**TRANSCRIPTION**

**Company: AMP**

**Date: 12 April 2024**

**Time: 10:00am, AEST**

**Duration: 2hrs 20 min**

**Reservation Number: 10037884**

**[START OF TRANSCRIPT]**

Debra Hazelton: I'll just wait for a few people to be seated. Well good morning fellow shareholders. My name is Debra Hazelton, and I am Chair of AMP. It is my pleasure to welcome you here today to AMP's 2024 Annual General Meeting. Thank you all for joining us and for your continued support of AMP. This is a hybrid meeting, so welcome also to those shareholders who have chosen to join us online.

As the Company Secretary has informed me that a quorum is present, I now formally open our 2024 Annual General Meeting. On behalf of the Board, Management, and the Company, I'd like to begin by acknowledging the Traditional custodians of the land on which we meet and the custodians on the lands from which you are all joining us today. We pay our respects to Elders past, present and emerging, and we extend that same respect and recognition to all First Nations peoples.

Welcome to AMP's 2024 Annual General Meeting. I am joined on stage today by my fellow Board members and AMP's Group General Counsel and Company Secertary, David Cullen. Also joining us in the audience today is Sarah Lowe from AMP's auditors, Ernst & Young. The Board is currently comprised of eight Non-Executive Directors and our CEO, who is a Managing Director on the Board. All our Non-Executive Directors are also members of the Nomination Committee.

I would like to take a moment to introduce your Directors. Starting on my far left we have Andrew Best. Andrew was appointed to the Board in July 2022 and is a member of the Risk and Compliance Committee and the Remuneration Committee. Sitting next to Andrew is Anna Leibel. Anna was appointed to the Board in January 2024 and is a member of the Risk and Compliance Committee. Anna will be standing for election today, so I will invite Anna to say a few words when we reach that item.

Sitting next to Anna is Rahoul Chowdry. Rahoul was appointed to the Board in January 2020 and is Chair of the Audit Committee and a member of the Risk and Compliance Committee. Next to Rahoul, on my immediate left, is our CEO, Alexis George. Alexis joined AMP in August 2021 and was appointed to the AMP Limited Board as Managing Director, shortly after her commencement. Alexis will provide an update on AMP's financial performance in 2023 and delivery against the strategic priorities.

Turning to my far right, we have Andrea Slattery. Andrea was appointed to the Board in February 2019 and is a member of the Audit Committee and Risk and Compliance Committee. Next to Andrea is Michael Sammells. Michael was appointed to the Board in March 2020 and is Chair of the Remuneration Committee and a member of the Audit Committee. Next to Michael is Kathleen Bailey-Lord. Kathleen was appointed to the Board in January 2024 and is a member of the Remuneration Committee. Kathleen is also standing for election today, so I will invite Kathleen to say a few words when we reach that item.

Sitting next to Kathleen is Mike Hirst. Mike was appointed to the Board in July 2021. As previously announced, Mike will succeed me as Chair of the Board following my retirement from the position at the conclusion of this meeting. On my immediate right we have our Group Counsel and Company Secretary, David Cullen, who will assist me in running today's meeting. Thank you, David. I'd also like to acknowledge the members of the AMP Executive Team, who are seated in the front row, to provide support today.

I will now ask David Cullen, our Company Secretary, to go through the procedures for the voting and the Q&A process with you, thank you, David.

David Cullen: Thank you, Chair. Let me start with the Q&A. For each question session, we'll first address questions received prior to the meeting and from online, which I will read out. Then questions from the room, and lastly any questions on the phoneline, which we will ask the phoneline operator to facilitate. For those shareholders here in person, you can ask a question by approaching one of the two microphone attendants. We ask you to only approach the attendant when we announce the questions are open to the floor.

Please show the attendant your admission and voting card that you were given when you registered this morning and provide your name. You will need your card to ask a question or to re-enter the meeting. For those attending online, today's meeting is being held by the Computershare Meeting Platform. This allows shareholders, proxies, and guests to attend the meeting virtually, and shareholders and proxies can ask questions and vote online.

Online attendees who are shareholders or proxies of a shareholder can submit questions at any time. To ask a question, select the Q&A icon, type your question in the text box and select the topic that your question relates to, from the dropdown list. Once you finish typing, please hit the send button. Questions can be submitted now and throughout the meeting and they will be addressed at the relevant question session.

As there may be a short time lag with the technology, to ensure your question is received before the relevant time, we encourage you to submit your questions now. Please also note that your questions may be moderated. For example, if we receive multiple questions on one topic, they may be amalgamated, or if a question is particularly lengthy, we may need to summarise it in the interests of time.

We thank shareholders for the many pre-submitted questions we've received. We'll endeavour to address as many of these as we can. We thank you for your interest, but please understand it is not practical to respond directly to every single question. If you feel that you still have questions after the meeting, please reach out to our investor relations team. If you experience technical difficulty with the online platform during the meeting, please refer to the user guide on the Computershare platform or contact Computershare.

To ask a question over the telephone line, please follow the instructions written below the broadcast. To ensure a fair opportunity for all attending, we request that shareholders asking questions in the auditorium or on the phoneline, limit their questions to two at a time. If you have further questions, you can rejoin the queue in the auditorium or call the phone line again to ask your additional questions.

If you have questions about your AMP products or services, or about any other personal dealings with AMP, unelated to your interest as a shareholder,. We ask that you please contact our customer centre.

Let me now explain the voting procedures which are now showing on the screen. Only shareholders or their proxies, attorneys and representatives can vote. For attendees here in person who are eligible to vote, you can scan the QR code on your admission and voting card, with your mobile device, at any time after the voting has opened. This will take you to the online voting page. If you don't have a mobile device, you may complete your vote on the reverse side of your admission and voting card. Completed voting cards will be collected by Computershare once all items of business have been discussed.

If you need to leave prior to the end of the meeting, and have not voted using the QR code, please hand your voting card to Computershare at the registration desk on your way out. For online attendees who are eligible to vote, when voting opens on the Computershare online platform, press the vote icon and all resolutions will be activated when voting opens. To cast your vote, simply select one of the options.

There is no need to hit a submit or enter button as the vote is automatically recorded. You'll receive a vote confirmation notification on your screen. You can change your vote up until the time the voting is declared closed. If you are participating today as a proxy and your appointment shareholder has directed you how to vote on any items of business, these proxy votes will be cast directed. You only need to cast any open proxy votes that you hold.

As set out in the notice of meeting, voting restrictions apply on items 3, 4 and 6, to AMP's key management personnel and their closely related parties. We have implemented procedures with Computershare to ensure that these voting restrictions are followed. Voting on all items of business today will be conducted by way of a poll. Item 6 is a conditional item, it will only be put to the vote at the meeting if a second strike is received on the remuneration report. For a second strike to be received, 25% or more of the votes that'll be cast would need to be cast against item 3 resolution to adopt the remuneration report. In order to provide you with enough time to vote, we will shortly open the voting on all relevant resolutions.

Barry Azzopardi of Computershare has been appointed as the Returning Office for this meeting. Following confirmation by Computershare, final results will be announced on the ASX later today and published on our website. Thank you, Chair.

Debra Hazelton: Thank you, David. Our agenda for today is now on the screen as well as the items of business for today's meeting. The proxy position for items 2 to 5 is now shown on the screen. The notice of meeting contains detailed information on each item. Items 2 to 5 set out resolutions to be voted on at today's meeting. Item 6 is a conditional item, it would only be put to vote if a second strike is received on the remuneration report. For a second strike to be received, 25% or more of the votes validly cast would need to be against the item 3 resolution to adopt the remuneration report.

Based on the proxy results and the number of shares open to being voted at today's AGM, I have been informed that a second strike will not be received on the remuneration report. As a result, item 6 will not be put to the meeting.

Voting on items 2 to 5 will be conducted by poll. Those items are now properly before the meeting and the poll is now open. The voting icon will soon appear. Please submit your votes at any time. All directed proxies to me are being cast in accordance with the direction provided by the shareholders. The available open proxies I am holding in my capacity as Chair of the Meeting, are being cast in favour of resolutions 2(a), 2(b), 3, 4 and 5.

Alexis George, our CEO, and I, will both address the meeting before we move to formal business. As I announced in February, this will be my last Annual General Meeting as Chair of AMP. I've served on the AMP Board for nearly five years with more than three years as Chair. Having overseen a significant transformation of AMP to a more streamlined business with clear purpose to help people create their tomorrow, I believe now is the right time for me to step down and to hand over to a new Chair, Mike Hirst, to lead AMP in its next phase.

As you would know, this transformation has not been without challenge and complexity. It has been achieved during an extraordinary period of volatility and difficult challenges for Australia and the global economy. We've navigated a pandemic, turbulent negative financial markets, a demanding and changing regulatory landscape, and significantly heightened stakeholder expectations.

I'm proud of what's been achieved by AMP. We have a strong CEO and Management Team in place and a robust and refreshed Board, with five new Directors, including the CEO, appointed during my tenure. We've simplified the business portfolio, realised significant value through the divestment of the AMP Capital businesses, returned capital to shareholders and restarted dividends. We have also now embedded a strong focus on costs and efficient capital management, underpinned by a robust risk management framework.

Following the AMP Capital sales, the business has been able to sharpen its focus on banking and wealth management in Australia and New Zealand, resulting in improved strategic clarity and drive. It has been a privilege to steward AMP and oversee its role in building financial security for its 1.3 million customers and superannuation members. AMP is an important part of the financial services fabric of Australia, with over $133 billion in assets under management.

Last year, we paid out more than $2.2 billion in pension payments, to Australians. We've supported our network of 978 advisers, to guide clients towards a better financial future, and we helped more than 9,000 bank customers to secure a new home. The role that AMP plays, particularly in financial education and advice, has been more critical than ever in facing increasing sustained cost of living pressures. I'm also proud to say that AMP, based on its enduring purpose and its 175-year history, continues to play a strong leadership role on important economic and social issues.

We continue to actively advocate for the reduction of policy complexity in the Australian retirement system, more accessible and affordable financial advice, and more focus on improving broad-based financial literacy.

The restoration of trust for AMP has been a major directive of every decision the Board has made over the last few years. So, it's pleasing we have a positive and supportive customer base. There is also sound evidence that we have come a long way in rebuilding that trust and our reputation with the broader public. While we are very aware that there is still much more to do, the positive momentum we have built is critical as we focus on the future for growth.

