

Remuneration disclosures

For the period 1 January 2022 to 31 December 2022

AMP Bank Limited

REMUNERATION DISCLOSURE FOR THE YEAR ENDED 31 DECEMBER 2022

The remuneration disclosure has been prepared in accordance with Australian Prudential Regulatory Authority's (APRA's) remuneration requirements as set out in prudential standard APS 330 Public Disclosure with reference to the requirements established under CPS 510 Governance (CPS 510) and the AMP remuneration policy.

AMP Bank Limited (AMP Bank) is a wholly owned subsidiary of AMP Financial Investment Group Holdings Limited, which is a wholly owned subsidiary of AMP Limited (AMP).

With AMP's transformation to become a simpler organisation focused on retail banking and wealth management and following the previously proposed demerger of AMP Capital and the subsequent agreements to sell in relation to the AMP Capital business, AMP underwent a change in non-operating holding company (NOHC) license to an authorised deposit-taking institution (ADI) NOHC. As a result, the Chief Executive Officer (CEO), AMP Limited and members of the Executive Committee (ExCo) are classified as Senior Managers under APS 330 from 1 May 2022.

The AMP Bank employees included in the remuneration disclosure are those who have been identified as:

Category	Description	Number of individuals	AMP Bank roles
Senior Managers	<ul style="list-style-type: none"> Responsible persons Individuals who may impact the financial soundness of AMP Bank 	13	<ul style="list-style-type: none"> CEO, AMP Limited CEO, AMP Limited direct reports¹ Group Executive, AMP Bank Group Executive, AMP Bank direct reports² Key Risk, Internal Audit and Financial Control Personnel AMP Bank Executive Director

¹ Only those direct reports who are Accountable Persons under the Banking Executive Accountability Regime (BEAR) overseen by APRA.

² Only those direct reports who meet the definition of a senior manager in APS 330 prior to the change in NOHC license.

There were no material risk taker roles identified.

The AMP Limited Remuneration Committee (Committee) is AMP Bank's nominated board remuneration committee. The Committee assists the various boards to fulfil their remuneration obligations by establishing, effectively applying and overseeing the design, operation and monitoring the remuneration framework, policies and practices across AMP, including AMP Bank.

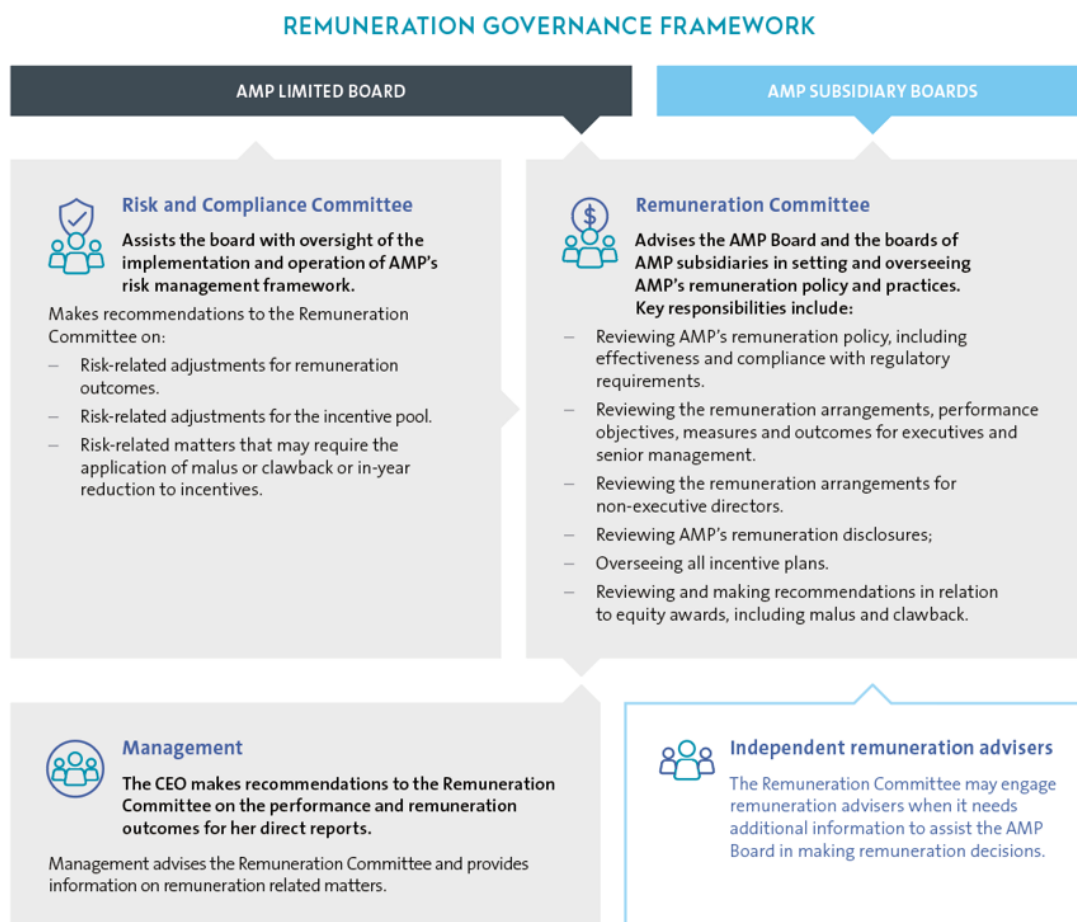
Members of the Committee are independent non-executive directors of the AMP Limited and AMP Bank Limited Boards. A review of the boards and committees structure was completed in 2022 resulting in a reduction of Committee members from 1 October 2022. As at 31 December 2022, the Committee consisted of Michael Sammells (Chair), Debra Hazelton and Michael Hirst. More information on the role of the Committee can be found in the corporate governance section of the AMP website amp.com.au.

