

2014 notice of meeting

Your guide to AMP Limited's 2014 annual general meeting

I am pleased to invite you to the 2014 annual general meeting (AGM) of AMP Limited (AMP).

The meeting will be held at the Savoy Ballroom, Grand Hyatt Melbourne, 123 Collins Street, Melbourne, Victoria, Australia on Thursday 8 May 2014, commencing at 10.00am.

If you are not able to attend the meeting in person, you will be able to view a live webcast of the event at amp.com.au/agm.

The following pages contain details of the items of business for the meeting and the voting procedures.

At this year's meeting, you will have the opportunity to vote on:

- the re-election of Patricia Akopiantz, Catherine Brenner, Brian Clark and Peter Shergold as directors of AMP
- the election of Trevor Matthews as a director of AMP
- the adoption of the remuneration report as set out on pages 14 to 30 of the AMP 2013 annual report, and
- the approval of the chief executive officer's long-term incentive for 2014.

Board renewal

In accordance with AMP's board tenure guidelines, and with the smooth transition to new CEO Craig Meller bedded down, I have decided to retire from the board at the AGM. I have had the honour of being a director of AMP for more than 10 years, and chairman for more than eight years. It has been a privilege to serve the shareholders of this company over that time.

In line with our succession planning, Simon McKeon will become chairman of the AMP Limited Board when I retire. Simon joined AMP in March 2013 and we continue to work closely together to ensure a smooth handover.

We have also appointed a new director with outstanding life insurance experience, Trevor Matthews, to the board. Shareholders have the opportunity to vote on his appointment at the meeting. I invite you to read details of his biography on page 11 of this notice.

Rick Allert, having reached the end of his three-year term, has also announced his intention to retire as a director of AMP, effective from the end of the AGM. Rick has played an integral role in the smooth integration of the AMP and AXA businesses and his invaluable contribution is greatly appreciated.

Meeting

If you are not able to attend the meeting to vote in person, I encourage you to appoint a proxy before the meeting. If you are able to attend the meeting, we look forward to seeing you on 8 May 2014.



Peter Mason AM
Chairman

Details of the meeting

Notice is given that AMP's 2014 annual general meeting will be held on Thursday 8 May 2014, commencing at 10.00am (AEST) at the Savoy Ballroom, Grand Hyatt Melbourne, 123 Collins Street, Melbourne, Victoria, Australia. Registration will open at 9.00am (AEST).

How to watch the meeting live online

You can watch a live webcast of the meeting at amp.com.au/agm.

AMP 2013 annual report

A copy of the AMP 2013 annual report (including the financial report, directors' report and auditor's report for the year ended 31 December 2013) is available online at amp.com.au/2013annualreport.

Items of business

Item 1: Financial report, directors' report and auditor's report

To receive and consider the financial report, the directors' report and the auditor's report for the year ended 31 December 2013.

Shareholders will be asked to consider and, if thought fit, to pass the resolutions below, which will be proposed as ordinary resolutions.

Item 2: Re-election and election of directors

- (a) To re-elect Patricia Akopiantz as a director
- (b) To re-elect Catherine Brenner as a director
- (c) To re-elect Brian Clark as a director
- (d) To re-elect Peter Shergold as a director
- (e) To elect Trevor Matthews as a director

Item 3: Adoption of remuneration report

To adopt the remuneration report for the year ended 31 December 2013.

Item 4: Approval of the chief executive officer's long-term incentive for 2014

To approve the acquisition by the Chief Executive Officer of AMP Limited, Craig Meller, of:

- (a) performance rights as the chief executive officer's long-term incentive for 2014, and
- (b) shares in AMP Limited on the vesting of some or all of those performance rights, as and on the basis described in the explanatory notes to the notice convening the meeting.

Items of business continued

Note: Voting exclusions for items 3 and 4

For the definitions of key management personnel (KMP) and closely related party, please refer to page 19.

Item 3: Under the *Corporations Act 2001*, no vote may be cast (in any capacity) on item 3 by or on behalf of:

- a member of the KMP whose remuneration details are included in the remuneration report for the year ended 31 December 2013, or
- a closely related party of any such member of the KMP.

In addition, no vote may be cast as proxy on item 3 by any other person who has become a member of the KMP by the time of the AGM, or by any closely related party of any such member of the KMP.

