

TRANSCRIPT OF PROCEEDINGS

O/N H-778783

AMP ANNUAL GENERAL MEETING

ANNUAL GENERAL MEETING

PARTICIPANTS: **MR GEOFF ROBERTS**
 MR PETER VARGHESE
 MR TREVOR MATTHEWS
 MS PATTY AKOPIANTZ
 MR CRAIG MELLER
 MS CATHERINE BRENNER
 MR DAVID CULLEN
 PROF PETER SHERGOLD
 MS VANESSA WALLACE
 MR MIKE WILKINS
 MS HOLLY KRAMER
 MR TONY JOHNSON

LOCATION: **SYDNEY TOWN HALL**

DATE: **11.01 AM, THURSDAY, 11 MAY 2017**

MS C. BRENNER: Good morning. I've been told it's now 11 o'clock. My name is Catherine Brenner, and I'm the chairman of AMP Limited, and of your meeting today. As a quorum is present, I now formally open our 2017 Annual General Meeting. Before we begin proceedings, I would like to acknowledge the traditional
5 owners of the land, the Gadigal people of the Eora Nation, and I would like to pay my respects to their elders both past and present. I would also like to extend a warm welcome to you all joining us here today, in the room, and to those shareholders who are joining us on the webcast.

10 Joining me on stage this morning, I'm delighted to introduce the board of directors of AMP Limited. Starting from my far right, I'd like to introduce Jeff Roberts, who was appointed to the board in July 2016, and he's the chairman of our audit committee. Seated next to Jeff is our newest board member, Peter Varghese, who
15 was appointed to the board in October of last year, and he is a member of the audit committee and the risk committee.

Next to Peter is Trevor Matthews, who is a member of the audit committee and the risk committee. Next to Trevor is Patty Akopiantz. Patty is the chairman of the people and remuneration committee, a member of the risk committee and a member
20 of the nomination and governance committee. On my immediate right is Craig Meller, our chief executive officer. Craig will provide an update on AMPs performance in 2016, our progress against our strategy to date and future growth potential shortly.

25 So I will start from the other end on this side, where we have Holly Kramer, who is a member of the audit committee. Seated next to Holly, I would like to introduce for the first time here at EMP Mike Wilkins, who was appointed to the board in September of last year. Mike is a member of the risk committee and of the audit
30 committee. Next to Mike is Vanessa Wallace, who is a member of the people and remuneration committee. And then, seated next to Vanessa, is Peter Shergold, who, as you know, will be, very sadly for us, retiring at the conclusion of this meeting. Peter has served on your board since 2008, and over that time has made a
35 tremendous, invaluable contribution to AMP. Thank you very much, Peter, for your dedication and your commitment to the company. It has been very much appreciated. And, finally, our company secretary, David Cullen.

Based on shareholder feedback, it has become somewhat of a tradition at AMP to ask each of your directors to address the meeting irrespective of whether they're up for
40 election or re-election, and so you will be hearing from each board member later today. Seated in the front row, I would like to also acknowledge the members of the AMP leadership team, and invite them to stand up and turn around. And you will see their names next to their photos up there, so you know who they are if you get a chance to chat to them at the conclusion of the meeting. Thanks, everyone.

45 I hope that many of you were able to join us for the information session held here this morning with Effie Zahos from Money Magazine and the AMP advisors. The

session has also become a regular event on our shareholder calendar, and is our way of sharing some of the tremendous financial expertise we have at AMP, and, hopefully, providing you with some added value. We welcome your feedback on how we can continue to improve this event. So our agenda for today is now on the screen. As you can see, our agenda for today is now on the screen. As you can see, both Craig and I will address the meeting before we move to the formal business, and at the conclusion of the meeting lunch will be available in the foyer.

So, to get us underway, I would like to share a few reflections on AMPs 2016 performance, to explain the action that we've taken to renew the board and to share our thinking on the societal and global trends that are shaping and influencing the future and strategy of AMP. But before I do, I would like to share a short video.

15 **VIDEO SHOWN**

MS BRENNER: It has been such a privilege to serve as a director of your company for the last six years, and, following a rigorous selection process, I was humbled to have been asked by my colleagues to become the chairman. I am very conscious of the tremendous honour and responsibility of chairing the board of AMP. For me, it is a very special organisation. It was founded in 1849 as the then Australian colonies were emerging from an economic depression. A clergyman, an entrepreneur and a wool merchant devised a plan to form a providence society which would encourage people to provide for their present and future financial security.

They founded AMP on a simple, yet bold idea, that every person should be able to live their life with financial dignity. Almost 170 years later, the idea remains the cornerstone of our organisation. Today, we call this helping people own their tomorrow. This strong sense of social purpose, born from our origins as a providence society, drives the AMP culture and underpins all that we do. As you saw in the video, each year AMP helps over 4 million customers across Australia and New Zealand work towards achieving their financial goals. In doing so, we serve as the steward of their financial futures. That is a very important responsibility that both I and your board treat very seriously.

So let's turn for a moment to your board. Since taking the chair some nine months ago, I have been honoured to lead a period of board renewal. We have deliberately sought to build and strengthen the board's skills and experience aligned to the company's strategy and to continue to improve board diversity. For us, diversity extends beyond gender, although we're proud to have 40 per cent of our board members being female. At AMP, we believe in diversity of thought, and we are working hard to ensure an appropriate mix of skills, ethnicity, styles, age and experience to support the delivery of the company's strategy.

So, this end, I am really delighted with the depth and breadth of the skills and experience in your new board, as, today, we welcome a number of new board

directors. So, as I mentioned earlier, I am going to ask each of my fellow directors, whether they're standing for re-election or not, to say a few words to you so that you have a real sense of the people who act as your representatives. We will then move to deal with the formal election and re-election of directors later in the meeting, at item number 2. So I would like to start by asking Geoff Roberts, who was appointed in June 2016 and who is standing for election today, to briefly introduce himself to you.

MR G. ROBERTS: Thanks very much, Catherine, and good morning, everyone. My passion for AMP comes from wanting to work with companies with a great purpose. Our company has that with its promise of helping people own tomorrow. I particularly love hearing the stories from people who we have helped in their time of need, to hear real stories from people who tragically lost a much-loved spouse and how our company supported them financially through the payout of the life policy, as well as emotionally through our supportive culture, is very rewarding, and to hear other stories where our advisors have helped people achieve a position where they can live their retirement years in comfort. That is where our purpose becomes tangible.

From a skills and experience point of view, I have been fortunate and maybe unique in being involved in this very important, but complex and highly regulated industry for 30 years, from four different perspectives: as an auditor, signing live company audit opinions; as a consultant, advising on a large range of mergers and acquisitions; as a CFO before, during and after the GFC; and as a director in my current role. This has given me an insight into what really drives value and the importance of culture throughout the various economic cycles that we move through.

In particular, my past audit and CFO experience greatly assists me in my audit committee chair role. I have one other role, as CFO of Seek, and this provides me with a number of additional advantages that I bring to the board table. I understand how innovative disruptors look at the businesses. Seek's global footprint, and particularly with our large Asian focus, provides an additional global perspective around the AMP table, and it means I'm able to bring up-to-date insights and perspectives from both the domestic and international investment markets. I'm standing for election later today, and would very much welcome your support. Thank you.

MS BRENNER: Thanks, Geoff. You can see why we're delighted to have Geoff joining us on the board. I would next like to invite Peter Varghese, who was appointed in October 2016, and who is also speaking for election today, to speak to us.

MR P. VARGHESE: Thank you very much, Catherine, and a very good morning to all of you. As Catherine mentioned, I'm the newest, but, alas, not the youngest member of the AMP board, having joined last October. I'm currently the chancellor of the University of Queensland, but my career background has been a 38-year career in the public sector, particularly in the fields of foreign affairs, trade and intelligence.

My most recent position in government was as the secretary of the Department of Foreign Affairs and Trade, which meant that I was the CEO of a large and rather complex global organisation, with over 6000 staff and 100 overseas posts.

5 I've had extensive experience in Asia, having served in India, in Malaysia and Japan, and dealt closely with China over many years. I was also, for over five years, the Director-General of the Office of National Assessments, which is a statutory office that reports to the Prime Minister, providing analysis of international issues and coordinating the Australian intelligence agencies. For the, AMP is so much more
10 than a large financial services company. It is an iconic Australian institution. It can and does change lives by providing financial security. It has very considerable room to grow internationally. It is a company with a great history, but, more importantly, an exciting future as it works its way through current challenges and positions itself as a leader in both management and financial advice.

15 And being at the forefront of innovative ways to help our clients find financial security serves both our shareholders and our community, because financial security is an essential foundation for strong communities. I bring to the board extensive international experience and knowledge of company, as well as an understanding of
20 managing a large and diverse organisation. I'm not a specialist in financial services, but I do have experience in setting strategy, in understanding the wider context in which AMP must operate, and in asking the right questions. I believe these core skills and experience are well aligned to AMP's strategy, and since I too am standing for election later today, I would welcome your support. Thank you.

25 MS BRENNER: Thanks, Peter, and even though he's the newest member of the board, he's already making a thoughtful and tremendous contribution. I'll now ask Trevor Matthews, who's standing for re-election today, to say a few words.

30 MR T. MATTHEWS: Well, thanks very much, Catherine, and good morning, everybody. You know, I remember very well the day, over 50 years ago, when my dear mum took me to the observation deck at the top of the brand-new skyscraper in Sydney at AMP's head office. It was truly a magnificent occasion. The building at
35 that stage, our first true skyscraper, was more than – almost twice as tall as any other building in Sydney, and, you know, ever since that day I've admired the AMP, probably like many of you.

It's played an important role not only in leading and shaping the physical environments of cities and towns throughout Australia and New Zealand, but also, as
40 you've seen already today, in the lives of millions of clients, with its products, services and people. You may have heard that AMP has just announced the Quay Quarter development, which is another breathtaking initiative down there at Circular Quay. Again, I think this is symbolic and shows visionary leadership. I'm an
45 experienced actuary with more than 40 years' experience in the financial services sector, and I'm a former life company chief executive here in Australia and also in North America, Asia and the UK and Europe.

I've got expertise in life insurance, general insurance, wealth management, banking, investment management and risk. I love the business. I've been lucky enough a couple of times literally to deliver the cheque and seen the dramatic impact the product, services and people can have on the lives of clients. I'm confident that I can
5 continue to make a strong contribution to the governance of AMP if re-elected today, and I'm determined to help lead – AMP lead and shape the financial services sector. Thanks.

10 MS BRENNER: Thanks, Trevor, and I'm really pleased that you mentioned the AMP building at Sydney Cove. It's a much loved and treasured asset that's part of the AMP family. I'll now call on Patty Akopiantz, who is standing for re-election today.

15 MS P. AKOPIANTZ: Thank you, Chairman. Good morning. Today I stand for re-election after having served on your board for five years. As always, it is a pleasure to have the opportunity to speak with you. In the past I've spoken about my passion for this organisation and our vision of helping Australians own their tomorrows. Watching that video earlier makes me so proud of what this company does. Today,
20 though, I thought I would share with you some of the more tangible ways I am working with the rest of the board to help achieve our goals.

The first revolves around my role on the People and Remuneration Committee. At AMP, we believe that remuneration should be clearly aligned to the sustainable growth of our company and long-term results to shareholders. This is important in a
25 good year. It is even more critical in a challenging year, like 2016. You will have seen that we have made several decisions to ensure that remuneration outcomes for 2016 clearly align to the outcomes to shareholders. These are difficult decisions, but they are the decisions you should expect your board and your CEO to make. Our chairman will elaborate more on some of the remuneration aspects later.

30 The second area is in supporting the bank in its growth aspirations. As chairman of the AMP Bank, I am delighted to be working with the rest of the bank board and the management team to accelerate the growth of the bank over the next few years. I am pleased that the bank has had another outstanding year delivering 15 per cent growth.
35 I see the board's role as helping the team achieve more faster, while ensuring we remain within our risk appetite. The third area relates to my 15-plus years of experience as a director on large and complex companies, all in customer-facing industries.

40 I believe that my passion for the customer and people, my deep governance capabilities and my many years of practice in asking questions, help me contribute to the robustness of discussion at the AMP board table. I hope this gives you a better sense of what I stand for and the work I am doing to help deliver our strategy. I would be honoured and delighted to be re-elected to serve another term. Thank you.

45 MS BRENNER: Thanks, Patty. And Patty does a really terrific job as chair of our People and Remuneration Committee. As I mentioned earlier, we'll hear from our

CEO, Craig Meller, shortly, and Peter Shergold will be retiring from the board today, so I've asked Peter to say a few words when he kindly assumes the chair during my re-election. So for now we will pass the baton to Vanessa Wallace to address the meeting.

5

MS V. WALLACE: Good morning, ladies and gentlemen, and as my colleagues have said, I really believe that AMP is a great organisation and one that plays a really important role in society and the lives of many of us. When AMP fulfils its mission of helping people own tomorrow, we can live, and most importantly, our children can grow and aspire with much greater confidence, and I think that's really important. As an experienced director – I started my director career with Booz & Company on their global board in 2008, Wesfarmers Limited 2010, AMP AMP Capital and Seek Limited – I know that good corporate governance really helps companies. It's obviously very much valued by financial markets and regulators. But I also believe that good corporate governance contributes directly to national and citizen prosperity.

Over the last 30 years I've had the privilege of working with many financial services companies across asset management, banking, insurance, both in Australia and New Zealand as well as in Japan, as well as other global markets, and also at all stages of the economic cycle, and through some periods of major corporate transformation. And I've seen firsthand the power of decisive leadership and alignment within an organisation and the power of being very clear and focused on your distinctive advantages. I believe AMP has a real eye on the future, is building the right capabilities, and is absolutely committed to ensuring Australians can economically access high quality advice and wealth and investment solutions to help customers achieve their goals.

We also have a very strong investment management business in AMP Capital, which I'm very proud to be the chairmen of. The business has some truly world class investment management capabilities and distribution strengths and some formidable partnerships. We see great opportunities for AMP Capital and in global markets and have a very considered and purposeful growth strategy that we're pursuing. I am very proud and privileged to be your representative, and I will continue to work on your behalf to deliver good corporate governance and to help guide and support AMP management as they achieve and deliver against their promise of helping people own tomorrow. Thank you.

MS BRENNER: Thanks. Thanks very much, Vanessa. I now ask Mike Wilkins, who's standing for election, to make a few remarks. Mike was appointed to the board in September of last year.

MR M. WILKINS: Thank you, Catherine, and good morning, ladies and gentlemen. I was very honoured to be appointed to the board of our company in September of last year. I believe that AMP is a great Australian company that holds a significant position in our industry, but also in the history of our country. I'm very excited that AMP is looking to the future through its reinvention of the way in which advice and

performance are delivered and through its involvement in Asia, notably through its successful partnerships with China Life and Mitsubishi UTB. This is shaping the future of financial services in our country, but it's also showing the way for other Australian companies through our involvement with Asia. I believe that
5 diversification and reinvention are hallmarks of companies that will succeed in the future, and I'm very pleased to be involved with such a company in AMP.

