Committee.

Prior to his appointment to the AMP Limited Board, an assessment was conducted of David's fitness and propriety to be and act as a director and he was determined to be a fit and proper person to hold this office by reference to AMP's fit and proper policy and APRA CPS 520. David is therefore eligible to hold the office of director in accordance with clause 53.3 of the constitution of AMP Limited.

### **Experience**

David has over 40 years' experience in financial services, with expertise in banking and wealth management, as well as the industry's regulatory environment.

David served as Chief Executive Officer of the Commonwealth Bank of Australia from 1992 to 2005 and as the inaugural Chairman of the Australian Future Fund from 2006 to 2012 (when his statutory term ended). He was also the inaugural chair of the International Forum of Sovereign Wealth Funds. David also chaired the Financial System Inquiry, which reported to the Australian Government in December 2014, and has previously served as a member of the Finance Sector Advisory Council and the APEC Business Advisory Council.

David holds a Bachelor of Business from the NSW Institute of Technology and a Master of Business Administration, commenced at Macquarie University and completed at the International Management Institute, Geneva. He holds an honorary Doctor of Letters from Macquarie University.

### **Government and community involvement**

- Chairman of the Butterfly Foundation Limited
- Ambassador of the Australian Indigenous Education Foundation

### **Board recommendation**

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



## John Fraser<sup>2</sup>

BEC (Hons)

John Fraser was appointed to the AMP Limited Board in September 2018 and was appointed a member of the Audit, Risk and Remuneration Committees in January 2019.

In February 2019, John was appointed to the AMP Bank Limited Board and as a member of its Audit and Risk Committees. He was also appointed at the same time to the AMP Capital Holdings Limited Board and as a member of its Audit and Risk Committee.

Prior to his appointment to the AMP Limited Board, an assessment was conducted of John's fitness and propriety to be and act as a director, and he was determined to be a fit and proper person to hold this office by reference to AMP's fit and proper policy and APRA CPS 520. John is therefore eligible to hold the office of director in accordance with clause 53.3 of the constitution of AMP Limited.

### Experience

John has more than 40 years' experience in leadership roles in economics, public policy, capital markets and asset management in Australia and overseas.

Most recently he was Secretary to the Treasury from 2015 to July 2018. In this capacity, John was a member of the Board of the Reserve Bank of Australia, a member of the Australian Council of Financial Regulators and Chair of the G20 Global Infrastructure Hub.

John came back to Treasury after an extensive career with UBS, including more than a decade as Chairman and CEO of UBS Global Asset Management based in London. During this time, he was also a member of the UBS Group Executive Board and Chairman of UBS Saudi Arabia, as well as Chairman of various subsidiaries and joint ventures for UBS Global Asset Management. John also served as an Australian Stock Exchange Board director and as Chairman of Victorian Funds Management Corporation.

Prior to joining UBS and its predecessor organisations in 1993, John held a number of senior positions with the Australian Treasury over 20 years, including postings at the International Monetary Fund and at the Australian Embassy in the United States.

John graduated from Monash University, Melbourne, with a first-class honours degree in economics. He received a Centenary medal for service to Australian society through business and economics in 2001 and was awarded an honorary Doctorate of Laws from Monash University.

### Government and community involvement

- Director of the Advance Board
- Director of the Future Fund

### **Board recommendation**

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

### **John O’Sullivan<sup>3</sup>**

BA, LLB, LLM

John O’Sullivan was appointed to the AMP Limited Board in June 2018. He was appointed a member of the Audit, Risk and Remuneration Committees in January 2019.

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

Prior to his appointment to the AMP Limited Board, an assessment was conducted of John’s fitness and propriety to be and act as a director and he was determined to be a fit and proper person to hold this office by reference to AMP’s fit and proper policy and APRA CPS 520. John is therefore eligible to hold the office of director in accordance with clause 53.3 of the constitution of AMP Limited.

### **Experience**

John has over 40 years’ experience in the legal and financial services sectors in Australia. He started his career at Freehill Hollingdale & Page (Herbert Smith Freehills), later becoming a partner at the firm where he was recognised as one of Australia’s leading corporate and M&A lawyers.