However, these restrictions will not apply to a vote cast as proxy for a person who is entitled to vote on the resolution:

- if the vote is cast in accordance with directions on the proxy form specifying how the proxy is to vote on item 3, or
- if the vote is cast by the chairman of the meeting and the proxy form authorises him to vote as he decides on item 3 (even though item 3 is connected with the remuneration of members of the KMP, including the chairman).

Item 4: Craig Meller has elected not to cast, and to ensure his closely related parties do not cast, a vote on item 4, except where the vote is cast as proxy for someone other than Craig Meller or any of his closely related parties, in accordance with voting directions on the proxy form.

In addition, under the *Corporations Act*, no vote may be cast on item 4 by a person as proxy where the proxy form does not specify the way the proxy is to vote on item 4 and the person is:

- a member of the KMP, or
- a closely related party of a member of the KMP.

However, this restriction will not apply to a vote cast as proxy by the chairman of the meeting if the proxy form authorises him to vote as he decides on item 4 (even though item 4 is connected with the remuneration of the chief executive officer, a member of the KMP).

Please read the information under the heading *Chairman as proxy*, on page 6, which deals with the chairman's voting of proxies on items 3 and 4.

The proposed items of business should be read in conjunction with the explanatory notes on pages 7 to 18.

How to vote

As a shareholder, you can vote on the items of business by:

- attending the meeting, or
- appointing a proxy, representative or attorney to attend the meeting and vote on your behalf.

Voting at the meeting

The board has determined that you will be entitled to attend and vote at the meeting if you are a registered shareholder of AMP at 7.00pm (AEST) on Tuesday 6 May 2014. You will be entitled to vote in respect of the number of AMP shares registered in your name at that time.

Voting on all items of business at the meeting will be conducted by poll.

Appointing a proxy

A shareholder who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote at the meeting on their behalf. A proxy does not need to be a shareholder of AMP.

If a shareholder is entitled to cast two or more votes at the meeting, the shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the shareholder's votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes on a poll. Fractions will be disregarded.

Completed proxy forms (and any necessary supporting documents) must be received by AMP no later than 10.00am (AEST) on Tuesday 6 May 2014.

Submitting your proxy form

You can submit your proxy form in the following ways:

Online using your smartphone or at investorvote.com.au.

You will need the control number and holder number shown on your proxy form to submit your form online. To use the smartphone voting service, scan the QR code which appears at the top of your proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. Participating intermediaries can lodge their form online through intermediaryonline.com.

By post using the envelope provided or by posting it to:

Australia	Reply paid 2980, Melbourne VIC 8060
New Zealand	PO Box 91543, Victoria Street West, Auckland 1142
Other countries	GPO Box 2980, Melbourne VIC 3001, Australia

By fax:

Australia	1300 301 721
New Zealand	09 488 8787
Other countries	+613 9473 2555

By post or hand delivery to:

AMP's registered office, 33 Alfred Street, Sydney NSW 2000, or the AMP share registry:

Australia	Level 4, 60 Carrington Street, Sydney NSW 2000, Australia
New Zealand	Level 2, 159 Hurstmere Road, Takapuna, Auckland 0622, New Zealand

How to vote continued

Power of attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the AMP share registry. A proxy cannot be appointed under a power of attorney or similar authority online.

Attending the meeting

If you will be attending the meeting, please bring your personalised proxy form with you to assist registration.

If a representative of a corporate shareholder or a corporate proxy will be attending the meeting, the representative will need to bring to the meeting adequate evidence of their appointment unless this has previously been provided to the AMP share registry. An appointment of corporate representative form may be obtained from the AMP share registry or online at computershare.com.au (go to the Investor Centre and click on the Forms icon under the Help menu).

Chairman as proxy

AMP encourages you to consider directing your proxy how to vote by marking the appropriate box on each of the proposed resolutions on the proxy form.

If you appoint the chairman of the meeting as your proxy (or the chairman becomes your proxy by default) and you do not direct your proxy how to vote on the proposed resolutions set out in this notice, then you will be authorising the chairman of the meeting to vote as he decides on the proposed resolutions (even though items 3 and 4 are connected with the remuneration of a member of the KMP). The chairman of the meeting intends to vote, as your proxy, in favour of each of the proposed resolutions (where permissible).

If you do not want the chairman of the meeting to vote as your proxy in favour of any proposed resolution, you need to direct your proxy to vote against, or to abstain from voting on, the relevant resolution by marking the appropriate box on the proxy form.