The Committee assists the AMP Bank Board in establishing and ensuring oversight of AMP's remuneration framework, policy and practices, including compliance with prudential standards. Other key remuneration-related responsibilities of the Committee include recommending to the AMP Bank Board approval of:

- the application of the AMP remuneration policy;
- total remuneration arrangements for the senior managers of AMP Bank, based on the recommendation of the relevant leader of their performance; and
- annual recommendations of the remuneration structure for categories of persons covered by CPS 510.

The remuneration arrangements which apply to AMP Bank are the AMP Limited policies, frameworks and remuneration arrangements. AMP Bank has continued to review and refine its practices to maintain good governance and support Sedgwick Recommendations.

The following diagram outlines AMP's remuneration governance framework.



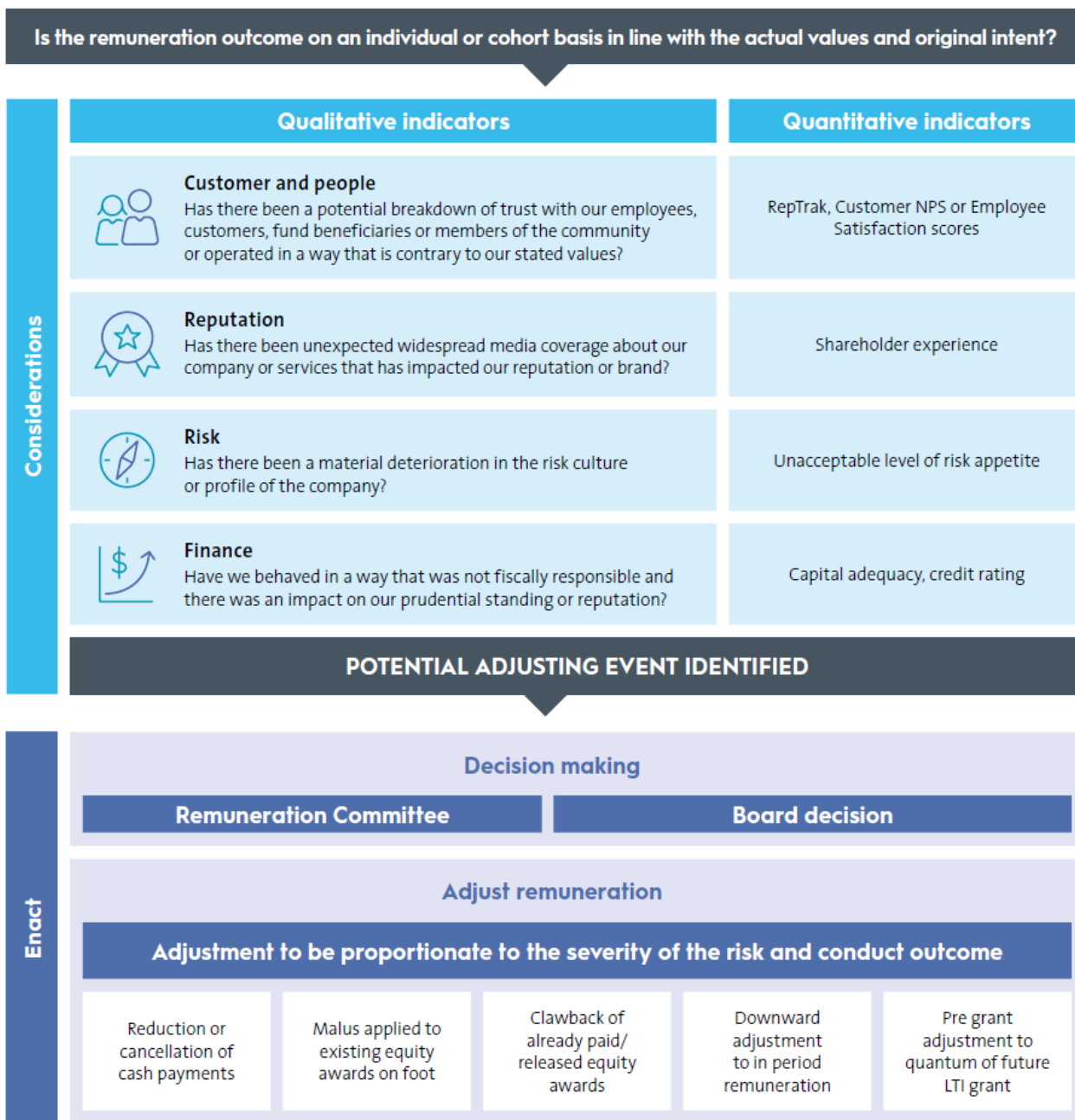
The AMP Limited Board and the AMP Bank Board believe that, to make prudent remuneration decisions, it needs both a robust framework and the ability to exercise judgement. Therefore, the AMP Board and the AMP Bank

Board have adopted a remuneration adjustment framework to provide guidance in determining the appropriate remuneration outcomes. The framework is considered at each remuneration decision point to identify whether there has been any material conduct or risk events that have impacted on shareholder experience, the reputation of the company or led to disciplinary action from our regulators.