From 2003 to 2008, John was General Counsel of the Commonwealth Bank of Australia before spending ten years at Credit Suisse Australia where he was Executive Chairman, Investment Banking and Capital Markets, Australia until February 2018. John is a member of the Takeovers Panel. He holds a Bachelor of Laws and Bachelor of Arts from the University of Sydney and a Master of Laws from the University of London.

### **Government and community involvement**

- Ambassador of the Australian Indigenous Education Foundation
- Director of the WestConnex entities

### **Board recommendation**

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

### **Andrea Slattery<sup>4</sup>**

B Acc, M Comm

Andrea Slattery was appointed to the AMP Limited Board on 15 February 2019 and is a member of the Audit, Risk and Remuneration Committees. At the same time, she was appointed to the AMP Bank Limited Board and its Audit and Risk Committees.

Prior to her appointment to the AMP Limited Board, an assessment was conducted of Andrea’s fitness and propriety to be and act as a director, and she was determined to be a fit and proper person to hold this office by reference to AMP’s fit and proper policy and APRA CPS 520. Andrea is therefore eligible to hold the office of director in accordance with clause 53.3 of the constitution of AMP Limited.

### **Experience**

Andrea has substantial experience as a non-executive director and senior executive in financial services, retirement and superannuation, government relations, infrastructure, professional services, academia and innovation, spanning more than 26 years.

Andrea was the Managing Director and CEO of the SMSF Association for 14 years from 2003 to 2017, which she co-founded. Previously, she worked at the University of South Australia, she was a financial adviser and she founded her own consulting and advisory business.

Her previous Government Advisory Committee appointments include the Federal Government's Innovation Investment Partnership, Stronger Super Peak Consultative Group, Superannuation Advisory Group and the Future of Financial Advice and the Shadow Ministry's Infrastructure & Innovation and Superannuation & Industry Partnerships.

#### **Listed directorships**

- Director of Argo Global Listed Infrastructure Limited (appointed April 2015)
- Director Centrepoint Alliance Limited (ceased January 2019)

#### **Government and community involvement**

- Director of Clean Energy Finance Corporation (appointed February 2018)
- Director of the South Australian Cricket Association (appointed April 2010)
- Vice Chairman of Woomera Prohibited Area Advisory Board (from 1 July 2019)

#### **Board recommendation**

The board, with Andrea 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 2018:

- explains the board's policies in relation to the nature and level of remuneration paid to the members of the KMP, 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 2018
- 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 in 2018, and
- outlines the link between AMP's performance in 2018 and the remuneration outcomes for the KMP.

Our 2018 remuneration report appears on pages 37 to 62 of the AMP 2018 annual report (which is available online at [amp2018.reportonline.com.au](http://amp2018.reportonline.com.au)).

Following concerns raised at the last AGM and acknowledging the views of AMP's shareholders, the board consulted widely and undertook a number of initiatives, including a review of AMP's remuneration arrangements. The board considers that the concerns raised at the 2018 AGM have been addressed or explained in the 2018 remuneration report.

The information provided below is structured as follows:

- Overview of 2018
- 2018 remuneration outcomes
- Board review of remuneration model
- 2019 remuneration approach
- Additional information

## Overview of 2018

2018 was a very difficult year for AMP.

The Royal Commission highlighted misconduct across the financial services industry with significant ramifications for AMP, not least of which was the damage to its reputation and loss of value for our shareholders.

Following various revelations at the Royal Commission, the former chairman and three other non-executive directors left the board and four new directors, including our new chairman, were appointed during 2018. Both the former CEO and the General Counsel left AMP in April 2018.

Our new CEO Francesco De Ferrari was appointed and began in December 2018. Since then he has announced changes to the senior leadership team. Francesco joined the board as Managing Director in January 2019.

## 2018 remuneration outcomes

Remuneration outcomes for 2018 are reflective of the difficult circumstances of the year. Apart from the CEO of AMP Capital, there were no allocations of incentives to the AMP executive leadership team for 2018.