Other KMP as proxy

If you appoint a director (other than the chairman of the meeting) or another member of the KMP (or a closely related party of any such director or member) as your proxy, you should direct them how to vote on items 3 and 4 by marking the appropriate box. If you do not do so, your proxy will not be able to vote on your behalf on items 3 and 4.

By order of the board.



David Cullen

Company Secretary
3 March 2014

Explanatory notes

The information below is an explanation of the business to be considered at the 2014 AGM.

Item 1: Financial report, directors' report and auditor's report

The AMP 2013 annual report (which includes the financial report, the directors' report and the auditor's report) will be presented to the meeting. Shareholders can access a copy of the annual report at amp.com.au/2013annualreport. A printed copy of the AMP 2013 annual report has been sent only to those shareholders who have elected to receive a printed copy. To receive a printed copy of the annual report, free of charge, please contact the AMP share registry.

During this item, shareholders will be given an opportunity to ask questions about, and make comments on, the 2013 annual report and AMP's management, business, operations, financial performance and business strategies.

Shareholders will also be given an opportunity to ask a representative of AMP's auditor, Ernst & Young, questions relevant to the conduct of 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.

If you would prefer to submit a written question to the auditor, please do so in accordance with the instructions on page 19 under the heading Questions from shareholders. Please note all written questions to the auditor must be received by no later than Thursday 1 May 2014.

Item 2: Re-election and election of directors

Who is standing for re-election?

Patricia (Patty) Akopiantz, Catherine Brenner, Brian Clark and Peter Shergold are all non-executive directors retiring by rotation in accordance with AMP's constitution. Patty and Catherine were first elected to the board by shareholders at the AGM in 2011 and Brian and Peter were first elected to the board by shareholders at the AGM in 2008. Both Brian and Peter were re-elected by shareholders at the AGM in 2011.

Patty, Catherine, Brian and Peter are all eligible to be re-elected as a director of AMP and intend to offer themselves for re-election. A profile of each candidate is included overleaf. They are considered by the board to be independent and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement.



Patricia (Patty) Akopiantz

BA, MBA. Age 50

Patty was appointed to the AMP Limited Board and the People and Remuneration Committee in March 2011. She was appointed a Director of AMP Bank Limited in November 2011, a member of its Audit Committee in June 2012 and as Chairman of that Audit Committee in February 2013.

Experience

Patty has over 25 years senior management and consultancy experience, primarily in the retail and consumer industries both in Australia and overseas. Over the last 13 years, she has served on numerous boards including AMP AAPH Limited (formerly known as AXA Asia Pacific Holdings Limited) and Coles Group Limited. In 2003, she was awarded a Centenary Medal for services to Australian society in business leadership. She has an MBA from Harvard Business School.

Listed directorships

Within the three years immediately before the end of the last financial year, Patty served as a Director of AMP AAPH Limited (formerly known as AXA Asia Pacific Holdings Limited) (April 2006–March 2011) and Wattyl Limited (September 2005–September 2010).

Other directorships/appointments

- Director of NSW State Library Foundation
- Member of Chief Executive Women

Board recommendation

The board has conducted an assessment of Patricia Akopiantz's performance. The directors (with Patricia Akopiantz abstaining) unanimously recommend the re-election of Patricia Akopiantz.



Catherine Brenner

BEC, LLB, MBA. Age 43

Catherine was appointed to the AMP Limited Board in June 2010 and became Chairman of its Nomination Committee in May 2013. Catherine has also been Chairman of the AMP Life Limited Board since May 2011, having been a member since May 2009 and a member of its Audit Committee since May 2009. Catherine has been Chairman of The National Mutual Life Association of Australasia Limited Board and a member of its Audit Committee since March 2011.

Experience

Catherine is a former Managing Director, Investment Banking at ABN AMRO where she held various senior roles. She is experienced in both corporate advisory and equity capital markets. Prior to this she was a corporate lawyer.

Listed directorships

- Director of Boral Limited (appointed September 2010)
- Director of Coca-Cola Amatil Limited (appointed April 2008)

Within the three years immediately before the end of the last financial year, Catherine served as a Director of Centennial Coal Company Limited (October 2005–September 2010).

Other directorships/appointments

- Trustee of the Sydney Opera House Trust
- Council Member of Chief Executive Women

Board recommendation

The board has conducted an assessment of Catherine Brenner's performance. The directors (with Catherine Brenner abstaining) unanimously recommend the re-election of Catherine Brenner.



