

Corporate governance at AMP

Objectives of this statement

This statement is intended to inform our shareholders of AMP's governance framework, important developments in 2018, and priorities for further development of our governance arrangements in 2019.

Following an initial summary, the statement is structured as follows:

1. Preamble
2. Corporate purpose
3. Separation of board and management
4. Composition, succession and evaluation
5. Reporting and disclosure
6. Risk, audit and internal control
7. Employment and remuneration

You can find further information on our corporate governance policies and practices on our website at amp.com.au/corporategovernance.

This statement is current as at 26 February 2019 and has been approved by the AMP Limited Board.

Summary of 2018 developments and 2019 priorities

ASX Corporate Governance Principles

AMP Limited (AMP) complied with the recommendations set by the ASX Corporate Governance Council in the third edition of its Corporate Governance Principles and Recommendations (the **ASX Principles**) during 2018 except from 30 April to 20 June, when Mike Wilkins AO acted as our interim Executive Chairman and we briefly departed from some of these recommendations as explained in the applicable sections of the statement.

2018 developments

This statement includes commentary on actions taken by the AMP Limited Board during (and since) 2018 to enhance the group's governance, including:

- appointment of our new independent AMP Limited Chairman
- continuing board renewal, including appointment of three highly experienced financial services leaders as non-executive independent directors
- commitment to invest approximately \$50 million (pre-tax) per annum for two years to strengthen risk management, internal controls and governance
- appointment of a new Chief Executive Officer (CEO) and oversight of Group Leadership Team changes
- resetting the group governance model to strengthen AMP Limited Board oversight of main subsidiaries and committees, and
- approval of a refreshed code of conduct and initiation of reviews of some other key governance arrangements.

2019 priorities

The board's governance priorities for 2019 include:

- completing the process of board renewal commenced in 2018
- overseeing the refinement of AMP's strategy and business model, including in light of the findings of the Royal Commission
- overseeing the legal separation and completion of the sale of our Australian and New Zealand wealth protection and mature businesses
- completing implementation of the Banking Executive Accountability Regime (BEAR) requirements
- emphasising the separation between the board and management and assisting the CEO in developing and assessing an effective organisational culture, and
- improving the effectiveness of management reporting.

Corporate governance

1. Preamble

The 'tone from the top' established through our system of governance is fundamental to the accountabilities and behaviours needed to maintain sound decision making and to create long term value for customers, shareholders and employees.

We believe that unless directors collectively have sufficient experience as leaders operating at the level of complexity of work of the CEO, they will be less able to form judgements about the CEO, the progress of the company and the quality of leadership throughout the organisation exhibited by its culture.

AMP's systems of governance, together with its policies and procedures, are designed and reviewed to conform not only with the laws and regulations of the countries in which we operate, but also to engender trust and confidence in the company so that our reputation enhances the possibility of growth for our owners. The board intends that the implementation of these policies and procedures is subject to, and in accordance with, applicable legal requirements and the board's fiduciary obligations.

While our policies are designed to achieve these outcomes, we acknowledge that mistakes happen. Our systems of work and internal controls are intended to identify and rectify such mistakes in a way that retains the trust of our clients, the community and regulators. In doing so, we believe in the fair treatment of clients under the terms of their contracts.

2. Corporate purpose

AMP's purpose is to help people have confidence about their financial wellbeing as encapsulated in our motto 'helping people own tomorrow'. We do this by helping our clients manage the risks and reduce the uncertainties of financial outcomes that are inherent in the economies and investment markets within which we live and operate.

The assistance we provide our clients typically addresses such risks as adequacy of retirement income, likelihood that investment strategies may not match their wealth accumulation expectations, potential illiquidity in investment portfolios, unexpected loss of life or income and security of home ownership.

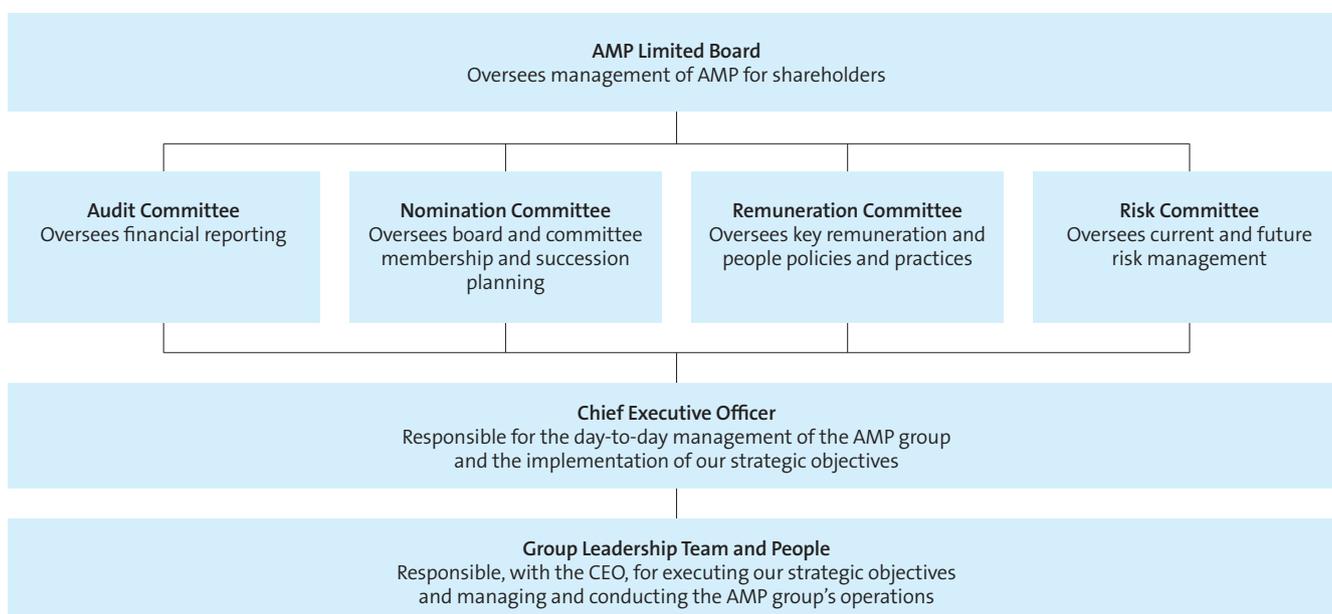
AMP manages these risks through its established business systems and the expertise of its people working within and alongside AMP, with the intent of making an acceptable return for risk for our shareholders.

We believe that financial systems require the confidence and trust of the community and that our shareholder return objective can only be fully realised by earning and retaining the trust of the people with whom we deal.

