

**TRANSCRIPT OF PROCEEDINGS**

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**AMP ANNUAL GENERAL MEETING**

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**PARTICIPANTS:**

**MR M. WILKINS**  
**MR WHITTINGTON**  
**MR MOORE**  
**MR VINCENT**  
**MR JOHNSON**  
**MR BEELA**  
**MR McCLURE**  
**MR GILBERT**  
**MR VAN DER POL**  
**MR MAYNE**  
**MR McKENZIE**  
**MR REES**  
**MR LUKA**  
**MS CHOWDHURY**  
**MR SOLOMON**  
**MR BERTOLIS**  
**MR REIKO**  
**MR SHEEHAN**  
**MR PAISHA**  
**MR BLACK**  
**MR CHOI**  
**MR BUCKNALL**  
**MS VAN OMAN**  
**MS POOR**  
**MR G. ROBERTS**  
**MS P. AKOPIANTZ**  
**MR A. HARMOS**

MR .....: Good morning, ladies and gentlemen, and welcome to the AMP annual general meeting. Before we begin the meeting, please switch your mobile phones to silent. In the case of an emergency, the hotel staff will direct you to the emergency exits.

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MR M. WILKINS: Good morning, ladies and gentlemen. My name is Mike Wilkins and I'm interim executive chairman of AMP Limited, and I'm also chairman of your meeting today. As there's a quorum present, I now formally open our 2018 annual general meeting but before we begin, I would like to acknowledge the traditional owners of the land upon which we're meeting today, the Wurundjeri People of the Kulin Nation, and I pay my respects to their elders past and present. I would also like to welcome all of you joining us here at the Grand Hyatt in Melbourne and those shareholders watching the meeting via our webcast.

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I'm joined on stage this morning by my fellow directors on the board of AMP Limited and I would like to take a moment to briefly introduce you to your directors. Starting on my far left, we have Peter Varghese. Peter is a member of both our Risk Committee and our Nomination and Governance Committee. Next to Peter is Patty Akopiantz, who is chairman of our People and Remuneration Committee. Patty is also a member of our Risk Committee and our Nomination and Governance Committee. Sitting next to Patty is our newest director, Andrew Harnos, who was appointed to the board last year and is standing for election today. Andrew is the chairman of our Risk Committee and is also a member of the Audit Committee. Turning now to my far right, I would like to introduce Trevor Matthews. Trevor is a member of both our Audit and Risk Committees. Next to Trevor is Geoff Roberts and Geoff is chairman of our Audit Committee and a member of our Risk Committee. And on my immediate right, I would like to introduce our Group Chief Financial Officer, Gordon Lefevre, and, finally, we have our Company Secretary and Group General Counsel, David Cullen.

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As we announced to the ASX earlier this week, the two directors who were to stand for re-election at today's meeting – Holly Kramer and Vanessa Wallace – have resigned from the board. They have both been valued members of the board and I would like to thank them for their contributions. I would also like to acknowledge those members of the AMP leadership team who are here today and they're seated in the front row. And I hope that many of you were able to join us for the information session held here this morning with our chief economist, Shane Oliver, also with Sam Rio, an AMP advisor, and Robert Coulton from AMP Advice as our masters of ceremonies.

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Our agenda for today is now shown on the screen and, as you can see, I will address the meeting before we move to the formal business of the meeting. Over its almost 169 year history, AMP has had a profoundly positive impact on the lives of its customers and the wider community, helping them to achieve their financial goals, and that remains the case today, which is why the historic problems identified in our advice business have been so confronting. The issues are fundamentally at odds with what we believe and what AMP stands for. The past few weeks have been

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exceptionally different for AMP and for you, our shareholders, but also for our customers, our advisers and our employees and it's only right that I begin by reiterating and reaffirming our unreserved apology. We are truly sorry.

5 The issues highlighted in our advice business are unacceptable. We let you down. We've let our customers down and we've let the wider community down. We understand that you want change and we understand that you want answers. And we want to address your questions head-on so that we can move forward because we're determined to do everything we can to restore the trust of our customers and of all  
10 Australians. Over the past two weeks, I spent time speaking with our investors, with our advisors, our employees and our regulators. And I've been encouraged by the level of support for the actions that we're taking to lift the company out of its current challenges. But before I go into detail about the way ahead, I want to address some of the concerns that have been raised with me.

15 Firstly, I've been asked how could this happen. And I've been honest and explained that no organisation should consider itself immune from such failings. At AMP, a small number of individuals in our advice business made the decision not to follow policy and inappropriately charged fees to customers where no service was provided.  
20 That situation was compounded through a series of communications that misrepresented the issue to, and therefore served to misled, our regulator on several occasions. Now, let me be very clear. From my perspective, the number of misrepresentations is not what matters. In my view, one misleading statement is one too many. Trust means honesty, even when the news is bad. On both counts, the  
25 behaviour was absolutely unacceptable.