I've got over 30 years' experience in the financial services sector in Australia, in Asia and in Europe, and specifically within the insurance and investment
10 management sectors. I've also spent over 20 years as chief executive of ASX100 listed companies, as well as being a director on a number of other boards, and I currently also serve as a director of QBE Insurance Limited. I'm very passionate about our industry and I'm passionate about our company, and I look forward to
15 using my skills and experience, together with that of my fellow board members, to contribute to the ongoing success of AMP. As Catherine has mentioned, I'm also standing for election today, and I would very much welcome your support for my election to the board of directors. Thank you.

MS BRENNER: Thanks, Mike, and I should also mention that with Peter Shergold retiring at the conclusion of this meeting, that we're delighted that Mike Wilkins will be taking the mantle as chair of our risk committee from Peter. And so last, but not
20 least, I would like to ask Holly Kramer to address you.

MS H. KRAMER: Thank you, Catherine. Good morning, everyone, and, as a
25 member of your board, I'm delighted to be here today and, like my colleagues, it's just a very big honour to be a part of AMP. Since I joined the board in 2015, I've had the opportunity to get to know this iconic company, an iconic brand, and to understand it in, I guess, what you would call a much more personal way. So I have had the opportunity to see and feel the passion of all the wonderful people who work
30 at AMP. People like the executive team, who you will hopefully have a chance to meet today, who are bright and dedicated, and, like all of us on the board, really committed to seeing this company grow.

I have been fortunate in my career to have had many years of experience working
35 with other iconic Australian companies and brands, like Woolworths, Ford, Telstra, Best & Less, just to name a few. And in many of those cases we've had to transform businesses in the light of changing markets and changing customer demands, and I've found that the companies that tend to be the most successful are those that put the customers at the centre of everything they do, and I mean with actions and not
40 just rhetoric. I see this transformation taking place at AMP. It's evident in the way that we're changing our views about financial advice, and you've heard a lot about thinking about how customers think of their future, their goals and their aspirations as opposed to just setting a financial target. The company has also instituted what we call the net promoter system, and that means that every time you have an
45 interaction with AMP you give us a score.

Now, we don't just take those scores. I've seen firsthand how the employees of AMP look at scores that say we've got issues and they come together as teams, people from IT and the call centres and marketing and product, and work really hard as teams to try to solve those problems. That's real actions to put the customer at the centre of what we do. So this work has been underway for quite some time, and I'm pleased to say there continues to be solid progress, and these scores improve year on year. Of course, there is always more to do. I'm very proud to be a part of the exciting journey of AMP and this exciting customer journey that we're on, and to work with my colleagues who are all committed to transforming AMP and shaping the way Australians achieve their financial goals in an ever-changing world. It is a great privilege to represent you, our shareholders on the AMP board, and I thank you very much for your support.

MS BRENNER: Thanks, Holly, and thank you to all of my fellow directors. I am very confident that we have in place a strong board with not only wonderful and relevant collective expertise, but also, as you've heard today, a great passion for AMP and its noble purpose, and a genuine commitment to drive stronger returns to shareholders. Your board and management are acutely aware that there is a long-held perception that AMP has never quite fulfilled its true potential. Together, we are determined to fix this. To this end, both the board and management acknowledge that the company's performance in 2016 was disappointing. It was a very difficult year for AMP.

Good performance in most of our businesses were overshadowed by a significant loss in insurance. Escalating claims volumes saw us take action to reset and stabilise this business. But the rest meant taking a large write down in our insurance book, which in turn led to a net loss at the group level for 2016 of \$344 million. While the insurance write downs were largely non-cash, the results impacted investor sentiment and our share price. Behind the headline numbers, we delivered good results in several areas, particularly in AMP Bank, AMP Capital, and the New Zealand business, which all delivered operating earnings growth

Our Australian wealth management business was also broadly resilient, despite challenging market conditions and regulatory change. Notwithstanding the insurance losses, the company remained financially strong and well capitalised, finishing the year with more than 2.2 billion surplus capital above the minimum regulatory requirements. The extent of this financial strength and the board and management's confidence in the future of AMP meant that we were able to maintain our dividend at 28 cents per share and to announce an on market buyback. We began the share buyback on 14 March and have so far returned nearly \$150 million to shareholders by purchasing and then cancelling shares.

All other things being equal, the buyback improves our earnings per share and it is in the best interests of shareholders. So as things currently stand, this is our preferred way of using any excess capital. So stepping back, then, While 2016 was a challenging year in terms of performance, we did maintain a strong financial platform on which to take the business forward. As a board and leadership team, we

are absolutely united in our commitment and resolutely determined to drive stronger growth and to improve returns to shareholders in 2017 and beyond. So let's turn to look at the future. The business environment is changing and changing rapidly.

5 We are witnessing demographic, social, behavioural, regulatory and technological change, all of which is actively influencing our strategic choices and shaping AMP's future. The extent and the pace of this change creates both challenge and very real opportunities for AMP, but five strong positive thematic trends stand out. The first is a global demographic shift and the undeniable fact that the world's population is aging.
10 In a little over a century, human life expectancy has almost doubled. Today it is about 80 for men and around 85 for women. In Australia, by 2064 there will be 9.6 million people, or 23 per cent of the population, aged over 65, and 1.9 million people, some 5 per cent of the population, aged over 85.

15 This has important consequences for how we manage our increasing longevity as a society with profound implications for how we manage health and, most importantly for AMP, wealth. Some 30 years ago as a nation, Australia showed great foresight in addressing this challenge by introducing a superannuation system designed to incentivise and create a long-term savings culture. As a result, today Australia is the
20 third largest funds management market in the world, and the Australian wealth management system holds \$2.2 trillion in assets, with the superannuation system expected to grow at around six per cent over the next five years.

25 By any standards, this makes Australian wealth management an attractive growth market, and AMP, as the market leader for superannuation and advice, we are exceptionally well-placed to benefit from this mandated growth. So coupled with this is the trend of the ageing of wealth. As the population ages, the skew of wealth moves towards the older generation, who are living longer in retirement and therefore seeking yield to make their incomes last. We see this trend as structural,
30 not cyclical, and it is driving demand for expertise in alternative real assets, specifically infrastructure and property.

These are high-margin, higher growth asset classes offering attractive returns for investors and higher growth for AMP. Again, AMP is well-positioned to capitalise
35 on this trend. We are among the top 10 global infrastructure managers in the world and are one of the largest property investment managers in the Asia-Pacific region. The second and, in fact, somewhat linked thematic trend for AMP is the shift in the world's economy.

40 During the next two decades the world's economy is expected to shift from west to east and north to south. The rise of Asia as an economic powerhouse is clear, with China's economy specifically expected to grow as we move further into the Asian century. Australia's proximity to Asia, along with our strong economic and cultural ties, present our nation, and AMP specifically, with enormous growth potential. To
45 put this in context, Australia is not alone in facing the demographic challenge. In the world's largest nation, China, the over sixties population is expected to more than double to 440 million people by 2050.

In the same timeframe, China expects to have 100 million people over the age of 80. Interestingly, in testament to the Australian superannuation system, China has chosen a very similar pensions and super model to address for the aging population challenge. Importantly, for AMP through a patient, long-term approach we have
5 built a very strong partnership with a formidable business partner, China Life. China Life is the world's largest listed life insurer with a Pan-China presence and a network of some two million agents. Selected for our understanding and expertise in the Australian pensions and funds management market, AMP and China Life have formed two very successful joint venture companies; both of which are performing
10 ahead of expectations. The first of these is China Life AMP Asset Management of which we own 15 per cent.

It has some \$22.9 billion worth of assets under management and is now the fastest growing asset manager in China and, therefore, arguably, the world. The second is
15 the China Life Pensions Company, of which we own 19.99 per cent. This is the market leader for trustee services and in the top three for investment management. The third trend is the impact of technology. We are in an era where the rate of innovation and the speed of technological change are unprecedented. Technology is driving change at a level that some suggest has been greater in the last 10 years than
20 in the last 100. We are facing what futurists are calling the Second Machine Age, a future where artificial intelligence, smart homes and driverless cars will reshape how we live our daily lives.

We believe that while technology is creating disruption, it's also creating
25 opportunity. It is shifting customer demands, needs and expectations. It is both enabling and driving greater demand for transparency, and it is making the ability to interact easily and seamlessly with companies across multiple channels the new norm. Yet harnessed intelligently, technology is simultaneously creating opportunity to drive far greater efficiency. Behind the scenes here at AMP we've been quietly
30 investing, building an innovative, technology-enabled, goals-based operating system in our Australian business, leveraging state of the art data and analytic systems, allowing seamless customer omni-channel interaction. And we've fully embraced technology as a driver of cost efficiency.

35 As an example, we were the first Australian company to move to the cloud, partnering with Amazon Web Services. This has reduced our IT infrastructure spend and enabled us to reduce delivery times for customers, whilst still keeping their data safe. The fourth trend underpinning our strategy is the changing nature of consumer behaviour and specifically the growing desire for experiences rather than products.
40 Research shows that increasingly we're spending money on travel, entertainment and education, experiences that make us feel good. In fact, psychology experiments have found that people tend to feel happier after buying an experience rather than a product. We've been reshaping our business to focus on differentiated goals-based experiences rather than products to stay ahead of this trend. The fifth trend revolves
45 around regulation.

Post the global financial crisis, the financial services industry has come under intense scrutiny, and the level of regulation has increased exponentially. Since 2009, the Financial Services Council has recorded some 22 inquiries, reviews and investigations into the Australian banking and financial services sector with a further
5 17 currently underway. The cost to industry of reform and review over the last five years is estimated to be approaching some \$3 billion. AMP has always welcomed and supported regulatory reform that is in the best interest of customers. We continue our long history of working with both regulators and the industry on improving outcomes and creating the policy of the future. To us regulation, again,
10 presents both a challenge and an opportunity.

There is no doubt that the implementation of the future of financial advice reforms and readying our advice network for the impending change to life insurance, educational standards and superannuation reforms has been costly, time consuming
15 and challenging, but the investments that we have made in automating and industrialising our back-end advice process mean that we are well placed to capitalise on regulatory change and reinforce AMP as the natural home for advisers in the future.

In fact, we've been investing to address and stay ahead of each of these five trends, but by their nature these have been long-term investments, investments in building a revolutionary new operating system that will see us change the way we compete and win in wealth management in the future, investments in building partnerships in
20 China and Japan which will broaden our geographic presence and scale, capturing meaningful growth in Asia, and investments in taking our in-house expertise in
25 infrastructure and property management offshore.

However, in light of our 2016 performance we've also taken steps to rebalance these investments in longer term growth with a far stronger focus on short-term
30 performance, to deliver stronger returns to you, our shareholders, in both the short term and in the long term. So reflecting for a moment and summing up, 2016 was undoubtedly a challenging year for AMP, and we understand and we acknowledge that many shareholders are disappointed with the short-term result. Your board and management are absolutely determined to drive stronger growth, deliver improved
35 returns to shareholders, and to realise AMP's potential.

To this end we've been rebalancing investment in the long-term growth with a far sharper focus on short-term performance, and Craig will provide more detail on this shortly. So I would like to conclude by thanking Craig, his leadership team and the
40 many thousands of dedicated people who work for AMP for their constant effort, enthusiasm and commitment. I would also like to acknowledge my fellow directors for their passion and tireless commitment and, most importantly, to you, our shareholders, for your continued interest and support. Thank you. I will now hand over to Craig.

45

MR C. MELLER: Thank you, Catherine. And good morning, ladies and gentlemen. Today I would like to talk about our business performance in 2016 and to share with

you our thinking on strategy, as well as the actions we're taking to drive growth and deliver much stronger outcomes for our shareholders in 2017 and beyond. As Catherine said, 2016 was undoubtedly a very challenging year for AMP. The bottom line result of falling underlying profits to \$486 million and in net profit to negative 5 344 million was very disappointing and was largely attributable to challenges faced in our insurance business. So I would like to take a look at each of our businesses, starting, of course, with insurance.

10 Through the course of 2016, we saw significant deterioration in the insurance market driven by increased international competition, pricing pressure and unprecedented levels of insurance claims. After a significant review we decided that the changes in the sector were structural, not cyclical, and so at the end of the third quarter we took decisive action to stabilise and rest the business, reducing the impact insurance would have on future group earnings.

15 Specifically, we strengthened our best estimate assumptions which is our view of the future level of expected claims; in doing so crystallised a very significant one-off capitalised loss of \$500 million, and a goodwill write-down in the order of \$668 million. Whilst these were largely non-cash losses reflecting the accounting 20 treatment applied to insurance, they still clearly impacted on our financial results, leading to the bottom line loss. We also entered into a reinsurance agreement with a major global reinsurer, Munich Re. Reinsurance effectively acts as insurance for insurers.

25 So the deal, while reducing future profit margins, also helped us to reduce our exposure to future volatility and released \$500 million of capital that were previously required to be held against future claims. We also consolidated our two life insurance books, AMP Life and NMLA Life, and that released a further \$145 million of capital. The capital released from these two initiatives gave us the capacity to 30 return capital to shareholders via the on-market buyback that Catherine has already mentioned. These actions were taken to stabilise the insurance business and minimise future impact on group earnings from that division. Importantly, the quarter 1 results announced this morning demonstrate that the actions are working and that the insurance business is now performing in line with our revised 35 assumptions.

So turning to our wealth management business, and in our wealth management business we retained our position as Australia's leading specialist wealth manager. However, this business was also buffeted by a range of challenges in 2016. Volatile 40 share markets, as well as uncertainty created by changes to Australia's superannuation legislation which was announced in the Federal Budget last year, meant customers took a far more cautious approach to topping up their super. We saw the impact most markedly in our cash flows, particularly in the second and third quarters, and we were not alone with the volatility and uncertainty reflected in 45 subdued cash flows across the broader industry.

Despite that difficult operating environment, the business delivered broadly steady results with earnings softening by two per cent as we worked very hard to offset the challenging conditions with even tighter cost control. Nevertheless, our wealth management business is in a very strong position. We are Australia's largest superannuation provider in a \$2.6 trillion market that's predicted to double by 2026. We are also Australia's leading provider of financial advice and the market leader in SMSF administration services. Over the past five years, the wealth management business has delivered strong compound growth in profits of nine per cent.

Turning to our specialist investment manager, AMP Capital has been a strong and consistent performer with the business delivering compound growth in profit of 10 per cent over the past five years. In 2016, the business continued this positive growth trajectory, with strong global demand for our investment expertise in property and infrastructure, and good performance in these asset classes helping to drive a four per cent increase in operating earnings. And, as Catherine mentioned, our partnership with China Life, the world's largest listed life insurer, also continued to go from strength to strength, with our two joint ventures both growing rapidly and delivering well ahead of expectations. All up, we're happy with how AMP is performing and very excited about the international growth potential that this business offers for AMP.

AMP Bank is another great growth story. It has almost doubled its operating earnings and delivered a compound growth rate of profits of almost 18 per cent over the past five years. In 2016, the bank's profits were up, net interest margins were wider and we drove above system growth in both residential mortgages and in deposits, and at the same time we were tightening our credit criteria. In short, we continue to grow the business while maintaining a falling cost to income ratio and delivering a high return on capital. And with only approximately one per cent share of that market and a market that is expanding, we see significant future growth potential for our banking business.