3. Separation of board and management

Our governance framework

The division of responsibilities between the board (and its committees) and management is illustrated in the diagram below.



3. Separation of board and management (continued)

Responsibilities of the AMP Limited Board

The AMP Limited Board is responsible to AMP shareholders for overseeing the overall strategy, performance, governance and risk management of the AMP group.

In addition to periodically reviewing its own structure and effectiveness, the responsibilities of the board include:

- approving and adopting the strategic direction and associated business development of the AMP group and monitoring management's implementation of the strategy
- appointing the chief executive officer (CEO)
- promoting a sound and effective culture
- overseeing and approving the AMP group's governance model
- approving the risk management framework and monitoring its effectiveness
- monitoring the performance of management and the business
- approving the half and full year results and financial reports for AMP and setting AMP's dividend policy and dividends
- approving the remuneration arrangements for the CEO, other members of the Group Leadership Team and certain other specified individuals
- overseeing succession planning for key executive roles, and
- approving material transactions and capital initiatives (above the CEO's delegations).

Further details of the board's responsibilities are outlined in our corporate governance charter, which you can find online at amp.com.au/corporategovernance.

Independence of directors

The board believes that independent directors perform a crucial role in bringing an independent and objective judgement to bear on issues brought before the board, providing constructive challenge and strategic guidance to management, and holding management to account.

All of the AMP Limited directors, except the CEO, are considered by the board to be independent directors, having regard to the criteria specified in the ASX Principles and by the Australian Prudential Regulation Authority (APRA). Directors are considered independent where they are independent of management and free from any business or other relationship or interest that could materially interfere with, or could be perceived to materially interfere with, the exercise of their independent judgement and ability to act in the best interests of AMP and its shareholders. Materiality is assessed on a case-by-case basis having regard to the particular circumstances.

Mike Wilkins AO held the position of acting CEO for seven months before resuming his role as a non-executive director on 1 December 2018. Prior to his appointment as acting CEO, Mike had been an independent non-executive director since September 2016. The board is satisfied that Mike's performance of the chief executive role on this short-term, interim basis did not compromise his demonstrated capacity to bring an independent and objective judgement to bear on issues brought before the board and to constructively challenge management, nor his

ability to act in the best interests of AMP and its shareholders. On this basis, the board considers that Mike resumed his status as an independent director from 1 December 2018. APRA has also accepted that Mike can qualify as an independent non-executive director of AMP, AMP Bank Limited and AMP's life companies, notwithstanding his previous role as acting CEO.

Directors regularly review their interests and each independent non-executive director formally confirms their independence annually.

Independence of the chairman

David Murray AO was appointed the independent, non-executive AMP Limited Chairman effective 21 June 2018. Prior to that, Catherine Brenner was the independent AMP Limited Chairman until she stepped down from the board on 30 April 2018. In the short, intervening period between Catherine Brenner's resignation and David Murray's appointment, Mike Wilkins acted as the interim Executive Chairman. AMP did not, therefore, follow recommendation 2.5 of the ASX Principles during this period. In these exceptional circumstances, the AMP Limited Board considered it appropriate for Mike Wilkins to perform the combined role of acting CEO and interim Chairman to lead AMP during the transitional period until a permanent independent chairman was appointed.

The chairman is responsible for providing leadership to the board. The chairman's other responsibilities are documented in AMP's corporate governance charter.

Responsibilities of the CEO and Group Leadership Team

The CEO is responsible for the development and subsequent implementation of the company's strategy and the overall management and performance of the AMP group.

Francesco De Ferrari joined AMP as CEO on 1 December 2018. Francesco brings outstanding leadership experience, strategic acumen and a strong track record of transforming and driving growth in businesses in Asia and Europe. Francesco succeeded Mike Wilkins (who had served as acting CEO since Craig Meller's resignation as CEO in April 2018). Francesco has the mandate to develop and deliver a refined strategy to transform AMP.

The CEO has delegated authority from the AMP Limited Board to manage the day-to-day business of the AMP group, subject to the responsibilities and reserved powers of the board. The CEO is supported by members of the Group Leadership Team (GLT). AMP has a delegations of authority framework from the CEO to the GLT, with a system of authorities for employees at different levels.

Company secretaries

AMP Limited has two board-appointed company secretaries. Their biographical details and qualifications are set out on page 35 of this annual report.

The lead company secretary is directly accountable to the board, through the chairman, on all matters to do with the proper functioning of the board. This includes advising the board and its committees on governance matters, coordinating board business and providing a point of reference for dealings between the board and management.

4. Composition, succession and evaluation

Board composition

At the date of this statement, the AMP Limited Board consists of nine independent non-executive directors and the CEO.

The names, position and tenure of the current AMP Limited directors and the former directors who resigned during 2018 are outlined below. You can find biographical details of the current directors, including details of their qualifications and experience, from page 12 of this annual report and on our website at amp.com.au/aboutamp.

Name	Position ¹	Tenure as a director ²
Current directors		
David Murray AO	Independent Chairman	8 months
Francesco De Ferrari ³	Chief Executive Officer and Managing Director	< 1 month
John Fraser	Independent Director	5 months
Andrew Harnos	Independent Director	1 year and 8 months
Trevor Mathews	Independent Director	4 years and 11 months
John O'Sullivan	Independent Director	8 months
Geoff Roberts	Independent Director	2 years and 7 months
Andrea Slattery ⁴	Independent Director	< 1 month
Peter Varghese AO	Independent Director	2 years and 4 months
Mike Wilkins AO ⁵	Independent Director	2 years and 5 months
Former directors		
Catherine Brenner ⁶	Independent Chairman	7 years and 10 months
Craig Meller ⁷	Chief Executive Officer and Managing Director	4 years and 3 months
Patricia Akopiantz ⁸	Independent Director	7 years and 9 months
Holly Kramer ⁹	Independent Director	2 years and 6 months
Vanessa Wallace ⁹	Independent Director	2 years and 2 months

1 For current directors, the above reflects the position held at the date of this statement (26 February 2019).

2 The tenure information is provided as at the date of this statement (or on resignation in the case of former directors).

3 Francesco De Ferrari was appointed as CEO on 1 December 2018 and joined the AMP Limited Board (as Managing Director) on 31 January 2019. The tenure shown above relates to his period of service as a director.

4 Andrea Slattery was appointed to the AMP Limited Board effective 15 February 2019.

5 From 20 April to 30 November 2018, Mike Wilkins was the acting CEO. As noted earlier, for a brief, transitional period from 30 April to 20 June 2018, Mike also held the role of interim Executive Chairman.