Brian Clark

BSc, MSc, DSc, AMP. Age 65

Brian was appointed to the AMP Limited Board in January 2008 and he became a member of the Nomination Committee in July 2008 and a member of the People and Remuneration Committee in May 2009. Brian was also appointed as a member of the AMP Capital Holdings Limited Board and Audit Committee in February 2008. He became Chairman of the AMP Capital Holdings Limited Board in March 2009.

Experience

Brian spent 10 years in a variety of senior executive roles at Vodafone internationally, most recently in the UK as Group Human Resources Director. He was CEO of Vodafone's Australian business as well as CEO of the Asia Pacific region, based in Tokyo. Before joining Vodafone, Brian spent three years as CEO of Telkom SA Ltd, in South Africa.

Brian has degrees in physics and mathematics from the University of Pretoria, and has completed the Advanced Management Program at the Harvard Business School.

Listed directorships

- Director of Boral Limited (appointed May 2007)

Within the three years immediately before the end of the last financial year, Brian served as Chairman of AMP Capital Investors Limited (responsible entity of AMP Capital China Growth Fund, a managed investment scheme listed on the ASX) (March 2009–December 2011).

Board recommendation

The board has conducted an assessment of Brian Clark's performance. The directors (with Brian Clark abstaining) unanimously recommend the re-election of Brian Clark.



Professor Peter Shergold AC

BA (Hons), MA, PhD, FAICD. Age 67

Peter was appointed to the AMP Limited Board in May 2008 and became a member of its Audit Committee in July 2008. He was appointed as a Director of the AMP Life Limited Board in August 2008 and became a member of its Audit Committee in March 2011. He was also appointed to The National Mutual Life Association of Australasia Limited Board in March 2011 and appointed a member of its Audit Committee in March 2011.

Experience

Peter is Chancellor and Chair of the board of trustees of the University of Western Sydney. He serves on a wide range of private sector, government and not-for-profit boards. Previously, Peter served as Secretary of the Department of the Prime Minister and Cabinet for five years. Peter had previously been CEO of the Aboriginal and Torres Strait Islander Commission, Public Service Commissioner, Secretary of the Department of Employment, Workplace Relations and Small Business, and Secretary of the Department of Education, Science and Training.

He was appointed a Member of the Order of Australia in 1996, awarded a Centenary Medal in 2003, and made a Companion of the Order of Australia in 2007, each being for public service.

Listed directorships

- Director of Veda Group Limited (appointed October 2013)

Other directorships/appointments

- Director of Corrs Chambers Westgarth
- Chairman of QuintessenceLabs Pty Limited
- Chairman of the National Centre for Vocational Education Research
- Member of the Prime Minister's Indigenous Advisory Council
- Chairman of NSW Public Service Commission Advisory Board
- Deputy Chairman of the Sydney Writers' Festival
- Member of the Queensland Public Sector Renewal Board

Board recommendation

The board has conducted an assessment of Peter Shergold's performance. The directors (with Peter Shergold abstaining) unanimously recommend the re-election of Peter Shergold.

Who is standing for election?

Trevor Matthews is a Non-executive Director who was appointed to the board on 3 March 2014 – that is since the last AGM. Trevor has over 40 years experience in the financial services industry, making him a valuable addition to the AMP Limited Board.

Under AMP's constitution, if a director is appointed by the board, that director will cease to hold office at the next AGM unless elected at the meeting. Trevor Matthews is eligible to be elected as a director of AMP and intends to offer himself for election. A profile of Trevor Matthews is shown below. He is considered by the board to be independent and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of his judgement.



Trevor Matthews

MA, FIA, FIAA, ASA. Age 61

Trevor was appointed to the AMP Limited Board in March 2014.

Experience

Trevor has extensive life insurance experience in Australia, Canada, Japan and the UK. He was previously with Aviva, most recently as Executive Director and Chairman, Developed Markets and prior to that CEO of Aviva UK. Trevor has also held the position of CEO with Friends Provident and Standard Life, both based in the UK, as well as Manulife Financial in Japan. He has also held senior roles with National Australia Bank and Legal & General in Australia. Trevor has served as Commissioner for the UK Commission for Employment and Skills and Chairman of the Financial Services Skills Council in the UK, and served on the boards of Life Insurance Association of Japan, Life Office Management Association in the USA, and Life Investment and Superannuation Association in Australia. He has a Master of Arts, Actuarial Studies and is a Fellow of the Institute of Actuaries in both Australia and the UK.