Much of this recent progress is due to AMP's culture. We should all be proud of the corporate culture evident across AMP today. I'd like to thank not only our current management and employees of AMP, but also those who are part of the journey over the past three plus years. Delivering on a cultural change agenda is definitely not easy, but I believe we have established a culture that is anchored to our purpose, while also embracing elements of innovative thinking and management agility.

Importantly, we have also significantly enhanced AMP's risk culture in recent years, giving us a strong foundation from which to make decision for the future of the business. This all gives me confidence that we are well positioned to take advantage of opportunities that lie ahead for AMP, and that it is absolutely the right time to hand over to the next AMP Chair. I am very pleased to know that Mike Hirst will succeed me in this role at the conclusion of today's meeting.

I've worked closely with Mike since he joined the AMP Board in 2021, and it's clear that his deep banking and financial services expertise will be invaluable to AMP for the next chapter. I believe that Mike will say a few words at the conclusion of today’s meeting.

Of course, while it's important to reflect on AMP's recent history, today's meeting is focused on our 2023 financial year. 2023 built upon the achievements of the last few years to deliver some stand-out progress. There are a few key achievements that I’d like to highlight.

(1) Since announcing our $1.1 billion capital return in August 2022, we have now returned approximately $850 million to shareholders; that's including the recent payment of the 2023 final dividend and the commencement of tranche 3 of the buyback. The remaining $250 million will be delivered through further on-market buyback and/or dividends. Today we seek shareholder approval to continue to execute that buyback.

(2) We completed the AMP Capital transactions. This realised significant value for our shareholders and has well positioned AMP for the future.

(3) We resolved a number of substantial legacy legal matters during the year, clearing the way for AMP to work productively with our stakeholders to execute on our strategy.

(4) Importantly, we delivered a resilient business performance in operating environments that were challenging for both our customers and our businesses.

Looking forward, while the operating environment remains challenging in some areas, AMP has taken proactive steps to be better positioned to address such headwinds. For example, our small business digital bank offering, to be launched in the first quarter of 2025, will help to reduce margin pressures by diversifying our funding sources and our customer base.

Ahead of today’s meeting, we have received a number of questions from shareholders, and I would like to take the opportunity to address some of those questions now. Firstly, a number of shareholders have asked about the AMP share price and, in particular, what is being done to ensure that the value of the company is better reflected in that price.

What I can say is that the Board and Management drive the performance of the Company, through focused and disciplined execution of our strategy. On the other hand, the share price is determined by a wide range of market factors. Ultimately, if we continue to execute successfully on our strategy and improve the underlying fundamentals of the Company in the medium term, this will be reflected in the market value of the Company.

AMP has a bright future, but business transformations take time. We remain absolutely committed to continue to work hard to deliver value for our shareholders.

Secondly, we have received questions on the buy-back, including what are the benefits and will we be buying back individual shareholdings? As I mentioned earlier, AMP has and continues to conduct an on-market share buyback, which is a highly efficient way to enhance returns for shareholders. AMP is buying back shares on the market and cancelling them to reduce the number of shares on issue.

We are not buying back individual shareholdings directly. By reducing the total number of shares on issue, the proportion of AMP profits for remaining shareholders increases. This is clearly reflected in earnings per share this year which increased by more than 19%.

Thirdly, a number of shareholders have submitted questions about the level of remuneration paid to the Board and the Executives. This is something that our Remuneration Committee considers in light of Company performance and market practice. I would highlight that total Director fees from 2019 were reduced by 43%, and we continue to monitor fees and benchmark against peers.

AMP operates in a complex and highly regulated environment, and this needs to be reflected in remuneration. For Executives, as part of the transition to a leaner organisational structure, during the year we further reduced the number of key Management personnel, and the short-term incentive outcomes were lower in 2023 than the prior year.

Also, during 2023, although several long-term incentive plans were performance tested, no payouts were made. There are no immediate plans to change or reduce existing potential remuneration levels for the current high-performing Executives, however the levels will likely be reset when considering succession planning. Of course, it's always important to balance this with the need to attract the right talent to continue to successfully execute on AMP’s strategy.

In keeping with this topic, I will now turn to the Remuneration Report. As you will have seen, the Board carefully considered feedback on AMP’s 2022 Remuneration Report and has made some important changes to the remuneration framework to address that feedback, while also making sure we are compliant with regulatory requirements.

Notably, we increased the weighting of financial metrics in the AMP scorecard to 60%, up from 40%. The scorecard is a key driver of the short-term incentive plan, and this change clearly recognises shareholder feedback and drives greater alignment with shareholder interests. The Board has also committed to further transparency by retrospectively disclosing scorecard targets and outcomes.

We also heard the feedback regarding the use of upward discretion in 2022. You will see that, in fact, we exercised downward discretion for 2023 in relation to statutory profit performance to reflect shareholder experience during the year. We remain committed to meaningful engagement with our shareholders on remuneration. The Board seeks to balance stakeholder expectations, attracting and retaining high performing talent and, of course, meeting all our regulatory obligations.

As mentioned earlier, Board succession and renewal has been an important focus during my tenure as Chair. Particularly when driving such a consequential business transformation, it's critical that the skills and experience on the Board meeting the evolving demands of the business strategy, requiring regular and rigorous consideration of the Board's skill matrix.

I'm delighted that we were able to secure two new directors with highly relevant and complementary skills in Kathleen and Anna, who will stand for election today. Both new directors bring experience in digital transformation, technology, cyber risk as well as financial services knowledge to the Board.

At the end of the year, Kate McKenzie stepped down from her role as a non-executive director following three years of service, as she focuses on her other board commitments. We are grateful for her contribution during this transformation period for AMP and I would like to thank her for her commitment and passion for the business.

Importantly, the composition of the Board reflects a good diversity of backgrounds, skills and experience while also satisfying AMP's 40:40:20 gender diversity target. Solid progress in AMP's cultural transformation journey now allows us to further sharpen our focus on driving a high- performance culture while delivering on our purpose and values and is supported by new performance and recognition programs introduced in 2023.

As well as the role we play as a financial services provider supporting Australians to meet their financial security and wealth goals, AMP continues its long-term commitment to helping to address broader environmental and societal challenges. We continue to be a signatory of the Principles for Responsible Investment in Australia and New Zealand and we stay steadfastly committed to addressing climate risks.

Meanwhile, for over 30 years, the AMP Foundation, our independently funded philanthropic arm, has continued to support important social causes. We are very proud of the ongoing work of the Foundation and its extraordinary legacy.

It really has been my privilege to serve as Chair of AMP. Thank you to my fellow directors, the management team, and employees of AMP for your dedication and hard work during my tenure. I'll be watching AMP's future progress with a sense of pride in what we've achieved to date and with optimism about where the business is headed and, of course, thank you to our shareholders for your support. I retire from the Board confident that AMP has been repositioned for a successful future. I will now hand over to Alexis.

[Applause]

Alexis George: Thank you very much Debra. Let me know give my reflections for the year of '23. '23 was a year of significant progress where we repositioned and simplified the AMP portfolio, delivered on our commitments to shareholders in terms of capital and costs management and set the business up for a stronger future.

As the Chair has outlined, we took important steps forward by executing on a very clear strategy. We completed the sale of AMP Capital, which was a highly complex transaction but one that was critical for the future of AMP. We also divested the SuperConcepts business, and all of these businesses have now been successfully transferred to their new owners.

We resolved a number of significant legacy legal matters which has removed uncertainty for the business and cleared the way for us to strengthen the relationship with stakeholders including advisers and we delivered on Tranches 1 and 2 of our promised $1.1 billion capital return through both on-market buybacks and dividends. Tranche 3 is now underway through dividends and further buyback.

The steps we have taken allow us to look positively to the future and provide a sharpened focus for our five businesses - Bank, Platforms, Advice, Super and Investments, and New Zealand - as well as our strategic partnerships in China. At the Group level, underlying net profit after tax for the year was $196 million, an increase of 6.5% over '22.

Statutory net profit of $265 million reflected the net gain of approximately $245 million on the sale of AMP Capital and SuperConcepts, as well as costs for transformation programs that will improve efficiencies and customer experience in the future.

Looking at the performance of each of our Divisions, in the Bank net profit of $93 million reflected the challenging environment that the business is operating in, particularly around funding costs for lending. To respond to this, we took the decision to moderate the loan book growth in the near term. In the current conditions, we do not anticipate a major change from this strategy.

We also announced AMP Bank's new digital small business banking proposition to be launched in early '25 which will help address funding constraints in the medium and longer term while also diversifying the revenue and customer base.

In Platforms, net profit increased to $90 million, which is a positive movement reflecting margin protection and some one-off adjustments.

Pleasingly, flows from independent financial advisers, a real focus for us, continue to grow, being about 33% on the prior year.

Our Advice business continues to reduce costs and improve efficiency as we make good progress to establish Advice as a sustainable, standalone, and professional business. Adviser sentiment has further improved which is certainly encouraging for us.

In our Super & Investments or Master Trust business profit was stable at $53 million. We’ve been able to simplify that business and we are driving good returns and lower fees for our members, and New Zealand continued to deliver good quality returns with profit of $34 million.

The results in 2023 did reflect lower earnings from our strategic partnerships. These partnerships were impacted by real estate valuations in the US and a change in regulatory condition in China. We see these are cyclical issues, with the markets to recover over the short term.

Of course, delivering for stakeholders is of paramount importance. Across our operating businesses, we’ve continued to focus on delivering for our customers, members, brokers and advisers. This has been reflected in the industry awards that we received during the year. MyNorth Lifetime our retirement income solution, was recognised on a global level for its innovation.

AMP Bank was awarded for digital innovation and the AMP Super Fund was awarded the momentum award recognising the fund’s completion of key projects to transform its service for members. These are important signals that the work we are doing is having a positive impact for our customers and the broader community and it is strongly connected to our purpose of helping people create their tomorrow.

Let me come to costs and capital management. As I commented before, we remain intently focused on reshaping our cost base to align to the size of the company we are today and to set ourselves up for the future. To achieve this, we’ve reviewed corporate function responsibilities with a greater focus on efficiency and simplification of our technology architecture and we are adopting a motto of being more nimble and adaptable.

We guided to controllable costs between $745 million and $755 million for 2023, and I'm pleased that we’ve delivered costs just under that at $744 million. Importantly, we also have momentum behind our simplification initiatives that will further reduce costs in 2024 and 2025.

It is a sign of the Board’s commitment and confidence in the performance of the business that we also declared a final dividend of $0.02 per share brining the 23 Full Year dividend to $0.045 per share, franked at 20%. As the Chair mentioned, we are well progressed on our commitment to returning the $1.1 billion to shareholders, having also recommenced the on-market share buyback, which is another important way of realising value for our shareholders.