Our New Zealand business also had a pretty good year. It delivered good profit growth off the back of a stronger wealth management business and strong cost management, and it did so whilst off-setting the full impact of the loss of transitional tax relief in New Zealand. Throughout the year, we also managed costs tightly right across the business, completing our business efficiency program and delivering \$200 million of recurring savings. Our capital position also remains strong and well above minimum regulatory requirements. This capital strength meant that, despite the challenges faced in 2016, we were able to hold the dividend steady at 28 cents and return capital to shareholders through the on-market buyback which we launched in March this year.

This is a strong indication of the very deep financial strength of this business and our ability to continue rewarding shareholders even during what we acknowledge was one of our most difficult years. So that's the summary of 2016. Let me know spend some time looking forward. As the chairman outlined, the world is changing and changing rapidly. The many areas of change that Catherine shared this morning

create both challenges and great opportunity for AMP. They're influencing our strategic choices, impacting not only where we play in terms of the geographies and the segments that we choose to operate in, but also how we compete and when in our chosen markets, and we've already been investing heavily for a disrupted world.

5

So let me share with you our thinking looking at, first, where we play. We look to operate in large and growing markets where competition is rational and, most crucially, where AMP has a distinctive competitive advantage. We see these distinctive strengths in advice and superannuation, known collectively as "wealth management", and in investment management, particularly the management of infrastructure and property assets. We have been, and we continue to, tilt investment to our higher growth businesses releasing and recycling capital from our lower growth more capital intensive business to accelerate the broader group growth rate. From a geographic perspective, this means Australian wealth management with its attractive mandated market growth will remain the core engine of AMPs near term growth.

10
15

But we will increasingly leverage our strengths into new geographies, including China, Japan, Europe and North America, to drive to medium to longer term growth. How we will compete and when will vary by market. In Australia, the way we compete is changing. Historically, we've operated in all aspects of the wealth management value chain: advice, product, with super and insurance, and investment management. We've run our advice businesses broadly to break even, viewing them as a distribution channel for product where we've made our profits. In short, in the past we were an advice and product led business. Our future strategy has evolved to be purpose led, guided by our enduring promise of helping people own tomorrow.

20

25

It starts with the customer and, more specifically, the goals our customers want to achieve. As we've heard from Catherine earlier, our customers want everything easier, faster and cheaper, yet every day we see hundreds of people who need help sorting out their money and, as we all know only too well, organising your finances, investments, tax, superannuation and housing takes time, takes effort, takes technical knowledge, acumen and confidence. Yet talking about products like superannuation and insurance simply doesn't engage many people. In fact, as an industry, we've not done a good enough job of creating a compelling proposition to help people better organise their finances. This is borne out in research, which shows that while four in five people need advice only one in five seek it. So we've been rethinking and redesigning the way we deliver help.

30

35

Our experience has shown that the best way to engage people in their finances is to focus on the broader goals that they're trying to achieve. We've found these goals are largely consistent from individual to individual, with the emphasis changing throughout life from simplifying your finances, to owning your home, to protecting those you love, and then ensuring that you have a prosperous retirement. So we've been building a new goals-based, technology enabled operating system to underpin our Australian wealth management business. It's a system that builds on our historic strength in face to face advice, recognising the very real need for human interaction.

40

45

We've found that humans still want and need to talk to other humans to make their larger, life-shaping financial decisions.

5 It's a unique operating system that blends technology and human interaction making help and advice more accessible to more Australians more often, letting our customers choose how they interact with us, be it by phone, online or face to face, or all three depending on their needs and their life stage. And behind the scenes is an operating system that will make the process of providing help and advice far more efficient and more consistent and productive for AMP and for our advisers. Given
10 Australians' love for property, the system wraps in our banking and debt solutions. In fact, our bank provides components to over a-half of our new goals-based solutions, as does our investment manager with most goals needing an investment solution to provide a tailored outcome with different degrees of risk.

15 It's an operating system that allows us to better help those customers who come to us via their company's corporate superannuation schemes, creating a real relationship with them early in their financial life based on their goals. This new goals-based operating system is not an ambition. It's operating today in around 24 AMP advice practices around the country. By applying the system, we believe we can change the
20 traditional economics of, and the way we compete in, wealth management. We will generate more margin from a device which will offset the margin compression we're seeing in product and provide us with greater flexibility to compete on price to continue to drive volume without impacting overall profitability.

25 The final piece of our wealth management solution is our self-managed superannuation fund business, SuperConcepts, which is capturing growth from the increased popularity of SMSF. We entered that market five years ago and have built quickly to managing just under 10 per cent of the software and administration market. Our assets under administration have reached 22 and a half million dollars.
30 We've grown via acquisition in this business and are now moving all businesses we've acquired onto one platform to capture the benefits of our scale in this market. Increasingly, we're seeing SuperConcepts generate revenue not just by the provision of admin services, but as a platform creating new revenue-generating capacity for our Australian wealth business.

35 Looking at the drivers of medium-term growth, we will take our core capabilities in wealth management and investment management offshore. AMP capital has provided a model for this type of growth to date, using our globally renowned expertise in infrastructure and property management to build an increasing presence,
40 profile and income stream from both Europe and North America. In China the focus of growth is via partnership with our market-leading Chinese partner, China Life. Here, our pensions expertise is offering exciting growth potential as the Chinese government move to adopt a pensions approach modelled on the Australian system. Our investment management expertise is also driving growth and, as we opened our
45 first goals store in China earlier this year, China Life has proven the interest and potential to drive international growth by licensing our new Australian goals-based operating system to other organisations in differ net geographies.

5 In those of our businesses with slower growth, or where we do not have distinctive competitive advantages, including insurance, New Zealand and the mature portfolio, we will manage for value and capital efficiency, continuing to extract strong returns for investors. These businesses have a significant embedded value, built from running them successfully for many years. Managing for value means realising as much of this embedded value as soon as possible, whilst continuing to ensure we provide a high quality customer experience. In the case of our insurance business, we're currently achieving this through re-insurance, with a major deal signed last October and a second tranche progressing very well.

10 Our strategy in all business lines across all geographies will be underpinned by a continuing focus on cost and efficiency. This will be ever more critical in our business, with an ongoing mindset of actively seeking every opportunity to drive efficiency and reduce costs. So the AMP of tomorrow will be fundamentally different from today. Looking five years out, AMP will be a unique financial services company, delivering on outstanding customer experiences and superior total shareholder returns.

20 We will have a clear focus on customers, with a differentiated goals-based approach in core Australian wealth management business. We will leverage our strength in advice, pensions, wealth operating systems and our expertise in real asset investment management to drive medium-term growth offshore, and we will have a streamlined portfolio focused on growth, realising and releasing and recycling capital from our lower growth business lines, and in doing so will create the capacity to invest for stronger growth across the broader group.

30 So in conclusion, then, 2016 was a particularly challenging year, but despite the headwinds faced, the underlying financial strength of AMP was clear. We maintained the dividend, funded out of free cash flow, and we launched a share buy-back. We took action to reduce volatility of returns arising at a group level from insurance and to reduce our capital exposure to this business. Moreover, we maintained our leading positions in the Australia and New Zealand wealth management markets and continue to grow our position in banking.

35 We delivered increased international expansion in Asia, through our strong partnership with China Life and the Mitsubishi UTB, and in Europe and North America through our in-house capability and expertise in real asset management. And we've taken decisive action to drive AMP towards a stronger future, setting a clear strategy for growth. As a board and as a leadership team, we're absolutely determined to improve performance, to drive returns and to realise the true potential of AMP. Thank you for your ongoing support and your continued interest and investment in AMP.

45 MS BRENNER: Thanks, Craig. We're really fortunate to have such a committed and talented CEO as Craig, who brings very deep knowledge and understanding of the business. So we will turn now to the formal business of the meeting. The items of business for today's meeting are set out on the screen. Items 2 to 4 set out

resolutions to be voted on at today's meeting. To assist with the efficient conduct of the meeting, I declare that each of those proposed resolutions is now properly before the meeting. At the appropriate time we will proceed with the discussion on each item.

5

Each resolution will be put to a poll using electronic handsets. If you need to leave the meeting early and would still like to vote, please see one of the computer share representatives as you leave the room. If you did not receive your handset or white card, please raise your hand for assistance. If you would like to participate in any of the discussions during the meeting, please make your way to one of the microphones. If you have questions about your AMP products or services, our staff in the customer centre in the foyer will be very pleased to assist you. I'm delighted that, once again, shareholders who are watching the meeting through our live webcast will also be able to ask questions. If you would like to ask a question through the webcast, please click on the "ask a question" tab at the top of the screen.

10
15

So we will turn now to the first item of business. The purpose of this item is to discuss the 2016 statutory reports contained within the 2016 annual report. I would like to take this opportunity to introduce Tony Johnson of Ernst & Young and kindly ask him to stand. Tony is here today in his role as AMPs auditor and is available to answer questions about the audit of our 2016 accounts. Thanks, Tony. But before we turn to questions, I would like to make a few brief comments. Your board actively welcomes shareholder feedback, and in the lead-up to today's meeting we've identified three common themes from shareholder questions, where we thought it might be helpful to provide some background context.

20

25

The first is on the topic of executive remuneration. The board fully understands that there is increasing shareholder interest in the scale and structure of executive remuneration, and this is entirely appropriate. We too believe that remuneration should be clearly aligned to sustainable growth of the company and to long-term shareholder returns. This is important in a good year and is even more critical in a challenging year. With this context in mind, our approach to remuneration has two components: how well remuneration outcomes align with shareholder performance, and how well remuneration provides incentives for executives to drive performance and ensure retention.

30

35

In 2016, clearly the focus for all of our remuneration decisions centred on alignment to performance. As a result, we did not pay bonuses – that's our short-term incentives – to our CEO or any other member of the leadership team who are operating under the group plan, despite eligibility on non-financial metrics. We increased the weighting in the short-term incentive score card to financial performance from 65 per cent to 70 per cent, and no salary increase was made to the CEO for 2017. We also moved to ensure that long-term incentives are now 100 per cent focused on relative TSR, or total shareholder returns, and to extend the vesting period for long-term incentives from three years to four years. The board believes that these actions and decisions are appropriate, given the performance of the group in 2016.

40

45

The second area of consistent shareholder feedback surrounds the long-term performance of the company and, more specifically, its share price. As I mentioned previously, your board and the leadership team understand and acknowledge your concerns. We recognise that performance in 2016 was disappointing, and we are absolutely determined to drive greater value to shareholders and to realise the true potential of AMP. So to this end, despite the 2016 performance, we have taken every action to deliver increased value.

This has included releasing capital from our insurance business by re-insurance and the consolidation of our two life businesses, as Craig talked about earlier, and we are returning a large proportion of this capital to shareholders by means of an on-market share buy-back. There has been some confusion with regards to the buyback process, as different companies pursue different approaches. In this instance, to drive an increase in our earnings per share we've been acting to buy shares on-market and then to cancel them.

The third and final area of common shareholder feedback has focused on the environmental impact of our investment decisions. AMP has a long track record in sustainable investing. We are an investment company and not a corporate lender. We invest clients' capital on their behalf, often at their instruction and according to their mandate. All investments that we make are judged on their individual merit according to our investment approach. Key to that approach is the consideration of associated environmental, social and governance issues, or, as they're sometimes referred to, as ESG issues. And these include climate change.

AMP Capital's view is that climate change is a significant issue, and we support – and, indeed, we are actively lobbying for – a low-carbon environment and a low-carbon economy. As a company, AMP has been carbon neutral since 2013. We have a dedicated ESG team which specifically assesses these factors and to actively engage with the management of companies we invest in with regard to their environmental impact and climate change risk. Wherever possible, we seek to invest with influence. This means engaging not only with companies that we invest in, but with industry, government and special interest lobby groups to ensure that we are informed of the latest thinking and trends.

In addition to applying an ESG framework to all investments, we offer specific funds with an environmental focus, and make investments that will help our community sustainably transition to a low-carbon economy. We are committed to renewable energy, and, last year, we collaborated with the CSIRO on the development of Evergen, a new clean energy and highly energy-efficient business focused on providing intelligent home systems comprising solar power and batteries. We helped found, and are an active participant in, bodies such as the Investor Group on Climate Change, and we lobby for consideration through initiatives such as the Carbon Disclosure Project.

In fact, on Monday of this week, AMP Capital was the signatory to a letter from the Investor Group on Climate Change to the G7 and G20 governments calling for

continued progress on implementing commitments made in the Paris Agreement in 2015. This year, we also expanded our commitment to ESG and responsible investing by introducing new ethical criteria against which we assess all of our investments. Under this new framework, tobacco, cluster munitions, landmines, biological and chemical weapons manufacturers are now excluded in our investable universe. This will result in the largest divestment of tobacco investment in Australia.

We considered, but chose not to exclude, fossil fuels in our screening. Although we know it contradicts the views of some environmental groups in our community, our view is that some fossil fuel production is required to ensure affordable and reliable energy supply in developed and developing markets. As a general principle, given the number of stocks that we invest in, we do not discuss and will not be drawn on investments or hypothetical investments in specific stocks. I hope that this overview has been helpful to provide context in response to common areas in shareholder feedback.

I would now like to call for any questions and comments on our 2016 reports and the management of AMP. Please note that we will focus specifically on the remuneration report later in the meeting, and there will be time for your questions on that area then. So if anyone has questions, if you would like to move to either microphone 1 or 2. I see we have a question at microphone number 1.

ANNOUNCER: Chairman, I would like to introduce Mr Tilburn.

MR J. TILBURN: Yes. Chairperson, it's seven minutes past 12, and so it's my good afternoon to you and the poor, poor and poor-performing board of directors, who are the dictators. We have four females on the board and six males, 10 people who, in 2016, have wrecked the history of AMP. How? With \$344 million. It makes me sad. I could cry. I've been to the last 20 AGMs of AMP, Ms Brenner, and this is the first time, I think, in 20 years that we have suffered a gigantic loss, a catastrophic loss, a tsunami loss of financial plunders and financial mistakes.

My first question to you, vital and important, is why haven't you fallen on your sword, plus the CEO, Miller? You two have been the leaders in this disaster of disaster of disaster. You should both fall on your swords. There's still plenty of time before 1 June. That's the first big, important question. And, coupled with that, when I looked in the paper of April the 3rd of the poor old Sydney Morning Herald, it said diversity helps companies outperform. Well, we've got four females. They're not outperforming to make a profit; they're outperforming to make a loss. And there are six males. So that story goes down to hell, diversity helps companies outperform. It's all bloody propaganda. It's all bloody bullshit. Now, you can scratch down my questions. Ladies and gentlemen, that was the first big question, vital question, important question.