Listed directorships

- Director of Cover-More Group Limited (appointed December 2013)

Other directorships/appointments

- Director of FNZ Holdings Australia Pty Ltd
- Director of FNZ Holdings New Zealand Limited
- Adviser to Tokio Marine Holdings Inc.

Board recommendation

During 2013, the Nomination Committee conducted a search for a new director of AMP Limited and recommended Trevor Matthews' appointment to the AMP Limited Board. The board undertook a thorough review, determined that Trevor Matthews is eligible to hold the office of director and resolved to appoint him a director with effect from 3 March 2014. The directors unanimously recommend the election of Trevor Matthews by shareholders.

Item 3: Adoption of remuneration report

AMP is committed to ensuring remuneration practices are aligned with the creation of value for shareholders so remuneration for 2013 reflects AMP's reduced profit for the year.

- Salary costs have been closely managed across the organisation. In 2013, executive salaries remained frozen, having last been adjusted in April 2011. The previous adjustment had been in April 2008. Salaries have only been adjusted if an executive has been promoted or in the exception where an individual's remuneration has been found to have fallen significantly below market competitive levels.
- CEO Craig Meller has been set a salary and reward opportunity 8.6 per cent lower than that of previous CEO Craig Dunn.
- No termination payment has been paid to former CEO Craig Dunn.
- Performance rights are paid to executives when AMP delivers significant value to shareholders. Performance rights awarded in 2010 lapsed in 2013 as the performance hurdle was not met.
- The performance hurdle for AMP's long-term incentive (LTI) awards has been revised to now include a return on equity measure. Return on equity is a strong measure of capital management and business efficiency and will ensure the payment of LTIs remains closely linked with the delivery of long-term shareholder value.
- The 2013 short-term incentive (STI) pool has been reduced to \$83 million or 9.8 per cent of underlying profit compared with \$96 million or 10.1 per cent of underlying profit for 2012. STI payments to former CEO, Craig Dunn and Craig Meller, for his former role as Managing Director, AMP Financial Services have been reduced by 42 per cent and 41 per cent respectively.

A full copy of the remuneration report can be found on pages 14 to 30 of the AMP 2013 annual report, which is available at amp.com.au/2013annualreport.

During this item, shareholders will be given an opportunity to ask questions about, and make comments on, the remuneration report.

Shareholders will be asked to vote on a resolution to adopt the remuneration report at the meeting. The vote on the resolution will be advisory only and will not bind the directors or AMP. However, under the Corporations Act, if 25 per cent or more of the votes cast on the resolution at the meeting are against adoption of the remuneration report, then:

- if comments are made on the remuneration report at the meeting, AMP's 2014 remuneration report will be required to include an explanation of the board's proposed action in response or, if no action is proposed, the board's reasons for this, and
- if, at next year's AGM, at least 25 per cent of the votes cast on the resolution for adoption of the 2014 remuneration report are against it, AMP will be required to put to shareholders a resolution proposing that an extraordinary general meeting (EGM) be called to consider the election of directors (spill resolution). If the spill resolution is passed (ie more than 50 per cent of the votes cast are in favour of it), all of the directors (other than the CEO) will cease to hold office at the subsequent EGM, unless re-elected at that meeting.

The board will take the outcome of the vote into consideration when reviewing the remuneration policy for directors and executives in the future.

If you intend to appoint a proxy to vote on your behalf on the resolution for adoption of the remuneration report, please read the information on page 6 under the heading Chairman as proxy.

Board recommendation

The remuneration report forms part of the directors' report, which was approved in accordance with a unanimous resolution of the board. Each director recommends shareholders vote in favour of adopting the remuneration report.

Item 4: Approval of the chief executive officer's long-term incentive for 2014

Under his employment agreement with AMP, the remuneration of AMP's CEO, Craig Meller, consists of:

- fixed remuneration
- short-term incentives (STI), and
- long-term incentives (LTI) payable in performance rights (which are rights to receive shares or a cash equivalent on vesting of the rights).

Approximately 75 per cent of the CEO's remuneration (that is both STI and LTI) for 2014 is 'at risk'. Vesting of the CEO's 2014 LTI award will generally be subject to AMP meeting performance hurdles determined by the board and designed to align company and CEO interests with those of shareholders. Details of the proposed performance hurdles are provided on pages 14 to 17.

As a senior executive, Craig Meller has participated in AMP's LTI since 2002.

Why is shareholder approval being sought?