Given their positions as senior executives with ultimate accountability for the Advice and Banking business and the AMP business as a whole (respectively), the board determined that the unvested allocations of equity that were due to vest be forfeited for Mr Meller (former CEO) and Mr Caprioli (formerly, the Group Executive for Advice and Banking, who left the business in December 2016). While the Board had decided to exercise its discretion in this way in relation to Mr Meller, he voluntarily forfeited his unvested incentives because he took overall accountability for the matters addressed in the Financial Advice hearing block of the Royal Commission, which AMP had previously disclosed to ASIC. The total face value of the unvested incentives for Mr Meller and Mr Caprioli is approximately \$10.8 million (based on the original award value). The board also exercised discretion which resulted in the forfeiture of incentive holdings for some other former executives and employees.

As announced on 30 April 2018, the AMP Limited Board reduced non-executive directors' fees by 25% for the remainder of the 2018 calendar year, applicable to those non-executive directors who held office at that time. In addition, further changes to board responsibilities and fees have been implemented for 2019. With the aim of constraining the cost of governance arrangements from 2020, after separation of the Australian and New Zealand wealth protection and mature businesses to Resolution Life, the AMP Limited Chairman's fees will be reduced in 2020.

## Board review of remuneration model

At our AGM held in May 2018, AMP received a 'first strike' against its 2017 remuneration report. The board recognises this first strike was in response to wider business issues as well as other concerns about the remuneration framework.

Acknowledging the views of our shareholders, the first strike against the 2017 remuneration report, ongoing regulatory developments and the changes occurring within the AMP business, the board has reviewed AMP's remuneration arrangements.

There is no one 'right' remuneration model that can be applied as suitable for all businesses across all situations, and the board recognises there are different views about remuneration practices. The board considers and attempts to balance the expectations or requirements of AMP's customers, employees, shareholders, proxy advisers and regulators, which are increasingly less aligned.

Remuneration arrangements are one part of the framework that drives behaviours and expected outcomes for customers, shareholders and employees. Unless remuneration sits alongside well-designed business and employment systems, a realistic strategy and appropriate risk

management and internal controls, it will not be effective in delivering the desired outcomes. Most importantly for AMP, the systems of remuneration must be accompanied by consequences for unsatisfactory behaviours and an acknowledgement that our reputation in the wider community is fundamental to our future as a financial services business.

The board would like to stress that it has ensured there have been consequences for people at AMP as a result of the circumstances of 2018. The board would also like to stress, however, that any remuneration arrangements must be designed to attract and retain the people needed at all levels of work to conduct AMP's business. Accordingly, the board has been mindful not to unduly penalise the majority of employees who continue to do their jobs.

### **2019 remuneration approach**

The board is very pleased to have welcomed Francesco De Ferrari as CEO in December 2018. Francesco will set a new strategy for the business, and AMP's remuneration framework for 2019 onwards will be considered within the context of this strategy. At this stage, arrangements for 2019 are advanced but have not been finalised. However, the Executive Performance Incentive Plan (EPI Plan) introduced for 2018 will not continue. Instead AMP will be adopting an approach more suited to the significant change and transformation AMP will be undergoing. This will include a greater emphasis on long-term incentives linked to transformation objectives.

The board recognised that, given the circumstance of the Royal Commission, at the time it was unlikely we could appoint an executive from within Australia. In the appointment of finance executives internationally, it is common to have to make significant buyout payments, requiring the board to consider the costs and benefits of doing so. As part of attracting Francesco De Ferrari to AMP, we took account of his previous remuneration package. Recovery and buy-out incentives were awarded to Francesco which represent amounts forgone at his previous employer as a result of his joining AMP and reflect a higher equity component and some additional challenging hurdles to meet before amounts will vest. These remuneration arrangements are designed to drive the recovery of AMP and recognise the degree of challenge in the task ahead. The incentives were agreed and advised to the market in August 2018 and both the AMP share price and the ASX 100 have declined in the period from that time to Mr De Ferrari's start date. No adjustments have been made to reflect these market movements.