People have asked what was the board doing. On learning that the departure from policy may have been deliberate, the board took decision action. This action included immediately notifying our regulator and commissioning law firm Clayton  
30 Utz to undertake a comprehensive investigation to understand the root cause and to determine accountability. I've also been repeatedly asked why we didn't go public with the issues in our advice business and disclose them immediately and I've explained that as these issues were part of an extensive, ongoing ASIC investigation, disclosing any facts or information had the potential to prejudice the investigation at  
35 its outcome. Moreover, the usual practice is to disclose this in conjunction with the regulator once these reviews are complete.

People have also questioned if there is anything else in our advice business to come. And, as we mentioned this morning in our quarterly update, there are a number of  
40 industry investigations currently ongoing. Specifically, in respect to ASIC reports 499 and 515, we've established a program of work to review the nature of ongoing fee arrangements between advisors and customers and to address any incidents of inappropriate advice. As set out previously in our annual report, we anticipate that this review will lead to further customer remediation costs and associated expenses,  
45 and we expect to be in a position to provide further clarification on this at around the time of our – the release of our first 2018 interim results. Now, ladies and gentlemen, we've heard loud and clear that you want change. Importantly, that

change is already happening and it's happening at pace. The board has accepted accountability. To date, some 50 per cent of the board has left or is leaving. Our former chairman, our former chief executive and two directors have stood down with a further director to leave at the end of this year. The scale of these changes reflects the gravity of the issues.

We've moved quickly and decisively to appoint a new independent external chairman, and David Murray joins us shortly. Now, David brings deep and extensive knowledge of the financial services industry to the role and an absolute commitment to reinvent AMP, our governance practices, our culture and to renew our board, and David will lead a program of accelerated board renewal, bringing an additional non-executive director onto the board in the near term, as well as replacing the directors who are stepping down. It's important to us, though, that we achieve the right balance of gender diversity and financial services experience, because that will be crucial. And I've got to say it's highly regrettable and unintentional that we've lost all of our female directors through this process. I know from discussions with our incoming chairman that he's as committed as I am to ensuring balance and diversity on our board.

The search for a new chief executive is also progressing well. We're determined to find the best possible candidate to lead AMP and to shape our business for the future. He or she will assume with a mandate to work with David and the board in driving change, improving performance and restoring trust and confidence. Together, David and I have already begun the much-needed process of resetting our relationship with our regulators. And across the business, we're injecting a greater sense of urgency to affect change. We've committed to an immediate and comprehensive program of review of regulatory reporting and governance practices.

The workplace investigation to understand accountabilities for the issues in our advice business is nearing completion, and we intend to exercise tough sanctions for any individuals found to have acted inappropriately and against our code of conduct. We're also well advanced with an enterprise-wide risk culture review working to determine how we can take action to improve, and all of this builds on the wide-ranging changes to processes and systems within our advice business which were already underway, and an absolute commitment to accelerate remediation for any customer impacted via our advice network.

Stepping back, it's important to reiterate that the current issues don't detract from the importance of quality financial advice, and advice remains the cornerstone of our business. In our view, good financial planning for Australian individuals, for families, for retirees and for our nation is so important if we're to successfully manage our shared future. It's a key focus of our investment and superannuation regimes, and that's why AMP is investing to make quality advice more accessible, more transparent, and more compliant.

We've developed the Goals 360 platform that combines the latest tools and technologies with personalised coaching and service to help our customers realise

their financial goals. For advisers, Goals 360 offers a more efficient way to provide advice, allowing them to spend more time with the customer. The technology is already operating in AMP advice practices, and the feedback from both advisers and our customers has been very positive, and AMP is building a practice management and customer relationship management solution for our advisers with Salesforce that will improve adviser efficiency, and importantly improve compliance by ensuring that it's built in by design.

So the process of change is already well underway at AMP. We're acting with haste and with a real sense of urgency. With the right measures, implemented decisively and at speed, I'm confident that we'll rebuild and restore trust and confidence in AMP. But I'm also realistic. The rebuild won't happen overnight, and it's crucial that our actions speak for and define us in the coming months. Turning now to the business of today's meeting and a number of the resolutions set out in the notice of meeting. Our shareholders have demanded board accountability and the desire to see meaningful board renewal. We've heard and we've responded accordingly.

As I mentioned earlier, some 50 per cent of the board has left or has signalled the intent to leave. Holly Kramer and Vanessa Wallace have listened to and acted on investor feedback, leaving with immediate effect, and I want to thank them both for their contribution to AMP. They're both talented directors who brought strong critical thinking and strategic awareness to the board. As a result of them leaving, we have withdrawn resolutions 2A and 2B from today's meeting. In addition, Patty Akopiantz, our longest-serving director, has offered to step down. Recognising the need for a measured process of board renewal, Patty will serve until the end of 2018. Patty, we're very grateful for your past service to AMP for the seven years that you've been on our board. Your strategic insight and expertise and your business acumen will be much missed.