This is my 591 AGM. I've seen it all before, 591, the good, the bad and the ugly, and boy is this AMP board ugly, ugly and ugly. I have disgust sharply and

commented sharply on the enormous tsunami losses; never seen them before in the history of 20 years at AGMs of AMP. I think we can pass on, ladies and gentlemen, to the next question. It might be small in your minds, but in my minds it's not, because it's \$2,089,000. Over two million spent pays 27 non-audit services. These services paid out are enormous, and no factual details are provided, which I think is
5 gigantic dishonesty. They should tell us in details, facts where \$2 million goes.

I go down to the general property trust after lunch. They spend \$18,000, \$18,000 from the biggest retail and office company in Australia. I went to Simic, the old
10 Leighton, and they spent \$150,000. Yet we can spend 2,089,000. We want your reporting. It's no good now, reporting, because you should have done the facts and the details in the bloody annual report. The joke with annual report, ladies and gentlemen, is it's not what's in them, it's what's left out of them is important.

15 The next question, page 124, a small matter: shareholders having less than a marketable parcel of a humble, small 96 shares. Good God, I have 22,000. There's 11,541. The board has done bugger all about it; very bad housekeeping, and should be actively pursued to arrange eventual zero or nil shareholders from these 11,541 very, very poor shareholders. Ladies and gentlemen, the company is a disaster, and
20 it's made up of six men and four women. Ten people have made this disasters and disastrous outcome. I'm shocked, and I nearly had a post-traumatic stress disaster forced on me. Will you try to answer, Ms Brenner, because you shouldn't be there.

MS BRENNER: Thank you, Mr Tilburn. There are a number of questions which I
25 will take in turn and then I will turn to Craig. As I noted earlier and we spent a bit of time discussing, this is a pretty new board and I have been in the role for only nine months, and we are very focused on working as hard as possible to improve the performance of the company. So with this new board under a new chairman and a new leadership team, we are doing all that we can, as Craig spelt out, and we're very
30 confident about the future of the organisation. I think that our confidence was demonstrated by us maintaining the level of dividend at the 2015 level, which is 28 cents per share, as a sign of the strong capital position and our confidence in the future of the company.

35 As Craig and I spent some time talking about earlier, we really do share your disappointment in the performance of 2016, but are looking to the future and making a number of steps – taking a number of steps to improve that performance. We have a terrific CEO who has the full support of the board and we believe is best placed to lead us into the future and improve the performance. I will get Craig to talk about –
40 did you want to say anything more on that before I come back to Jack's other questions?

MR MELLER: No, no, you go on

45 MS BRENNER: Okay, thanks. Turning then to your question about the non-audit services and – on page 27, I think from memory that those need to be viewed in light of what the total audit fee was, and it was only about, I think, 13 per cent of the total

audit fee. I can – also it’s worth noting that there is further detail on what those fees are provided in the notes to the accounts later on. They include, I think, tax and compliance services, as well, and they’re listed in the notes later on. All of those things are subject to much scrutiny, and our chairman of our audit committee, Geoff Roberts, is involved in that process.

Turning, I think, to your last question about the unmarketable parcels, we have done a lot of work through our investor relations team to contact those small shareholders and to consolidate their holders if that’s what they so wish to do, and, in fact, AMP has gone since we were last here at the AGM from having the second largest shareholder registry in the company to having the third largest, which, as you note, does save the company quite a considerable amount of money in terms of sending out annual reports and those sorts of things. We do value every shareholder, but people who often don’t realise that they have a small holding, that we do provide opportunities for them to consolidate. Okay, thank you. We have a question from microphone number 2.

ANNOUNCER: Chairman, I would like to introduce Mr Lobb.

MR LOBB: Well, Chairman, we’ve heard it all before, year by year, the same story. It’s going to be better next year. Last year the share price was about five – about six dollars forty-six – \$6.60. Last sale yesterday was \$5.42. I’m wondering what it will be next year. Very briefly, at the time of AMPs foolish, inept and totally unwarranted demutualisation, the ASX listed AMP and it stabilised around \$20. A friend of mine was lucky enough to sell his for around 27. Around five years prior to the AMPs demutualisation, the Commonwealth Bank of Australia, CBA, was floated for the price of just over \$5.

Today it’s usually over 80. AMP was around \$20 and, as I’ve indicated, last night it was \$5.52. Financially literate people agree that the demutualisation was a disaster for the AMP. Whilst acknowledging that the return of 28 cents per share is quite good and a good income stream, with the AMP share price having dropped more than a dollar, around 20 per cent, and given AMPs history, our share price does matter to us. We want to sell assets from time to time. My feeling is to get out now before it goes lower. I’m just not encouraged by all this nice talk and the constant change of directors.

I’m not expecting any great encouragement from what is going to be said, Chairman, in response to my question. I will move on to a second and brief question. The board of Caltex late last year visited a constant question to their annual general meeting here in Sydney is why doesn’t Caltex get into batteries – you’ve alluded to batteries, storage batteries – and they’ve always said no, and at the annual general meeting this year they acknowledged with more fuel-efficient cars they’re selling less gasoline, diesel. I’m a bit concerned about this going into batteries when the leader in vehicle energy is not. Thank you.

MS BRENNER: Thank you, Mr Lobb, for your question, and I will turn first of all to your question about AMPs performance since demutualisation. As you note that – the AMP demutualisation was the largest undertaken in Australia in 1997 and there are about 1.2/1.3 million retail shareholders. I imagine many of you became
5 shareholders at the time of the demutualisation. It allowed many Australians to own shares for the first time. The share price that you quote was momentarily, I understand, at that level. But since then I think it's important to note that AMP is a very different beast. That, for example, in 2003, that the UK business was and shareholders received shares in Henderson Group, which have now performed
10 separately, but that was part of your AMP shareholding. There has also been \$13.8 billion returned to shareholders since demutualisation, which includes 41 dividends.

As both Craig and I have said, we agree with you that the share price performance has been disappointing and it does need to improve, and we've tried to share with
15 you some of the ways that we are thinking about improving this and taking actions to improve it. We're looking to the future and we are making the hard decisions to improve the company's performance and deliver value to shareholders, which we believe will then ultimately be reflected in the share price. 2016, as both Craig and I spoke about, was overshadowed and impacted heavily by the performance of the
20 wealth protection business and also investment market volatility, but we've made the hard decisions on the wealth protection business to cauterise it and to reset and stabilise the earnings so that we can then focus our growth capital on businesses that will provide that performance and growth into the future.

This board does have confidence in the future of the company and the actions that have been taken. We're also all shareholders and understand the shareholder
25 experience through that regard, as well. Your question on batteries. The example I gave earlier about our investment through AMP Capital and Evergen, which is just one of many investments that AMP Capital has, this is a company which, I think I
30 mentioned, uses technology from the CSIRO to provide solar panels and battery storage of energy for the households that have this reducing their energy prices to 60 – to 80 per cent. So this, as you can see, is a great growing investment for the future and the sort of investments that AMP Capital makes. Craig, did you wish to add anything?
35

MR MELLER: So the only point I wanted to make on that one was Evergen is an example of AMP Capital being innovative in creating investment opportunities for their clients. It's not necessarily an investment that AMP is making, but it's work
40 that we do to bring investment in new technologies available to the investors and the clients that AMP Capital would deal with daily.

MS BRENNER: Thank you. I turn to microphone number 1.

ANNOUNCER: Chairman, I'd like to introduce Mr Penn.
45

MR PENN: Thank you, Chair. My question relates to your discussions at the board level on climate change, and I'm heartened to hear your – in general terms, the

increased discussion on climate change since the last AGM is quite significant. I wanted specifically to – to a comment made by the APRA board member, Geoff Summerhayes, just recently, and he noted that in order to have a two in three chance of limiting global warming to below two degrees, we have to restrict future global emissions to around 800 gigatonnes of CO2. Does the board concur with this analysis? And, if so, how has the investment strategy of AMP Capital evolved to address the limitations of the carbon budget?

MS BRENNER: Thanks for your question, Mr Penn. As part of AMPs commitment to good governance and environmental sustainability, AMP does, as I mentioned earlier, support the Paris Agreement and a two degree reduction in global carbon emissions. That – along the lines of which Geoff Summerhayes talked about in his speech, but more generally, that we are looking at – and AMP Capital in particular is looking at the economic impacts of climate change, stranded assets and equivalent items. We also have this as a significant item at our risk committee, which we'll be addressing as the year progresses.

The second question was about our – I've forgotten – investments in – whether we're changing our investment philosophy. I think, as I mentioned earlier in my address, that we apply our ESG screen to all of the companies, which takes into account climate change matters as part of the investment decision. I turn to microphone number 2.

ANNOUNCER: Chairman, I would like to introduce Mr Matejcic.

MR MATEJCIC: It's Matejcic, but close. Madam Chairman, my question is regarding the annual report, just a bit to do with numbers. My background is not accounting, so I'm just trying to understand the numbers and get a feel for what has led to the result you've had this last financial year. Looking at page 2, you're getting some sort of idea with, I suppose, investment gains. You've had that – the actual gain – in 2016 you got eight and a half billion, I suppose. So that's actually consistent with the previous year, but you've had that – back to profit and loss, you've had that 344 million loss, so something has gone wrong there. But let's try to figure out why. I'm trying to work it out.

Page 51, I've got four questions on that – or four parts. If you turn to page 51, you've got the Australian wealth protection. Previous year, you had 185 million profit, then we went at 115 million – or half a billion loss. Then you had a group office cost. Now, that's a pretty big increase. I don't think you've actually got more offices, but you've gone from 61 million to 104 million. So your group office costs of – maybe more people using more stuff. Maybe stuff is being diverted somewhere else. I don't know. If you can comment, please. There's a goodwill impairment – previous year, there was none – of over half a billion, 668 million. Could you please comment on that goodwill impairment, what that means?

Then there's some market adjustments. These figures – previous year they were positive, then you've got negative, so I'm not too sure what that means. But that

leads to a profit attributable to shareholders. That was 972 in the – 972 million, down to 344 loss. On page 53, you’ve gone for – let’s see – change in policyholder liabilities. Life insurance contracts. I think you’ve spoken about that, but I’m not too sure. I’d just ask for clarification. In 2015 you had a \$240 million loss. That increased to a \$1.4 billion loss. Now, was that possibly to do with the release of capital expenditure for the cost of that reinsurance with Munich Re. I’m not too sure. Please comment.

Then, lastly, page 89, there’s a reinsurance liability right down the bottom. Previous year there was nothing. Now we’ve got half a million – well, 530 million, and there’s a note – there’s a little tiny number 2. Now, I’ve read that. To me, that could be in any other language. Could be Arabic. Basically, I don’t know what it means. Something about seated in insurance contracts and – I don’t know. Something about a cash flow for a 50 per cent quota, and something to do with a return on upfront commissions received. It’s a big number, but I don’t know what it means. Can you please explain? Thank you.

MS BRENNER: Sure. Thanks, Mr Matejcic, for your question, and yes, the way that we need to report these things in compliance with the accounting and auditing standards sometimes makes it a bit challenging to understand. But the goodwill impairment and a number of those numbers that you talked about all – they come about because of the decisions that we made and announced to the market in late October about resetting our wealth protection business and some of the changes and flow-on changes through that. I will get Craig to talk through that and the market adjustment and the reinsurance.

MR MELLER: Okay. Thank you for your question and also your diligence in going through the detail of the accounts to see how the detail of the issues in the life insurance business have flown through. So if I start on page 51, the first comment you made was around the – what’s the change from 185 in 2015 to minus 415 for the wealth protection business. That was due to a \$500 million – what we call the capitalised loss. Because of the nature of accounting for life insurance in Australia, it might be worth my while just spending a minute explaining how that works. When we write a life insurance policy, our actuaries work out what is the profit that that life policy is going to deliver to the company over the life of the policy. So let’s say we have a policy that we think will make us \$100, and it’s going to last 10 years. The accounting convention is then that you spread the profits evenly over the 10 years of the policy, so \$10 in each year for \$100 profit for a 10 year policy.

If, however, you add up all of the income from the policy and then all of the costs of claims and for a particular piece of business it becomes a loss over the 10 year period, you have to take all of the losses and book it immediately in year 1. And because of the changes that we made in our assumptions at the end of October last year, we looked at all the different lines of business we had in insurance, and in one particular line it was clear to us that that line of business on an ongoing basis would lose money. So we have to take all of the forward losses that we’re expecting for

that business and put it in as a loss this year, which led to the \$500 million capitalised loss, which you can see in that number.

5 The second thing that you do is then look and say, “What is the overall value of the life insurance business that’s expected to emerge over the life of all of the policies that you have in our books?” We went through a process of reviewing that and came to a view that based on how we are seeing the world changing and expecting a higher level of claims going forwards, that there will be something just over \$1 billion less profit right out into the future, and therefore the policy liability, which you referred to in page 53, had a reduction of just over \$1 billion, and that was a result of us saying that the future value of this business will be lower going forwards.

15 The third component was then saying the goodwill that’s held against that from prior acquisitions – can that still be supported by the current held value of the business? And that led to the \$668 million goodwill impairment. So those are all of the way the changes of our view of the future of the life insurance business have flowed through into the accounts for the year. I know it’s very complicated, but such is the nature of life insurance accounting, particularly in the Australian market.

20 The final point that you raised was the question on market adjustments for investment income. So each year we invest our shareholders’ capital into a range of investments that we think best suits the risk profile of the organisation as a whole. Because we have significant liabilities as a company that get discounted back against a bond rate, we put a lot of our investments into Government and other bonds, and during the course of 2016 the Government bond rate went up slightly and that caused the capital value of those bonds to reduce slightly and that led to those investment losses that you see there. In years where bond rates come down, that causes the value to go up and you see a reversal of that number.

30 Your final comment was on group office costs. One of the other actions that we took to respond to the expected reduced profitability going forward is to say we’ve got to work much harder on driving the cost efficiency in the organisation, and have implemented a cost program and we’ve put a provision in which went into the group office cost line to take account of expected costs of driving lower costs within the business, particularly people costs. So I think I’ve covered all of the points that you’ve raised and I apologise that it’s a very complex accounting system, but such is the nature of the life insurance business.

40 MR MATEJCIC: Just a supplementary comment, if I may, to make sure I’ve just tied it altogether. It sounds like you’re saying you’ve taken future expenses – booked them now, but you’ve also adjusted the risk so expenses shouldn’t – well, some of them are not going to be there next year. You’ve adjusted the risk for the income, so that should be maybe less, but you’ve also added to your insurance in case it does blow out again. So the risk is for the income should be better than what you anticipate and the expenses have already been covered. So going forward - - -

MR MELLER: So the change in the liabilities is net of our view of what the future expenses will be. So that's already taken into account.

MR MATEJCIC: Yes.

5

MR MELLER: Sorry, there was one other point you raised, which is about the reinsurance liability.

MR MATEJCIC: Yes.

10

MR MELLER: That \$500 million was the reinsurance that we took out so that if claims increase again we've, if you like, passed that risk on to the reinsurer - - -

MR MATEJCIC: That's right.

15

MR MELLER: - - - and so our profits will be less volatile going forwards, but we do take a small haircut in the profits of the group as a result of us selling that risk on to the reinsurance market, which is very commonplace in the history in the insurance industry.