Now to the market landscape and environment. Currently, we are seeing many Australians doing it tough, facing extraordinary cost of living pressures as a result of high interest rates, and high inflation. We appreciate that this challenging economic environment has meant that it is a very difficult time for many of our customers and shareholders.

The financial advice that is offered through our advice network is more important than ever in assisting people to navigate this turbulent period. For vulnerable customers we offer hardship support, while also providing free financial education for AMP’s super members, so they are more confident and empowered when making financial decisions.

While the current economic environment has put pressure on many households, AMP is well positioned to benefit from the long-term trends in banking and wealth in Australia and New Zealand. We still high levels of household wealth in both countries, and with a growing retirement-age population there is an increasing need for new retirement products and services. Our superannuation system in Australia is one to be proud of, and while much has been done to focus on the savings phase, we need the same attention on supporting Australians in the post-savings phase, giving them confidence to spend in retirement what they’ve worked so hard to accumulate.

To help people navigate a complex retirement system, the need for advice is stronger than ever. We are pleased to see supportive government policy in this space, and we will continue to advocate on behalf of our members and the broader community, and seek to work with government, industry, and regulators to better assist our growing number of retirees.

While the banking environment is always competitive, and currently particularly challenging, we are facing into that. To address the challenges of funding costs in the Bank, we announced in November last year that we will launch a new small business digital bank offering that will diversify our revenue stream and customer base as well as funding sources.

Small business deposits in Australia are significant, with around 3.5 million new small and medium businesses expected to enter the market in the next 10 years. Looking at the scale of the market, the opportunity for AMP is material, even with only a small market share. This is just one example of how we are embracing opportunities in our markets and building on AMP’s strengths.

So, in summary, we have a clear strategy with three key focus areas. Firstly, continuing to drive business line performance. In the Bank, we are carefully managing margins and reducing costs where it makes sense to do so. In platforms, we are investing in technology, product, and distribution, and looking to embed our market leading retirement solutions. We remain focused on achieving breakeven in Advice, and we are continuing to look at alternative structures with our adviser network.

We are refining the retirement solutions in Super & Investments, driving sustainable performance and competitive offerings, and in New Zealand we’re working to maintain the current performance and continuing to diversify revenue.

Capital and cost management is the second pillar of the strategy. As I said, right-sizing corporate costs remains an absolute priority. We have committed to cost-out targets for 2024 and 2025, and our simplification initiatives are progressing well.

We are focused on maintaining disciplined capital management, including reducing corporate debt and, importantly, returning capital to shareholders where possible, with the delivery of tranche 3 of our capital return underway.

Thirdly, as well as focusing on our existing businesses, we also need to look to the future and create new revenue streams and innovation. This includes progressing digital advice opportunities, as well as our digital small business bank to launch next year.

Look forward, I recognise the challenges that many of our people, customers, and members are facing given the current economic conditions. I'm proud of the way we are supporting customers with an innovative retirement solution, a strategic focus on advice to give greater confidence in retirement, lowering superannuation fees, and delivering strong returns as high as 11.5%.

As we reflect on the past year, and the transformation of the business over recent years, we farewell our Chair and welcome Mike Hirst to the role. I would like to thank Debra for her leadership and valued guidance over the past three years as Chair. The business has been transformed during that period and we are now positioned to look to the future.

I welcome the opportunity to be able to work more closely with Mike and harness his deep experience in the banking sector, in particular, as we navigate the challenges and opportunities ahead. I’d like to conclude by thanking you, our shareholders, for your ongoing support. The transformation of AMP continues at pace, and the Executive team and I are excited about the future of our business. Thank you.

[Applause]

Debra Hazelton: Thank you, Alexis. Let us now turn to the formal business of the meeting, and the first item of business. The purpose of this item is to discuss the 2023 financial report, and the directors and auditors reports, contained in the 2023 annual report. I’d like to take this opportunity to introduce Sarah Lowe of Ernst & Young, AMP’s auditor. Sarah is here today in her role as EY’s Lead Audit Partner for AMP. Sarah is available to answer questions relating to the audit of our 2023 accounts.

I will now take questions and comments on our 2023 financial report, the directors and auditors report, or on the management of AMP. Please note that we will focus specifically on the remuneration report later in the meeting. As David mentioned earlier, I will respond to questions received before today’s meetings and from the online platform first. David, could you please read questions?

David Cullen: Chair, we have a question from Ms Christine Smith. Given the external environment, how is the Bank going to improve its return on investment as it is underperforming?

Debra Hazelton: Thank you, Ms Smith, and you’re absolutely right, it is a very challenging environment for banks, all banks in Australia, and we are very conscious of that, and Alexis talked about in her speech some of the actions we are taking in that space. I would say that we are totally focused on improving the performance of the Bank, managing the margins, but also, we are facing into those head winds, and you’ve heard about our new offering which will be launched early next year in our digital small business bank. It will offer products to a growing market. There's a gap in the market for this offering, and we see it as diversifying our funding and diversifying our client base. Thank you, David.

David Cullen: Chair, a further question from Ms Smith. The investment in the China Life Pension Company is $461 million. How did you obtain comfort on the accuracy of this carrying value?

Debra Hazelton: Thank you, according to Australian Accounting Standards, we have equity accounted for this investment in China Pension Life Company. China Pension Life Company is a listed company, so we have relied on publicly available information for that valuation. Thank you, David.

David Cullen: Chair, a question from Mr Neil Wallace. How much has AMP lost by being in China?

Debra Hazelton: Well, absolutely the opposite is the case. The Chinese businesses continue to contribute to shareholder value and on a regular basis over the medium term to our profits, and I would say that because we have been able to improve our reporting transparency, that is very clear to see now in P&L results. Thank you.

David Cullen: Chair, a question from Mr Malcolm Wall.

When does all the cleanup and expense from the banking inquiry and dodgy deals finish?

Debra Hazelton: That’s a technical term, I like. I did talk about in my speech that we have undergone a significant transformation. So, we have dealt with major legacy legal issues. We’ve enhanced the risk culture of AMP to be customer-focused and purpose-led. We have embedded and continue to embed a broad culture change.

Transformations take time, and I've got a feeling you might be tired of hearing that, so I'm going to make a point here. Business - people like to talk about transformation when they talk about business initiatives, I can tell you this is the real deal transformation that AMP has been through. It took a lot of hard work, huge commitment. We faced into some real challenges. The other thing I would say is, it takes patience, and I am very conscious it takes the patience of our shareholders and I thank you for that. Thank you, David.

David Cullen: Chair, we have a question from Ms Janet Fairleigh-Cunningham. I am very concerned that AMP does not directly or indirectly invest in any fossil fuel project in Australia or elsewhere.

Debra Hazelton: Thank you, I and we all understand your concern. AMP recognises the environmental and economic challenges that climate risk brings, and we also recognise that it is a responsibility of the investment community and the investment industry to support the transition – the global energy transition.

Since the divestment of AMP Capital, our exposure is now really through external fund managers, however, we remain active asset holders and we particularly in climate risk related assets, we direct our votes, and we report on those votes. In fact, I believe the reporting of the votes on behalf of AMP will be available within the next month or so for last year.

We are very proud of our work in sustainability, and I advise anyone who is very interested, clearly this questioner is, to read in detail our sustainability report which reports on global recognised standards such as SASB and GIR. Thank you, David.

David Cullen: Chair, we have a question from Mr Victor Robinson. What is AMP currently undertaking to combat the risk of hacking, particularly with the presence of AI adding to the so sophisticated hacking attacks currently?

Debra Hazelton: This is a really important question, and I know that Alexis and her team are very focused on this, as is the Board. We are constantly looking to uplift our cyber resilience and we monitor all potential scams and cases of fraud. In AMP we have a cyber defence centre, and it is run on industry best practice.

We also are an active member of industry sharing arrangements with the government and industry. Education is critical in this area and so we carry out seminars and campaigns with our people, with our customers, and the Bank, specifically, is a member of the Australian Banking Association’s Scam Safe Accord. Thank you.

David Cullen: Chair, we have a further question from Ms Christine Smith.

Debra Hazelton: Ms Smith asks good questions, actually.

David Cullen: What legal risk assessment was made on taking the AMP FP BOLR case to the Federal Court given the subsequent loss?

Debra Hazelton: We carried out, as you would expect, a thorough assessment and we took external advice. The proceedings were commenced by AMP advisers and we made the decision on that advice to defend them appropriately. As Alexis said in her speech, this was a really important step forward for us once we had settled that dispute because it's allowed us to reset our relationship with our advisers, our valued advisers, and that means we can take our strategy forward in the advice space. Thank you.

David Cullen: Chair, we have a question from Mr Darrel Smith. If you are focused on servicing your policy and shareholders better, why is it you continue to penalise those of us who do not use digital systems? Is it not a form of discrimination?

Debra Hazelton: We do print and send out our annual report and our notice of meeting, and other documents as requested, and we try to give our shareholders a choice. But you will all understand as well that there are increasing demands on digital communications, and we are working hard to deliver to those as well. Thank you.

David Cullen: Chair, we have a question from Ms Judith Roberts who asks, why doesn’t AMP or other companies visit schools and point out the advantages of owning shares?

Debra Hazelton: Financial literacy improvement across Australia and across the community is really important and it's been in the DNA of AMP for a long time. We do, on our website, we have online tools to increase financial literacy and our superannuation members have access to webinars as well as one-on-one meetings. I am aware that, I believe the webinar audience last year was almost 6,000 members, and in terms of our one-on-one meetings, I know it was more than 3,000 members. Thank you.

David Cullen: Chair, a further question from Mr Robinson. Is AMP planning to eliminate the cheque system?

Debra Hazelton: AMP is a digital bank, and our focus is on faster reliable digital services to fulfill our customers' payments needs.

David Cullen: Chair, a question from Mr Robert Debergilour. Where do you forecast the stock price of AMP on ASX in the next two years? Including percentage of dividend returns. I do believe in this Company going forward and hopefully once all the dead wood has been cleared, it can get back to the golden years.

Debra Hazelton: Thank you for the question. I can't forecast the share price. No one can. The share price is driven by market forces, global market forces, as well as issues in Australia.

What the Board and the management are committed to do is relentlessly delivering on the strategy to improve the performance and value of the business and that's what we're doing.

Now, I'm glad that you mentioned the dividend as well as the share price because the return to shareholders is also - it's not just seen in the share price obviously. The dividend has to be taken into account.