Ladies and gentlemen, when we reach item 3, you'll see that we had proposed a new remuneration scheme to better support a culture of performance and to create a stronger alignment of interest between you, our shareholders, and AMP executives. Based on the proxy position on the remuneration report, today we expect to receive our first strike on this matter. Now, we recognise that many of our shareholders have voted against the remuneration report in response to the wider business issues, but we also acknowledge that others have legitimate concerns about the new remuneration framework. We understand your frustration, and we've heard you.

Our remuneration approach must appropriately balance the needs of our shareholders as well as our executives for a common and successful future. We're committed to moving forward and we'll consider the specific feedback that we've had on the remuneration report as well as the wider concerns when deliberating how to progress. So our focus now turns to the process of resetting and rebuilding AMP, and working to restore the trust and confidence of all of our stakeholders. But I think it's important to note that we have a very solid foundation on which to build.

Our underlying business is strong. In 2016, we delivered improved financial results and this gives us a good platform for change. At the group level, our underlying profit was \$1.04 billion, driven by strong performances across our growth businesses, as well as the stabilisation of our insurance business. Earnings rose 17  
5 per cent in AMP bank, and the bank plays a critical role in helping our customers achieve their goals, and it continues to be a great growth story. With a one per cent market share in a growing market, we think it continues to have strong growth potential.

10 Our investment management business, AMP Capital, delivered another strong performance. Operating earnings were up eight per cent, and it delivered its highest external net cash flows since it was established in 2003. At the end of last year, AMP Capital announced a partnership with US real estate investor PCCP that included taking a minority stake in its business. AMP Capital has a strong  
15 distribution network, particularly in Asia, and that will be complemented by PCCPs real estate investment expertise.

Our joint ventures in China continue to grow from strength to strength, increasing in both cash flows and market share. China Life Pension Company passed the \$100  
20 billion mark in assets under management in 2017, and in only its fourth year of operation, China Life AMP Asset Management has reached \$36 billion in assets under management. We also managed our costs tightly. Across the group, we met our target to reduce controllable costs by three per cent, excluding AMP Capital, and costs and efficiency will be a continuing focus for us. I think it's also important to  
25 reflect that AMP finished 2017 with a strong capital position with \$2.3 billion above our minimum regulatory requirements. The improvement in our financial performance allows us to increase the full year dividend to 29 cents per share and, this morning, in our first quarter update to the market, we advised the status on the portfolio review of our managed for value business: insurance, New Zealand and  
30 mature.

We explained that, whilst we continue to progress the portfolio review, we are currently prioritising the performance of the business, board renewal and the appointment of a new chief executive. In today's quarterly update, we also advise  
35 that AMP Bank and AMP Capital continue their growth momentum, whilst cash flows in our Australian wealth management business reflected a subdued period in the market following last year's superannuation changes.

I've also received a number of questions on how the Royal Commission has  
40 impacted our more recent business flows. We work closely with our corporate clients to provide reassurance on the strength of our partnerships with them. Not surprisingly, though, we have seen some increase in customer call centre inquiries and withdrawal requests, although this has eased back in recent days. However, reading through customer feedback from the last few weeks has brought home to me  
45 how keenly they have felt our recent issues, but I've also been heartened by many of the positive comments we've received from customers that we've helped, whether it be in banking, insurance or via their superannuation. There's inherent goodwill

towards AMP that endures and that provides the foundation for the rebuilding of that trust. We'll continue to provide our customers with assurance about the security and stability of their products, investments and AMP wherever that's required.

5 It's also worth mentioning that the federal budget was delivered on Tuesday evening. We've reviewing in detail the measures announced in the budget and the implication for our customers and for our clients. We will actively participate in the submission process as required. We remain confident in the strength of our products and investments as well as our strategy for the longer-term. Moving forward, we're very  
10 clear on the principles that will guide the AMP of the future. We'll reclaim our heritage as a company that's passionate about helping our customers achieve their goals and we'll do this honestly, openly, and with your trust.

15 Under the stewardship of a new chairman, a revitalised board, and a new chief executive, we'll continually evolve and respond to the rapidly changing environment. We'll fairly balance the needs of our customers and our shareholders on the understanding that we are the custodians of their savings. We'll cultivate a culture of integrity, help and performance that identifies and takes accountability for mistakes and moves quickly to put things right. We'll redouble efforts in advice, providing  
20 customers with the confidence that their interests are our absolute priority. We'll also invest in improving controls as appropriate. And as we rebuild our company on the principles on which it was formed, we will recognise the importance of listening to you, our shareholders, but also listening to our customers, our employees, and to the wider community.