Whilst the framework is designed to deal with material risk and conduct events, the Board can also exercise its discretion to apply positive adjustments if appropriate.

The following chart is an example of the types of qualitative and quantitative indicators the AMP Bank Board may consider in exercising discretion in relation to material conduct and risk events.

Considerations for adjusting remuneration



From time to time the Committee may seek external guidance or benchmarking information from independent remuneration advisors. Any advice provided by external advisors is used as a guide and is not a substitute for consideration of all the issues by each non-executive director of the Committee.

During the 2022 year, the Committee did not engage any independent remuneration advisors who provided remuneration recommendations, as defined in the Corporations Act.

The Committee members receive fees for their membership (or for chairing) of the AMP Board and Committee. The Committee members do not receive any performance-related fees or any additional fees for their

membership (or for chairing) the AMP Bank Board or Committee. The table below outlines a breakdown of Committee membership, meetings held and fees received in 2022.

	2022	2021
Committee members ¹	8	7
Meetings held	9	6
Committee Fees (inclusive of superannuation)		
Remuneration Committee Chair ²	\$46,750	\$46,750
Remuneration Committee Member ²	\$21,590	\$21,590

¹ Includes Committee Chair and members who served for part of the year.

² No fee is payable to a member of the Committee who is also Chair of the AMP Limited Board.