We are very proud that we have reinstated those dividends. In August 2022, when we announced the reinstatement of the dividend, we noted that it was four years since that had been - a regular dividend had been paid.

Payment of a dividend is a sign of our confidence in the stability and the performance of the business going forward. The other thing I would say is that we're not going back to the past in AMP. We have reset the business to meet the challenges, and opportunities importantly, of the future where we know we can play with a strong hand.

We are very optimistic about being able to drive value based on that - driving that strategy. Thanks, David.

David Cullen: Chair, we have a question from Ms Uma Chand. Shouldn't AMP cease sponsoring sports and other organisations?

Debra Hazelton: Thank you for the question. We don’t sponsor sports or such organisations.

David Cullen: Chair, we have a question from Mr Michael Friend. Congratulations to Mike Hirst on becoming the next Chair of AMP. This was at least one to two years overdue and may you be far more successful than the current ineffective Chair has been.

My question is why is it that AMP Bank cannot perform far more transactions in real-time when compared with just about any other Australian bank? The time delay in processing many simple transactions is a huge roadblock to the Bank gaining many more customers.

Debra Hazelton: I'll take that question, Mike, if you don’t mind? Alexis noted in her speech that we are working hard on the technology in the Bank. But I would disagree with this…

[Over speaking]

Debra Hazelton: Yes, please go ahead.

Alexis George: If I may, Chair, we have in fact, implemented real-time payments. So, I mean that certainly may have been the reality some time ago but not today.

Debra Hazelton: Thank you for the question.

David Cullen: Chair, we have a question from Mr Anthony Pacino. Can shareholders obtain a full list of investments AMP is putting capital into?

Debra Hazelton: Like other fund managers, we're not in a position to publish a full list of investments across our $133 billion portfolio. As I pointed out, we use external fund managers. So, we do not have direct control of individual holdings.

However, we do publish detailed information regarding sector and asset class of our investments. We go through a really rigorous screening process, and we monitor those investments closely, particularly on their ESG performance. Thank you.

David Cullen: Chair, we have a question from Ms Cheryl Harper. Does AMP consider the damaging effect of climate change when making investment decisions for retirees' superannuation?

Debra Hazelton: Yes, of course. As I mentioned earlier, AMP recognises the economic and environmental challenges of climate risk. We take it very seriously. The details in our sustainability report make that very plain.

I would also say that AMP has been carbon neutral in its own businesses for more than 10 years, since 2013, and we continue to monitor our scope 1 and scope 2 emissions. Thank you.

David Cullen: Chair, we have a question from Mr Tu Trin. How is AMP tracking against emissions reporting, new sustainability reporting, and divestment from fossil fuels?

Debra Hazelton: We fully believe in transparent and accurate reporting and as I've said, our sustainability report reports against globally recognised and respected standards such as SASB and GIR sic - GRI and others.

We do use external managers to manage our exposures. But, as I also said, we are active owners.

David Cullen: Chair, we have a question from Ms Rosemary Whitmore. I would like to know if any money was contributed to the yes vote in the recent referendum on the Voice to parliament. If so, how much was donated and who made that decision on behalf of the AMP shareholders without seeking their approval?

Debra Hazelton: We made no donations on either side.

David Cullen: Chair, we have a question from Ms Theodora Mustay. What is the process for allocating funding to specific causes by the AMP Foundation?

Debra Hazelton: We're really proud of the AMP Foundation, as I said, particularly given its 30-year anniversary last year. I should stress though that the funds used by the AMP Foundation are not shareholder funds for AMP. It is an independently funded foundation.

That said, there's been a lot of work done by the AMP Foundation board on where they focus their funding. It's areas where they think they can make a difference and they're aligned to AMPs purpose. They are financial wellness, Indigenous affairs, entrepreneurship, and of course, retirement. Thank you.

David Cullen: Chair, we have a question from Mr Sandro Sandry. What proportion of AMP investments are allocated to promote aged care for members, hospital access for the public, supportive educational projects, assisting university research, and supporting third world countries?

Debra Hazelton: Look, these are all very important causes and I'm sure can be very good investments. But - and they align to AMP being a long-term supporter of responsible investing. However, any exposure we have would be through our external managers and not directly controlled by AMP.

That said, we would support appropriate investment where it meets the returns for our shareholders as well. Thank you.

David Cullen: Chair, as I mentioned earlier, we will aggregate where comments are similar. We had a number of comments before the meeting expression appreciation to the outgoing Chair, Debra Hazelton.

Debra Hazelton: That's nice.

David Cullen: Noting the significant contribution she has made and wishing her well for the future.

Debra Hazelton: Thank you very much. Thank you.

David Cullen: Chair, there's no further online questions at this stage. Nor are there any phone questions.

Debra Hazelton: Thank you. In that case, we will move to questions in the auditorium. I'll take questions from either microphone. Please proceed to the microphone if you have a question. I'll take a question from microphone 1.

Moderator: Thank you, Chair. I would like to introduce Mr Caulfield.

Question: (Mr Caulfield, Shareholder) Good morning to everyone here today.

Debra Hazelton: Good morning, Mr Caulfield. Nice to see you again.

Question: (Mr Caulfield, Shareholder) You too. I have a couple of questions and criticisms over banking. But I'd like to just make three points prior. First is, thank you very much for your time and dedication over the last five years or so.

Debra Hazelton: Thank you.

Question: (Mr Caulfield, Shareholder) I think if we were able to jump into each other's shoes and really understand what you would have been through and what would eventuate et cetera. There's been a lot of transformation. It's been very challenging, and you've achieved a lot of those big key targets.

There's still more to do. We're not happy with the share price but we'd like to recognise what you have done…

Debra Hazelton: Thank you very much.

Question: (Mr Caulfield, Shareholder) …and you’ve put it on that footing ready to move forward so thank you.

Debra Hazelton: Thank you, Mr Caulfield.

Question: (Mr Caulfield, Shareholder) Secondly, I'd like to welcome Mike Hirst as the new Chairman and I recognise his experience, particularly with Bendigo Bank, and I think he's the right person to chair AMP moving forward.

Debra Hazelton: I agree. Thank you.

Question: (Mr Caulfield, Shareholder) I'd particularly like to thank Mr Chowdry, who I know at last year's AGM, all of the directors at AMP circulate and meet with the shareholders later. It's something I'm particularly interested in doing and not every financial institution does that.

Often, there’s ducking and weaving to make sure we don’t meet the critics. But I did have a good conversation with Mr Chowdry for - I can't recall but I may have been up to an hour.

Debra Hazelton: [Gasps].

Question: (Mr Caulfield, Shareholder) It's very much appreciated. With a group of my colleagues. So, thank you for that. Back to my questions.

Debra Hazelton: We're very proud of Mr Chowdry.

Question: (Mr Caulfield, Shareholder) Yes. So back to my questions on the banking now. The first one is last year I did raise model litigant principles. That's something that - you know, we've got elevated interest rates at the moment. There's largely low reports of people in financial difficulty. There is some there but lower than it has been previously.

But if the interest rates remain high and the Reserve Bank doesn’t reduce interest rates and people have used up their savings that they've had over COVID times, that we are going to be facing in just as more difficult cases.

If that happens, then the people that have been legally challenged need to be treated fairly. So, I searched AMPs website this morning for fairness. The answer was you must have misspelt it, there's nothing there.

So, I looked for fair. I looked for model litigant. I looked for model litigant principles. They're all missing. Now, I'm annoyed because I raised this last year at the AGM.

I - you know, I'm paid nothing. I travel around Australia and advocate for reforms and I said I'd like to see that within 30 days of last year's AGM and nothing has happened there.

Now, I know Alexis has a very good history of fairness principles and reformed banking and caring for customers. I worked with Alexis at ANZ. ANZ and [unclear] brought in the fairness principles. I elevated their model litigant principles which were included.

So, all the more reason that they should have been included here. If you're talking of transformation and if you're talking of looking after the customer, it appears all through the annual report.

This is a care for…

Debra Hazelton: Can I make a comment? We're all here for a limited time but thank you. Thank you for the question. I - one of our values is customer first and we take it very seriously. We have a customer advocate.

The Board takes customer fairness and treatment very, very seriously, and I know Alexis does and I know she'll want to respond to this question. I'm sorry you're annoyed but I'm annoyed that you're accusing us of not taking this seriously I'm sorry, Mr Caulfield.

Question: (Mr Caulfield, Shareholder) But what I'm accusing you of…

Debra Hazelton: Excuse me. Would you like to respond?

Alexis George: Just one thing. Thank you for pointing that out. I think as our Chair said, firstly, we have five core values. One of them is customer first. I think we all take it very seriously and we’ve been embedding those values. You may not have found that on the website, but I can assure you we have promises to customers internally and are very conscious of the fact that we’re facing into a more difficult environment with our customers. I think in our vulnerable customer teams, in our hardship teams, we’re very respectful in dealing with those customers and making sure taking any action is a last resort – especially in the Bank.

Question: (Mr Caulfield, Shareholder) Look, but my question is, will you publish the model litigant principles? Because they’re something you believe in. You brought them in at ANZ. Why not publish them for AMP to demonstrate, in writing, your protection to customers. I’m not talking about the care for customers at the general level. I’m talking about when it gets to that legal position.

Debra Hazleton: Yes. I think we’re in a different time today, Mr Caulfield. I think, of course, we’re going to adopt all of those things. We’re in the middle of rebuilding our internet website so you’ll see it very different in a couple of months with a much greater focus on how customers can interact better with us. We think those principles are right for us to adhere to, internally. What we put on our website will be a different thing.

Question: (Mr Caulfield, Shareholder) Okay. Thank you. Whilst I disagree, thank you for the answer. My second question is around the new banking. We know that from the banking division, property has dropped back, and the net interest margin is compressed. It’s very tight.

What I hear that you’re saying is that we’re going through challenging times. All banks are going through challenging times. Macquarie Bank, for example – just up the road from you – they’re a similar type of organisation and they’re not purely a bank. They have other businesses as well. Well, they’re growing at six times market share. You’re actually underperforming the average of market share 0.6 so they’re growing 10 times faster.

Debra Hazleton: Just because we’re limited in time, I would like to respond by saying that is exactly why we have introduced a new strategy around a digital small business bank. Now, that will be launched early next year. That will address funding issues by diversification of our funding. That showed, I think, incredibly bravery because it takes a while to introduce that bank – that new proposition.