25 Ladies and gentlemen, we can expect significant change in our industry as a result of the Royal Commission and in response to legitimate community expectations. I strongly believe that AMP is a great company that plays an important role in the lives of Australians and a key role in the Australian financial system, and I know this view  
30 is shared by our chairman-elect. He has told the board that AMP's unique importance to Australia's financial system is the core reason why he volunteered to serve. I also know, from my own experience, that it's possible to turn a business around and at speed if the focus and commitment are right, and these attributes are undoubtedly present at AMP.

35 I know that immediate action is required to reset our business and we're doing everything we can to accelerate the change that's already underway, but I also know that actions speak louder than words, and I can assure you that we're implementing a decisive series of measures that steer the business back on course and to restore your  
40 belief in AMP. Yes, we do have hard work to do, but AMP is committed to putting our customers at the core of everything we do, improving our culture and driving change right across our business. The AMP of the future will be very different from the AMP of today, but will remain true to our founding purpose of helping our customers when they need us most. AMP can and will do everything necessary to  
45 win back our company's respect and trust and to deliver for you, our shareholders, and actually to deliver for all of our stakeholders.

Turning now to the formal business of the meeting, the items of business for today's meeting are set out on the screen. Items 2c and 3, concern resolutions to be voted on at today's meeting, which are set out in the notice of meeting. Please note that items 2a and 2b on the notice, which concern the re-election of Holly Kramer and Vanessa Wallace as directors, are withdrawn from the agenda due to their resignation prior to this meeting. Item 4 on the notice is also withdrawn from the agenda as a result of the recent departure of our former chief executive, Craig Meller.

To assist with the efficient conduct of the meeting, I declare that each of the proposed resolutions set out in items 2c and 3 of the notice of meeting is now properly before the meeting. At the appropriate time, we'll proceed with the discussion of each resolution. Each proposed resolution will be put to the vote on a poll using electronic handsets. Voting will be conducted after we discuss the relevant items. However, so that anyone who needs to leave the meeting early can vote, I will now officially open the polls for the proposed resolutions in item 2c and 3, and I appoint Mr Barry Azzopardi of Computershare as the returning officer to conduct the polls.

If you need to leave early and would still like to vote, please see one of the Computershare representatives as you leave the room and they will be able to assist you to lodge your vote. Please note that only shareholders and their representatives are entitled to speak at today's meeting. At registration, these people should have been issued a voting handset with a white smart plastic card or a grey admission card. If you didn't receive your handset or smartcard or your grey admission card, please raise your hand for assistance.

As I mentioned earlier, I and the rest of the board appreciate and understand that shareholders will have questions relating to the events of the past few weeks and I will do my best to answer them, however, I would ask that you keep your questions as short as possible, given the number of shareholders who are here with us today, and that you bear in mind that we want to maintain the decorum of this meeting, please choose your language appropriately.

If you would like to participate in any of the discussions during the meeting, please make your way to one of the microphones when the relevant item arises. Please take your voting handset with the white plastic smartcard inserted or your grey card with you to the microphone. If you have any questions about your AMP products or services, please direct them to our staff at the customer centre in the foyer who will be best placed to assist you. Shareholders who are watching the meeting via our live webcast will also be able to ask questions. If you're a shareholder and you would like to ask a question through the webcast, please click on the "Ask" button – "Ask question" tab at the top of the screen and we will endeavour to answer as many questions as we can.

So ladies and gentlemen, turning now to the first item of business. The purpose of this item is to discuss the 2017 statutory reports contained within the 2017 annual report. I will like to take this opportunity to introduce Tony Johnson and Andrew



Price, partners of AMP's auditor, Ernst & Young. Tony has been lead audit partner for AMP for the past five years and retired from this role at the conclusion of the 2017 audit. I want to thank Tony for his professionalism and insights into industry practice over the past five years. Thanks, Tony.

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Andrew has now been appointed as the new lead audit partner for AMP in accordance with the legal requirements for auditor rotation. Tony and Andrew are both available to answer questions related to the audit of our 2017 accounts. I would not like to call for any questions or comments on our 2017 reports or on the management of AMP. Please note, we will specifically focus on the remuneration report later in the meeting. As I mentioned earlier, please endeavour to be as brief as possible with your questions. I now invite you to ask questions. If you could approach one of the microphones set around the room, we'd be happy to seek to answer your questions.

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OPERATOR: Chairman, I'd like to introduce Mr John Whittington from the Australian Shareholders Association.

MR WHITTINGTON: Good morning, Mr Chairman and ladies and gentlemen.

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MR WILKINS: Good morning, Mr Whittington.

