



Company	AMP
Code	AMP
Meeting	AGM
Date	30 April 2021
Venue	Online
Monitor	Ian Graves assisted by Julieanne Mills

Number attendees at meeting	231 Shareholders 8 Proxy Holders 1,050 Visitors
Number of holdings represented by ASA	494
Value of proxies	\$3.6m
Number of shares represented by ASA	3.25m (equivalent to 18th largest holding).
Market capitalisation	\$3.73b
Were proxies voted?	Yes, on a poll
Pre AGM-Meeting	Yes, with Chair Debra Hazelton, NED Remuneration Chair Michael Sammells, Michael Vercoe, Rebecca Nash and Alex Boyle

So many questions and not enough answers

The chairman's address attempted to answer the many questions sent to the board prior to the AGM. Acknowledging that this was "a day for shareholders" the new chairman, Debra Hazelton, attempted to justify the boards decisions regarding the change in strategy and leadership, and explain the efforts that had been made, to create cultural change within the AMP.

To be fair much has changed and it is probably too early to judge whether it has been successful or not. But the growing frustration of shareholders was evident in the questions. Rightly so given the trajectory of the company over the last 3 years and this year's damage to brand, out flows of funds and share price fall.

Ms Hazelton highlighted the difficulties that the company has had to deal with since the Banking Royal Commission, admitting that the regulatory and legislative changes have necessitated a reinvention and a different business model going forward. Being hit with COVID on top of what was always going to be a difficult year didn't help. The chair thanked the CEO, Francesco de Ferrari for his efforts in the transformation and reinforced the boards support for his strategy going forward, she also highlighted his achievements to date: the sale of AMP Life, the product simplification and success of the North platform.

The outgoing CEO address showed his support for the company, the transformation strategy, and the incoming CEO.

The two hours of questions that were read out verbatim and answered patiently reflected the dismay of many shareholders at the destruction of the share price, loss of dividends and brand damage. There were many questions around the AMP Capital demerger, as well as the twenty-year slide in the share price.

Steven Mayne had numerous questions around the media's coverage of Pahari, his appointment and exit payments and conditions, and how shareholders can have confidence in the board. Many questions remained unanswered.

The ASA monitors raised questions around the mediocre employee engagement score, the rapid increase in whistle blower complaints, and Mr Ferrari's exit and retention payments.

In summary, I think it would be fair to say that shareholders were asking why they should trust this board. Ultimately it is hard to see that they have a choice given another board change would only delay any further progress.

Subsequent press reporting in the AFR suggested that Ares were still interested in purchasing AMP Capitals private markets, but the Board decided they were not going to get what they felt shareholders would be happy with.

The business of the meeting was unusual, in that one resolution, the approval of the CEO's long-term incentive for 2021 was withdrawn before the meeting. Of the two put to the meeting, Item 2- Election of Kathryn McKenzie as a director, was passed comfortably with over 97% approval. Whilst Item 3 -Approval of the remuneration report, which the ASA voted against, nearly received a second strike with 23.64% against. As a result, resolution 5, the contingency resolution for a spill of the Board was not required.

As a result of the strong vote against the Remuneration Report, the ASA would strongly urge the Board to listen to their shareholders and completely change current remuneration practices to ensure they are more aligned with shareholders outcomes.