



David Murray  
Chairman of the Board



Dear shareholder

Today, AMP has announced the appointment of Francesco De Ferrari as our new Chief Executive Officer (CEO).

Francesco will officially join AMP on 1 December 2018, at which point our current acting CEO Mike Wilkins will return to his position as a Non-Executive Director on AMP's Board.

Francesco is an internationally recognised leader in financial services. He will join us from financial services company Credit Suisse, where he's spent 17 years in leading roles in Europe and Asia.

AMP's Board conducted a rigorous global search to identify a highly-qualified leader with the expertise to improve business performance and spearhead change.

Francesco has a reputation as an outstanding leader, who delivers for customers and shareholders. His experience in transforming businesses and driving growth will be invaluable as he addresses the challenges facing AMP.

We have also announced Francesco's CEO remuneration arrangements today. These have been designed to drive the turnaround of AMP and are strongly linked to the performance of the business.

With his high standards, expertise and innovative thinking, the Board and I strongly believe that Francesco is the right person to lead the recovery of AMP.

Regards

David Murray  
Chairman of the Board

### **Francesco De Ferrari biography**

Mr De Ferrari has over 20 years' experience in the wealth management industry including private banking and management consulting. He spent 17 years in executive roles at Credit Suisse in Asia and Europe, leading businesses that grew substantially under his leadership.

During almost seven years as Head of Credit Suisse's Asia Pacific private banking business, he overhauled the operating model, increased assets under management and profitability, and improved culture and controls within the business.

As CEO of South East Asia and Frontier Markets, Mr De Ferrari was responsible for Credit Suisse's business in Investment Banking, Global Markets, Private Banking in ASEAN and frontier markets across the Asia Pacific.

He was conferred the Institute of Banking and Finance (IBF) Distinguished Fellow award in 2016 for excellence in professional stature, integrity and achievement in the financial industry. Credit Suisse won the Best Private Bank in Asia award four times in the past five years and Asian Private Banker named Mr De Ferrari Private Banker of the Year in 2015 for regional leadership in the private banking industry.

Previously, Mr De Ferrari led Credit Suisse Italy's private banking operations in Milan where he transformed the onshore private banking business. During this time, he pioneered the concept of advisory mandates and implemented higher levels of transparency. He also has deep experience in dealing with remediation stemming from regulatory issues in various jurisdictions around the world. He holds an MBA, awarded with distinction from INSEAD, and a Bachelor of Science in Economics and International Business from the Stern School of Business, New York University. He is married with five children.

## Summary of material terms of employment agreement

Francesco De Ferrari will commence as CEO on 1 December 2018 on a rolling contract with either party being able to terminate on six months' notice (other than if AMP terminates summarily).

### Remuneration

The table below sets out Francesco De Ferrari's remuneration package. It includes a one-off 'Recovery' and 'Buy-out' incentive, which are in consideration for the fact that Francesco De Ferrari will forego existing incentive arrangements with his previous employer that he would have otherwise been entitled to receive.

The key principle in designing these incentives has been to use AMP equity to create alignment with shareholder interests and maximise incentive to drive AMP's recovery.

Type of remuneration	Value at date of grant	Vesting schedule	Hurdles
Salary (including superannuation)	\$2.2m	N/A	N/A
Maximum STI for 2019	120% of Salary	Same as other participants	Same as other participants
Maximum LTI for 2019	159% of Salary	Same as other participants	Same as other participants
The total 2019 maximum remuneration package (salary and incentives) is \$8.3m			
Recovery incentive – Options	\$300,000 (fair value)	Must be in employment until 15 February 2023	Exercise price of \$5.50
Recovery incentive – Share Rights	1,656,976 share rights with a face value of approximately \$5.7m	Tested by the Board on 15 February of each of 2021, 2022 and 2023 (each a testing date).	On first testing date, 25% will vest if share price is \$4.50 On second testing date, 50% or 75% (including any that has vested already) will vest if share price is \$4.75 or \$5.00 (respectively) On third testing date, the balance will vest depending on the share price being higher than \$4.50 and will vest on a straight-line basis with 100% vesting if the share price is \$5.25

Buy-out incentive – Cash	\$1.7m	Must be in employment until 21 Feb 2019	Continuous employment
Buy-out incentive – Shares	1,453,488 AMP shares with a face value of approximately \$5m	60% on 15 Aug 2019 20% on 15 Aug 2020 20% on 15 Aug 2021	Continuous employment
Buy-out incentive – Share Rights	1,453,488 AMP share rights with a face value of approximately \$5m	50% on 15 Feb 2020 30% on 15 Feb 2021 20% on 15 Feb 2022	Continuous employment (but Board may, in its absolute discretion, lapse all or some share rights if AMP Group suffers a material loss)

### Termination entitlements

The recovery incentive and buyout incentive awards will generally lapse or be forfeited if employment is terminated for cause or if Francesco De Ferrari resigns.

Entitlements to any other incentives on cessation of employment will be determined in accordance with the terms of the relevant plans.

### Restraint

- non-solicitation up to 12 months; and
- non-competition up to six months,

after the termination of Francesco De Ferrari's employment.