As any LTI shares for which Craig Meller may become eligible will be bought on-market, AMP is not required by law to seek shareholder approval. However, in the interests of transparency and good governance, AMP believes it is appropriate to do so. For these reasons, AMP sought shareholder approval at each AGM from 2008–2013 for the grant of LTI awards to the former CEO, Craig Dunn. Shareholders gave their approval at those AGMs.

The board is seeking shareholder approval at this year's AGM for the 2014 LTI grant to Craig Meller, who was appointed CEO effective 1 January 2014.

What is the chief executive officer's proposed LTI for 2014?

The board is proposing that AMP grant Craig Meller performance rights with a fair value of 125 per cent of his fixed remuneration as his LTI for 2014 (2014 grant). Given that Craig Meller's fixed remuneration for 2014 is \$1,600,000, this equates to a grant of performance rights with a fair value of \$2,000,000.

What are performance rights?

Each performance right will give Craig Meller the right to acquire one fully paid ordinary share in AMP if the applicable performance hurdle described on pages 14 to 17 is met at the end of the performance period (or the right otherwise vests). However, the board may, in its discretion, decide to satisfy performance rights in the 2014 grant by AMP making a cash payment to Craig Meller of an amount equivalent in value to the number of shares to which he would otherwise be entitled on vesting of the rights.

Performance rights are granted at no cost to the recipient. They do not carry dividend or voting rights or the right to participate in new issues of shares (such as any rights or bonus issues).

If there is a capital reconstruction or other corporate action by AMP (such as a rights or bonus issue), the board may make any adjustments it considers appropriate to the terms of performance rights in order to minimise or eliminate any material advantage or disadvantage to the participant, and having regard to the ASX Listing Rules. These may include adjustments to the number of performance rights or the number of shares to which the participant is entitled on vesting of the performance rights.

How did the board determine the LTI arrangements?

In determining these LTI arrangements, the directors took into account the nature of the position, the context of the current market, the function and purpose of the LTI component of AMP's remuneration strategy and other components of Craig Meller's remuneration.

What performance hurdles will apply to the performance rights?

The performance rights will be subject to performance hurdles determined by the board. The board has determined that vesting of the performance rights comprising Craig Meller's LTI award for 2014 will be based on two performance hurdles. In particular, 50 per cent of the LTI award value (the total shareholder return (TSR) or TSR tranche) will be comprised of performance rights subject to a performance hurdle based on the relative TSR performance of AMP over a three-year performance period (from 6 March 2014–5 March 2017). The remaining 50 per cent of the LTI award value (the return on equity (RoE) or RoE tranche) will be comprised of performance rights subject to a performance hurdle based on AMP's RoE performance for the financial year ending on 31 December 2016.

TSR tranche

Vesting of these performance rights will be based on the TSR performance of AMP over the applicable three-year performance period relative to that of the entities in the market comparator group (being the top 50 industrial companies in the S&P/ASX 100 Index – based on market capitalisation rank at the start of the performance period). In determining this comparator group, all entities other than those in the global industry classification standard (GICS) energy sector and GICS metals and mining industry are classified as industrial companies. Broadly, TSR measures the percentage return to a shareholder over the relevant performance period in terms of changes in the market value of shares plus the value of any dividends paid and capital returns on the shares.

For the 2014 grant, the number of performance rights in the TSR tranche that vest and are converted into AMP shares after the end of the applicable performance period will be determined in accordance with the following vesting schedule:

TSR performance	Percentage of performance rights in the TSR tranche to vest
AMP's TSR ranking below the 50th percentile of the market comparator group	0%
AMP's TSR ranking at the 50th percentile of the market comparator group	50%
AMP's TSR ranking between the 50th and 75th percentile of the market comparator group	50% plus 2% for each additional percentile (rounded to the nearest whole percentile)
AMP's TSR ranking in at least the 75th percentile of the market comparator group	100%

The applicable three-year performance period for the TSR tranche is 6 March 2014–5 March 2017.

RoE tranche

Vesting of these performance rights will be based on AMP's RoE performance for the year ending 31 December 2016. Prior to the 2014 grant being awarded, the board will determine threshold and maximum RoE performance targets (expressed as percentage outcomes) to be achieved for the year ending 31 December 2016.

For the purposes of the RoE tranche, RoE will be calculated as follows (and then expressed as a percentage):

$$\text{RoE} = \frac{\text{Underlying profit less dividends paid on any preference shares}}{\text{Average AMP shareholder equity (book value)}}$$

where:

Underlying profit is the underlying profit for the year ending 31 December 2016, as reported in AMP's annual report for that year.