MR WHITTINGTON: My name is John Whittington, and I'm a volunteer company monitor for the Australian Shareholders Association. Today I hold proxies from over 800 ASA members and non-members for over four million AMP shares which, if consolidated, would make us the 17<sup>th</sup> largest shareholder. I would like to thank you for taking the time to meet with our regular volunteer monitors for AMP, Ian Graves and Richard Wilkins, in Sydney. This has enabled us to better understanding your reports and proposed resolutions.

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Mr Interim Chair, the company produces solid financial results which, under other circumstances, we would've applauded. However, all this has been totally overshadowed by crisis after crisis following the Royal Commission revelations with substantial to the damage to the AMP brand and the value of AMP shareholdings. Firstly, we thank you for your apology and reassuring presentation a few minutes ago.

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We also support the appointment of David Murray as chairman, although we're disappointed that he was able to speak to the press but not come today to speak with shareholders. We understand that due to the rapid nature of his appointment, this might've been due to prior commitments. We look forward to him addressing shareholders in the near future, outlining what actions he plans to carry out to help fix the problems of the company. Can you advise exactly when his appointment will take effect and when we can expect him to address shareholders.

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MR WILKINS: Well, thank you, Mr Whittington, and can I also thank the Australian Shareholders Association for the cooperative and consultative approach

that you do take in dealing with us. It's very much appreciated. And for the meeting I should also indicate that the regular ASA monitor, Richard Wilkins, is no relation. David Murray will take up his role no later than 1 July of this year. As you've said, he does have some other prior commitments which he is working through, but I also  
5 know that he is keen to take that role up, so he will be here as quickly as he possibly can. Shortly after that, I'm sure he will communicate, probably through written means, with our shareholders to set out the agenda that he intends to follow.

10 MR WHITTINGTON: Okay. Thank you. I have three more questions if I may?

MR WILKINS: I think that that's appropriate at this stage.

MR WHITTINGTON: Okay. Mr Interim Chairman, the events of recent weeks have been traumatic for AMP but could have been predicted. This suggests that the  
15 board did not have a crisis management plan or, if it did, that it failed to enact it and present a professional, convincing response to stakeholders, regulators and the public. This has substantially eroded trust in AMP. Given the continued prosperity of AMP as a business relies on the trust of customers and regulators, the shareholders here today would like to hear what the board did not have – sorry, why the board did  
20 not have such a plan or had one and failed to enact it and what you are doing to ensure that AMP is better prepared to handle crises in future.

MR WILKINS: Well, thank you, Mr Whittington. As I said during my presentation, I think upon becoming aware of these issues the board acted very  
25 quickly and very decisively in terms of the actions that we took. The revelations that came out at the Royal Commission were not new. The issues that arose were actually found by AMP, reported to our regulator, and we were working constructively with the regulator through their processes at this time. These matters then came to light at the Royal Commission because the usual practice for ASIC  
30 investigations is that it is done between our regulator and the company, and that was the way the process was delivered. Some of the revelations that did come out at the Royal Commission were news to us. However, what we have done is moved as quickly as we can and as decisively as we can to deal with those issues and to look to start to rebuild the trust that you spoke about, because I agree with you. I think the  
35 trust in our organisation is vitally important, but I also think that AMP is vitally important not just to our shareholders, not just to the community, but to the wider Australian financial system.

MR WHITTINGTON: Mr Interim Chairman, AMP's submission to the Royal  
40 Commission as part of its rebuttal questions whether certain practices are illegal or not. Surely the issue ought to be whether the practices were ethical or not. What action has AMP taken to reinforce ethical standards throughout the wealth management division? Also, can you confirm that all the problems are limited to  
45 wealth management division and that there are no similar problems in the other five businesses?

MR WILKINS: Sorry. I lost your first question with the second one.

MR WHITTINGTON: What actions - - -

MR WILKINS: The submission to the Royal Commission.

5 MR WHITTINGTON: Yes.

MR WILKINS: Yes. Integrity is fundamentally important to us, and going with that is doing the right thing and making sure that the ethics in the business are appropriate. You have to understand that the submission to the Royal Commission was a legal and procedural document that was required to respond to the specific suggestions put forward by counsel assisting the commission. I've said in my earlier remarks today that for me, the number of misrepresentations that may have been presented and whether they were illegal or not is not the issue, because one misrepresentation is one too many. We've reinforced that with our people.

15 I've been in place for two weeks, give or take. I've spoken to a lot of our people over that time, and what I have to them is that it's really important that when we make errors, and all organisations are going to make errors, we actually own up to that, we take responsibility from it, we fix it, we learn from it, and we move forward. Also, I have said that speaking up inside the organisation is fundamentally important, and we've reaffirmed our whistleblower protections, and I've personally invited all our people if they have concerns to come to me anonymously if they feel that they can't speak to anyone else in the business.