6 Catherine Brenner stepped aside as the AMP Limited Chairman effective 30 April 2018.

7 Craig Meller resigned as the Chief Executive Officer and Managing Director effective 20 April 2018.

8 Patricia Akopiantz ceased to be a director on 31 December 2018, having previously announced (in May 2018) her intention to retire at the end of the year.

9 Holly Kramer and Vanessa Wallace resigned as directors effective 8 May 2018.

Committee composition

The AMP Limited Board has four standing committees, each of which focuses in detail on different areas of the board's responsibilities.

In November 2018, the board revised the membership of its Audit, Risk and Remuneration Committees, effective 1 January 2019, so that most (and, in some cases, all) of the AMP Limited non-executive directors are now members of those committees. These changes were made to strengthen AMP Limited Board oversight of the relevant committee's area of responsibility and to ensure that all non-executive directors are informed of the matters presented to these committees by management and advisers.

The current composition of the four standing committees is shown below.

Independent non-executive directors	Audit Committee	Risk Committee	Remuneration Committee ¹	Nomination Committee ²
David Murray AO (Chairman)		Member	Chairman ³	Chairman
John Fraser	Member	Member	Member	
Andrew Harnos	Member	Chairman	Member	
Trevor Matthews	Member	Member	Member	
John O'Sullivan	Member	Member	Member	
Geoff Roberts	Chairman	Member	Member	
Andrea Slattery	Member	Member	Member	
Mike Wilkins AO	Member	Member	Member and lead director ³	Member
Peter Varghese AO	Member	Member	Member	Member

1 Previously called the People and Remuneration Committee.

2 Previously called the Nomination and Governance Committee.

3 For details of this role, please refer to page 29 (in the Employment and Remuneration section).

4. Composition, succession and evaluation (continued)

Details of the number of meetings of each standing committee held during 2018, and of each committee member's attendance at those meetings, are included on page 34 of this annual report. During 2018, there were multiple changes to committee memberships as a result of the changes to the board's composition outlined earlier. These changes are reflected in the meeting attendance table.

Each committee operates in accordance with written terms of reference, which can be found on our website at amp.com.au/corporategovernance (in the Board Committees section).

Subsidiary board composition

During 2018, one or more AMP Limited non-executive directors were appointed to the boards of each of our main subsidiaries (being AMP Bank Limited (AMP Bank), AMP Capital Holdings Limited (AMP Capital Holdings) and our two life companies – AMP Life Limited and The National Mutual Life Association of Australasia Limited).

In the second half of 2018, the board initiated a review of the governance model for main subsidiary boards and approved the following changes to enhance AMP Limited Board oversight:

- **AMP Bank** – Alignment of the composition of the boards of AMP Limited and AMP Bank (and their respective Risk and Audit Committees), effective 15 February 2019. As a result, all directors of AMP Limited are now members of the AMP Bank Board and all previous directors of AMP Bank, who were not also AMP Limited directors, have stepped down from the AMP Bank Board. The AMP Limited Chairman, David Murray, has also been appointed as the chairman of AMP Bank. The boards of AMP Limited and AMP Bank (and their respective Risk and Audit Committees) will meet concurrently going forward (where appropriate), with a view to improving decision-making efficiency, reducing duplication and streamlining management reporting.
- **AMP Capital Holdings** – Appointment of two additional AMP Limited directors, John Fraser and Francesco De Ferrari, to the AMP Capital Holdings Board, effective 15 February 2019. These appointments increased the number of AMP representatives on the AMP Capital Holdings Board to four directors (out of a current board size of eight directors). AMP's representatives on this board consist of two AMP Limited non-executive directors, the CEO and the chief executive of AMP Capital.

Due to the agreement to sell our Australian and New Zealand wealth protection and mature businesses to Resolution Life Australia Pty Ltd, there were no changes to the boards (or risk and audit committees) of our life companies resulting from the review of our subsidiary governance model. However, as a consequence of the terms of the sale agreement with Resolution Life, these boards and committees ceased to meet concurrently with the AMP Limited Board (and its Risk and Audit Committees), with effect from late November 2018.

During 2019, the AMP Limited Board intends to continue to review subsidiary board governance across the broader AMP group.

Board succession

In 2018, the AMP Limited Board committed to and undertook significant board renewal.

Five directors resigned during the year partly in acknowledgement of collective board accountability for the issues in our advice business raised in the Royal Commission and the impact of those issues on AMP, and in recognition of the need for the board's membership to be refreshed.

In June 2018, David Murray AO joined the AMP Limited Board as the new independent non-executive Chairman. David brings to the board strong and experienced leadership, deep experience of financial services (particularly banking and wealth management) and the industry's regulatory environment, a strong risk mindset, and a clear appreciation of community expectations for AMP as well as the wider financial services industry.

The AMP Limited Board was further renewed and strengthened in 2018 by the appointment of two new independent non-executive directors:

- John O'Sullivan was appointed to the board in June 2018. He brings extensive experience in leadership and senior executive roles in financial services and legal and regulatory risk management, as well as deep M&A and capital markets experience.
- John Fraser was appointed to the board in September 2018. He has extensive experience in leadership and senior executive roles in financial services, governance and public policy and brings to the board an exceptional blend of public and private sector strategic experience, in Australia and internationally.

Following his appointment as CEO in December 2018, Francesco De Ferrari joined the AMP Limited Board as Managing Director on 31 January 2019.

On 15 February 2019, Andrea Slattery joined the AMP Limited Board as an independent non-executive director. Andrea has considerable experience in financial services as a business leader, non-executive director and an expert in change.

David Murray, John Fraser, John O'Sullivan and Andrea Slattery will all stand for election by shareholders at our 2019 AGM. The AMP Limited Board unanimously recommends (with each candidate abstaining in respect of their own election) that shareholders vote in favour of their election.

In 2019, the board expects to complete the process of board renewal commenced in 2018. In conducting this process, the board has been mindful of the benefit of retaining the corporate memory of longer-serving directors for an appropriate period and the need to support the stability of our company.

Nomination Committee

The Nomination Committee supports and advises the AMP Limited Board on succession planning, composition, performance evaluation and related policies and processes affecting the AMP Limited Board and the boards of certain AMP group companies. The board revised the Nomination Committee's terms of reference in November 2018.

4. Composition, succession and evaluation (continued)

Details of the Committee's current composition are set out in the Committee composition table set out on page 21. It is the board's practice to appoint the AMP Limited Chairman as the chairman of the Nomination Committee. In 2018, this meant that the Committee had an executive chairman, Mike Wilkins, during the brief, transitional period when Mike was interim Executive Chairman of AMP Limited (from 30 April to 20 June 2018). As the committee did not have an independent chairman during this short period, the committee's composition did not follow recommendation 2.1 of the ASX Principles for the full year. David Murray became independent chairman of the Nomination Committee upon his appointment as AMP Limited Chairman in June 2018. The Nomination Committee had at least three members, of whom at least a majority were independent directors, throughout 2018.

