

22 August 2018

## AMP appoints Francesco De Ferrari as Chief Executive Officer

The AMP Board today announces the appointment of Francesco De Ferrari as Chief Executive Officer of AMP Limited, effective 1 December 2018.

Mr De Ferrari will join AMP after 17 years with Credit Suisse where he was CEO South East Asia and Frontier Markets and Head of Private Banking Asia Pacific.

Mr De Ferrari will succeed Mike Wilkins, who has served as interim CEO since April 2018. Mr Wilkins will work with Mr De Ferrari to ensure a smooth handover before returning to his position as a Non-Executive Director on the AMP Board.

Mr De Ferrari will join the AMP Limited Board as an Executive Director at the first Board meeting in January 2019.

AMP Chairman David Murray said:

*“Francesco is an outstanding leader with a strong track record in international wealth management and extensive experience in redesigning business models to drive turnaround and growth.*

*“The Board conducted an extensive global search to identify the best leader to drive change at AMP. Francesco is a proven change agent who will bring the strategic acumen and expertise to spearhead the transformation needed in our business.*

*“During his time with Credit Suisse, Francesco built strong teams and successfully set a culture that balanced the interests of clients, shareholders and all other stakeholders. His experience of transforming and driving growth in businesses in Asia and Europe will be invaluable as he addresses the significant challenges facing both our business and the wider financial services sector in Australia.*


*“We have designed a remuneration structure to drive the recovery of AMP and recognise the degree of challenge in the task ahead. His remuneration and incentives are directly aligned with the interests of shareholders. With his track record of commitment to clients and business performance, I have no doubt Francesco is the right person to lead the recovery of AMP and set the strategy for future growth.”*

Francesco De Ferrari, incoming AMP Chief Executive Officer, commented:

*“AMP is an iconic Australian company with strong, market-leading positions in wealth management, insurance and asset management. I feel very privileged to have been chosen to lead the business and to have the opportunity to set and shape its future.*

*“Throughout its history, AMP has been driven by a strong sense of purpose, helping customers plan for tomorrow and supporting them through the critical moments of their lives. While 2018 has clearly been a challenging year for the business, I’m confident we can earn back trust which will underpin the recovery of business performance.*

*“I’m encouraged by the process of change already initiated by the Board, and I’m committed to accelerating this change, while maximising the opportunities we have both in Australia and internationally.*

*“I am excited by the opportunity and am looking forward to working with Board and the team at AMP to restore the company to a position of strength and drive its future growth.” *

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## **Francesco De Ferrari biography**

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

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

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

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

Previously, Mr De Ferrari led Credit Suisse Italy's private banking operations in Milan where he transformed the onshore private banking business. During this time, he pioneered the concept of advisory mandates and implemented higher levels of transparency. He also has deep experience in dealing with remediation stemming from regulatory issues in various jurisdictions around the world.

He holds an MBA, awarded with distinction from INSEAD, and a Bachelor of Science in Economics and International Business from the Stern School of Business, New York University. He is married with five children.

## Summary of material terms of employment agreement

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

### Remuneration

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

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

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

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

### Termination entitlements

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

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

### Restraint

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

after the termination of Francesco De Ferrari's employment.