Average AMP shareholder equity (book value) will be calculated by adding AMP shareholder equity as at 31 December 2015 and AMP shareholder equity at the end of each month over 2016, but excluding any equity attributable to any preference shareholders, and dividing the resulting number by 13. For this purpose, AMP shareholder equity is the total equity of shareholders of AMP Limited, adjusted for accounting mismatch items and cashflow hedge reserves (as determined in accordance with Australian Accounting Standards). AMP shareholder equity as at the end of each financial year is disclosed in the capital management note to its financial statements for that year.

Dividends paid on, and equity relating to, any preference shares will be excluded from the measure, to focus on returns to ordinary shareholders. AMP does not currently have any preference shares on issue.

The number of performance rights in the RoE tranche that vest and are converted into AMP shares after the end of the financial year ending on 31 December 2016 will be determined in accordance with the following vesting schedule:

RoE performance	Percentage of performance rights in the RoE tranche to vest
RoE below threshold performance target	0%
RoE at threshold performance target	50%
RoE between threshold and maximum performance targets	Straight line vesting between 50% and 100%
RoE equal to or greater than maximum performance target	100%

Shareholders will be advised of the vesting outcomes for the 2014 LTI award in the annual report for the year ending 31 December 2017.

How many performance rights will be granted to the chief executive officer for 2014?

The number of performance rights in the 2014 grant is based on a board determination of the value of the LTI the CEO should receive (namely, 125 per cent of his annual fixed remuneration). As outlined above, performance rights in the 2014 grant will be divided into two tranches, one subject to a TSR-based performance hurdle and the other subject to an RoE-based performance hurdle. To determine the number of performance rights to be granted in the respective tranches, the total value of the LTI award will be divided in two. Half of the LTI award value will then be divided by the fair value (FV) of a performance right subject to a TSR-based performance hurdle, and the other half of the LTI award value will be divided by the fair value of a performance right subject to an RoE-based performance hurdle. The relevant fair value will be determined based on a valuation prepared by an independent external consultant, and as further described below.

The formula used to calculate the total number of performance rights to be allocated to the CEO as his LTI for 2014 is set out below.

$$N = \frac{(125\% \times \$1,600,000)/2}{\text{FV TSR tranche}} + \frac{(125\% \times \$1,600,000)/2}{\text{FV RoE tranche}}$$

where:

N is the number of performance rights to be allocated to the CEO. If N is a fractional number, it will be rounded up to the nearest whole number of performance rights.

125% is the actual percentage of the CEO's annual fixed remuneration determined by the board to be applicable for the CEO's LTI for 2014.

\$1,600,000 is the annual fixed remuneration of the CEO for 2014.

FV TSR tranche means the fair value, as at 9 May 2014 (or such other date determined by the board) (the valuation date), of a performance right that is subject to a TSR-based performance hurdle as outlined above. This fair value will be based on the volume-weighted average price of AMP shares on ASX during the 10-day trading period up to and including the valuation date, discounted for the possibility that the performance hurdle applicable to the grant may not be met and to reflect the estimated value of dividends foregone during the vesting period.

FV RoE tranche means the fair value, as at the valuation date, of a performance right that is subject to an RoE-based performance hurdle as outlined above. This will be based on the volume-weighted average price of AMP shares on ASX during the 10-day trading period up to and including the valuation date, discounted for the possibility that the performance hurdle applicable to the grant may not be met and to reflect the estimated value of dividends foregone during the vesting period.

When will performance rights be granted to the chief executive officer?

If shareholders approve the proposed resolution in item 4 at the 2014 AGM, the 2014 grant will be made in June 2014.

Can the board change the terms and conditions of performance rights?

The board may vary or waive any of the terms and conditions of performance rights in the 2014 grant (including the performance hurdles), but may not do so in a way that reduces the participant's rights (except in limited circumstances or with the participant's consent). Additionally, the board may waive, amend or replace the performance hurdles for the 2014 grant if the board determines that the original performance hurdles are no longer appropriate or applicable, provided that the board is satisfied that the interests of the participant are not materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

In some limited circumstances (such as a takeover bid being made for AMP or other change in control event occurring in relation to AMP), the board will have the discretion to determine whether some or all of the performance rights held by Craig Meller will vest, remain on foot or lapse, having regard to all relevant circumstances.

What will happen to the performance rights if the chief executive officer leaves AMP before the end of the vesting period?