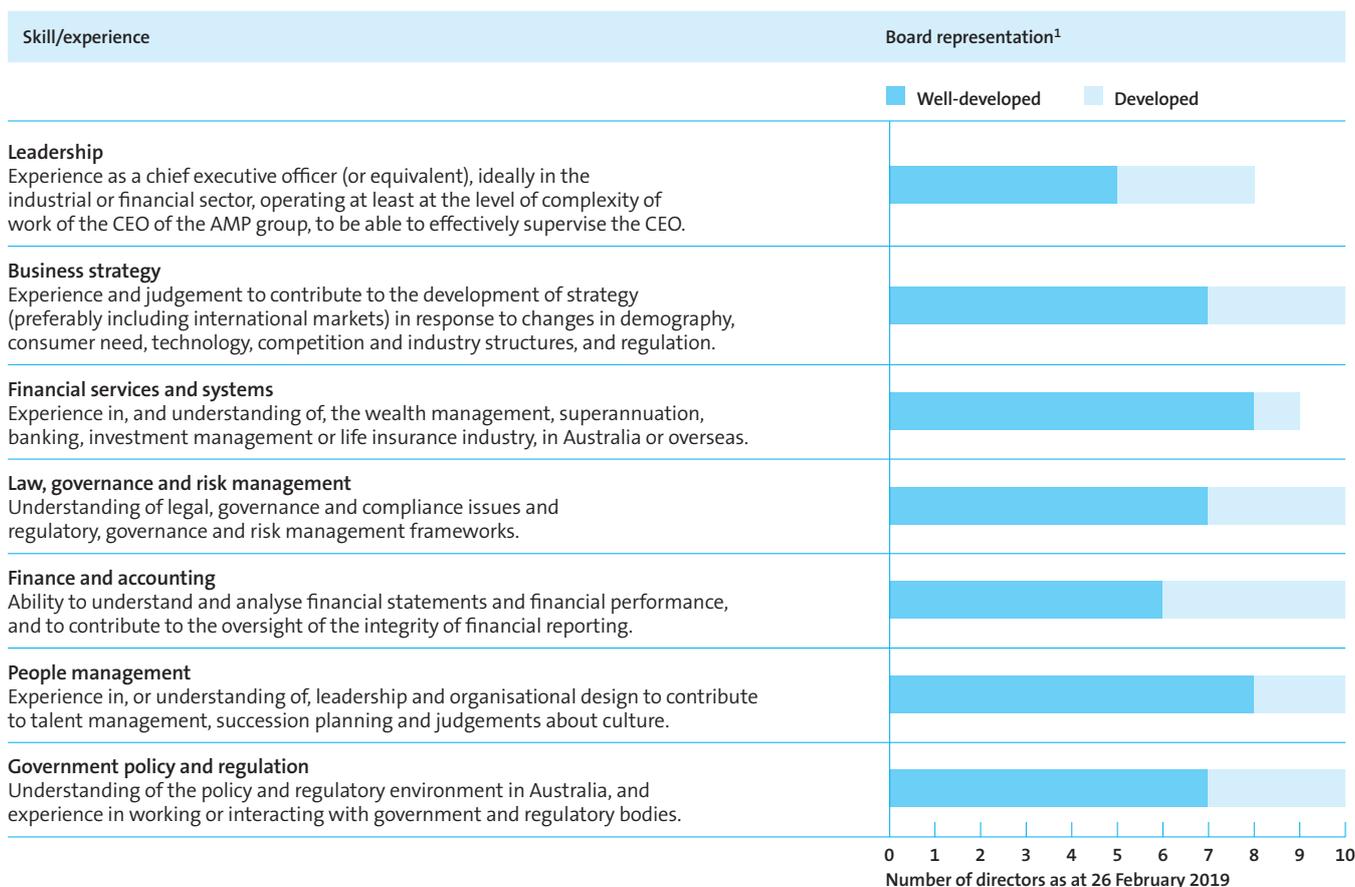
In undertaking and reviewing board succession planning, the Nomination Committee's role includes identifying and assessing suitable candidates for appointment to the AMP Limited Board and the boards of certain subsidiaries. External consultants are engaged to assist with the selection process where considered appropriate. In assessing potential candidates, the Nomination Committee has regard to board size, time commitments and the needs of the particular board, as well as the current and desired mix of experience, expertise, skills, attributes, independence and diversity for the relevant board.

AMP Limited Board skills matrix

The board has adopted a revised board skills matrix to help guide its assessment of the collective mix of skills and experience currently represented on the board and which the board needs going forward to support the refinement of AMP's strategy and transformation of AMP. The board has simplified the skills matrix, while retaining the broad range of skills the board requires. The revised matrix includes an emphasis on experience at the level of complexity of work of the CEO, highlights the importance of strategy development in the context of the multi-faceted nature of technology, competition, industry structures and regulatory change, and has an increased focus on risk management experience.

Directors must have sufficient time available to fulfil their roles, the absence of unmanageable conflicts of interest, and the skills, experience, judgement and integrity to undertake the role of a non-executive director of a public listed company. These personal attributes are a precondition for appointment, rather than forming part of the revised skills matrix.

The table below outlines the areas covered by the revised skills matrix and, for each area, shows the directors' assessment of the extent to which the relevant skill or experience is represented on the AMP Limited Board at the respective levels of 'well-developed' and 'developed'. All areas in the skills matrix are currently well represented on the board as a whole.



1 This column shows the number of existing directors (out of a total of 10 directors at the date of this statement) who are considered to possess the relevant skill or experience at the respective levels of 'well-developed' and 'developed'. By definition, the CEO is excluded from the calculation of the number of directors possessing the requisite leadership experience. Accordingly, the numbers shown for leadership are out of a total of nine directors.

4. Composition, succession and evaluation (continued)

Appointment and tenure of directors

Prior to the appointment of any new director, comprehensive checks are conducted to determine if the candidate has the capabilities needed and is fit and proper to undertake the responsibilities of the role. These include extensive background checks on character, education, career experience, criminal history and bankruptcy.

Throughout their tenure, directors must continue to demonstrate that they have the character, diligence, honesty, integrity, judgement and skills required for the role. Relevant background checks are repeated at least triennially during their tenure. Each director provides an annual declaration confirming their fitness and propriety to perform their duties.