### **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, except as outlined below and in the explanatory notes for item 5 (on pages 16 and 17). 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.

As noted earlier, AMP received a first strike at the 2018 AGM against its remuneration report for the year ended 31 December 2017 (with approximately 61.5% of the votes cast on the resolution to adopt that report cast against the resolution). 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 2018

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 2019 AGM. For details of the effect of the spill resolution, please read the explanatory notes for item 5 (on pages 16 and 17).

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 6 under the heading Chairman of the meeting as proxy.

### **Board recommendation**

Noting that each director has a personal interest in their own remuneration from AMP (as described in the 2018 remuneration report), each director recommends that shareholders vote **in favour** of adopting the 2018 remuneration report.

## **Item 4: Amendments to constitution**

### **Background**

The board is proposing certain amendments to AMP's constitution in relation to:

- direct voting
- the minimum share qualification requirement for directors
- the eligibility requirements for directors, and
- the calling of directors' meetings.

The proposed amendments are set out in full in the schedule to this notice (on page 18) and outlined below. Clauses referred to in these notes are clauses in AMP's current constitution, except where otherwise stated.

### **Outline of proposed amendments**

#### *Direct voting (clause 33 and proposed clauses 42.4 and 42.5)*

New provisions are proposed that will permit AMP to enable shareholders to vote directly on resolutions considered at a general meeting, as an alternative to appointing a proxy or representative to attend and vote at the meeting.

These new provisions will provide AMP with the flexibility to implement direct voting should it decide to do so in the future.

Ancillary amendments are also proposed to clause 33 to facilitate direct voting.

#### *Directors' share qualification requirement (clauses 53.4 and 53.6)*

Under clause 53.4, each director is required to hold at least 2,000 AMP shares (legally or beneficially) at all times after the period of 60 days from the director's appointment or election to the AMP Limited Board.

The board has adopted a minimum shareholding policy which imposes significantly higher requirements than the existing constitutional share qualification requirement. In particular, the policy requires:

- the AMP Limited Chairman to hold a minimum value of AMP shares equivalent to the annual chairman base fee
- each non-executive director (NED) to hold a minimum value of AMP shares equivalent to their annual NED base fee, and
- the CEO to accumulate a minimum of 300,000 AMP shares and/or share rights.

Directors are expected to achieve these levels of share ownership within four years (or, in the CEO's case, five years) from their appointment, and are encouraged to increase their ownership over their tenure.

It is now rare to include a share qualification requirement in a listed company's constitution as they are inflexible in practice, particularly having regard to insider trading considerations. By way of illustration, there may be instances where a director is appointed to the board who is unable to fulfil the requirement due to there being no opportunity under the AMP Limited Trading Policy for the purchase of AMP shares within the specified timeframe. In this scenario, the director would be automatically disqualified from holding office. The board considers that the existing share qualification requirement adds an unnecessary complication to the director appointment process.

Various ASX listed companies address directors' share qualification requirements by way of a minimum shareholding policy only. In line with this practice, the board is proposing the removal of the share qualification requirement from AMP's constitution. This involves the deletion of clauses 53.4 and 53.6 (and some minor consequential amendments).

#### *Directors' eligibility requirements (clause 53.2)*

Clause 53.2 currently provides that a person is not eligible, and will cease to be eligible, to hold the office of director where they are, or become, a director, principal, auditor, employee or agent of a competitive entity, unless the directors determine otherwise. For the purposes of this clause, a competitive entity is defined to mean any firm, person or body corporate (other than a subsidiary of AMP) which carries on the business of life insurance, banking, merchant banking, professional superannuation management for external clients or professional funds management for external clients.

This rule is unusual from a market practice perspective.

In addition, the definition of competitive entity does not reflect AMP's contemporary business composition, nor have the flexibility to accommodate future changes to our business portfolios. For example, the definition includes life insurance business, however the AMP group will cease to carry on life insurance business following completion of the announced sale of our Australian and New Zealand wealth protection and mature businesses to Resolution Life (expected to occur in the second half of 2019).