20

MR MATEJCIC: So just basically looked at it very simply going forward with the company, just looking at income and expenses, your expenses have been taken care of. Your income should actually be better – well, better than past years compared to expenses because expenses as a ratio have been minimised.

25

MR MELLER: So the – yes, you're right. The only difference is that we're expecting a high level of insurance claims coming through as well.

MR MATEJCIC: Okay. Right. All right. Thank you.

30

MR MELLER: Okay.

MS BRENNER: Thank you. I will turn to microphone number 1.

35

ANNOUNCER: Chairman, I would like to introduce Dr Zahir.

DR ZAHIR: Chairman, Chairlady and ladies and gentlemen, for the last time I would like to say something about AMP. They insured my house. In 35 years no any claim or any – beautiful living. 2014 a storm New South Wales mostly Sydney. There's a couple of tiles, a dozen, went down the roof of the garbage and garage fell down. Nobody can go inside because if they go in – I brought people. They said, "No, Doctor, it is very dangerous". Okay. I go one metre, grinder or something there gzzz bzzz and come out and the roof fell down and after that junks and planks and my antiques and phht 6000 BC antiques. Antique is more than 100. Okay? Here is 40, 50 years the it looks and you call that antique. No, they're not antiques. Okay?

45

The water comes when the door – there curtains and curtains and then bzhhhhhh boom, the door of the garage for the three years totally close, cannot go up, cold outside, five – legally I have to open for my patients. I have to drive there. Okay. Parking here, here because my house is in corner of loop in Mount Coolah, the best garden, beautiful of all you heard entire world. But I put application to NRMA.
5 They said, “No, Doctor, you have to tell to AMP”. I said I am insured with NRMA. You’re cooperative with them. Okay. And somebody else come Burbank. Oh, no. Film, film, film, all over. There is a little bit of fungus. A lot of trees and beautiful flowers. Suppose there’s a little fungus over there. So what is wrong?

10 And then they did shower artificially from the tile – I put the tile a little bit like that because four days I went, nobody come because they were too busy. I give them time. It’s okay. Then it takes 17 days until they come. Okay. Then the other one roof fall inside the garage only, fortunately, because you know that this building like
15 that always I take care every year fixing. And they put water in the gutter. It comes from the street. Beautiful orchids, very happy. And now I cannot open the door. My antiques are smelling to the sky and nobody private company fix it. And then I talk with Honour Phil Ruddock, the father of the Canberra and the meetings and things. He is the electoral office.

20 He said, “Doctor, thank you for your patientness. My nickname is just for fun I tell you, Doctor, Colombo because I detect everything. Positively I work and, Doctor, prove. No proof, I never talk”. Six languages. I am very sorry. Please tell me for the last time what I should do to get door to be opened. I called the Burbank and
25 they are secretly living in Australia. They said, “I am not here”. I said where I should come to you. “Thank you very much. Okay, Doc, I am not here. I am in Brisbane North and a lot for around – look, the secret thing is living. Why you are – have contract with thieves? And now they’re Tweed Head. I said, yes, I know Tweed Heads, but Mr Australia, he the ship and boat comes and he put the proud
30 name of Australia.

MS BRENNER: Doctor - - -

35 DR ZAHIR: It’s nothing to do with Captain Cook.

MS BRENNER: Dr Zahir, I’m terribly to hear - - -

DR ZAHIR: and he have one, two, three. Please, now I heard from Catherine Brenner, the honourest lady, that nine months more we are going to choose the new
40 committee. Do you mean that I have to wait another nine months? It will be the fourth. Then maybe I can five. Then I said, you know, traditionally of Afghans – I said, okay, 6000 BC Afghan, we were – there was no Europe or Eurasia. So then maybe I say, Catherine, give me five.

45 MS BRENNER: So, Dr Zahir, I’m so - - -

DR ZAHIR: Please - - -

MS BRENNER: - - - terribly sorry - - -

DR ZAHIR: Please – yes - - -

5 MS BRENNER: - - - to hear of the damage to your - - -

DR ZAHIR: Please help me – please help me. Shall I wait another nine months, or you do something? And I promise you no call, no bagging. You do it please or no? I leave it until it get worse, then you people will pay millions and millions. And
10 sorry, because the politician 90 per cent here, in this country, beautiful Afghanistan – Australia.

MS BRENNER: Dr Zahir, I’m so sorry to hear about the damage to your house - - -

15 DR ZAHIR: Australia. Australia. In Australia. The – the god has given - - -

MS BRENNER: Yes. Excuse me, can we pull that microphone?

DR ZAHIR: The god has – yes.

20 MS BRENNER: So, Dr Zahir, I’m terribly sorry - - -

DR ZAHIR: Yes. So I’m

25 MS BRENNER: - - - to hear about the loss from the storm, but AMP does not – does not - - -

DR ZAHIR: Half a - - -

30 MS BRENNER: - - - issue property - - -

DR ZAHIR: Half a more - - -

MS BRENNER: - - - and casualty insurance.

35 DR ZAHIR: Half a more minute. Half a more minute. Because the god is giving us two year, especially here, the

MS BRENNER: I think – Dr Zahir, I think you’ve had a chance to - - -

40 DR ZAHIR: To go in in one and come out from other one.

MS BRENNER: Dr Zahir - - -

45 DR ZAHIR: Please don’t do it. Don’t do it.

MS BRENNER: I think - - -

DR ZAHIR: A lot respect. A lot respect.

MS BRENNER: Okay. I think, Dr Zahir, you've had an opportunity to address the meeting. I'm terribly sorry for the loss – property loss through the storm. AMP does
5 not issue property and casualty insurance, but perhaps one of our staff can help you get in contact with your general insurer, who may be able to help you. I'll take a question from microphone number 2, thank you.

ANNOUNCER: Chairman, I'd like to introduce Mr Wilkins from the Australian
10 Shareholders Association.

MR WILKINS: Good afternoon, chairman. As your colleague said, I'm representing ASA as well as my colleague, Ian Grace. I'd like to thank you very much for your courtesy and Patty Akopiantz and, of course as always, a very
15 huge amount of very generous assistance. We have for 730 shareholders for about 3.6 million shares. A couple of questions on earnings dividends. You – people have queried, I guess, the dividend pattern, and so forth, and you've expressed confidence and, if you like, sort of explicated it by saying that the board had sufficient confidence to make the \$500 million buy-back announcement and also
20 to maintain the dividend level at 28 cents.

That is, of course, good as an expression of confidence, but, of course, from a purely financial point of view, given the size of the loss, it was basically – the dividend was actually a payment out of capital, and, in fact, to maintain – to be able to say that
25 AMP was maintaining its policy of paying out 70 to 90 per cent of profit – underlying profit as dividend, in fact, not only will normal adjustments from statutory profit made, but a further 500 million of the insurance losses had to be added back to be able to create a base figure for that.

So I guess the observation is from a shareholder point of view, it's nice that the board felt confident enough to maintain the dividend, but, of course, from a – if you like, from an underlying economic point of view of the business, it basically was a repayment out of capital, so obviously one would hope that the action taken in 2016 was drastic, but absolutely non-repeatable. On the – the related thing is that franking
30 has cracked up over the years to 90 per cent, which is very good. Given AMP's Asian expansion – and there's still a fair amount of tax losses that have to be absorbed – do you believe that the 90 per cent franking level can be maintained?
35

And a related question on earnings per share. In your presentation in February one of the shareholder value objectives was to maintain EPS growth through the cycle.
40 Now, obviously, EPS – underlying EPS fell from 38 cents to 16 cents last year, so – and I'm not being sarcastic, but clearly shareholders would obviously want the trend of future EPS growths to be running through the 38 cent figure and not the 16 cent figure, and hopefully that the free kick from doing the buy-back, which should
45 increase the EPS by about four per cent every year, that's, if you like, a bonus on top of an already rising trend.

MS BRENNER: Thank you, Mr Wilkins, and thank you for your engagement. The Australian Shareholders' Association does a really thorough and thoughtful job, and we appreciate the engagement. I'll get Craig to comment in a moment about earnings per share and how we view that and address some of the issues you've raised. I'll turn first to the dividend. The dividend – firstly, the adjustment to underlying profit that you mentioned. That relates to the non-cash capitalised losses that we announced on 28 October as part of the wealth protection announcement, and that was a one-off adjustment relating to just that reset there, and we announced that at the time. And so as such, it's not expected to occur in 2017 or beyond.

We use underlying profit because we believe that it's a true reflection of the performance of our business. It excludes one-off cash items as well as any profits arising from investment markets. So we believe that that underlying profit is the best metric to judge whether management has delivered a true improvement in performance, and hence we strike our dividend off that level as well. As you correctly note, we do frank our dividends to 90 per cent. We always aim to frank our dividends to the maximum extent possible, but the nature of our businesses means that it properly won't be possible all the time, because we have businesses outside Australia, and the insurance business has a different taxation treatment. But our policy is very much to sustainably frank dividends to the maximum amount possible. Craig, would you like to comment?

MR MELLER: Yes, I was just going to say on the EPS issue, because the adjustments that we made in the insurance business last year were one-off of a nature, they had an extraordinarily large impact on the drop in EPS, and we would expect to see, all other things being equal, a very strong bounce-back in EPS going forwards.

MR WILKINS: From the trend line going through

MR MELLER: Yes. Well, that's certainly our ambition.

MR WILKINS: Hope so, yes. Chairman, could I just comment on your point about underlying profit. I completely agree with your stance on this. My observation was that not only did – was the 2016 figure – dividend based on underlying profit, which is – I'm absolutely fine with. I think that's totally appropriate for a business that has such volatility in its earnings as an insurance company. But also even on your own definition of underlying profit, you actually had to add back the 500 million from the wealth protection re-provisioning. So, if you like, you've actually got two different levels of underlying profit in 2016, and without the extra 500 million add-back, it wouldn't have been possible to pay a dividend at the level that you did. So it may sound like semantics, but you basically used two different definitions of profit to do – two different underlying profits to do two different purposes in 2016.

MS BRENNER: So our definition hasn't changed, but there was an item in there for 2016 that wasn't in there in the past. Did you want to comment further?

5 MR MELLER: No. I think, as I've tried, I hope, in a very complex business to explain reasonably simply, the 500 million is, if you like, a bringing forward of future losses, and therefore it's not a cash item. So whilst our policy hasn't changed, the board chose to make an exception for that 500 million on a one-off basis in 2016, as you observed.

10 MR WILKINS: Thank you. I wasn't really trying to fight it, it's just doing a little bit of sleight of hand, I think, in the way the words come out. But thank you. Thank you very much.

MS BRENNER: Thank you. Thank you. I turn to microphone number 1.

ANNOUNCER: I'm actually over here, Chairman.

15 MS BRENNER: Thank you.

ANNOUNCER: Chairman, I'd like to introduce Mr Terry.

20 MS BRENNER: Good morning – good afternoon, Mr Terry.

MR TERRY: Good afternoon to you, and thank you guys for your leadership and great work that you've done in the last 12 months.

25 MS BRENNER: Thank you.

MR TERRY: I'd like to address my question to you, Catherine, and - - -

MS BRENNER: Sure.

30 MR TERRY: - - - also a follow-up reply by Craig. There was a previous question relating to climate change, and with respect to CO2 emissions. And I'd like to further acknowledge in your report, Catherine, the other well-documented and sound policy that the company has concerning climate change and the impacts that that has on our environmental and social wellbeing. My question specifically is associated
35 with the huge losses that the insurance arm of the business is experiencing at the moment, and a lot of these losses are particularly in the huge property and – property loss claims due to the variations in weather conditions from cyclonic events, floods and bushfires.

40 Whilst these events are not new to Australia, the fact is that the climate change impacts mean that these events are occurring more frequently, and the severity of these events are alarming increasing. And so the question is, basically, what strategies the insurance arm of the business is adopting to try to alleviate these losses that are going to occur, and probably at a more frequent rate than there has been in
45 the past.

MS BRENNER: I thank you for your question, Mr Terry. AMP operates in the area – the insurance areas in which AMP operate relate to risk insurance relating to life insurance and income protection insurance, so it's personal insurance. We don't operate – we don't write policies in the area of property and casualty insurance. And
5 so the changes that – structural changes that we refer to that led to us deciding that we needed to reset that business included such things as the increased acceptability of claiming under such insurance for psychological and psychiatric illnesses, about the tightening of the compulsory third-party and workers' compensation insurance, and the change to how lawyers get paid in those lawyer, that they weren't related to
10 the sort of general insurance matters that may be caused by extreme weather events. They were very much to do with personal issues.

That being said, from an investment perspective, that AMP Capital looks at all of its investments using the ESG screens that I mentioned earlier, which include climate
15 change. As a group, we look at short-term and long-term risks and look to see how climate change and other things may impact our business in the long term, what the second and third-order effects may be on health and wellbeing, on wealth etcetera. And that's part of our risk process, which we do as a matter of course. Did you want to add anything?
20

MR: No.

MS BRENNER: No. Okay. Thanks. I'll turn to microphone, thanks.

25 ANNOUNCER: Chairman, I'd like to introduce Mrs Chan.

MS BRENNER: Thank you.

MS CHAN: Good afternoon, Madam Chair. Yeah, I have a question regarding the
30 annual report.

MS BRENNER: Sure.

MS CHAN: It's about our annual review and annual report. We have a presentation
35 at a glance showing the profits and all the key financial items. I'd like to know is that possible to also include the return on equities of the company in relation with our peers, and also the – as one graphic item. A second graphic item would be helpful is a pie chart to show our businesses, because, listening to this morning's presentation, AMP has got a composition of quite a lot of businesses. So it's really helpful, I feel,
40 that if you could please include the mixes in the percentages in the future annual report and the annual review, question 1. Question 2 is I listened to A Current Affair yesterday, just in passing that a nursing home, Opal, has got a mention on AMP. Does AMP own a part of any of it?

45 MS BRENNER: Thank you for your questions, Mrs Chan. Just turning to the first question about the shareholder review, we work very hard to try and include in this information that is of interest to retail shareholders. And so we're always looking to

see what improvements can be made to that, so we'll definitely take on board your suggestions when we're deciding what to put into it for 2017. If you are wanting further detail on return on equity, in the full-length annual report, which you can grab a copy of outside, if you'd like, on page 35 contains quite a lot of detail to that.

5

MS CHAN: Graphic representation would

MS BRENNER: Sure. No, we'll take that on board when we look to see the best way to present information in the shareholder review. So thank you for the suggestion.

10

MS CHAN: Appreciate that, Madam Chair.

MS BRENNER: Thank you. Your second question relates to Opal Aged Care. Opal is an investee business of AMP Capital, which is managed at arm's length. And the AMP board and management would very much like to express our deepest condolences to Mrs Carter's family, who is the woman that you refer to that was mentioned in the media. Professor Peter Shergold, as well as being on the AMP board, he's the chairman of Opal Aged Care. And I'll just ask him to respond to that particular item.