On appointment, each director enters into a formal letter of appointment outlining the main terms, conditions and expectations of their appointment. Before accepting the position, the candidate must confirm that they have sufficient time to fulfil their obligations to AMP and provide details of their other commitments.

All new non-executive directors must stand for election by shareholders at the first AGM after their appointment and all non-executive directors must then stand for re-election at the third AGM after their first election or any subsequent re-election. As the CEO is the managing director, the CEO is not required to stand for election. This is consistent with the ASX Listing Rules. AMP's notice of meeting for the AGM provides all material information known to AMP that is relevant to the election or re-election of each director standing.

The maximum tenure of a non-executive director will normally be until the ninth AGM occurring after they were first elected by shareholders at an AGM. If a director is to continue to hold office after their ninth AGM, they must be re-elected by shareholders at that and each subsequent AGM.

Director induction, education and access to information

Once appointed, all new directors are provided with an information pack including governance policies and business information and are invited to participate in a comprehensive induction program. This program includes meetings with the chairman, other board members, the CEO, members of the GLT and other senior executives (as appropriate).

Board members receive regular briefings from senior management across the business and have the opportunity to participate in site visits to AMP's operations.

Directors also receive regular updates on industry, market, regulatory, governance and accounting developments through a range of channels, including through briefings at board meetings, board workshops held outside of board meetings, and meetings with regulators, customers and investors.

The board encourages, and provides an annual budget for, directors to participate in appropriate opportunities for the continuing enhancement of their knowledge and capabilities, and of the performance of the board generally.

With the consent of the chairman, directors may seek independent professional advice on AMP-related matters that are connected with the delivery of their responsibilities, at AMP's expense and in accordance with AMP's protocols. Directors must ensure the costs are reasonable and any advice that is received must be made available to the rest of the board unless otherwise agreed by the chairman.

Board evaluation

Ordinarily, the performance of the AMP Limited Board, each of its committees and each director of AMP Limited is reviewed annually, either through an internal review process or using an external consultant. The evaluation process adopted by the board to date has included the completion of board performance surveys by each director, GLT members and the group company secretary and one-on-one discussions with those individuals, based on questions linked to the performance, opportunities and challenges for the board. The board as a whole has then reviewed and discussed the results of this process and identified ways to enhance board effectiveness.

In the context of the significant changes to the board's composition during 2018 and the continuing board renewal process, the conduct of the usual, formal annual board performance review process was deferred in 2018. This will allow:

- a sufficient period for the current directors to function collectively as a board to form the basis of a meaningful performance assessment, and
- Francesco De Ferrari to have performed his role as CEO (from 1 December 2018) and Managing Director (from 31 January 2019) before the full review takes place.

The board believes that this will facilitate a more effective, informed and insightful review process.

The next full, formal review of the performance of the board, its committees and individual directors is expected to be completed in 2019. The process to be followed for the next evaluation is under review, in light of the significant changes to the board's composition.

5. Reporting and disclosure

Market disclosure

AMP is committed to providing shareholders and the market with equal and timely access to material information about AMP in accordance with our continuous disclosure obligations under the ASX listing rules and NZX listing rules. This commitment is reflected in our market disclosure policy. This policy sets out the processes we have in place to support compliance with our continuous disclosure obligations, and the roles and responsibilities of our employees, disclosure officers, our Market Disclosure Committee (MDC) and the AMP Limited Board in relation to continuous disclosure.

The MDC is a management committee, chaired by the group general counsel, that assists the board and the CEO with the discharge of AMP's continuous disclosure responsibilities. The MDC's responsibilities include reviewing the form and content of any proposed announcement in relation to price sensitive matters and confirming that appropriate verification has been undertaken regarding the factual accuracy and completeness of such announcements.

A copy of our market disclosure policy is available online at amp.com.au/corporategovernance.

Keeping our shareholders informed

We publish detailed information about our company, our board and management, and our governance framework and policies on our website. Our website includes a dedicated shareholder centre where shareholders can readily access material announcements released to the ASX, information about our full and half year financial results, our annual reports and shareholder reviews, and other information relevant to their AMP shareholdings. You can find this website at amp.com.au/shares.

Shareholders can elect to receive their annual reports, notices of meeting and dividend statements in print or online. Shareholders who choose to receive their reporting information online can still opt to receive a copy of their dividend statement by post.

We also provide an email alert system through our website which enables shareholders and other interested parties to receive notification when media releases and material ASX announcements are released by AMP. You can subscribe for these email alerts at corporate.amp.com.au/newsroom.

Communicating with our shareholders

AMP encourages direct, two-way communication with our shareholders. Shareholders are able to communicate electronically with our Investor Relations team (by email to shares@amp.com.au) and with our share registry, Computershare (by email to ampservices@computershare.com.au).

Our Investor Relations team coordinates an investor relations program and conducts group and one-on-one briefings with our

institutional investors and analysts. Where possible, our group briefings are webcast and an archived copy of the webcast is published on our website. Our dedicated shareholder website (found at amp.com.au/shares) includes a calendar of scheduled, upcoming announcements and presentations and allows users to set up automatic diary reminders of these dates.

Annual shareholder meeting

The AMP Limited Board welcomes the opportunity to meet with AMP's shareholders and encourages them to join us for our annual general meeting (AGM) each year either in person or via our webcast.

We encourage shareholders to provide us with any questions about our business or the business of the AGM ahead of each meeting, so that these can be addressed before or at the meeting. For shareholders who are unable to attend the AGM, we provide an online facility for them to submit written questions during the AGM. Shareholders are also able to lodge their proxy forms online using a computer or mobile device.

Since 2015, we have held an information session for shareholders immediately prior to the AGM. These sessions provide an opportunity for shareholders to hear from our financial experts and benefit from their insights and expertise. A similar session will be held before the 2019 AGM, at 9.30am on Tuesday 2 May 2019 at The Concourse, Chatswood, NSW. All shareholders are invited to join the session in person or online.

2019 annual general meeting

AMP's 2019 AGM will be held at 11.00am on Thursday 2 May 2019 in the Concert Hall at The Concourse, Chatswood, NSW. Shareholders who are unable to attend can appoint a proxy to vote on their behalf, either online or by post or fax, and can observe the meeting and ask questions through our webcast. Full details will be provided in the 2019 notice of meeting.

Our approach to tax

AMP is proud of the contribution we make to the public finances of the countries in which we operate.

We take our tax obligations very seriously and are focused on integrity in both compliance and reporting. The AMP Limited Board does not sanction or support any activities which seek to aggressively structure AMP's tax affairs.

We publish details of the taxes we pay in the AMP tax report on our shareholder centre website at amp.com.au/shares. The report is consistent with the Board of Taxation's voluntary tax transparency code.