Of course, we were criticised because we were spending capital to develop that proposition, but we were not waiting and saying necessarily that it’s just a challenging environment. We’ve taken it on. We’re addressing it. We think it’s a winner. So, I would say that I’ve answered that question. Would you like to go to your third question? I think we might call it quits there.

Question: (Mr Caulfield, Shareholder) I would just like to comment that you announced last year at the AGM, the digital banking. Now it’s been re-announced…

[Over speaking]

Debra Hazleton: No. We announced, last year, digital banking. We didn’t announce, last year, the small business digital banking offering at all. I’m sorry.

Question: (Mr Caulfield, Shareholder) No. I’m not referring to small business. I’m talking about…

[Over speaking]

Debra Hazleton: Well, I’m saying that is the way we are facing into the headwinds regarding diversification of our funding.

Question: (Mr Caulfield, Shareholder) Okay. Look, I just think that there’s room for some criticism and some comments around how…

[Over speaking]

Debra Hazleton: I’m welcoming that, Mr Caulfield, but we’ve got a lot of people in the room who have other questions.

Question: (Mr Caulfield, Shareholder) Well, then how can AMP uplift the banking aside from this digital? It just feels as if it’s something in the future and we get these annual reports and meetings and it’s…

[Over speaking]

Debra Hazleton: I’ll take that as a comment. Would you like to go to your next question, then?

Question: (Mr Caulfield, Shareholder) No. That’s fine. They’re my two questions.

Debra Hazleton: Thank you very much.

Question: (Mr Caulfield, Shareholder) Thank you.

Debra Hazleton: Thank you for your interest. Any more questions from the floor? We might go to microphone 2.

Moderator: Chair, I would like to welcome Mr Kniznikov.

Debra Hazleton: Thank you.

Question: (Mr Kniznikov, Shareholder) Good morning, Chair.

Debra Hazleton: Good morning.

Question: (Mr Kniznikov, Shareholder) Good morning, everyone. I would like to thank you on your work with the Company.

Debra Hazleton: Thank you very much.

Question: (Mr Kniznikov, Shareholder) I would like to welcome Mike for your hardship. But I am a long-term shareholder and I have a number of entities who are also long-term shareholders of this Company. This institution includes myself and my superfund, proprietary limited company, partnership, and personal shareholdings. I would like to raise some issues with our Company that doesn’t make any sense. I would like to have some answer before we’re going to vote on adoption of the remuneration report as it will affect my and other shareholders on the way they are going to vote.

I actually wanted to raise this issue a couple of years ago, but our banking CEO, Mr Sean O’Malley, and his Team helped me – at the time, resolved the issue. I would like to thank him, Mr [unclear] and his Team and Assistant [to the matter. The issue is the Company, like any other financial institution, needs cash. To get it, our Company offers very competitive interest terms on term deposits. Me, as a loyal shareholder, prefer to give my money to my Company, which is AMP. When I have tried to open some new TDs, I was stuck on company smart form.

I am software engineer or I’m a software development company and spent a few days without any success to open even one term deposit. Even my CFO, who is a chartered accountant, could not deal with this. This is when our banking CEO, Mr Sean O’Malley, and his Team helped me. It took a couple of days, but we did succeed. I opened TDs for myself, my self-managed superfund, proprietary limited company, and partnerships.

Last year, I had some extra cash, and I was seeking to open more term deposits. But when I called your call centre, I was told AMP has stopped dealing with any entities but only deals with personal accounts. When I escalated the issue, I was told that the deal with the non-personal accounts was too expensive, and the AMP Management decided to stop creating new TDs for non-personal accounts. This just doesn’t make any sense because the accounts are already open. To open a new term deposit with another financial institution – like Heritage Bank – it’s taken 10 seconds and three mouse clicks. I sign-in into my entity. I choose to open a new term deposit. I choose the amount. I choose the period. It’s done. Ten seconds. Why you can’t do the same? Why does it take days with you? But this is not finished.

Later, on 16 November 2023, AMP announced company to launch digital banking division built specifically for transactions needed [unclear] small business. Just customers were kicked out previously because of the cost. However, we are creating a new division for it. Our share price dropped to $0.85 from $1. Please explain to us shareholders, what’s going on? Why the change of heart? Thank you.

Debra Hazleton: Thank you for bringing that to my attention. I think this is not the forum to deal with your individual issue. I’m sympathetic to that. There are team members here who will help you in terms of your access to different accounts. Thank you for…

Alexis George: Excuse me, Chair, would you like me to comment on the strategic…

[Over speaking]

Debra Hazleton: Oh. You could. Yes.

Alexis George: If I may. Thank you very much, Sir, for your feedback. I think I’ve heard some of that story from Mr O’Malley as well. I just want to say our bank at the moment, as you quite rightly pointed out – it’s a simple bank. We take deposits from personal members and typically lend that to direct customers, also. So, I accept that feedback. That has been a strategic direction that we’ve adopted given the simplicity of the Bank. It is exactly the reason that Debra and I have just talked about – the launch of the new bank in next year, which will bring us broader capability to be able to offer people like you the ability to keep your meaningless money with us. Because I would like you to keep your money with us, also.

Debra Hazleton: We appreciate that you are trying to do that, so thank you.

Question: (Mr Kniznikov, Shareholder) I just would like to comment – you say theirs is different. I tried. I tried it a number of times. I talked to Mr O’Neil. I talked to your helpdesk. There is nobody to talk to. This is why I took my time, came to this meeting to raise it with you, and I would like an answer from you, please.

Debra Hazleton: We do have people in the room – team members who can help you with this. I’m afraid, personally, I can’t.

Alexis George: I hope I just tried to answer your question – that at the moment, we’re focused very much on getting deposits from retail customers or direct customers because we don’t have the capability, as you have rightly pointed out, other than to do it in a very complex way, which is exactly why we’ve launched the strategy. Mr O’Malley is here today so I’m sure he’s more than happy to have a chat to you at the end of the meeting.

Question: (Mr Kniznikov, Shareholder) Thank you.

Debra Hazleton: Mr O’Malley is the Group Executive of our Bank, so he is the appropriate senior. We are treating you with respect. I hope you recognise that. Thank you and thank you for coming today. We have another question from the floor.

Moderator: Thank you, Chair. I would like to introduce Mr Moffett.

Debra Hazleton: Thank you.

Question: (Mr Moffett, Australian Shareholders Association) Good morning, Chair.

Debra Hazleton: Good morning.

Question: (Mr Moffett, Australian Shareholders Association) Good morning, everybody here. I’m Chad Moffett from the Australian Shareholders Association. I only had one brief, simple question. Given that the digital banking and syntech space is becoming increasingly crowded, how does AMP intend to differentiate its digital banking offering from those of its competitors?

Debra Hazleton: I think that’s a question for you, Alexis. Thank you.

Alexis George: Thank you, Chair. I think that’s a very good question. You’re right. Every bank in Australia, every bank in the globe is driving towards digital capture and working with the customers in a digital way. I think we looked through the opportunities for us as a bank. We really feel that there is a strong opportunity in that smaller micro space. We’re not talking about the small and medium. We’re talking about the small and micro where this is not great offerings in the market. That’s the first thing I would say.

The second thing I would say is that we actually looked for a partner who is already doing this in the space of Starling Bank, which is a UK bank which has been able to capture significant market share in a very short period of time. So, I think it’ll be the specialness of the offering and our brand is testing very well in that space as well. Thank you.

Debra Hazleton: There is definitely a market gap in that space. But thank you for the question. It’s a reasonable question. Absolutely. Is there another question from the floor? Thank you, microphone 2.

Moderator: Chair, I would like to introduce Mr Decruze.

Debra Hazleton: Thank you. Mr D’Cruz?

Question: (Mr D’Cruz, Shareholder) Thank you, Madam Chair, and the rest of the Board. You were asked a question a little earlier, I think, by a [unclear] person saying, what would you predict or what would you be able to say the share price might go to? I respect that we’re all shareholders and we know what the uncertainty of the market is. It is difficult to predict it. But I’ll give you an instance of where your feel, of past times, the person that came from ANZ bank, in fact. You may or may not know.

I think it was Andrew Morton [unclear]. When he split the bank into two with the UK stuff. The share price was about $5-something. He made a promise to all of us, by this particularly, that he would get this share price back up to double what it was.

Debra Hazleton: He shouldn’t have made that promise, I must say.

Question: (Mr D’Cruz, Shareholder) He did. He did make that promise and he did get the price up. It went up to $11-something. Now, we bought into company at $10.43, I think, from memory – $10.42 or $10.83. I think if I looked at my price today, it’s about $1.18. It’s been down to $0.94. Very discouraging. Now, I’m not blaming anyone here for it. You’ve got a new CEO and I’m positive – I am optimistic that it will progress from here. But the past history hasn’t been good. I mean, I’m coming from a legacy of 40 years ago when I joined the Company. We joined it on the basis that advisors were the core business of this company. Even today, I see that you’ve got a net investment or [unclear] of advisors and your breakeven cost of 47 is still yet to be realised.

That, to me, is devastating. I know there’s progression in the world. I know you’ve got new businesses. I know you’ve gone in new directions. But for advisors to be not contributing as much as you would like them to contribute, there’s something wrong. I am saying there’s something wrong because I’ve suffered for the last two years of my 40-year practice with AMP at the hands of your previous Managing Director. That Royal Commission should not have been what it is. I think the Royal Commission gave AMP a bad hand.

I think it was AMP who put up people that shouldn’t have been there. I think that lawyers and the Royal Commission made good names for themselves in what they did at the sacrifice of people or organisations like AMP. That’s my take on it. But subsequent to that, for your Managing Director previous to Alexis to have put in measures that he thought was going to compensate the thing devastated the advisor community. I can tell you that because I’m a product of it. I didn’t like that one bit.

But having said that, I’m looking for something optimistic from the current position as much as $10.43 we brought in at, $1.18 today. I sold my shares at $1.80 because I was pressured into selling some of my class of shares about four years ago, or something. I sold them only at $1.80, and two days later, I went and bought them back because I couldn’t bear to have said that I sold my shares. I bought them back at $1.70 today $1.18. I put this question to David Murray when he was in your position at one stage, and he sidelined me. The price of the share at that time was about $2.87. And I said to him what can we expect it to be – might it go down?. He said, might it go up. I said, yes, of course, might it go up.

But from the time David Murray was sitting over there to now, we’ve gone down a long way. So, I’m looking forward to something happening where we can achieve a share price. Because in the end, we’re shareholders here. We’re not customers. I mean, I’m a customer. I’m a bank product user. I’m an insurance product user. I’ve got a lot of stake in AMP but I’m also a shareholder.