15
20

PROF P. SHERGOLD: Thank you very much. Thank you very much indeed, Mrs Chan, for your question. I am the chair of Opal Aged Care, and I am very pleased that you asked the question. On behalf of the board of Opal – and, indeed, I know the management – we do extend our deepest apologies. This shouldn't have happened. At Opal Aged Care we have very high clinical standards. We like to think we're the industry leader. On this occasion, back in November, those standards weren't maintained, and we are now paying the consequences of that.

25

It is very sad. We have taken extensive action to make sure that the manager in charge at the time is no longer with us, and the clinical standards have been reinforced. So I do extend our apologies. I think across our more than 60 aged care homes at Opal we are seen to be a – genuinely, an industry leader. We have to learn from this experience, and we will learn from this experience.

30

35

MS BRENNER: Thanks, Peter. Thanks, Mrs Chan. I'll turn to microphone number 1.

ANNOUNCER: Chairman, I'd like to introduce Mr Gaucher.

40

MR GAUCHER: Good afternoon. In January 2015, it was reported that AMP Capital was the mandated leader-ranger of a US\$335 million loan to Mundra Port, which is a subsidiary of the Adani Group, and one of the holding companies of the Abbot Point Coal Terminal. Does AMP Capital's – did AMP Capital take any of that debt, and, if so, what's the size of the exposure?

45

MS BRENNER: Thanks, Mr Gaucher, for your question. Through infrastructure debt or credit – so that’s fixed income strategies – AMP Capital does have a debt investment in the existing Abbot Point Coal Terminal. That’s a metallurgical coal export terminal, which is not related to the Carmichael Coal development. That debt investment is secured against the terminal itself. I’m not aware – those investments are managed at arm’s length, and I’m not aware of the size of that holding.

MR GAUCHER: Okay. Will AMP join the 20 other financial institutions in ruling out any additional finance for the expansion of the Abbot Point Coal Terminal or the associated infrastructure with the Carmichael Coal mine?

MS BRENNER: As a general approach, we do not discuss publicly investments which we may or may not be considering. I can tell you, though, that this proposal has not come to AMP at board level or to the senior leadership team. We are an investment company. We’re not a corporate lender. And we invest capital on clients’ behalfs. But, as I said, this hasn’t come to us at board level.

MR GAUCHER: So does the board understand that there is significant reputational risk as outlined by the CEO of Westpac, Brian Hartzer?

MS BRENNER: I am aware of those comments and, like all of our investments, we apply, as I talked through earlier, an ESG screen and all of those factors will be taken into account were such an investment to come to us.

MR GAUCHER: Okay. Thanks.

MS BRENNER: Thank you.

ANNOUNCER: Chairman, I would like to introduce Mr Vincent.

MS BRENNER: Thanks.

MR VINCENT: Good afternoon, Madam Chair and the board. Thanks. Before I get to my question, I actually would like to follow up on the gentleman down on the front corner here who asked, I think, a relevant question. But, obviously, the impacts of climate change on property, as we’ve heard a couple of times already, may not be as significant in terms of not affecting property insurance. However, it presumably has very significant impacts on our mortgage homeowner lending business. Earlier this, Shane Elliott of ANZ at a House of Representatives Economic Committee acknowledged that ANZ was analysing the impacts on property values of impacts such as sea level rise. Is that something that AMP is doing as well?

MS BRENNER: Thanks for your question, Mr Vincent. Craig, did you want to address that?

MR MELLER: Yes. In forming portfolio views on where we might want to lend and what security we might want to take, we take a full range of issues into account

and, as Catherine mentioned earlier, ESG and the potential impact of climate change is considered along with all of the other broader variables that might influence the value of any investment.

5 MR VINCENT: Yes. My question, with respect, was more specific than that, though. It was about is Amp assessing the impact of sea level rise on property values in Australia.

MR MELLER: We would have to take that question on notice.

10

MR VINCENT: Okay.

MR MELLER: It's – part of the range of things that we discuss in any – that we would consider in any particular area.

15

MR VINCENT: Okay. Thanks. A quick question that's probably more relevant to the audit. So I'm wondering whether or not the current year's financial statements when audited whether climate change was considered as a material business risk.

20 MS BRENNER: Through our risk committee and then up through the board we take a very broad look at what are the broader risks that could affect our business and different components of our business, and that risk matrix is reviewed regularly and, in fact, we've got our chief risk officer sitting in the front row here, and that includes a wide range of risks. We also do scenario planning and assessment to see how
25 certain things may play out in the global economy and around the world that may affect different aspects of our business. And, as I mentioned earlier, climate change is one that we are working on this year to see what the first and second order effects may be of that.

30 MR VINCENT: Yes. I appreciate that. That's – again, my question was more specific than that. It was that for this year's financial statements was in the auditing process climate change considered as a material business risk.

MS BRENNER: I would have to come back to you on that one, I'm - - -

35

MR VINCENT: Is the auditor here to be able to address that?

MS BRENNER: Sure. I will ask Mr Johnson, the auditor, if – Tony, if you wouldn't mind. He's a microphone. Thanks. This is Mr Tony Johnson, who is our
40 audit partner from Ernst & Young.

MR T. JOHNSON: Thank you for the question. Our process starts with understanding the risks in the business and in the industry more broadly. Clearly, our role is to look at the profit and loss and the balance sheet at the end of the year.
45 So to the extent there are any risks out there which impact either the profit and loss or the balance sheet, then we consider those in determining our view on what management have presented to us to audit.

MR VINCENT: Yes, I was aware of the process when I walked in here. I was aware of the process when I walked into the room. What I wasn't aware of was whether or not climate change was considered as a material business risk when the audit was conducted.

5

MR JOHNSON: We don't form a view on material business risk. We form a view on the financial statements.

MR VINCENT: So you weren't directed to then by the board?

10

MR JOHNSON: The Corporations Act sets out what we do for an audit and that does require the consideration of risks associated with the material statement, the financial statements. So climate change in itself is not a specific direction that is given, but rather holistically the risk to the accuracy of the balance sheet and the P&L are considered.

15

MR VINCENT: Holistically. Thank you.

MS BRENNER: Thanks for answering that, Tony, and I think we've addressed it in quite some detail how we address the broader risks of the business, particularly climate change. Is there another question on microphone number 2?

20

ANNOUNCER: Yes. Chairman, I would like to introduce Mr Drury.

MR DRURY: Thank you. Thanks, Chairman. This will be a quick one. Does AMP Capital believe that the fossil fuel companies in which it is invested should disclose the physical and transition risk they face due to climate change and conduct scenario analysis consistent with the two degrees policy pathway, and what measures will be taken against companies that fail to do that?

25

30

MS BRENNER: Thank you for your question. AMP Capital, as I talked about earlier, invests with influence. So we engage with our investee companies on a whole variety of issues that do include this. We're also doing our own work on the economic impact of climate change, stranded assets, etcetera, and we apply these to fossil fuel investments. So it's a broad approach that is done by the ESG company and by the ESG team which captures some of the risks that you've talked about.

35

MR DRURY: Okay. Thank you. But in your engagement you don't require them to have a scenario analysis on the 2(c) pathway.

40

MS BRENNER: That's a level of detail I'm not across. We would have to get back to you on that and we can arrange for our ESG team to engage with you.

MR DRURY: Okay. Thank you, Chairman.

45

MS BRENNER: Thanks.

ANNOUNCER: Chairman, I would like to introduce Mr Chan.

MS BRENNER: Hello, Mr Chan. It was also lovely to see you at the information session earlier this morning. I hope you found it worthwhile.

5

MR CHAN: Thank you. Well, I've got a different question here compared to the information earlier on. Mrs Chan is actually my better half.

MS BRENNER: Congratulations.

10

MR CHAN: Thank you. She's a lovely woman, I can assure you that.

MS BRENNER: Good to hear.

15

MR CHAN: Further to her question, I've got something that bothers me which she did not raise and because as both of us is getting on, one day we will require a service like Opal. As I understand here from what I saw in passing on the TV, that the daughter actually tried to defend the staff who – I don't know how many got sacked, but did say the manager was sacked. I was to understand that because there's a staff shortage situation and in the interests of cutting costs, that this old lady passed away.

20

If that's the case, no matter how you try to be sure such things don't happen, you haven't got that many hours for the staff to work to look after the – or not that many number of people look after the needy, the people who live there. So – and you actually was saying is the staff numbers there are shortage, rather than they're incompetence of that one particular retirement home. Now, is that right or not because, as I say, one day we need – we may need his kind of service.

25

30

MS BRENNER: Thank you for your question, Mr Chan. I will ask Professor Shergold to answer that.

35

PROF SHERGOLD: Thank you very much for that follow-up question. Look, what I can certainly assure you is that in terms of Opal Aged Care – and we run over 60 homes and I think we're the largest provider of residential aged care in Australia and we are genuinely proud of the clinical standards that we have. We are certainly very proud indeed of the staff, nursing staff and others, that work for us. Our ambition – and in general we achieve it – is to provide the best standards of aged care that is available in Australia, both for those who are physically frail and increasingly those who are suffering dementia. We work closely, example, in partnership with Alzheimer's Australia.

40

45

In this instance, the issue that arose was simply that the clinical governance standards that we had were not appropriately followed. We have now tried to make sure that, across the organisation, every single member of staff clearly understands those standards, and we are doing our absolute best to make sure that they are totally enforced. I can say to you, with my hand on my heart, that I think, at Opal Aged

Care, the way we have responded in this instance is that – as I think you would wish us to respond, to say we are truly sorry, that this was a mistake, that we are learning from our mistake, and I do not believe that it will happen again.

5 MS BRENNER: Thanks, Peter.

MR CHAN: Yeah. Sorry, if say this is a clinical problem sounds to me that the rest of your other centres, 60 of them, could potentially have this problem. Of course, now you'll look into it and - - -

10

PROF SHERGOLD: Yeah.

MR CHAN: - - - I'm pretty sure you would stop that of problem any more from happening, but potentially it could have any one of them happening.

15

PROF SHERGOLD: You could be assured that our clinical standards apply to every one of the aged care homes, and we are, day by day, week by week, making sure that our staff are fully trained in the standards that we set and that the standards themselves are progressively enhanced.

20

MR CHAN: Okay. Thanks. There's another question that I'd like to ask, and this is in relation to insurance. I believe years – years gone by, you have acquired GIO, which is a insurance company, and you have divested or got rid of it because of problems there, and seems to me you have not learned from insurance, and you have come back with the same – well, virtually the same type of problem to haunt us all shareholders. What's gone on there? You're supposed to be the professional, unable to manage insurance as much as, say, banking, super and so on? So why got us into this problem again?

25

30 MS BRENNER: Thanks for your question. I'll have to get Craig to talk to GIO because that was many years before I was associated with AMP. The – the insurance business has been a good business for us many years, but last year we started to see a structural change, which was observed across the industry, that – if we look – in fact, the best way to get evidence of that is to look, and so if we were to compare the performance of the market from the third quarter of 2015 to the third quarter of 2016, 35 profitability in the risk insurance business fell by 51 per cent, and if you compare it the same period a year for the same period, so ending the third quarter of 2015 to 2016, it declined by 61 per cent across the industry, so that's all participants in the life insurance risk insurance business in the country.

40

This was a structural change that was coming very quickly for the reasons that I spoke about earlier; the increased propensity to claim, a change in workers compensation, a tightening of compulsory third party and a change in which the legal profession gets paid on those matters. That led to the across the industry changes 45 that we took the decisive action at the end of October to reset that business, and we believe that it's now stabilised, as was shown in our cash flow result that we released to the market this morning. Craig, did you want to add anything?

45

MR MELLER: Just on that GIO – yes, I believe you’re right. AMP did own GIO. I believe it was sold in 2001; in any case, it was before even my time at AMP, so I can’t really comment on what’s a very different business in general insurance from life insurance, and it was an awful long time ago.

5

MR CHAN: But I’m a long-time shareholder. I don’t forget. You got me into real big trouble because of this – I mean, not you personally, but AMP itself, so I’m a very unhappy shareholder, and also, obviously, that person who passed away – that’s very very unfortunate. I know you people will try your best now to – to – to rectify this problem, but that should never even have happened. Okay. Thank you.

10

MS BRENNER: Thank you, Mr Chan.

MR MELLER: Thank you.

15

MS BRENNER: Another question from microphone number 2.

ANNOUNCER: Chairman, I’d like to introduce Mr Daley.

20

MR DALEY: You mentioned early on – earlier on in the meeting that AMP as a company was carbon neutral, and, in the sustainability report, it said that you achieved this by buying carbon credits, and I’m just wondering if you could give me the figure for how much that purchase of carbon credits cost you? I’m not expecting it to be very great because you only had 21,000 tonnes of carbon to account for, but could you just give me that figure?

25

MS BRENNER: I actually don’t have that off the top of my head, but we will get someone at the end of the meeting to speak with you so that we can get your further information. Thanks, Mr Daley. We’ll turn to microphone number 1.

30

ANNOUNCER: Chairman, I’d like to introduce Ms Davidson.

MS DAVIDSON: I just want to say that the nursing home – that the Opal home at Tweed Heads is beautiful, and I’m very sad to hear what these people have said about it. I have a 96 year old friend who’s just gone in there about six months ago. It’s a beautiful home, and the meals are great, and she loves it there. I just want you to know that they aren’t all bad.

35

MS BRENNER: Thank you, Ms Davidson.

40

MS DAVIDSON: I think it’s an isolated – isolated case that you’ve reported.

PROF SHERGOLD: It is.

45

MS BRENNER: Thank you, Ms Davidson. We really appreciate that, and it is an isolated case. Every person at AMP and at Opal Aged Care takes pride in how we

look after the people in the Opal Aged Care homes. Peter, did you want to add anything?

5 PROF SHERGOLD: What can I say? I agree with your wholeheartedly, and I very much appreciate you coming to the microphone to say it.

MS BRENNER: Thanks, Ms Davidson. Another question from microphone 2.

10 ANNOUNCER: Chairman, I'd like to reintroduce Mr Matejcic.

MS BRENNER: Thanks.

15 MR MATEJCIC: Hello, Ms – Madam Chairman. One just very quick question. After hearing Mr Vincent speak, I thought his question was a bit interesting, and I was – noticed that Mr – like, is it Sir? Because he's a – order of Australia – Sir Peter Varghese is a member of the Audit and Risk Committee in October 2016, so he would have attended, I – at least the October/November – there may not have been a December meeting. I wonder if he could specifically say whether there was any discussion on climate change during his attendance at those meetings.

20 MS BRENNER: I can answer that question on Peter's behalf, and I think – unless he wishes to add something – that at all of our risk committee meetings that there is a risk matrix where we look at the universe of risks that we believe may have an impact on the organisation, and that is looked at at every meeting.

25 MR MATEJCIC: Well, can I just – from – from – adding from that question is is the two words “climate” and “change” written down in that risk matrix?

30 MS BRENNER: As I said earlier, that is something that we are looking at as a broader macro risk during the course of this year.

35 MR MATEJCIC: Okay. But, I guess, going back to 2016, have those two words been written down, let's say very very broadly, either risk matrix or on paper? It's – very easy question.