2 REMUNERATION STRATEGY, POLICY AND DESIGN

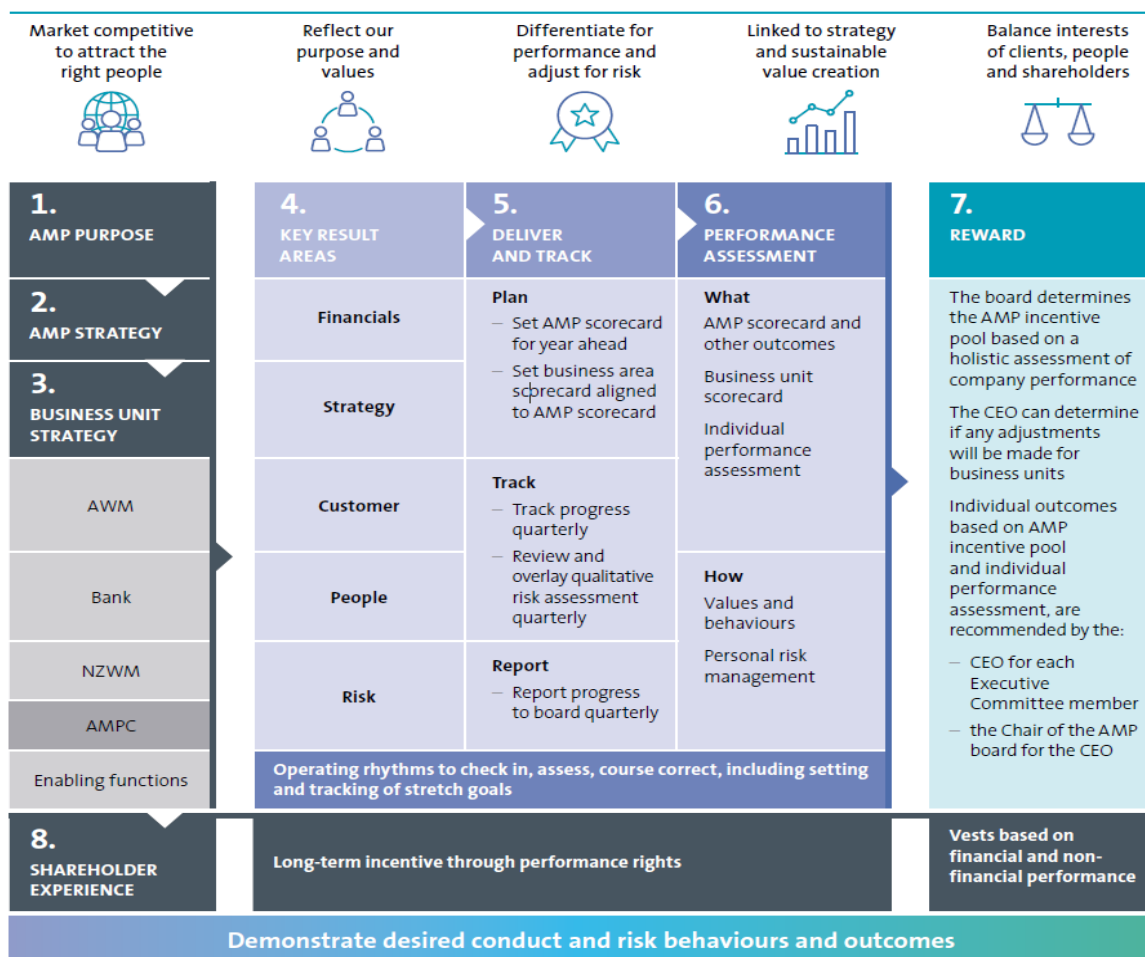
The AMP remuneration policy has been adopted by AMP Bank and provides the framework for the implementation, assessment and maintenance of AMP Bank's remuneration strategy and arrangements.

The Committee reviews the ongoing compliance, appropriateness, and relevance of the AMP remuneration policy regularly. A review of the AMP remuneration policy was undertaken in 2022 with additional changes incorporated with the application of the prudential standard CPS 511 Remuneration (CPS 511) and Financial Accountability Regime (FAR) in 2023.

The goal of the AMP remuneration strategy, framework and principles, which is also adopted by AMP Bank, is to align performance, ensure prudent risk management and reward outcomes. These are reviewed on an annual basis to ensure they are fit for purpose, support the attraction, retention and reward of high-performing talent required to deliver strong client outcomes, sustained returns to shareholders and foster an environment where our employees can thrive.