In light of these considerations, the board is proposing the removal of clause 53.2 from the constitution (and some minor consequential amendments).

Of course, any conflicts of interest or duty that a potential director candidate may have by virtue of any other directorship or role they hold outside of AMP, or any personal interests, are carefully considered by the AMP Limited Board prior to the board making any decision to appoint them as a director, or any recommendation to shareholders about their proposed election or re-election.

During their term of office, directors are also required to discuss any proposed external appointments with the chairman, prior to accepting the appointment. They are also expected to notify the chairman and the company secretary of any actual, potential or perceived conflicts of interest or duty, or matters that may affect their independence, as soon as they become apparent.

#### *Calling directors' meetings (clause 64.1)*

The directors are proposing to amend clause 64.1 of the constitution to allow any single director to call a board meeting at any time. Currently, a board meeting may only be called by the chairman, the deputy chairman or any two directors (and must be called by the company secretary at the request of any of those specified directors).

This proposed change will provide the directors with maximum flexibility to convene board meetings as and when they consider appropriate, and will align this provision with common practice for large ASX listed companies.

### **Copy of the proposed amended constitution**

A copy of AMP's current constitution marked to show the proposed changes is available on our website at [amp.com.au/shares](http://amp.com.au/shares).

A marked copy of the proposed amended constitution will also be available for inspection by shareholders at the AGM.

### **Approval of amended constitution**

The proposed resolution for amendment of the constitution must be approved by a special resolution. A special resolution must be passed by at least 75 per cent of the votes cast by shareholders present (whether in person, or by proxy, attorney or representative) and entitled to vote on the resolution.

If passed by shareholders at the meeting, the proposed amendments to the constitution will take effect from the conclusion of the meeting.

### **Board recommendation**

The board recommends that shareholders vote **in favour** of the proposed amendments to the constitution.

### **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 because at least 25% of the votes validly cast on the resolution in item 3 to adopt the 2018 remuneration report are 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:
  - David Murray AO\*
  - John Fraser\*
  - Andrew Harnos
  - Trevor Matthews
  - John O'Sullivan\*
  - Peter Varghese AO
  - Mike Wilkins AO.

*\*This assumes that these directors are elected at the AGM under item 2.*

The directors listed above are those who held office on 14 February 2019 when the directors' report (including the remuneration report) for the year ended 31 December 2018 was approved (except Geoff Roberts). As noted in the chairman's letter, Geoff Roberts has indicated his intention to retire at the conclusion of the 2019 AGM and would therefore not be affected by any spill meeting.

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, ASX Listing Rules and AMP's constitution, our CEO, Francesco De Ferrari, would not be required to stand for election as a director, and would continue to hold office, at any spill meeting.

If David Murray AO, John Fraser and John O'Sullivan are elected at the AGM, they would still need to be re-elected at any spill meeting to remain in office after that time. However, as Andrea Slattery became a director after the date of approval of the directors' report, she would continue in office (if elected at the AGM) and would not be required to stand for re-election at the spill meeting. Similarly, if any additional directors were to be appointed before the spill meeting, they would not need to stand for election or re-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 and 58).

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:

- The board has undergone a process of considerable renewal in the past year and the proposed election of four recently appointed independent non-executive directors at the AGM is a clear indicator of that renewal. In 2018, the board recognised that significant change was required to restore confidence in our business. Half of the board in place at the beginning of the Royal Commission has since changed, with five directors (including the former chairman and CEO) having resigned from the board during 2018 and five directors (including our new chairman and CEO) having been appointed to the board (as at the date of this notice). For information about the four non-executive directors standing for election at the AGM, please read the explanatory notes for item 2 (on pages 7 to 11). The process of board renewal that commenced in 2018 is continuing, and is expected to be completed in 2019.
- The renewed board has ensured that there have been remuneration consequences for people at AMP as a result of the circumstances of 2018 and has reviewed AMP's remuneration arrangements. As part of this review, the board has decided not to continue the EPI Plan introduced for 2018. For further information about the board's remuneration decisions, please read the explanatory notes for item 3 (on pages 11 to 14) and our 2018 remuneration report.
- Substantial additional costs would be incurred if AMP is required to call and hold a spill meeting.
- Holding a spill meeting would create significant further disruption and uncertainty for AMP. As demonstrated in 2018, to the extent that AMP's operations can be unexpectedly disrupted, shareholders need the skills and experience of their board as a backstop. The board considers that further uncertainty in the renewal of AMP's prospects would not be in the best interests of AMP or its shareholders.