25 MR WHITTINGTON: Thank you, Mr Interim Chairman. The third question is shareholders were promised that the conclusions of the strategic review into the future of New Zealand mature and wealth products would be provided at or before the AGM. So what are the conclusions and what are the consequences for capital management?

30 MR WILKINS: I think I mentioned that today as well. I think the circumstances that have arisen over the last few weeks – we have had to reprioritise that. The review is ongoing, but we've reprioritised the rebuilding of the organisation, the renewal of the board and the search for the chief executive, because we think that that is fundamental to the future of the organisation. Not backing away from the review, but certainly we have pushed it out.

MR WHITTINGTON: Understand that, Mr Chairman. Do you have a timeframe, in which case?

40 MR WILKINS: I can't give you an exact timeframe at this stage. We are continuing to work on it, but, as I said, the things that I think are more important and my board colleagues feel are more important is to get our chairman elect in place, to get a new chief executive in place and to deal with the rebuilding process that we know is so necessary for AMP.

45 MR WHITTINGTON: Thank you.

MR WILKINS: Take a question from microphone 2.

MR .....: Mr Chairman, I would like to introduce Mr Moore.

5 MR MOORE: Good morning, Mr Chairman.

MR WILKINS: Mr Moore.

10 MR MOORE: I thank you for taking on a very arduous role, and I thought your comments were spot on. It was very, very good, and the point I would like to make is that I've been reading about AMP in the papers, and I read an article last week by Sarah Danckert, if that's ..... way to pronounce her name, and it had in there a copy of two emails. I could read them out to you:

15 *Brian, I can confirm that we have taken into account all the – all Catherine's comments in the version sent to you yesterday. Nicholas, Clayton Utz.*

Response:

20 *Nick, I get the impression from Catherine that the comments are more substantial than the changes made in the marked attachment. Brian.*

Now, I have a concern that I think Brian Salter may have been treated very shabbily. I think that our previous chairman is quite entitled to pass on comments to Clayton  
25 Utz. No doubt they've used their wisdom and decided what's appropriate to include in their report, and it's gone back to the board, but the concern I have is that I gather that this document was altered 25 times, and I think the people who initiated those changes should bear the responsibility. I can't imagine that Mr Salter would have – individually have made all those changes, and the other thing I was concerned about  
30 is that I gather the board appointed a subcommittee to look into Mr Salter's performance.

This was made up of some directors from the board, I gather. Now, these directors  
35 may have been implicated in these changes. I don't know. They were probably members of the audit and risk committee, who should bow their heads in shame for missing out on these risks that have happened, and I gather that, in a very short space of time, some individual must have reviewed Mr Salter's performance, come back, and then there's ..... assessment that he should go ..... whatever it is is discarded, and I think it's a pretty raw deal and not up to the standards that I expect of AMP.

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MR WILKINS: Mr Moore, I understand. I'm conscious that we have a number of shareholders that wish to be heard today. So it's important to me that you have your say, but it's – I think it's equally important that I now ask you to come to your question, please.

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MR MOORE: Yes. Well, what I would like to see happen, Mr Chairman, is that Mr Salter's situation be reviewed by somebody totally independent. I gather that the

ASIC chief executive, Louise Davidson, is wanting to have a look at everybody who's left AMP. Maybe she's the appropriate person, but I think we ought to do it ourselves, because I think Mr Salter could bring an action against AMP that would cost us millions. AMP has destroyed his reputation, and I think we ought to take it very seriously.

MR WILKINS: Mr Moore, there are a number of investigations that are currently going on, and I think it would be inappropriate for me to comment on any specific individuals in that. In terms of the preparation of the Clayton Utz report, though, the board has previously said – and we've said this publicly, and I'm happy to state it here again today. We were surprised to find that there were 25 drafts of that report. It was news to us. The actions that we've taken, we feel, are appropriate in the circumstances, but I don't think that I can go any further than that today.

MR MOORE: Okay. Thank you, Mr Chairman.

MR WILKINS: Thank you. We have a question from microphone 3.

MS .....: Mr Chairman, I'd like to introduce Mr Vincent.

MR VINCENT: Good morning.

MR WILKINS: Good morning, Mr Vincent.

MR VINCENT: Obviously, I'm as outraged as my fellow shareholders in this room about what's happened in the last few weeks, but I actually want to ask a question about the way forward for AMP. I'm quite concerned about the appointment of David Murray as chairman, not just about the process but also with regards to the company's ability to take on some of the major challenges of the future. As I'm sure you know from your experience as a board member of QBE, the financial implications of climate risk are hitting home now. It's something that's been identified as a major concern by the G20, the Financial Stability Board, the Task Force On Climate-related Financial Disclosures, investors who manage over \$100 trillion, and yet the incoming chairman has had this to say about the issue.