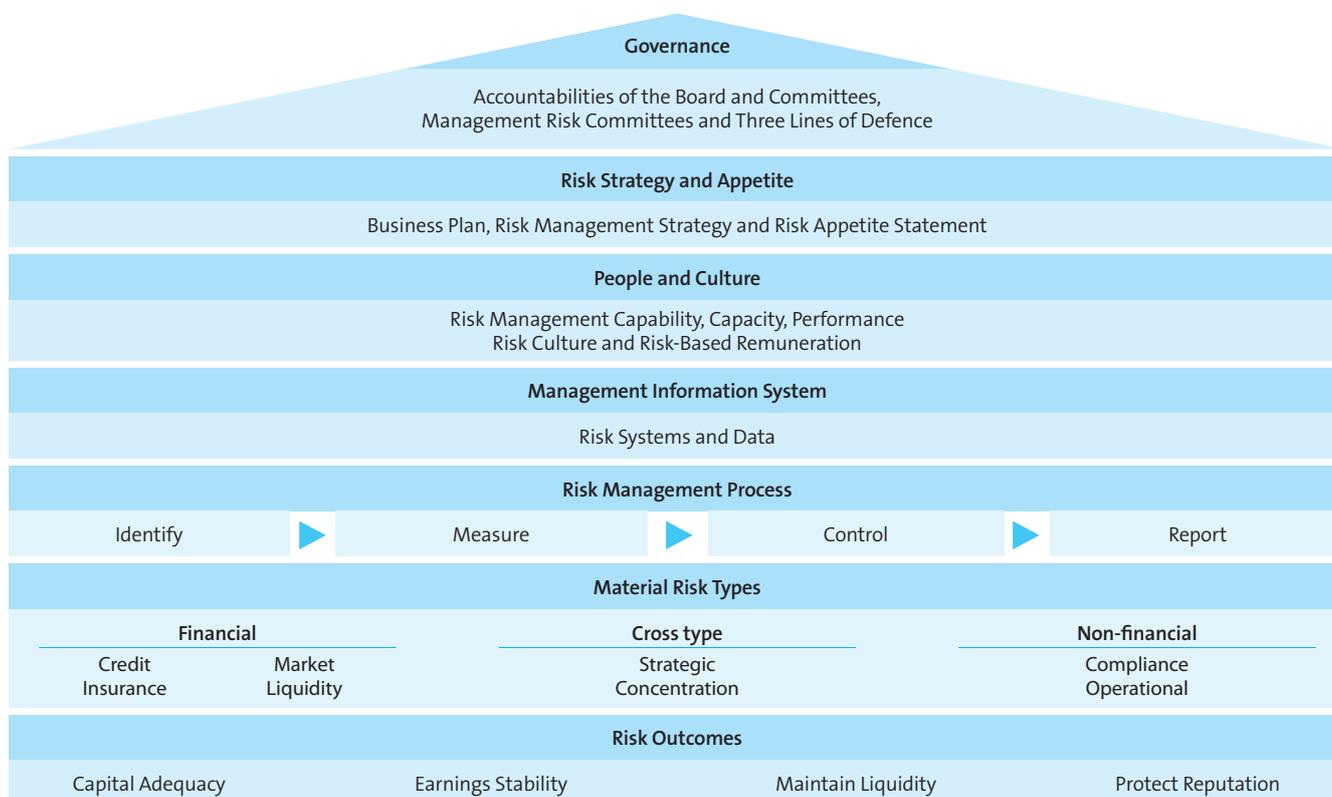
The majority of our tax is paid in Australia and determined by the nature of our business. For example, superannuation is subject to different (lower) tax rates and we pay our taxes accordingly.

We work closely with the Australian Taxation Office to ensure that all our tax requirements are met.

6. Risk, audit and internal control

Our enterprise risk management framework

We have an enterprise risk management framework which provides the foundation for how risks are managed across AMP. There are five key elements of the risk management framework as shown below: governance, risk strategy and appetite, people and culture, the management information system and the risk management process (encompassing how AMP identifies, measures, controls and reports risk). The impacts of the material risks are assessed against four outcomes, being capital adequacy, earnings stability, maintaining liquidity and protecting reputation.



Our enterprise risk management policy is available on our website at amp.com.au/corporate-governance.

Risk governance

The AMP Limited Board is ultimately responsible for the risk management framework and oversight of its operation by AMP's management. In particular, the board is responsible for setting AMP's risk appetite, the strategic plan and risk management strategy. It also monitors policies and business practices to align pursuit of strategic objectives with AMP's risk appetite and with applicable laws and regulations.

The Risk Committee assists the board in overseeing the implementation and operation of AMP's risk management framework.

The responsibilities of the Risk Committee include:

- assisting the board with the monitoring and review of AMP's material risks and risk culture
- reviewing, and making recommendations to the board on, AMP's risk management strategy and risk appetite statement
- monitoring the effectiveness of AMP's risk management framework, and
- reviewing the appointment of the group chief risk officer.

Details of the committee's current composition are set out in the table on page 21. Throughout 2018 (and since the end of the year):

- the Risk Committee was chaired by an independent non-executive director who was not the chairman of the board
- the Risk Committee had at least five members and all of its members were independent directors, and
- the members of the Risk Committee, collectively, had the necessary technical knowledge and a sufficient understanding of the financial services industry to enable the committee to discharge its responsibilities effectively.

Andrew Harmos has been the chairman of the Risk Committee since 20 April 2018, when Mike Wilkins stepped down as its chairman (and a committee member) due to his appointment as acting CEO. Since resuming his role as an independent non-executive director, Mike has been reappointed to the Risk Committee (from 1 January 2019).

AMP also has management committees to assist in overseeing risk management. The Group Risk and Compliance Committee guides the implementation of risk management practices, processes and systems, and oversees all material risk exposures (ie financial, cross type and non-financial risks) and risk decisions facing AMP. The Group Asset and Liability Committee oversees financial risks across AMP in relation to capital and financing, and the risk appetite as it relates to financial risk and shareholder capital.

6. Risk, audit and internal control (continued)

Three lines of defence

We have a 'three lines of defence' approach to risk management accountability:

Line 1 – management is responsible for identifying, measuring, controlling and reporting material risks in the business. Business unit teams are responsible for decision making and the execution of day-to-day business, while managing risk and the resulting impacts on capital adequacy, earnings stability, maintaining liquidity and protecting reputation.

Line 2 – the Enterprise Risk Management team, led by the group chief risk officer, is responsible for designing, implementing and monitoring the practices and processes to identify, assess, monitor and manage material risks, and for providing advice and oversight on material business decisions. The team also provides objective advice and challenge to the first line's decisions and oversees the alignment of the risk profile with the board's expectations.