MS BRENNER: Craig, do you want to - - -

MR MELLER: So the process really looks at two parts. One of them - - -

40 MR MATEJCIC: Yes.

MR MELLER: - - - what are the real risks that the business is facing today?

MR MATEJCIC: Yep.

45 MR MELLER: But we also take a much more forward looking look – view - - -

MR MATEJCIC: Yes.

MR MELLER: - - - and say, “What do we think of the emerging risks that could be risks to the business in the future - - -”

5

MR MATEJCIC: Yes.

MR MELLER: “- - - and how should we responding in changing to them?” And climate change would be one of the risks that we’d be considering under the emerging risk category.

10

MR MATEJCIC: I mean, just for the record, I – I – I’m a climate change sceptic, but I know there’s a lot of talk about it, so I just – I guess that you’ve – you’ve decided now to discuss it and possibly look – look at quantification, but, personally, I still have yet to be convinced; that might upset some people; but I guess if you have access to a wider range of reports and professional opinions, so I guess you are addressing the issue as other companies in Australia are doing at the moment as well.

15

MR MELLER: So we - - -

20

MR MATEJCIC: Thank you.

MR MELLER: - - - amongst the very broad range of risks that emerge - - -

25

MR MATEJCIC: Yes.

MR MELLER: - - - in a – in a changing world - - -

MR MATEJCIC: I do understand.

30

MR MELLER: - - - it’s one that very alive to.

MR MATEJCIC: Yeah. I think it’s a tiny, tiny component compared to the others, but thank you.

35

MS BRENNER: I think it’s worth noting, though, that this is something that has been looked at very thoroughly for many years at AMP Capital from an investment perspective. Thank you. I think that – David, were there any questions on the webcast? So it appears that we have answered all the questions at this stage of the meeting, so we’ll turn to the items of business that we now put to a vote. I appoint Mr Barry Azzopardi of Computershare as the returning officer to conduct the polls.

40

So I’m just going to walk through and explain the voting procedures. First, only shareholders or their representatives can vote. All those eligible to vote should have a handset with a white smart card inserted in the top. If you still haven’t received your handset or card, if you can raise your hand, and someone will come and assist you. If you are here today as proxy, any voting instructions given to you by your

45

appointing shareholder will automatically be cast, so you only need to cast any open proxies you hold using your handset.

5 Shares held jointly can only be voted once. If both holders are here today, only the shareholder whose name is recorded first in the register will have received a voting handset. And, finally, as set out in the notice of meeting, on items 3 and 4 voting restrictions apply to AMPs key management personnel and their closely related parties. We've implemented rigorous procedures to ensure that these voting restrictions are followed. We will show the final proxy position on the screen after
10 the discussion on each item.

Once the voting begins, the voting options will appear on the handset screen. To vote for the resolution, you, please, press 1. To vote against, you press 2. Or if you wish to abstain from voting, you press number 3. If you change your mind before
15 the voting closes, you can simply select a new option pressing 1, 2 or 3, and your new vote will override your original selection. Once the voting is closed, the results will be displayed on the screen, including all proxy votes. If you have any issues with your handset throughout the process, please raise your hand for assistance.

20 So let's move to item 2 of the notice of meeting, which concerns the re-election and election of six of your directors. As I mentioned earlier, we have been through a planned process of board renewal, deliberately seeking to build and strengthen the board's skills and experience, aligned to the company's strategy. Our directors represent an increasingly broad range of capability, from finance to retail, technology
25 and government. And, as you heard earlier, share a common passion and commitment to AMP. As the resolution of my re-election is first, I will ask Peter Shergold to assume the role of chairman for the next part of the meeting, and to conduct and discussion and poll concerning re-election.

30 However, before I do, on behalf of the entire board, I would really like to thank Peter, again, for his tireless commitment and service to AMP. His performance has been exemplary. He has a genuine passion for AMPs purpose and has been an absolutely terrific director. Thank you, Peter, and I would be very grateful if you could assume the chair.

35 PROF SHERGOLD: Well, thank you, Chairman. Good morning, ladies and gentlemen. You know, I had a set of prepared notes up here. But, having listened to the questions, I thought it would be better if I don't use those quite, and talk to you a little bit more personally. Now, today, I am stepping down as a director of AMP.
40 I'm certainly older – and I think Mr Tilburn might be right – I'm certainly uglier, and I'm certainly grumpier than I was when I joined the board. But I have to tell you, honestly, that I don't agree with some of the grumpier questions that have been forward here.

45 I certainly respect where those questions come from, and I certainly respect the honesty with which they're conveyed. But I need to tell you, as I finish up my time, that this is not a disaster. Things are tough. And, in my view, you have got a chair

and a CEO and a board now and an executive management who can deal with this situation, who are resilient and dogged, who are responding forcefully, who are responding imaginatively, and, yes, who are responding ethically.

5 I was told yesterday that I have attended 308 board and committee meetings over the last nine years. I'm going to tell you that's a lot of AMP. And, truthfully, I think in that time I've learned something about our business at every single meeting. And, certainly, I have come to understand what we need for an effective board in these tough times. We need a board and an executive management that can hold respectful
10 and robust discussions, and that's, I think, what I am leaving you with, as I step down today.

To achieve though our ambitions going forward needs leadership, and I'd have to say that I resile not one step from my belief that Catherine Brenner is providing that
15 leadership in these tough times for AMP, and that does lead me to item 2a. This is the part of the meeting which concerns Catherine Brenner's re-election as a director, and the proposed resolution is now up there on the screen.

One of my tasks as the chair of this part of the meeting is to outline to you
20 Catherine's experience and her credentials for the role of an AMP director, and, of course, let us remember, chairman of the board. And I am delighted to have this opportunity. Catherine was appointed to the AMP Limited board in 2010. She became chair last year. She is also chairman of the nomination and government committee. She's a member of the people and remuneration committee. She was a
25 director of AMP Life and of the Natural Mutual Life Association until 2016, including there serving five years as chairman.

Catherine has extensive corporate finance and public company experience. She has got that both as an investment banker and as a non-executive director. She's
30 currently a director of Boral, a director of Coca-Cola Amatil, a director of SCEGGS Darlinghurst, and a trustee of the Art Gallery of New South Wales. You need to know that the board has conducted a detailed review of Catherine's contribution and her performance as a director. I can assure you that she has the unqualified support of her fellow directors for her re-election.

35 But as I step down after nine years here as a non-executive director, let me emphasise that at a personal level I present her to you unreservedly. I can attest to Catherine's passion, her commitment, her determination to drive improved performance for AMP. I've seen those qualities in so many occasions. She is, in my
40 view, a true leader for challenging times. I think you've seen this morning the way her calmness was displayed under some pressure. So I'll now open the discussion on Catherine Brenner's re-election. If there are any further questions that people would like to ask her about herself, please come to microphones 1 or 2. Is there any further questions? Okay. So – sorry, is there a question?

45

ANNOUNCER: Chairman, I'd like to introduce Mr Tilburn.

MR TILBURN: Yes. Mr Acting Chairman, it's Mr Tilburn again.

PROF SHERGOLD: Yes.

5 MR TILBURN: And I'd like to say that it's twenty-five to two. But I'm speaking
against the re-election of Ms Brenner. I think she's a complete failure, along with
her sidekick called Meller, who is a second failure, on top of all of the other
directors. I won't be speaking on the two other re-elections, nor the three elections.
I'll keep my powder dry. But I am not throwing for three re-elections, nor am I
10 voting for three elections. The whole board is a complete failure. Now, if Ms
Brenner showed any so-called enthusiasm like I do at 91 years, she would have said,
"Mr Tilburn, I'm sorry that you don't like just 2,089,000 for non-audit services. I'll
see that the chief executive, Meller, sends you a personal letter explaining all the
facts, all the details."

15 And what I forgot to ask when I first had a go at her, her failures, 344 million, I
forgot to say where are all the facts? Where are all the details? Where are all the
sectors, including insurance, where you have made catastrophic financial blunders?
Now, I'm telling her now before she retires give me a letter – two letters – where has
20 \$2,089,000 for non-audit services? Where are all the areas, sectors and fact of how
she and Meller have lost \$344 million? I am voting against the whole six directors. I
wouldn't employ one of them, because they would lose money for me.

PROF SHERGOLD: Thank you, Mr Tilburn, for that reprise. I think, learning from
25 Q&A, I will take that as a comment on why you're going to cast your view, and
thank you for letting me know you will do it on each of the six occasions. Are there
any further questions?

ANNOUNCER: Chairman, I would like to introduce Mr Grace from the Australian
30 Shareholders' Association.

PROF SHERGOLD: Thank you.

MR GRACE: Chairman, for the sake of brevity I'm going to speak on all of the
35 directors.

PROF SHERGOLD: Thank you for doing that.

MR GRACE: We're here representing our members, as you're aware, and we
40 consider that all the directors are people that we would like to support, and we have
advised our members that all undirected proxies, we will be voting in favour of each
of the directors.

PROF SHERGOLD: Thank you very much, and thank you for handling it in that
45 manner. Are there any further comments or questions? Then I think I will close the
discussion. I think the proxy position can now be shown on the screen, and as that
occurs, I will open the poll. This is the poll on the re-election of Catherine Brenner

as a director of AMP Limited. So let me remind you: please grab hold of your handset and enter your view on your handset by pressing 1 if you want to vote for, 2 if you want to vote against, or 3 if you wish to abstain. Yours is not going? I think someone can come and assist you right now.

5

Is there anybody else who needs any help? Yes, someone else here. I won't close the voting until we've done this. Okay. Nobody else had problems voting? In which case, I will now declare the voting closed. Sorry, there is someone. Was there someone else has a problem? Okay. Just hold a second. We're right? Okay. That being the case, I will now declare the voting closed, and I think very quickly the results will appear on the screen behind me. On that basis, I declare the resolution passed. My very warm congratulations, Catherine.

10

MS BRENNER: Thanks, Peter, and thanks, ladies and gentlemen, for your support. We will now move to item 2B concerning the proposed re-election of Patty Akopiantz as a director. The proposed resolution is shown on the screen. Patty joined the AMP Limited board in 2011 and is chairman of the People and Remuneration Committee and a member of the Nomination and Governance Committee and a member of the Risk Committee. Patty is also chairman of AMP Bank and a member of its Audit and Risk Committees.

15

20

Patty has extensive experience in retail and consumer-facing industries internationally, having spent over 25 years in senior management and consultancy roles. Over the past 15 years, Patty has served on boards including AXA Asia Pacific Holdings and the Coles Group, and she is currently a director of Ramsay Health Care and the Belvoir Street Theatre. You've heard from Patty this morning about her passion and her really enormous contribution to AMP. The board has conducted a review of her contribution and performance as a director, and she has the absolutely unqualified support of her fellow directors for her re-election.

25

30

I now open the discussion on the re-election of Patty Akopiantz. As it appears there's no question – no questions from the webcast? Okay. I will close the discussion and the proxy position will now be shown on the screen, and I'll open the poll on the re-election of Patty Akopiantz as a director of AMP Limited. Please enter your vote on your handset by pressing 1 to vote for, 2 to vote against, or 3 if you wish to abstain. How are we going, David? Okay. So I can see that the majority of people have cast their vote. Yes. Okay. I now declare the voting closed. The poll has now closed and the results will appear on the screen. Congratulations, Patty. I declare the resolution passed.

35

40

We'll now move to item 2C concerning the re-election of Trevor Matthews. Trevor was appointed to the AMP Limited board in 2014 and is a member of the Audit Committee and of the Risk Committee. Trevor is also chairman at AMP Life and the National Mutual Life Association and a member of their Audit and Risk Committees. As you heard Trevor mention earlier, he's an actuary with more than 40 years' experience in financial services. He has held life and general insurance chief executive roles in Australia, North America, Asia and Europe.

45

5 Since returning to Australia in 2013, he has served in a non-executive capacity on a range of company and government boards, and is currently chairman at First Group and the New South Wales State Insurance Regulatory Authority. Again, you've already had the opportunity to hear from Trevor, the contribution that he brings, and the board has conducted a review of Trevor's contribution and performance as a director, and he also has the absolutely unqualified support of his fellow directors for his re-election.

10 I now open the discussion on Trevor Matthews' re-election. It appears there's no questions, so I will show the proxy position on the screen, and I will open the poll on the re-election of Trevor Matthews as a director of AMP Limited. Once again, number 1 is for, 2 against, and 3 abstain. Yes. Okay. I now declare the voting closed, and we will show the results on the screen behind me. Congratulations, Trevor. I declare that resolution passed.

15 We'll now move to item 2D concerning the election of Geoff Roberts as a director. Geoff was appointed to the AMP Limited board last year, 2016, and he's chairman of our Audit Committee. He was a director of AMP Life and the National Mutual Life Association and a member of their Audit Committees from 2011 to 2012. Geoff has
20 more than 30 years' experience in financial services, with a particular focus on accounting, financial management and strategic advice. He is the chief financial officer of Seek, and prior to that held the positions of managing director of Deloitte Victoria and a director of Deloitte Australia, and also prior to that as the group chief financial officer of AXA Asia Pacific Holdings.

25 You've witnessed firsthand Geoff's contribution and commitment. He also has the unqualified support of his fellow directors for his election. I will now open the discussion on Geoff Roberts' election. As there are no comments or questions, I will close the discussion and show the proxy position on the screen and open the poll on
30 the election of Geoff Roberts as a director of AMP Limited. Once again, 1 for, 2 is against, and 3 is for abstain. Okay. The majority of people have cast their vote. I will close the poll and show the results on the screen behind me. On that basis, I declare the resolution passed. Congratulations, Geoff.

35 We will now move to item 2E concerning the election of Peter Varghese as a director. Peter was appointed to the AMP Limited board and as a member of its risk committee in 2016. He's also a director of AMP Capital Holdings and a member of its audit and risk committee. Peter's public administration in governmental and international affairs experience spans 38 years and includes senior positions in
40 foreign affairs, trade policy and intelligence. His previous appointments include Secretary of the Department of Foreign Affairs and Trade, High Commissioner to India, High Commissioner to Malaysia and Director-General of the Office of National Assessments.

45 Peter is chancellor of the University of Queensland. He was made an Officer of the Order of Australia in 2010 for distinguished service to public administration. Peter was awarded an Honorary Doctorate of Letters from the University of Queensland in

recognition of his distinguished service to diplomacy and the Australian public service. Again, you've heard earlier the tremendous skills, passion and enthusiasm that Peter brings, and he also has the unqualified support of his fellow directors for his election. I now open the discussion on Peter Varghese's election and see that we
5 have a question at microphone 2.

ANNOUNCER: Chairman, I would like to introduce Mr Cohen.

MR COHEN: Thank you for that. I would like to speak against the appointment of
10 Mr Varghese to the board. If you look at his history, he hasn't got one skerrick of experience in the insurance industry or the financial industry. He's, apparently, a great diplomat and a great political operator, but there's no record at all of him doing anything in the financial field. If you look at last year, for three months he cost us \$77,000, \$77,000 for three months. Now, assuming his role stays the same, for 12
15 months he will cost us \$308,000.