In 2011, he's questioned the causal relationship between temperature and carbon dioxide, and he, also in 2011, said there is no correlation between warming and carbon dioxide, and in 2013, he said on ABC's Lateline that the climate problem was overstated, and what it would take to convince him of the science would be when he sees some evidence of integrity amongst the scientists themselves. So it's disappointing that he's not here to answer this directly, and I think the most constructive question I could ask the board is whether or not these views have been raised and discussed at any point in the last few weeks leading up to his appointment.

MR WILKINS: Well, Mr Vincent, thank you for your question. AMP is committed to the environment and to the recognition that climate change is having an influence not only on that environment but also economically. I think that our track record

speaks for itself in terms of the views that are held, and they are deeply held inside our organisation. I can't speak personally for our chairman elect, although I do note that the quotes that you are giving are several years old, but what I can say is that AMP has demonstrated through its actions the commitment that we do have.

5

We recognise that the Financial Stability Board task force on climate-related disclosures is important and whilst our disclosures are not where we would like them to be in terms of the recommendations from that, we are working hard to actually improve that disclosure. In our AMP capital business, we do take environmental as well as other ESG factors into account in terms of the investments that we are looking to make. So I think that the organisation has a deeply-rooted understanding of what you were talking about and shares your views and your concerns, and I think our actions have already shown that.

10

15 MR VINCENT: Okay. And I will take that as a no, then, in relation to my question. And I worry that the organisation's position maybe deeply-rooted when it comes to climate change. Then, if I may just ask a particular question of the auditor, if that's possible - - -

20 MR WILKINS: If the – happy if the question relates to the 2017 accounts?

MR VINCENT: Yes, it does.

MR WILKINS: Yes.

25

MR VINCENT: It's just a matter of whether or not the auditor took into account climate change specifically as a material business risk when considering this year's financial statements. Thanks.

30 MR WILKINS: Tony.

MR JOHNSON: Thanks for the question, Mr Vincent, and I think, as an auditor, we – I think it's important we have a chance to explain what we do to shareholders, and that's why we've got an expanded audit report on about page 120 of the annual report. It sets out the key audit matters that we've looked at that were significant in 2017, and you will note that one of those is the valuation of investments. And we describe in there the assumptions that are made and the environmental implications are included in those assumptions when the values are struck. So the answer is yes.

40 MR VINCENT: Is it? That didn't sound like a yes.

MR WILKINS: Thank you, Mr Vincent.

MR VINCENT: I will follow up later.

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MR WILKINS: Question from microphone 1.

OPERATOR: Chairman, I would like to introduce Mr Beela.

MR BEELA: Mr Chairman, congratulation for your ability to put a nice positive spin on something which does not twist or flow, but anyway, I tried to go  
5 straightaway into questions without going around the bush. The point is all the directors which were resigning if – question 1, if – what about the remuneration or packages or envelopes, shaking hands, etcetera, and if they are here to be elected, when the election comes, why don't they come here to show to the people how they spend the money and was their value valuable value to the AMP? I think in the  
10 future I suggest if you are here to sit for election, you should come in front of AGM to say, "I am resigning, thank you, very much, I did a good or bad job." And I don't think this philosophy or, if you like, financial mobility, I call it, you go from one place to another most of you, you take the good packages from one place, go to another one, IMP, because you are in such a situation, should have a plan B or C or  
15 D, whatever you want to call it, more specific what they can do. Nobody here I design, I left, like, I think the ..... not native Australian ..... and they go. So the question is: why are not here? And, to be more specific, what those people they did? They did something wrong or they did something ..... etcetera? It's a little bit of lack of responsibility. It's not enough, it's not a kindergarten here, see, or, "Teacher, I did  
20 something wrong, but we in the future we are not doing it any more." It's not good enough. Thank you.

MR WILKINS: Thank you, Mr Beela. Mr Beela, thank you. I think, during my remarks, I indicated that we feel that we have let you, our shareholders, we have let  
25 the company and we've let the community down, and I've apologised for that. In terms of the directors who are – who were put forward for election, clearly, they have resigned and it's not appropriate for them to be here today. Andrew Harmos, who is putting himself forward for election as a director, is here, and will speak to the meeting and the motion when that time comes. In terms of the question you asked  
30 about the remuneration of directors, we are not executives, we receive fees, we do not receive bonuses, we do not receive equity incentives or anything else. But we are also here to serve the interests of the shareholders.

I think that the board has not shied away from the fact that we have a collective  
35 accountability for the governance of the organisation. The fact that half of our number has resigned as a result of this shows that we're taking responsibility for that accountability, and I think that Vanessa and Holly, who were the two directors that were to be put forward today, have also showed that they are taking that  
40 accountability.