Line 3 – the Internal Audit team provides independent and objective assurance to the board regarding the operational effectiveness of risk management across the business and the effectiveness of our control processes.

The 'three lines of defence' approach is designed to provide assurance to management and the board that risks are identified, managed and reported effectively.

Review of the risk management framework

The AMP Limited Board, assisted by both the Risk and Audit Committees, reviews the soundness of the risk management framework at least annually. The review in relation to the 2018 reporting period is underway and is expected to be completed in the first half of 2019.

The Audit Committee assists the Board by providing an objective non-executive review of the effectiveness of the risk management framework.

In performing this annual review, the Board and Risk and Audit Committees are supported by, and consider the outcomes of, an annual review of the risk management framework conducted by our Internal Audit function or, every three years, by an operationally independent party. The independent review is an institution-wide assessment of the risk management framework. This comprehensive review assesses the appropriateness, effectiveness and adequacy of the risk management framework.

The review also includes the annual risk management declaration provided by the board to APRA, as required by APRA Prudential Standard CPS 220 Risk Management.

Strengthening risk management, internal controls and governance

A commitment has been made to invest approximately \$50 million (pre-tax) per annum over two years to strengthen risk management, internal controls and governance. This multi-year program has been established to enhance risk governance. Major ongoing initiatives as part of this program include:

- improving the design and implementation of the three lines of defence model to enhance clarity and execution of risk responsibilities and accountabilities
- further developing and embedding the frameworks, policies and procedures for the management of risk and compliance
- improving the systems and data management infrastructure to support risk management and consistent risk and return decision making, and
- strengthening processes and internal controls to improve operational risk management and compliance.

The board is confident that successful execution of these initiatives will strengthen the practices on governance, culture and accountability at AMP.

Economic, environmental and social sustainability risks

We are committed to managing our business sustainably for today and for the future, by creating long-term shared value for our customers, our people and our communities. Our approach to sustainability is built around three connected areas of focus for AMP: our customers, our people and our communities. We understand that responsible and ethical behaviour and activity directed towards each of these important areas can positively impact the sustainability of the business.

Economic, environmental and social sustainability risks are identified and managed as part of the group's overall risk management framework. An overview of our key business challenges identified through the risk management framework can be found on pages 32 and 33 of this annual report. Further information on the group's exposure to material financial risks and the way in which it manages those risks is set out in note 3.3 to AMP's consolidated financial statements for 2018 (which can be found on pages 92 to 98 of this annual report).

Details of our material environmental and social sustainability issues, and our approach to managing these, are provided in our annual sustainability report, which can be found at amp.com.au/corporatesustainability. Additional information on our approach to sustainability is also available on our website at that address.

Audit Committee

The Audit Committee assists the AMP Limited Board with the review and oversight of AMP's financial reporting framework.

The main responsibilities of the Audit Committee include:

- reviewing AMP's financial reports and making recommendations to the board on their approval
- reviewing the adequacy and effectiveness of AMP's financial reporting systems and internal controls
- making recommendations to the board in relation to the appointment of the Director of Internal Audit and the external auditor, and
- monitoring the performance, adequacy and independence of the internal and external audit functions.

Details of the Audit Committee's current composition are set out in the table on page 21. Throughout 2018 (and until the date of this statement):

- the Audit Committee was chaired by Geoff Roberts, an independent non-executive director who was not the chairman of the board
- the Audit Committee had at least three members and all of its members were independent directors, and
- the members of the Audit Committee, collectively, had the accounting and financial expertise and a sufficient understanding of the financial services industry to enable the committee to discharge its responsibilities effectively.

CEO and CFO assurance

Before the AMP Limited Board approves AMP's financial statements for each full and half financial year, the CEO and the CFO are required to provide the board with a declaration of their opinion as to whether:

- the financial records for the relevant reporting period have been properly maintained
- the financial statements and notes for the relevant reporting period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the AMP group, and
- their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

6. Risk, audit and internal control (continued)

Internal Audit

Our Internal Audit team provides the board and management of AMP and its subsidiaries with independent assurance over the management of key organisational risks and the effectiveness of the associated control environment.

During 2018, the board initiated the repositioning and strengthening of the Internal Audit function to deliver a refreshed remit to respond to rapid changes – both within the financial services industry and to AMP's competitive positioning in the industry. The responsibilities Internal Audit has to the AMP Limited Board and Audit Committee are being discharged by the Chief Financial Officer acting as interim Chief Audit Executive (CAE), while a permanent appointment to the role is in progress. The interim CAE is supported by the in-house Internal Audit function, with supplementary resources provided through a co-source partnership with PwC. This model provides a diverse range of expertise to ensure appropriately skilled resources to deliver audit activity.

External auditor

AMP has appointed Ernst & Young (EY) as the company's external auditor, with the lead audit partner rotating every five years (unless special circumstances require this to be extended for additional years). In 2018, at the conclusion of the 2017 audit, Tony Johnson retired as EY's lead audit partner for AMP, having performed that role for the previous five years. EY appointed Andrew Price as its new lead audit partner for AMP.

Our Audit Committee has adopted a charter of audit independence, which sets out a framework to assist in maintaining the independence of EY as a result of its business dealings with AMP.

EY representatives attend each Audit Committee meeting and meet with the committee without management present at each meeting. Internal Audit team members may be invited to attend EY's private discussions with the committee from time to time.

EY's lead audit partner for AMP attends each AGM and shareholders are given the opportunity to ask him questions relevant to the audit, the preparation and content of the auditor's report, the accounting policies adopted by AMP in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

7. Employment and remuneration

Code of conduct

In August 2018, we released a refreshed code of conduct to reinforce and deepen our people's understanding of the standards of behaviour expected of everyone who represents AMP. The requirements of the refreshed code were communicated and reinforced through a range of channels.

The code reflects the AMP Limited Board's and GLT's:

- commitment to fostering a culture of acting lawfully, ethically and responsibly, and
- expectation that every individual who represents AMP acts honestly, professionally and with integrity, and always considers our customers' best interests when making decisions.

The code applies globally to anyone employed by, or who works for, any entity within the AMP group, whether as a board member, leader, employee, contractor or consultant.

The code recognises the important role played by our leaders in role modelling the right behaviours and upholding the expected standards of behaviour within their teams.

Our leaders are expected to recognise and reward those who consistently represent AMP with professionalism, honesty and integrity, and to take steps to hold those who don't to account.

The code of conduct is complemented by a range of other corporate policies, including policies on fraud, conflicts of interest, business integrity, workplace health and safety, and workplace respect.