I think this is one of the main problems with this board. You've got too many people up there who don't know what they're doing. And I think the only two on the board who really seem to know what they're doing are Mr Wilkins – or have experience in
20 the industry – Mr Wilkins and Mr Matthews. I think instead of getting recycled diplomats and political operators you should try getting someone who has got a bit of history in the industry, and then maybe your results would be a lot better. Thank you.

MS BRENNER: Thank you, Mr Cohen, for your question. I do have to agree with you quite significantly. Peter Varghese has already made a tremendous contribution to the board in the short time that he has been there. Diversity of thought, opinion, experience, backgrounds, age, gender diversity all contribute to ensuring that we don't get stuck in groupthink and that we make the best possible decisions about the
30 future of AMP. As we've talked about earlier and I spent a bit of time on in my address, that AMP is subject to numerous regulatory regimes, government inquiries and needs to participate actively in this area, and which we do in the development of policy, but also how we respond as an organisation.

I think you would have to agree that with 38 years of service at the highest levels of the Australian public service that Peter brings this perspective and experience in
35 spades. We've also talked about AMP Capital in particular and its international expansion. Peter's experience as the Secretary of the Department of Foreign Affairs and Trade and his experience as our ambassador to a number of countries helps us enormously as we think through the risks and opportunities of expanding
40 internationally, particularly into Asia. So we believe as a board that Peter is uniquely qualified to bring these skills to our discussions around the board table.

As there are no other questions, I will close the discussion on this resolution and
45 show the proxy position on the screen and open the poll on the election of Peter Varghese as a director of AMP Limited. Once again, it's number 1 for, number 2 against or number 3 if you wish to abstain. I now declare the voting closed. The poll

has closed, and the results will now appear on the screen behind me. On that basis I declare the resolution passed. Congratulations, Peter. We will now move to item 2F concerning the election of Mr Mike Wilkins as director. Mike was appointed to the AMP Limited board and as a member of its audit committee and risk committee in 2016. He is also a director of AMP Life and the National Mutual Life Association, chairman of those two companies' risk committees and a member of their audit committees.

Mike has more than 30 years experience in financial services in Australia and Asia, including life insurance and investment management, and over 20 years experience as a CEO of ASX 100 companies; most recently, as managing director and chief executive officer of Insurance Australia Group, or IAG. Mike has served as a director of Alinta, Maple-Brown Abbott, the Geneva Association and the Australian Business and Community Network. He's also currently a director of the QBE Insurance Group. Again, you've heard about the very valuable contribution Mike makes to the board, and he also has the absolutely unqualified support of his fellow directors for his election. I now open the discussion on Mike Wilkins' election.

ANNOUNCER: Chairman, I would like to reintroduce Mr Matejcic.

MR MATEJCIC: Madam Chairman, it's more a general question because I notice there's – all the directors have board positions on other companies. It's not a specific question for this gentleman who's – Mr Wilkins, but being a board member of QBE which is a competitor and being a member of this company which also does life insurance and various other insurances, can you just – no specific question, but can you just speak to the issue of potential conflict of interest in terms of information that he's privy to and how that's separate between the two boards.

MS BRENNER: Thanks, Mr Matejcic, for your question. And conflicts are something that we're very conscious of and take very seriously. QBE operates – and Mike will correct me if I'm wrong – but in the property and casualty area, whereas AMP operates in the life insurance area, and there is no overlap in our product offerings or the type of insurance that we write. Mike, along with all of my colleagues, I have absolute confidence in making the statement that in all of the dealings with the organisation and the board they act with the highest levels of integrity and are acutely aware of all of those things. There being no further questions, I close the discussion, and I will open the poll and put to the meeting the resolution that Mr Mike Wilkins is elected as a director of AMP Limited. Once again, number 1 is for, 2 against and 3 abstain.

Sorry. I should have noted that the proxy position is on the screen behind me. The poll has now closed, and the results will appear on the screen. On that basis I declare the resolution passed. Congratulations, Mike. Thank you, ladies and gentlemen, for your continued support of the board. We will now turn to item 3, being the adoption of the remuneration report. The 2016 remuneration report appears on pages 28 to 50 of the annual report and provides details of our remuneration approach and structure. Each director recommends that shareholders vote in favour of adopting the

remuneration report. Before item 1, I sought to respond in brief to shareholder feedback on the issue of executive remuneration. I now call for any questions or comments on the remuneration report.

5 ANNOUNCER: Chairman, I would like to reintroduce Mr Tilburn.

MR TILBURN: Ms Brenner, I would like to give one credit, maybe a congratulation, to the board of directors who saw fit to knock down Meller with any additional money. On page 2 of explanatory notes, it says:

10

No short term incentive paid out to the CEO.

Secondly:

15

No salary increase for the CEO in 2017.

Third, it says

20

No portion of long-term incentive granted in 2014 is expected to vest.

Well, all of that money not going to Meller is quite good, and I can only congratulate again and credit the poor, poor board in seeing that Meller's salary is knocked down and kept to a minimum.

25

MS BRENNER: Thanks, Mr Tilburn. I'll talk to microphone number 2.

ANNOUNCER: Chairman, I'd like to reintroduce Mr Wilkins from the Australian Shareholders' Association.

30

MS BRENNER: Thank you.

35

MR WILKINS: Thank you very much, Chairman. And recognising the time, I'll try and abbreviate this extremely complex area. As you probably know, we've actually recommended against the rem report for, I think, at least seven years. This year, we're very impressed by the cumulative effect of the gradual improvements each year, and I think very notable improvement in 2016, both in terms of its clarity and the depth of its disclosures. There are still, as you know, a few points that we disagree on as matters of policy, but – and really, that's mainly about the LTI, but generally we think it's a very good job.

40

45 As Mr Tilburn referred to, I think the board took very strong action to deliver zero STIs to the entire KMP team last year. We think that although some people might feel that that was a harsh thing to do, I think it's absolutely the right thing to do in terms of the signal it sends. We had – one of our main criticisms in the past was that the STIs had been very large, both as percentages of base salary and particularly dollar figures, and in particular, they seemed to be not obviously very well correlated with the results, so even in the down years, there were still pretty big bonuses paid.

So it's very good that that action was taken. The score card that explains how the STI will be awarded in future is very clear. The one caveat, of course, is that for very understandable reasons, many of the actual thresholds or trigger points of awards aren't disclosed – a totally reasonable thing to do, but it obviously means the shareholders – even though the framework is excellent, shareholders have to put their faith in the board's judgment as to how stringent those criteria are going to be in their exercise, especially given that the maximum opportunity levels for SGI are still very large. Just a couple of points. The minimum shareholding policy is admirable. Does that extend outside the top 10 people now?

MS BRENNER: Thank you, Mr Wilkins, and thank you for your comments on the improvements in the remuneration report. I would particularly like to thank Patty Akopiantz, the chair of our committee and the committee but also our head of human relations and our head of remuneration who are here, who have put a lot of thought and work into that. So we really appreciate your comments. Just turning to the STI comment that you made as well, that hopefully the actions and the decisions that were made with respect to the 2016 remuneration give confidence to shareholders that we do stringently apply the criteria in the STI, even though some of them are not disclosed because they're commercial-in-confidence.

With respect to minimum shareholding, we very much believe, as I know the Australian Shareholders' Association does, that share ownership does drive alignment between shareholders and executive interests, and we are currently reviewing our executive remuneration arrangements, as were flagged in our remuneration report, and I guess the budget changes the other night may require us to do as well. And so we are looking at ways in which we can expand the shareholding beyond the key management personnel. So whilst some employees may own shares, the police does apply to the key management personnel, and they are set out in the annual report.

MR WILKINS: That's great, thank you. And in terms of AMP Capital, which, of course, has its own completely separate and distinct STI pool and, presumably, score card, or at least a subset of the main score card, obviously as a funds management business, there would be a great deal of weight on bringing in assets under management and how well the funds score against peers and so forth and, obviously, that industry is, perhaps with some fairness, known for its short term-ism. How, in general, without talking about specific people – we've obviously got the detail about the chief executive of that division, but not across the whole team there. How, in general, do you balance LTIs and STIs in capital to ensure that there isn't too much of a focus on the short term at the expense of the long term?

MS BRENNER: Thank you. That's a really good question. And as you will have noted from the remuneration reports, that we put in place a new remuneration framework for 2016 for the AMP Capital business to deal with the fact that we were losing a number of teams in that business and to have market competitive remuneration, particularly as we expand internationally. That framework was designed bearing in mind the nature of that business, the sort of work that they do,

and how we wish to align reward with performance. And so there are features in that which include deferrals. And I think, Craig, is it 25 per cent deferral?

MR MELLER: Up to 40 per cent.

5

MS BRENNER: Up to 40 per cent deferral is made for those AMP Capital executives under that scheme. So that, we believe, is an incentive to look to the long term, as well as to the short term in driving performance.

10 MR WILKINS: Yes, thank you. Just to clarify, that deferral is for two years, I think, is it?

MS BRENNER: I think that's - - -

15 MR WILKINS: Or for longer?

MS BRENNER: Three years, I think. It was three years or more.

MR WILKINS: Three years.

20

MS BRENNER: Yes. Thank you.

MR WILKINS: Thank you very much.

25 MS BRENNER: Okay. There being no further questions on the remuneration report, I will show the proxy position on the screen and open the poll on the adoption of the remuneration report for the year ended 31 December 2016. Once again, on your handset it's number 1 for "for", 2 for against, and 3 for abstain. Okay. I declare the voting closed and the results will appear on the screen. On that basis, I
30 declare the resolution passed and I will turn now to item number 4, which concerns the approval of Craig Meller's long-term incentive for 2017.

35 While there is no requirement to seek shareholder approval for this item, your board believes that it is appropriate to do so. As I mentioned earlier, our intent remains to align long-term performance pay for executives with long-term value creation for shareholders. Details of the performance rights proposed to be granted to Craig are set out on pages 13 to 15 of the notice of meeting.

40 In the non-executive director's view, it is in the best interests of shareholders to approve the share-based 2017 long-term incentive grant to Craig Meller because vesting of the performance rights will be subject to performance hurdle that appropriately aligns Craig's at-risk remuneration with shareholder returns. Your directors, with Craig abstaining, recommend that shareholders approve the 2017 grant and Craig's continued participation in the long-term incentive plan. I now
45 open the discussion in relation to this item number 4 and call on microphone number 2.

ANNOUNCER: Chairman, I'd like to reintroduce Mr Grace from the Australian Shareholders' Association.

MS BRENNER: Thank you. Thanks. Welcome back, Mr Grace.

5

MR GRACE: Thank you very much, Chairman. We – Australian Shareholders' Association, despite our support for the report as a whole, will vote our undeclared open votes against the resolution, as we have in previous years. Our reasons are based on the design and the amount of the LTI. We are very pleased that the future
10 LTIs will be measured over four years, but are disappointed that AMP has decided to drop the ROE measure for future grants. We don't feel that the ROE tranches has yet achieved its purpose, and we also believe its undesirable to have only one LTI measure. We would ask that the board give consideration to reinstating the second tranche next year.

15

We also are concerned about the high value of the LTI and that the maximum opportunity – at the maximum opportunity. The use of relative TSR, which can or may not align with shareholders' experience, needs to be balanced against another measure. We can see that this vesting structure at 50 per cent also is very clumsy
20 and could easily be improved, especially as it's at 50 per cent not the 51st per cent, and then it achieves maximum opportunity at the 75th percentile, and not the 85th, as we would prefer. So on that basis, we are going to vote against the motion.

MS BRENNER: Thank you, Mr Grace, for your comments. As I noted previously,
25 we are looking at the framework for executive remuneration and that the return on equity hurdle still exists on the other tranches that are still on foot. It is just for this one year that we have removed it, but we take your comments on board as we look to the redesign of the framework.

MR GRACE: Thank you, Chairman.

MS BRENNER: Thank you. I turn to microphone number 1.

ANNOUNCER: Chairman, I'd like to reintroduce Mr Tilburn.

35

MS BRENNER: Thank you.

MR TILBURN: Ms Brenner, I'd like to make my serious, serious remarks of
40 condemnation – repeat, of condemnation – for this outrageous, obscene resolution. Here we have the managing director, Meller, contributing to a loss of \$344 million, and what do they do on page 14, and connected to this resolution? They want to give him \$4,275,000 of performance rights. I said it was outrageous. I said it was obscene. And if you look up the dictionary, you'll find words like – the whole thing is excessive, Ms Brenner, extreme, overdone, immoderate, unacceptable by Mr
45 Tilburn, and I hope the rank and file here today, late this afternoon, will vote against it.

They say he has a fixed salary of 1.9 million, which might be too much, and what is wrong is in his bloody contract of employment, they allow the fixed sum to be multiplied by 225 per cent, and that's where the over four million comes in. Ms Brenner, he should not be getting these rich rewards after losing \$344 million. You are being dishonest to us shareholders. Matter of fact, I'm going to use one word before I sit down. The whole bloody thing of this resolution is absolutely corrupt, and we all should vote against it. He's getting rich rewards after losing \$344 million. Two other words. It's completely unethical and completely immoral. It's dishonest and corrupt.

MS BRENNER: Mr Tilburn, I think as we've evidenced by the decisions that were made and as you've seen in the remuneration outcomes for 2016, that remuneration does very much follow performance at AMP. As is set out in the notice of meeting, this grant is subject to performance hurdles. Whilst we're making the grant now, none of it will be received unless the performance hurdles are met, and they're set out in the notice of meeting. I'll turn to microphone number 2.

ANNOUNCER: Chairman, I'd like to introduce Mr Antonio.

MR ANTONIO: Sorry, Chair. I don't easily talk. I actually vote against all of you every year, so – the only – what I was just wanting to point out is that we're voting I don't know what for, because every time all you people get 99 per cent. I mean, if Turnbull got that sort of ratings, he'd be really happy, hey? That's all I wanted to say.

MS BRENNER: Thank you, Mr Antonio. There are a large number of shareholders who aren't represented in the room who have decided to vote by proxy, and so they're included in those numbers, but we very much listen to and value the comments that we receive from shareholders on days like today. So thank you. There being no further questions, I will put the resolution to the vote and show the proxy position on the screen. I'll open the poll on the approval of the CEOs long-term incentive for 2016, and once again, it's voting – pressing number 1 for, 2 against, and 3 abstain. Okay. I now declare the voting closed, and the results will appear on the screen behind me. On that basis, I declare the resolution passed.

That was the final item on our agenda today. The results of the polls that you participated in during the meeting will be released in an ASX announcement later today and published on our website. Thank you for joining us today. Your continued support, interest and involvement is very much appreciated. We have a team of AMP staff in the foyer who will be pleased to show you My AMP, our secure website which makes managing your finances easier.

The site allows you to view all your superannuation, insurance and banking products in a single location, and if you're an AMP customer they'll happily help you register and log in today. Lunch will be now served in the foyer, and as I mentioned at the beginning, if you have any questions about your products or services or your shareholding, the staff at the customer and shareholder desks will be happy to help

you. Your board, the CEO and the management team look forward to speaking with you over for lunch. Thank you, and I declare the meeting closed.

5 SESSION CONCLUDED

[2.13 pm]