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 6 under the heading Chairman of the meeting as proxy.

#### **Board recommendation**

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

## Schedule – Amendments to constitution (item 4)

It is proposed that the constitution of AMP Limited be amended in the manner set out below.

1. By deleting the definition of ‘Competitive Entity’ in clause 1.1.
2. By inserting the following new wording at the end of clause 33: “or, except in any rule that specifies a quorum or any rule prescribed by the Directors under **clause 42.5**, a Member who has duly lodged a valid direct vote in relation to the general meeting under **clause 42.**”
3. By inserting the following new clauses 42.4 and 42.5:
  - “42.4 Despite anything to the contrary in this Constitution, the Directors may decide that, at any general meeting or class meeting, a Member who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A ‘direct vote’ includes a vote delivered to the Company by post, fax or other electronic means approved by the Directors.
  - 42.5 The Directors may prescribe regulations, rules and procedures in relation to direct voting, including specifying the form, method and timing of giving a direct vote at a meeting in order for the vote to be valid.”
4. In clause 53:
  - (a) by deleting clauses 53.2, 53.4 and 53.6;
  - (b) by renumbering existing clauses 53.3 and 53.5 as 53.2 and 53.3, respectively;
  - (c) by replacing the reference to “**clauses 53.2 and 53.3**” in clause 53.1 with a reference to “**clause 53.2**”; and
  - (d) by replacing the words “**Clauses 53.2 to 53.4 do not apply**” in clause 53.5 with the words “**Clause 53.2 does not apply**”.
5. By replacing the reference to “**clause 53.2, 53.3(b) or 53.4**” in clause 59.1(i) with a reference to “**clause 53.2(b)**”.
6. By deleting clause 64.1 and replacing it with the following new clause 64.1:

“64.1 Any Director may at any time, and the Secretary must on the request of any Director, call a meeting of the Directors.”

## 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 financial report, the directors' report (including the remuneration report) or the auditor's report, general questions regarding the performance, business or management of AMP, and relevant questions of the auditor. 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, which can be found on your proxy form.
- Post or fax your question to the AMP share registry. 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/agm](http://amp.com.au/agm).

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 in the foyer 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 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 Friday 26 April 2019.

The chairman of the meeting will answer as many of the frequently asked questions as possible at the meeting. Due to the expected volume of questions, AMP will not be sending individual replies. The meeting will be webcast live at [amp.com.au/agm](http://amp.com.au/agm).

## Definitions

**AMP** 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.

**APRA CPS 520** means the Australian Prudential Regulation Authority Prudential Standard CPS 520 Fit and Proper.

**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.

**Resolution Life** means Resolution Life Australia Pty Limited.

**Royal Commission** means the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

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

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

## You're invited to an exclusive shareholder session

Join AMP online or in person for a free information session.

Hear from AMP Chief Economist Shane Oliver.

**When** 9.30am (Sydney time) Thursday 2 May 2019

**Where** The Theatre, The Concourse, 409 Victoria Avenue, Chatswood, NSW, Australia

**Online** View the webcast live and ask questions or view the archive at [amp.com.au/ampinfosession](http://amp.com.au/ampinfosession)

**This event will be followed by the AMP 2019 AGM.**

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Green   
TOMORROW

AMP is committed to actively reducing its impact on the environment and has printed this document on paper derived from certified well managed forests and manufactured by an ISO 14001 certified mill.