If Craig Meller gives notice of resignation to AMP and his full contractual notice period ends before the specified vesting date as determined by the board for the performance rights, all unvested performance rights will lapse, unless the board determines otherwise. All performance rights will lapse if Craig Meller's employment is terminated by AMP for cause or inadequate performance. In other cases, including termination by AMP on notice and termination by agreement, death, disability, retirement and redundancy, Craig Meller's performance rights will be retained subject to the original performance hurdles and performance periods, unless the board determines otherwise.

What will happen at the end of the performance period?

Under the LTI plan, if some or all of the performance rights in the 2014 grant satisfy the performance hurdles at the end of the applicable performance period and therefore vest, AMP will allocate shares to Craig Meller (at no cost to him) equal to the number of performance rights that vest, unless the board decides to pay him a cash equivalent in lieu of an allocation of shares. Any cash equivalent would be determined by multiplying an average market price of AMP shares at the relevant time by the number of shares to which he would otherwise be entitled on vesting.

If the performance hurdles are not achieved for some or all of the performance rights granted to Craig Meller, those performance rights will lapse immediately without re-testing of the performance hurdles.

Shares delivered to Craig Meller on vesting of any performance rights will be bought on-market and, therefore, will not dilute existing AMP shareholdings.

Will the performance rights lapse in any other circumstances?

The board may determine that any unvested performance rights granted as part of Craig Meller's 2014 LTI award (or shares allocated on vesting of those rights) will lapse or be forfeited in certain circumstances. For example, the board may decide that Craig Meller's unvested performance rights should lapse where it considers it appropriate to do so to protect the financial soundness of AMP.

What will happen if shareholders do not approve the 2014 grant?

To compensate Craig Meller for the remuneration he would forego if shareholder approval of his LTI is not given, Craig Meller is entitled, under his employment agreement, to receive a cash payment instead of performance rights in these circumstances. Craig Meller will only be entitled to receive a cash payment if the performance hurdles are satisfied or the rights would otherwise have vested.

For the 2014 grant, any such cash amount will be equivalent to the value the grant would have had at vesting if it had been approved by shareholders.

Board recommendation

In the non-executive directors' view, it is in the best interests of shareholders to approve the share-based 2014 LTI grant to the CEO because vesting of the performance rights will be subject to performance hurdles that appropriately align the CEO's 'at risk' remuneration with shareholder returns. Your directors (with the CEO, Craig Meller, abstaining) therefore recommend shareholders approve the 2014 grant and the CEO's continuing participation in the LTI plan.

As Craig Meller has a personal interest in the resolution proposed in item 4 of the notice, he abstained from the board decision to make a recommendation as to how shareholders should vote on this resolution.

Questions from shareholders

Questions should relate to matters relevant to the business of the meeting, including matters arising from the financial report, directors' report (including the remuneration report) and the auditor's report, general questions regarding the performance, business or management of AMP, and relevant questions of the auditor. You can ask AMP or the auditor a question in the following ways:

- online at amp.com.au/shareholdercentre (click on Ask a question) or through the smartphone voting service. You will need your holder number and control number which can be found on your proxy form
- post or fax your question to the AMP share registry. You can use the envelope enclosed to post your question. Registry contact details are on the back cover of this booklet
- in person at the meeting.

Please note: Your questions (other than questions you wish to ask personally at the meeting) must be received no later than Thursday 1 May 2014.

The chairman of the meeting will answer as many of the frequently asked questions as possible at the meeting. Due to the expected volume of questions, AMP will not be sending individual replies. The meeting will be webcast live at amp.com.au/agm.

Definitions

AEST means Australian Eastern Standard Time

AGM means annual general meeting

AMP means AMP Limited (ABN 49 079 354 519)

AMP group means AMP and its controlled entities

AMP share registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277) of Level 4, 60 Carrington Street, Sydney NSW 2000

CEO means chief executive officer

Closely related party, in relation to a member of the KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with AMP (or the AMP group), and any company the member controls

FV means fair value

Key management personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of AMP or the AMP group, whether directly or indirectly. Members of the KMP include directors (both executive and non-executive) and certain senior executives

LTI means long-term incentive

RoE means return on equity

STI means short-term incentive

TSR means total shareholder return

You or holder means a holder of AMP shares

Need help?

Contact the AMP share registry

web amp.com.au/shareholdercentre
email ampservices@computershare.com.au

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AMP Limited is incorporated and domiciled in Australia. Company Secretary: David Cullen