At the beginning of each year the AMP Limited Board sets the scorecard for the year to support the achievement of the business strategy. The scorecard consists of five key strategic priorities as outlined below and the Board determines the appropriate objectives, metrics and targets. Business unit scorecards (including the AMP Bank scorecard) are aligned to AMP priorities and performance is assessed on overall, business unit, team and individual goals. Outcomes awarded under the remuneration framework reflect both **what** our strategy seeks to deliver and **how** it is delivered, as performance assessment explicitly considers not only the strategic priorities delivered but also relies on the visible demonstration of our desired culture, purpose and values, and conduct expectations. The remuneration principles provide AMP with the flexibility to address the challenges in attracting and retaining talent, remaining competitive and differentiating for performance. These principles are reviewed on a regular basis to ensure they remain fit for purpose and will be used by the AMP Bank Board in annual assessments of the effectiveness of AMP's remuneration strategy and framework.

OUR REMUNERATION PRINCIPLES



AMP Bank has continued to review and refine its practices to maintain good governance and support Sedgwick Recommendations, through enhancements to performance management, remuneration, governance and leader communication. The assessment of performance management now specifically incorporates the demonstration of customer focused behaviour and risk management.

3 REMUNERATION ELEMENTS

AMP provides a number of remuneration elements to AMP Bank employees. The key elements of remuneration for most employees are fixed remuneration and variable remuneration (performance-based). Across all remuneration elements AMP Bank is committed to treating employees equitably and to taking active steps to identify and address inequity for like roles and performance.

The following table outlines AMP’s key remuneration elements.

Remuneration structure for 2022				
	Purpose linked to strategy	Coverage	Benchmark/Measures	Delivery
Fixed remuneration	Market competitive to attract and retain talent. Takes skill and experience into account.	All employees.	Relevant benchmark such as S&P/ASX 100 financial organisations.	Base salary, superannuation and salary sacrifice benefits.

Short term incentives (STI)	Cash: Reward for achieving key financial and non-financial priorities that progress the strategy. Equity: Encourage retention and monitor latent risk related to the performance period.	All permanent employees are typically eligible to be considered for an STI provided they have met the required behaviour, conduct and performance standards.	Mix of key strategic, financial, people, risk and client goals during the financial year.	A mixture of cash and deferred equity (share rights).
Long term incentives (LTI)	Align reward to shareholder success with upside for superior performance relative to market peers.	A small number of select employees based on roles, seniority and specific contractual arrangements.	Time vested subject to continued service and a conduct and risk assessment	Deferred equity (share rights).

Group Executive, AMP Bank is a Key Management Personnel for AMP and participate in the AMP STI and LTI. Full details of his remuneration arrangements are disclosed in the AMP 2022 Annual Remuneration Report.

All variable remuneration is subject to Board discretion in the determination of outcomes and before vesting and as such may be subject to clawback or malus provisions.

The STI for AMP Bank is funded through the AMP Limited incentive pool, which is determined by AMP Limited Board taking into account AMP Limited (and Bank) performance against a set of financial and non-financial measures based on a scorecard. The STI performance period is aligned to the financial year. The pool may be adjusted downwards if AMP Bank takes risks outside the agreed risk appetite.

Although AMP Limited financial measures are considered in the scorecard to determine the incentive pool, the individual performance and incentive outcome of risk and financial control personnel are not determined based on AMP Bank financial results but on a qualitative assessment of performance.

For all employees of AMP Bank, performance is based on an assessment of their achievement against agreed objectives combined with consideration of risk management, values and conduct in line with the performance management process. The performance rating outcome and individual incentive opportunities determine the portion of the incentive pool allocated to an individual. An individual's incentive outcome is not promised or guaranteed.

For AMP Bank, all variable remuneration elements comply with relevant policies and operate subject to compliance with any applicable standards or regulations, such as APRA Prudential Standards and the Banking Executive Accountability Regime (BEAR). Further changes are anticipated in 2023 to ensure compliance with CPS 511 and FAR.

4 REMUNERATION AND RISK MANAGEMENT

The AMP Limited Board has a range of mechanisms available to adjust remuneration and incentive outcomes to reflect behavioural, risk or compliance outcomes. The table below summarises the range of mechanisms available and their intended operation.