You can find a copy of our code of conduct online at amp.com.au/corporategovernance.

Whistleblowing policy

The AMP Limited Board and the GLT are committed to encouraging, protecting and supporting responsible reporting of illegal, unacceptable or undesirable conduct, including conduct that is (or is suspected to be) dishonest, unethical, fraudulent, corrupt or otherwise inconsistent with our code of conduct, questionable accounting practices and inappropriate workplace behaviour.

We have a whistleblowing policy, supported by an external whistleblowing platform that our people can contact to report suspected unethical, illegal or improper behaviour anonymously and confidentially. Support is also provided for whistleblowers.

During 2018, we introduced mandatory training on our whistleblowing policy to strengthen our people's awareness of the policy and the steps they should take to report any suspected wrongdoing.

You can find a copy of our whistleblowing policy online at amp.com.au/corporategovernance.

Trading policy

Our trading policy outlines rules for directors, senior executives, other nominated employees, and their close associates for trading in AMP securities. These nominated persons are only permitted to trade in AMP securities during designated trading windows and provided that they are not in possession of confidential price-sensitive information (inside information) at that time.

The trading policy also reinforces insider trading law by preventing all employees, contractors and their close associates from trading in AMP securities at any time when they possess inside information.

You can find a copy of our trading policy online at amp.com.au/corporategovernance.

In addition, we have a hedging policy which provides that senior executives and other specified employees who participate in our equity incentive plans may not use any form of hedging arrangement in relation to AMP shares, or rights to shares, while they are held in an equity incentive plan (whether vested or unvested). Non-executive directors do not participate in any equity incentive plans.

Employment terms and remuneration

The CEO, GLT members and other senior executives have clearly defined goals and accountabilities and employment contracts setting out their terms of employment, duties, rights and responsibilities, and entitlements on termination of employment.

Details of our policies and practices for the remuneration of non-executive directors, the CEO and the members of the GLT are disclosed in our 2018 remuneration report (on pages 37 to 62 of this annual report).

Remuneration Committee

The Remuneration Committee assists the AMP Limited Board (and the boards of subsidiaries) in establishing and having oversight of AMP's remuneration policy and practices. The Remuneration Committee's terms of reference were revised in November 2018.

7. Employment and remuneration (continued)

Under the revised terms of reference, the Remuneration Committee's responsibilities include:

- reviewing and making recommendations to the AMP Limited Board on the remuneration of non-executive directors, the CEO, the GLT members and other specified individuals
- recommending to the board the performance goals and objectives relevant to the remuneration of the CEO, and the performance of the CEO in light of these objectives
- reviewing and making recommendations to the board on AMP's remuneration policy, including an assessment of the policy's effectiveness and compliance with prudential standards
- overseeing all incentive plans and reviewing and making recommendations to the board on incentive plans for specified individuals
- reviewing and making recommendations to the board in relation to equity-based plans, and
- overseeing general remuneration practices across AMP.

Details of the Remuneration Committee's current composition are set out in the table on page 21.

During 2018, the Remuneration Committee had at least three members, at least a majority of whom were independent directors, at all times except during a two-week period in May when its membership was reduced to two (the independent committee chairman and interim executive AMP Limited Chairman) due to the third member's resignation as a director. The committee's composition therefore departed from recommendation 8.1(a) of the ASX Principles during this period. No meetings were held, or decisions made, by the committee during this two-week period prior to the third committee member's replacement by another independent director. The committee had an independent chairman throughout 2018.

Since 1 January 2019, the Remuneration Committee has been chaired by David Murray, the independent AMP Limited Chairman. The committee has appointed Mike Wilkins to the role of lead director to deal with, and lead discussion (in the chairman's absence) when matters arise at a board or committee meeting in connection with, the AMP Limited Chairman's fees. Where considered appropriate, the lead director may also be asked to lead board and committee discussions relating to the CEO's remuneration, and to participate in discussions with investors and regulators in relation to the remuneration of the AMP Limited Chairman or CEO.

Performance evaluation

Performance objectives and performance appraisals for executives who are key management personnel (including the CEO and nominated direct reports of the CEO) are reviewed annually by the Remuneration Committee and recommended to the AMP Limited Board for its consideration. As our permanent CEO, Francesco De Ferrari, did not join AMP until December 2018, his first formal performance evaluation will be undertaken for 2019. Further information on the evaluation of executive key management personnel performance for 2018 is set out in the remuneration report (on pages 45 to 47).

Inclusion and diversity

AMP has an inclusion and diversity policy which is available on our website at amp.com.au/corporategovernance. This policy requires the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and our progress in achieving them.

The established target for the AMP Limited Board is for women to hold 40% of board positions, men to hold 40% of positions, and either women or men to hold the remaining 20% of positions.

In 2018, the board recognised that significant change was required to restore confidence in our business. Half of the AMP Limited Board in place at the beginning of the Royal Commission has since changed. The decision of a number of female directors to step down regrettably eliminated the then representation of women on the board. The process of board renewal currently underway has, given the events of 2018, made it more difficult to restore the previous representation of female directors, for the time being.

AMP also has gender diversity targets in place for management positions, which require women to hold 47% of senior executive roles and 50% of middle manager roles by the end of 2020.

In 2018, AMP maintained a sound representation of women in management positions. As a result of changes to AMP's organisational structure in 2017, the business did not meet its progress target. The representation of women in senior executive roles increased (from 38%) to 39% at 31 December 2018, with women holding 41% of middle manager roles. Overall, women make up 52% of our workforce.

In 2018, AMP commenced implementation of inclusion and diversity best practice principles for recruitment, which complement the diversity focus of our broader talent management practices.

We intend to continually review our employment systems to ensure that the signals we send by establishing these policies and targets are not undermined by unfair work practices. Systems which do not adequately address favouritism and cronyism in the workplace can lead to discriminatory outcomes, notwithstanding the intent of the policies.

Representation of women at AMP

Roles	2020 target %	2018 progress target %	31 December 2018 %	31 December 2017 %
AMP Limited Board	40	40	11	40
Senior executives ¹	47	41	39	38
Middle management ²	50	45	41	41
All employees	n/a	n/a	52	51

1 Senior executives are generally one to four reporting layers below the CEO and represent the top 8% of the organisation. People in these roles typically lead discrete functions and are responsible for making strategic decisions for those functions. They generally have the title Group Executive, Director or Head of.

2 Middle managers are generally between three to six reporting layers below the CEO and represent the next 25% of the organisation. People in these roles typically report to our senior executives and are involved in operational decision making, or have specialised and high value skills. They have a wide range of titles including Senior Manager, Manager and Lead.