I’m here today on the premise of a shareholding price increase which says that because you’re doing so much good and the market sees what you’re doing and the market puts the price on it, the market should reflect your good work. But if it only telling me that the work is valued at $1.18 today, I think there’s something to be given off there – something to be seen. Thank you.

Debra Hazleton: Thank you, Mr D’Cruz. I first of all would like to thank you for your services as an advisor to AMP. The advisors have been a very important part of AMP’s history and continue to be so. As we said earlier, we have reset that relationship now with advisors and we’re working closely and constructively with them in rebuilding that advice sector, which we see as a very good opportunity for AMP going forward. You’re right. We believe that by delivering on our strategy – as we’re doing – and building value for our shareholders, that the market will revalue the share. But I cannot tell you when or how much. I think everyone in the room would understand that. But I do sincerely thank you for your service. Now, it appears we have some more online questions here. David?

David Cullen: Chair, we have a question from Mr Stephen Mayne. The 2004 annual report stated that AMP had 977,100 shareholders, six years after demutualisation and float. The latest annual report put the number at 441,410. But over the past 12 months, the number of shareholders with an unmarketable parcel has more than doubled from 40,313 to 95,145. I asked about this last year, but the Chair didn’t know and didn’t defer to someone who did so here we go.

Are we planning another unmarketable parcel offer to reduce the size of our overly large and expensive share register and how many of these offers have we done over the years? Could incoming Chair, Mike Hirst, also comment on this issue? Is he open to doing an unmarketable parcel offer?

Debra Hazleton: Let me go first. We had three unmarketable parcel exercises. The last one was in 2021. Thank you, Mr Mayne, for your question. Most of the current small parcel shareholders have in fact chosen to retain their shares in the last exercises we’ve undertaken. I don’t know that, Mike, you’d want to comment on this?

Mike Hirst: No. I think, Debra, that opportunity for those sorts of things will be discussed as time goes on. Certainly, the Company is committed to being as efficient as it possibly can, and that’s part of it.

Debra Hazleton: Thank you very much. Do we have any other…

David Cullen: Chair, we have another question from Mr Mayne.

Debra Hazelton: Mm-hm.

David Cullen: The likes of Dexus, Brambles, NAB, JB-HIFI, Origin Energy, Viva Energy, Car Sales and many other companies, have all disclosed the proxy votes to the ASX before the latest AGM started, along with the formal addresses.

Will the new Chair, Mike Hirst, agree to do this next year so that interested shareholders and other stakeholders, including institutional investors and proxy advisors, have an early insight into the proxy position before the AGM debate commences?

Debra Hazelton: Didn’t we do that today, David?

David Cullen: So, the addresses have gone up.

Debra Hazelton: Yes.

David Cullen: The proxies will shortly.

Debra Hazelton: Thanks Mr Mayne, we don’t have to wait for Mike, it’s already done. Thank you.

David Cullen: (Mr Mayne, Shareholder) Not the proxy numbers.

Debra Hazelton: Oh, not the proxy numbers, I’m sorry. Well, look, I will leave that to Mike then. I thank you for the suggestion.

[Laughter]

David Cullen: Chair, there are no further online questions or questions from the phone line.

Debra Hazelton: Oh, okay. There’s another question. Do you have another question? Sorry - yeah.

Moderator: Thank you Chair. I would like to introduce Mr Woollard.

Debra Hazelton: Thank you.

Question: (Fred Woollard, Shareholder) Hi, the audience would be pleased to know I’m going to keep this quick.

Debra Hazelton: Good morning, Mr Willard.

Question: (Fred Woollard, Shareholder) Good morning, Debra. In previous years the company said that the target was to get the Advice business to break even by the end of calendar 2024. That aspiration has now been quietly dropped.

I’m interested to know what the current aspiration is to get Advice to break even.

Debra Hazelton: I’ll make a short comment and then pass to Alexis on this, I think, and thank you for the question. We continue to work on the reduction of those losses, and we’ve made very good progress as you would know, Mr Woollard. We are also looking at other options in terms of the Advice business.

I’ll pass over to Alexis.

Alexis George: Yeah, our aspiration to get the Advice business to breakeven as an exit run rate for the end of the year that we’ve dropped away, I think we’ve been very transparent with the fact though that getting that last 10 to 15 million is going to be very difficult. I can assure you we’re absolutely focused on making this a sustainable business.

Debra Hazelton: Yes, and I would say that the sustainability of that business is looking better by the day. I believe that shareholders have had a reasonable opportunity to, as a whole - we haven’t any phone questions?

David Cullen: No.

Debra Hazelton: To discuss this item. So as there are no further questions or comments, we’ll now turn to the items of business which will be put to a vote.

I now move to Item 2 of the Notice of Meeting, which concerns the election of our directors. As I mentioned earlier, Kathleen Bailey-Lord and Anna Leibel are standing for election today. Their details are set out in the Notice of Meeting.

We now move to Item 2(a) concerning the proposed election of Kathleen Bailey-Lord as a director. The proposed resolution is on the screen.

Kathleen, could I please invite you to say a few words?

Kathleen Bailey-Lord: Thank you, Chair. Thank you everybody. It is a pleasure to be here with you today and have the opportunity to speak to you, our shareholders. May I begin by asking a question that I have often been asked, why AMP?

For me, because it matters. AMP is important to our community. We play an important role as is captured in our purpose, to help people create their tomorrow.

AMP is and remains an important and iconic Australian brand. With this comes additional scrutiny and responsibility. Whilst I acknowledge the significant challenges of the past, I commend your Board and management on the incredible amount of hard work undertaken to simplify and reposition the business for the future.

So if elected today, for me it would be an honour to serve and build on this hard work. I believe the opportunities are both substantial and exciting. I’m impressed at the passion and commitment I have already witnessed at AMP and that is a credit to the Leadership Team.

So why me? I offer AMP deep experience in leading complex businesses through significant transformational change and growth. I bring a deep passion for creating value for all stakeholders and with a particular focus on the opportunity that is presented in bringing technology and people together to find new ways of doing things and creating value.

This passion first ignited when as a graduate I joined the technology industry and continues to burn brightly today. Together with my deep curiosity and eye for the future, I offer pragmatic, experienced, governance and leadership skills.

These are skills that can support the AMP Team as we create leading digital experiences for our customers, for our people, for our advisors, and partners and to add to our ongoing evolution to build enduring value for all responsibly.

Commitment to strong, effective, contemporary governance is in my DNA. With directorship experience across public, private, not-for-profit, and government-owned entities, and my experience in chairing transformation, people in culture, audit and sustainability Board Committees; I offer a diverse and extensive governance experience to you.

My curiosity helps me stay current by continually learning something I love. As an active AICD member, I have the opportunity to both learn and contribute to thinking on diverse and current matters, such as climate, ESG, innovation, and contemporary governance.

So in closing, if elected today, I truly look forward to serving you on the AMP Board. To leaning into the challenges and opportunities ahead, I offer AMP breadths of business experience in leading change, in governing diverse enterprises and a personal orientation to the future.

I truly hope to make a meaningful contribution at AMP. Thank you for your support.

Debra Hazelton: Thank you, Kathleen. I confirm that Kathleen has the unqualified support of her fellow directors for her election. I will hold over the questions and comments on Item 2(a) until the end of Item 2(b).

We now move to Item 2(b), concerning the proposed election of Anna Leibel as a director. The proposed resolution is on the screen. Anna, could I invite you to say a few words, please?

Anna Leibel: Thank you, Chair, and good morning everyone. I’m delighted to serve on the Board of AMP Limited. It’s a tremendous privilege and duty to have the opportunity to contribute during this transformative phase and beyond.

Today, I seek your support in being elected. Since joining the Board of AMP in January, I have attended a few Board meetings, I’ve been able to visit our corporate offices, I’ve contributed to the Annual Reporting Cycle, and I’ve also met with the management team and our auditors.

During this time, I’ve been impressed by the progress made by the management team over the past 12 months. I feel motivated by what the future holds.

I feel a deep sense of purpose and commitment to the stewardship of this iconic Australian company. I believe I can serve you best by bringing my experience in complex compliance landscapes both in financial services and other sectors, to provide oversight of our digital transformation and contribute to transformative governance as we navigate emerging risk landscapes and increasing regulatory obligations.

My strategic insights and experience in technology trends and their implications for business strategy, and sustainable growth, will assist us in transforming our processes and systems through innovation and have a continued focus and commitment to information security.

It is a privilege to represent you as shareholders and I look forward to your support as I contribute to shaping a brighter future for our AMP.

Debra Hazelton: Thank you, Anna. I confirm also that Anna has the unqualified support of her fellow directors for her election. I now open the discussion on the election of Kathleen and Anna.

David, could you please read out any questions? We’ll start with previous questions or questions online.

David Cullen: Chair we have a question from the online platform from Mr Mayne.

Could new directors, Kathleen Bailey-Lord and Anna Leibel, along with incoming Chair, Mike Hirst, comment on the recruitment process that led to the new appointments to the Board?

Was a head-hunter involved? Did the full Board interview both nominees and did they interview any other candidates? Did either Kathleen or Anna know any of our existing directors before engaging with the recruitment process?

Debra Hazelton: Thank you for the question Mr. Lord. As Chair, I think it’s appropriate that I answer that question and am happy to do so. So we - the Nomination Committee elected a sub-committee of the Nomination Committee to work with the Chief People Officer.

I’m talking now about the recruitment of the two new directors. We engaged a recruitment expert, a head-hunter as you call them. We also, as I think I said in my speech, we carried out a very detailed review last year of the skills matrix necessary on the Board to take AMP into the future and to be aligned with its strategy and its needs.

Based on the work we did on the Board and on the skills matrix, we drew up candidate profiles. We shared them with the executive recruiter, and I believe, by memory, we had 97 candidates on that long list.

By the time we got down to the shortlist, we did have four directors interview candidates and two of our other directors met up with that shortlist. Certainly, with Kathleen and Anna.

In terms of the question regarding did they know any directors beforehand, I’m not sure. I don’t - it would not have been relevant with the other 95 people involved in the search. Thank you.

David Cullen: Chair, we have a question from the online platform from Mr Neil Wallace.

Which directors held AMP shares before being sounded out to become a director?

Debra Hazelton: I’m not sure of the intent to this question but I can say that AMP directors disclose their personal shareholdings in AMP in the remuneration report. It’s very clear to see. Thank you.

Operation: Chair, we have a question from the online platform from Mr Alfred Lee.