Risk assessment	Risk and conduct outcomes	Malus and clawback provisions	Board discretion
Enterprise and business unit levels	All employees	All incentive plans	
The Chief Risk Officer (CRO) reports to the Remuneration Committee, the overall assessment of risk management at the conclusion of	Employees' risk management behaviour and conduct is specifically considered as part of their performance	Allows the board to adjust and lapse (malus) unvested equity awards or reclaim (clawback)	The board may apply its absolute discretion to adjust past, present and future remuneration, subject to the

the performance year as an input to the determination of the incentive pool.	assessment and in the determination of remuneration outcomes.	vested incentives in certain circumstances.	equity incentive plan rules governing the plan and in compliance with the relevant policies.
At the conclusion of each performance year, the Chair of the Risk and Compliance Committee (who is also a member of the Remuneration Committee) provides an overview of the key issues considered by the Risk and Compliance Committee that are likely to be relevant to assessing the remuneration outcomes for the CEO and Executive Committee members by the Remuneration Committee.	The consequence management framework ensures that behaviour which does not meet expectations is actively and consistently managed, including adjustments to past, present and future remuneration if appropriate.	All deferred incentives are subject to a conduct and risk review before vesting. This applies to current and former employees.	It does this in line with the remuneration adjustment framework to provide greater consistency in remuneration adjustments.

AMP Bank operates under AMP’s risk management framework which is designed to ensure that AMP’s regulated entities, directors, senior management and staff can fulfil their risk management responsibilities within a transparent, aligned and formalised governance and operating structure. This structure also ensures that risks are managed effectively within the risk appetite set by AMP Bank.

The AMP Limited Board exercises ultimate discretion to apply remuneration consequences to executives and employees with overall accountability for matters arising in their business units with adverse risk, client and/or reputational impacts. The AMP Limited Group Chief Risk Officer (CRO) presents any risk related information the Committee should consider when making remuneration decisions. This also gives the Committee an opportunity to make enquiries and have unfettered access to risk and internal audit executives. The Committee considers both the achievement of the risk metrics as well as a risk overview when determining the incentive pool. Before every equity vesting event, management provides a report to the Committee to highlight if there is any reason, including risk considerations, why the Committee should exercise its discretion to lapse any unvested equity award.

The operating model also ensures that the reporting line for the Bank CRO is direct to the AMP Limited Group CRO who is the BEAR CRO. Objectives for the BEAR CRO are set by the AMP Bank Risk Committee. Assessment of performance and remuneration decisions are made by the AMP Limited Group CRO with input from the Group Executive, AMP Bank and overseen by the AMP Bank Risk Committee.

AMP’s consequence management framework was strengthened in 2021 and again in 2022 to align with best practice management of sexual harassment, other misconduct matters, and due to the implementation of CPS 511. AMP has a Consequence Management Committee (CMC), which was established to ensure consistent management of workplace conduct matters and application of AMP’s consequence management policy. The CMC comprises the CEO, AMP Limited, Chief People Officer and CRO as standing members. Statistics and insights on all conduct cases across AMP Limited are reported to the Risk and Compliance Committee on a biannual basis, following review by the CMC. Under the consequence management framework, all substantiated cases of misconduct require the application of a management and/or remuneration consequence. Where there is a recommendation from People & Culture (and as endorsed by the CMC) to apply malus or clawback of past remuneration as a part of the recommended remuneration consequence, submissions are made to the Committee to exercise its discretion to lapse the unvested equity award.

5 LINKING PERFORMANCE AND REMUNERATION

Remuneration arrangements are designed to align and contribute to AMP’s key strategic objectives, business outcomes and desired performance culture. To achieve this, performance measures are explicitly linked to short term and long term strategic objectives and business imperatives.

For 2022, the performance of senior leaders in AMP Bank was assessed against a balanced scorecard which consisted of financial and non-financial measures, aligned to the bank scorecard. Non-financial measures included employee engagement, customer advocacy, successful delivery of projects and initiatives, delivery to strategy and developing and embedding a risk-based culture. Risk and conduct soft gates continue to be applied where senior leaders are required to demonstrate role modelling the AMP purpose and values, acting in accordance with the AMP and Banking code of conduct and understanding, managing and escalating risk.

The performance assessment reflects achievement against agreed objectives combined with consideration of risk management, and behaviour in line with the performance management process. Individual incentive opportunities and performance ratings of the senior leaders in AMP Bank determine the portion of the incentive pool allocated to an individual. Any substantiated findings under the AMP Consequence Management Framework would result in an appropriate outcome applied to the individual, which may include remuneration adjustments (in some cases to zero). Recommended outcomes are applied in full at the completion of the remuneration review, and formally reported to the Committee.

6 DEFERRAL

The AMP STI deferral framework applies to Accountable Persons under the BEAR and/or persons in APRA specified roles. A portion of the total variable remuneration of an Accountable Person must be deferred for a minimum of four years.

Under the BEAR, AMP Bank Limited is currently classified as a medium ADI. This means that the relevant portion of variable remuneration that needs to be deferred for each Accountable Person must be the lesser of:

- (i) 40% of variable remuneration for the 2022 financial year; or
- (ii) 20% of total remuneration (which is inclusive of STI, LTI and any sign-on or retention incentives) for the 2022 financial year.

Vesting of equity awards is subject to continued service and risk and conduct assessment, to ensure that performance and conduct is in line with AMP Bank's expectations. The board has discretion to amend the vesting outcome (downwards to and including zero).

Under AMP's equity plan rules, the board may apply its discretion in adjusting for malus and clawback. The board may reduce or clawback awards in certain circumstances, such as:

- the participant's employment is terminated for misconduct;
- the participant acting fraudulently, dishonestly or in a manner which brings the AMP into disrepute or being in material breach of their obligations to the group;
- to protect the financial soundness or position of AMP;
- to respond to a material change in the circumstances of, or a significant unexpected or unintended consequence affecting AMP that was not foreseen by the Committee (including any misstatement of financial results); and/or
- to ensure no unfair benefit to the participant.

7 REMUNERATION DISCLOSURES

The following quantitative disclosures have been prepared in accordance with APS 330 for the financial year ended 31 December 2022.

Table 1: Remuneration awarded to senior managers

This table summarises the various payments made to senior managers during 2022.

	2022	2021
Number of senior managers who received variable remuneration	13	12
Number of guaranteed bonuses awarded	–	–
Value of guaranteed bonuses awarded	\$–	\$–
Number of sign-on awards	–	1
Value of sign-on awards	\$–	\$732,500
Number of termination payments	–	2
Value of termination payments	\$–	\$1,898,057

Year on year data will reflect change in senior managers due to the classification to now reflect the Executive Committee and the pro rata for Bank leadership team till May 2022.

Table 2: Total value of remuneration awards

This table provides the total amount of remuneration awarded to senior managers of AMP Bank during 2022.

	2022	2021
Remuneration element	Senior managers ¹ \$'000s	Senior managers ¹ \$'000s
Fixed remuneration		
Cash-based (non-deferred) ²	4,889	8,691
Other ³	209	528
Variable remuneration		
Cash-based (non-deferred) ⁴	2,256	1,428
Shares and share-linked instruments (deferred) ⁵	2,941	7,948
Other ⁶	–	764

1. Remuneration has not been pro-rated for senior managers that work across multiple entities.

2. Includes base salary, superannuation contributions, any cash allowances and additional payments.

3. Includes the net change in annual and long service leave accruals, non-monetary benefits and any FBT for the financial year.

4. This represents the cash portion of any incentive award made in relation to the financial year.

5. This represents any deferred STI and LTI received as equity as well as any other equity-based awards where applicable.

6. This represents the pro rata expense in relation to retention awards.

Table 3: Outstanding deferred remuneration and deferred remuneration which vested

This table provides the total amount of outstanding deferred remuneration, total amount of deferred remuneration vested, and any implicit and explicit adjustments made to deferred remuneration.

	2022	2021
Remuneration element	Senior managers \$'000s	Senior managers \$'000s
Outstanding deferred remuneration		
Shares and share-linked instruments (deferred)	12,738	26,214
Total amount of outstanding deferred remuneration¹	12,738	26,214
Total amount of deferred remuneration which vested²	580	2,295
Total amount of reductions due to explicit adjustments³	–	140
Total amount of reductions due to implicit adjustments⁴	348	(4,490)

1. All deferred remuneration is deferred into equity and is exposed to ex post explicit and implicit adjustments. This value represents the total fair value of all unvested equity awards as at 31 December.

2. Represents the face value of equity awards which vested during the financial year.

3. Represents the face value of equity awards which were forfeited or lapsed during the financial year due to performance conditions not being met.

4. Represents the change in the value (decrease) of unvested awards due to the movement in AMP share price between grant date and 31 December.