Why do we have seven directors? Can this be cut down to five directors with the option of the shareholders voting on the same?

Debra Hazelton: Thank you for the question. I think the question was put in before my speech earlier which pointed out that we did a very thorough review last year with an external advisor, I might add, and expert, to help us understand how many and what skills we needed on the Board.

At the moment, we have the right number of directors and the right people on the Board. If the question is meant to question the – if it’s meant to be a question regarding remuneration of the Board directors, I think I also pointed out that there’s been a reduction of 43% since 2019 in director fees and we continue to benchmark and monitor those fees again the market and, of course, taking into account the complexity of the regulatory environment and the challenges we’re working in. Thank you.

David Cullen: Chair, we have a further question from the online platform from Mr Mayne. Could Anna please comment on whether she was involved in the selection of Mike Hirst as the new chair, given that she only joined the AMP Board on January 1 this year and the succession decision was announced on February 14.

Was Anna aware that the Chair was going when she joined the Board? When was the formal Chair position decision taken and were there multiple internal candidates for the role which led to a formal contested ballot? Did we use a search firm to assist with the process and were any external candidates considered?

Debra Hazelton: I don’t think Anna needs to be brought into this discussion. We were talking about Board succession and renewal since I joined the Board. Good governance suggests that you have succession plans in place and that you renew the Board to make sure that you’ve got the right skills and experience on the Board for the strategy and for delivering the performance of the business as our obligation. That has been very much a long-term discussion.

The election process was done very robustly with the assistance of the Company Secretary and of course we think of external and internal candidates when we think about these things. Thank you.

David Cullen: Chair, there are no further questions from the online platform or from the telephone line.

Debra Hazelton: As there are no further questions, prior to the meeting or online and no further questions from the auditorium, I think – I wonder if there are any questions from the auditorium. It seems not. We will move with the phone line?

David Cullen: There are no questions from phone line, Chair.

Debra Hazelton: Thank you. In that case, I will close the discussion.

We will now turn to Items 3 and 4, being the adoption of the 2023 remuneration report and the approval of the CEO’s long-term incentives for 2024.

The proposed resolutions are now shown on the screen. Items 3 and 4 will be voted on separately, but as they both relate to remuneration related matters, we’ll deal with the discussion of these two items together. Further information on these items is clearly set out in the Notice of Meeting.

The Remuneration report explains the Board’s policies on the nature and level of remuneration paid to key management personnel and discusses the alignment between the Board’s remuneration policies, AMP’s performance, and remuneration outcomes for 2023 ensuring that remuneration outcomes are appropriate in the context of 2023 performance year.

Following the 2023 AGM where AMP received a first strike against the adoption of its 2022 Remuneration report, the Board sought further feedback from key stakeholders on remuneration matters and we have taken action to address some of their key concerns. This included being more transparent through the retrospective disclosure of short-term incentive targets and increasing the weight of financial metrics to 60% from 40%.

In determining the short-term incentive remuneration outcomes for 2023, the Board carefully assessed the 2023 scorecard result and considered the economic and operating environment and the shareholder experience in that year. As such, the Board determined an incentive pool funding of 75% of the target opportunity.

For the CEO and other key management personnel, this has resulted in an average short term incentive outcome of 73.5% of target, or 36.7% of the maximum opportunity. In determining this outcome, the Board believes it has balanced the shareholder experience with rewarding, retaining, and incentivising those executives key to the long-term successful execution of AMP’s strategy. Further information on 2023 remuneration outcomes can be found in AMP’s 2023 Remuneration report.

The Board recommends shareholders vote in favour of adopting the Remuneration report. I will hold over questions and comments on the Remuneration report to after Item 4 is introduced.

We will now turn to Item 4, being the approval of the CEO’s long-term incentive for 2024. The proposed resolution is shown on screen.

As outlined in the Notice of Meeting, the CEO’s 2024 long term incentive will be granted in performance rights with a face value of $1.715 million, equivalent to 100% of fixed remuneration and it represents the maximum grant. The ultimate value will depend on the number of rights that vest after the performance period and the share price at the end of the restriction period.

The 2024 executive remuneration framework remains unchanged from last year and is structured in a way to meet our regulatory requirements. This is achieved by balancing financial and non-financial performance measures, and ensuring remuneration is deferred for sufficient time to detect any potential risk or conduct issues and take action, if required.

The grant of performance rights to the CEO has a total vesting period of six years. This comprises a three-year performance period, and an additional restriction period of up to three years. This ensures the CEO’s interests are aligned with the shareholders’ interests over the entire six-year period.

The performance rights are split into three components, each with its own significantly challenging performance measure and targets, the details of which are in the Notice of Meeting.

The non-executive directors consider that it is in the best interests of shareholders to approve the 2024 long term incentive grant to the CEO.

I will now response to any questions or comments on Item 3, the Remuneration report, and Item 4, the CEO’s long-term incentive for 2024. I will response to questions received before today’s meeting and online first. David, could you please read the questions?

David Cullen: Chair, we had a question submitted prior to the AGM from Howard Pascoe Consulting Pty Limited. Are executive bonuses and KPIs linked to the share price performance?

Debra Hazelton: Yes, absolutely they are, but before I go into how they are linked, I should say that we work in a, as you would know, highly regulated environment regarding executive remuneration, so we cannot only use financial metrics when designing a remuneration framework.

Now, in terms of the STI, the short – when we’re talking about variable remuneration, when we’re talking about the short-term incentive payments, they are absolutely linked to share price movements because they are a portion of anything that is awarded in an incentive payment is deferred to share rights, then over a three-year period. The takeout is totally linked to – absolutely linked to the share price in the short-term incentives.

In terms of the long-term incentives, they are absolutely completely linked to share price movements in that there are two measures, as I mentioned earlier. In terms of deciding whether they are vested or not in the first place, they are linked to three metrics, two of which are intrinsic to shareholder experience. One being the relative TSR, total shareholder return, and the other being the adjusted EPS, the earnings per share. They don’t vest unless there are certain hurdles met in that regard.

If they do and if they do vest, then they are then held for another three years after that performance period, in a restricted period, so that anything paid out will reflect the share price at the time. I think I’ve answered that question in probably too much detail. There is so much complication about some of these design features that I advise you if you are really interested that it’s available in the Notice of Meeting.

David Cullen: Chair, we had a question submitted prior to the meeting from Mr Malcolm Wall. Why are any bonuses paid at present given share price and dividend levels?

Debra Hazelton: Let me say this. The Board in considering remuneration of the executive has to really balance – and I did mention this earlier, has to really balance the fact that we are obliged to deliver long term value for the shareholder. The way to do that is to make sure we’ve got the right executive and talent to deliver to the strategy. That will drive long term share value. To do that, we need to attract, retain, and incentivise those executives. Now, that’s particularly challenging during a period of transformation – I think we all recognise that.

The scorecard and the framework for the remuneration, as you will see from today’s votes received already has received overwhelming support, so we believe we are living to our obligation and it’s appropriate that we also reward performance other than financial performance, as I said, because of the regulations in the environment in which we find ourselves. Thank you.

David Cullen: Chair, we have a question from the online platform from Mr Mayne. How many AMP shares does AMP own in itself and have these been voted on any of today’s resolutions, including the Remuneration report.

Also, congratulations on publicly disclosing AMP Capitals voting record for many years. Will new Chair, Mike Hirst, continue supporting this approach and why doesn’t he advocate for the same approach as AMCIL where he has served on the Board since 2019? AMCIL is part of the [unclear] stable of listed investment companies worth more than $9 billion, but none of them have ever publicly disclosed their voting record in the companies they invest in.

Debra Hazelton: Thank you for that question, Mr Mayne. I will leave the second part of the question to Mr Hirst to reply to next year I think is the appropriate time.

In terms of our holding in AMP’s issued shares, we hold about 1.35% in various professional fiduciary capacities, such as the trustee of our super and investment funds.

Under the terms of ASIC relief, these shares cannot be voted, and we report these holdings in our ASX announcements to the market. Thank you.

David Cullen: Chair, we have a question that was pre submitted before the AGM from Mr Alfred Lee. Why should the CEO be granted 1,844,087 performance rights when the fixed remuneration is $1.715 million?

Debra Hazelton: The performance right amount is actually the face value of the fixed remuneration of $1.715 million. Thank you.

David Cullen: Chair, we had a question submitted prior to the AGM by Ms Christine Smith. The 2023 statutory profit of $265 million includes an amount of $226 million per Note 1.1(d) relating to the gain on sale of AMP Capital and other divestments. If this gain was not there, then the actual statutory profit for 2023 is materially lower.

How can the Board justify the bonuses paid to the key management personnel, and how will AMP improve its profitability given there are not many assets left to sell?

Debra Hazelton: Thank you for the question. I think there are two questions in there. There’s one about future profitability and one about remuneration. I’ll start with the future profitability first. I think we’ve addressed it, but the way we are driving future profitability is to continue to deliver on our strategy to improve the performance of our operating businesses, to focus on cost controls and increasing efficiency, and also to focus on future opportunities and revenue sources.

In terms of the remuneration, I think I’ve said that both our STI, our short-term incentives and long-term incentives are connected to the share price, so we judge the payments based on shareholder experience to some extent, but we are working in a heavily regulated industry.

In terms of the remuneration for executives, the fixed remuneration, we benchmark that against the market, and I think it’s appropriate to say that another change we made last year that I hadn’t mentioned until now is that we updated that benchmarking group to make sure that we are benchmarking against the appropriate companies now that this company is a smaller company. Thank you, David.

David Cullen: Chair, we have had a question submitted prior to the AGM from Mr Malcolm Wall. Why didn’t AMP claw back the bonuses paid out to executives from the time the Company was underhand? They basically broke the Company and got bonuses for doing it.

Debra Hazelton: I can say that the Board has over the years exercised clawback where there has been information available. I would also say that sometimes I don’t think it’s recognised that there are times where no short-term incentive is paid at all and I recall in the last... there have been three of three years not so long ago and even when short term incentives are paid, they can be quite a small portion of the maximum opportunity.

In terms of long-term incentive payments, I think I’m right to say that since 2012 only in one year has any payment been made and even at that time it was a very small proportion. I think we can say that we are taking all those considerations into account when addressing the outcomes of the performance awards. Thank you.

David Cullen: Chair, we had a question received prior to the AGM from I think – no name, but it’s – the question, I’m sorry, from In There Investments Pty Limited. In the CEO remuneration, the LTI uses the fiftieth and seventy-fifth percentiles for determining the award conditions.

Why does AMP select such low thresholds. A more appropriate threshold would have been half the award if achieving the sixty-sixth percentile, balance of award if achieving the ninetieth percentile. The point is, shareholders want this company to perform in the top 10%, not to be middle of the road. Could you please comment?

Debra Hazelton: Yes, I’ll comment by saying that the remuneration committee goes through a huge amount of work to come up with the framework that we use to judge performance and to award on performance. And, of course, every year we bring that to the market and then we listen carefully to the feedback and react to it.

I would say that the framework as it stands today has received wide support from our institutional and retail shareholders as well as proxy advisors, so I take your point, thank you for the comment, but I don’t want you to think these decisions are made lightly.

David Cullen: Chair, we had a question received prior to the AGM from Mr David Loveridge. For complete transparency, would the Board consider adopting a rule for directors and senior management that shares can only be purchased or sold by these individuals in a one-month period starting after one week after the annual report is released?

Debra Hazelton: Thank you for the suggestion. Once again, we have a trading policy in place for directors in terms of trading in AMP shares and it is market practice. The interesting thing about this question it seems to me is that our problem was really the other way around. We were criticised for directors not purchasing enough AMP shares and without going into too much detail over the last few years there was so much going on in AMP that it was very hard to find a time when directors weren’t aware of inside information and therefore were forbidden from buying shares. That would include certain high-level executives as well.

What we did in fact is change the policy around trading windows which only allowed us to purchase shares after results or after the AGM to a blackout policy to give Directors more opportunity to buy AMP shares. Of course, now that we've stabilised the business and we are moving forward in a much more normalised way, the Directors can purchase more shares. But please also recall that most of the Directors on the Board have not been on the Board for very long, and it takes quite a while to build up these large shareholdings. But thanks for the suggestion.

David Cullen: Chair, a further requestion received prior to the meeting, from Ms Christine Smith. Looking at the drivers of financial performance, why aren't Melinda Howes, Super, and Edwina Maloney, Platforms, listed as key management personnel and their remuneration disclosed?

Debra Hazelton: Thank you, Ms Smith, another good question. As you know, we've been simplifying the portfolio and streamlining the organisational structure of the business in line with our strategy and also with our cost control measures. Last year the CEO further streamlined the organisation structure and removed one layer of reporting so that the three ex-co members in the wealth management area report directly now to the CEO, which is a very good thing.

That meant one less KMP, one less key management personnel, which is appropriate for a business of our size. It also meant that both Melinda and Edwina were not caught in the KMP structure.

David Cullen: Chair, at this time there are no further questions online or from the phoneline.

Debra Hazelton: As there are no further questions before the meeting or online, I'll take questions from the auditorium. Please proceed to the microphone if you have a question. Do we have any questions on the phone, David?

David Cullen: Chair, there's no questions on the phoneline.

Debra Hazelton: I believe that shareholders have had a reasonable opportunity as a whole to discuss the 2023 remuneration report and the CEO's long-term incentive for 2024. As there are no further comments or questions, I would close the discussion on items 3 and 4.

We will now turn to item 5, being the approval to exceed the 10/12 share buyback limit. The proposed resolution is shown on the screen. Further information is set out in the notice of meeting. On 11 August 2022, AMP announced the capital return program under which it intends to return $1.1 billion of capital to shareholders. This was another step to delivering on AMP's strategy to return surplus capital to shareholders.

Under the *Corporations Act*, the Company is permitted to buy back up to 10% of the smallest number of voting shares on issue at any time in a 12-month period, without the need for shareholder approval. The capital return program consists of three tranches.

The first and second tranches have been completed. The third tranche of up to $350 million is expected to be returned to shareholders through a final dividend of $0.02 per share, announced on 14 February, any interim or other potential dividends the Board may declare, and an on-market buyback which was announced on 14 February as well this year.

AMP is seeking shareholder approval today to exceed the limit in order to complete the on-market buyback as part of tranche 3. The Board recommends shareholders to vote in favour of this resolution. I will now respond to any questions or comments on item 5. I'll respond to questions received before today's meeting and online first. David, could you please read the questions?

David Cullen: Chair, we have a question from the online platform from Mr Stephen Mayne. How did we pick Jefferies to be our broker for the buyback, and why have we only spent around $50 million when you were authorised to spend up to $250 million at last year's AGM and then announced an intention to spend up to $295 million? With the stock rising 25% so far this year, isn't it time to pause the buyback because the shares are no longer as cheap? How high would they have to get to cause the buyback to be paused?

Debra Hazelton: There's a few questions in there, thank you Mr Mayne. I'll start with Jefferies. Jefferies is a highly regarded investment bank, we rotate the role among different investment banks and they're doing a good job just as the previous investment banks have done as our broker on the buyback.

I think maybe the issue here is that we did put to vote last year the approval of the 10/12 limit, and it was passed, and that year has passed, and now we are into the third tranche of the buyback, and we need to put that to the vote again. I think that's all that needs to be said. No, there was one more part of the question, which was with the share price rise of 25% this year.

I think that it's worth you knowing that we talk about the efficiency of returning capital to shareholders on an ongoing basis at the Board, as you would expect, and we will continue to monitor what is best in terms of that efficiency. Obviously, we look at where the share is trading. As I said earlier, we are returning that capital either by buyback or by an interim dividend, we’ll be monitoring that on a ongoing basis, thank you.

David Cullen: Chair, we had a question submitted prior to the AGM from Mr Malcolm Wall, why are we doing a buy back rather than paying it all out in dividends?

Debra Hazelton: This is an interesting question and I’m glad I’ve got a chance to talk to it because I worry sometimes that the value of the buy back is not recognised by some of our shareholders. So, the board works diligently on what is the most efficient way to return capital and we are very conscious that our retail, some of our retail shareholders might prefer dividends while others – some of the institutional shareholders are recognised the value of buy backs.

It’s important to note that the buy back adds value for the retail shareholder as well by as I said earlier in my speech, reducing the number of shares on issue and therefore giving the holder of the – the remaining holder of shares more access to our earnings and to our dividends going forward. We are – we can see that in the 19% rise in the earnings per share this year and we are very pleased with that obviously. The other thing to note is that the ultimate – ultimately the improvement in earnings per share should be reflected in the market valuation of the business going forward, thank you.

David Cullen: Chair, we have a further question from Mr Mayne from the online platform. Thank you to Debra Hazelton for her five years of service on the board, the last three as chair. It is always helpful for investors to have access to some exit perspectives from retiring independent directors.

In her final contribution as an AMP director, could Debra please comment on what she regards as the best decisions AMP made during her time on the board and does she have any regrets? Also, was the decision to go influenced by the 15% vote against her re-election at last years AGM? If not, why is she leaving 1 year into her 3-year term?

Debra Hazelton: Well, there’s a couple of questions there and thank you, thank you for your thanks. I don’t want to bore everyone and go into details but there were many, very consequential decisions that were made on the board during my term as chair. I would say none of them are independent or separate decisions, they all have complex interrelationships.

I would say leaning into the cultural challenges that AMP had when I first came on board, not only to the extent that we leant in, we did the work, we went to root causes, we put with a wonderful management team, put in place a great deal of initiatives to address the long term embedment of cultural change in AMP. We did such good work I would say that it’s been shared among the industry, the financial services industry in Australia and we’re very proud of that.

Number 2, I would say, we did a very good job in identifying and bringing on board a very strong capable leader in our CEO who has gathered around her a very strong committed management team. I think the third would be, I think we were very pleased to be able to announce the re-start of the dividends as I said earlier.

In terms of last years vote, my understanding, don’t want to go into it, there was a protest vote last year regarding various issues and I was up for re-election. I didn’t take it personally I must say and I’m certainly not stepping down for that purpose. Why am I leaving now because now is the right time, we’ve come through the transformation, there’s more work to do, very aware of that but as I said earlier, you have a leader for a time, I see myself as having done my job in terms of getting us to the other side of that transformation.

I think Mike Hirst is going to be a very strong leader and is totally appropriate for the next stage of AMP, that would be my response.

David Cullen: Chair, there’s no further questions online or on the phone line.

Debra Hazelton: I can’t see any further questions in the auditorium, so I believe that shareholders have had a reasonable opportunity as a whole to discuss the resolution. As there are no further comments or questions, I’ll close the discussion. I’ll soon close the polls for items 2 to 5, if you have not already cast your vote online or by using the QR code if you’re attending in person, please do so now. For shareholders here in the room who are voting using the reverse of your voting card, please place your completed voting card in the ballot boxes, now being carried throughout the room by Computershare.

I’ll leave the voting open for a moment longer.

[Pause]

Debra Hazelton: I now declare the voting and polls on Items 2 to 5, closed. As the poll is now closed the provisional results will shortly appear on the screen behind me.

Debra Hazelton: It appears that resolutions 2(a), 2(b), 3, 4, and 5, are passed. Congratulations Kathleen, congratulations Anna.

As we did not receive a second strike on the remuneration report, the conditional spill resolution in Item 6 will not be put to the meeting.

We have therefore completed the final item on our agenda today. The results of the polls you participated in during the meeting will be released in an ASX announcement later today and published on our website.

Before I close the meeting, I would like to reiterate the Boards commitment to driving the strategy to take AMP to its next chapter. I would also like to repeat my thanks to the Board, management, and employees of AMP for their hard work and dedication during my tenure as Chair.

I will, of course, continue to support AMP from the sidelines with strong confidence in its future success under Mike’s leadership.

I would like to now hand it over to Mike, who I know would like to say a few words.

Mike Hirst: So Debra, there remains just one matter for us to deal with, and that is to acknowledge and thank you for your outstanding service. I think we all understand, and we’ve heard here today, all the challenges this institution has faced in recent years and the governance changes that have followed.

Everyone would understand the reputational issues that needed to be addressed. Debra’s leadership, council, knowledge, and frankly, sheer hard work, have been at the forefront of dealing with those matters and stabilising the company.

I know I speak for the whole Board, management, and staff in expressing our gratitude to Debra for all that she’s done during her time on the Board. If the true test of stewardship is leaving a place in a better state than you found it, Debra graduates from AMP with honours.

Debra, on behalf of all stakeholders, thank you so much, and I know how I have very big shoes to fill. On that, I’m very humbled to be given the opportunity to Chair this iconic Australian company and I can assure all stakeholders that I will work very hard to assist in the continuing improvement of the company’s performance.

Thank you.

[Applause]

Debra Hazelton: Thank you very much, Mike. Thank you to all our shareholders for joining us today. I now declare the meeting closed. Thank you.

**[END OF TRANSCRIPT]**