MR BEELA: And if I may say, do they have a plan to interact or interface the leaving directors with the new ones? Because they have to communicate somehow.

MR WILKINS: They do. It would not have been our preference to see Vanessa  
45 Wallace and Holly Kramer go today. I think I was quoted in the press earlier in the week in saying that stability is important and what I was looking for and what our chairman-elect was looking for was a measured renewal of the board which gave the

type of stability, and almost the handover that you were talking about. The shareholders, however, have indicated that they prefer to see other actions and Holly and Vanessa have resigned as a result of that. The remaining board will be here, there will be progressive board renewal over the course of the next year or so, and that will be led by our chairman-elect.

MR BEELA: If I may, my apologies, I suggest that all the future board, existing board, leaving board to have some sort of punishment for their actions and not to have any perks and incentives for the last – for the next two, three years unless the company is back on the real foundation, as you said.

MR WILKINS: Well, thank you – thank you for your point, Mr Beela. Question from microphone 2.

OPERATOR: Mr Chairman, I would like to introduce Mr McClure.

MR McCLURE: G'day, it's McClure, and I'm from Traralgon South. I've got three points, I would like to sort of put them into one question. First of all, the directors who have resigned or – they're not standing again, did they leave because they were embarrassed or were they ashamed or did they flee? And, following on from that, what about the continuing directors, are they willing to speak to us and justify why – why they – you know, whether they are ashamed or embarrassed or why they are not fleeing? And, Mr Chairman, I went to the second AGM and I used to be a president of a union and so I had some idea of how meetings should be run, the chairman nominated the board already and it was like all over rover. I think there was one person from the – from the floor, I think it was Steven Mayne he nominated, but it was already a done deal, and so how does it work? You've already – seeking an appointment of another chairman. Like, who gets to elect him? Is that the board? I mean, how is it all done? I don't understand. I was floored. Thanks very much.

MR WILKINS: Well, thank you, Mr McClure, I think there are three questions inside that question, if I can try to address them that way. The first is why Vanessa Wallace and Holly Kramer have resigned from the board. They are certainly not fleeing. I mentioned earlier that the board takes collective accountability for the governance of the organisation and Vanessa and Holly were certainly part of that board and accept that accountability. They also accept the views of the shareholders, which were demanding quicker board renewal than would have been preferable for the stability of the organisation. But they have bowed to the wishes of the shareholders and they have resigned but they are certainly not fleeing. And as I said during my earlier remarks I think that they were both valuable contributors to our board.

In terms of the directors speaking, when they are up for election and Andrew Harnos is up for election today, it is normal practice and that will be followed today that those directors who are seeking election will be asked to speak to our shareholders to describe the value that they bring to the company and I've got to say I do think that Andrew brings considerable value to AMP. All of our shareholders are able to



nominate directors for the board. It is then up to body of the shareholders in annual meeting to choose whether to elect those directors or not.

5 In the case of the chairman elect, he is appointed by the board in the short term. He will be appointed after this meeting and he will serve until the annual general meeting in 2019 at which time he will submit himself for election by all of you, our shareholders. So I think the shareholders do get to hear from all of our directors and they do get to vote on all of our directors. We have a question from microphone 3.

10 OPERATOR: Mr Chairman, I'd like to introduce Mr Gilbert.

MR GILBERT: Good afternoon, Mr Chairman, ladies and gentlemen.

15 MR WILKINS: Mr Gilbert.

MR GILBERT: I came today with no intention of taking a microphone. I listened carefully to your remarks earlier in the meeting and I noticed that one of the intents of the renewed board is to – and I quote “Become” – sorry is to become “more compliant”. Now, back when I went to school, compliance was an absolute, a bit like pregnancy. You either were or you weren't. So in light of everything that has happened in recent times, could the board explain why they still believe compliance is a matter of degree?

25 MR WILKINS: Mr Gilbert, we do not believe is – Mr Gilbert, we do not believe compliance is a matter of degree. I agree with you. You either are compliant or you are not. My comments were, I think, around the systems that we need to have in place to ensure that compliance. And what I was talking about was the fact that we see that there will be some expense related to increasing our compliance processes but I go back to the comments that I made. Any issue that arises is one issue too many and in the situation that is before us we did see that some individuals actually didn't follow the protocols that we had in place. We need to ensure that that doesn't happen again.

35 MR GILBERT: Thank you, Mr Chairman.

MR WILKINS: Thank you. We have a question from microphone 2.

OPERATOR: Mr Chairman, I'd like to introduce Mr van der Pol.

40 MR VAN DER POL: Thank you. Thank you, Mr Chairman. I'd also like to address the appointment of Mr Murray as the incoming chair and express my own disappointment that he's not here to address shareholders today. Just regarding what seems to be a discordance between Mr Murray's views on climate change and those that you have said the board holds, will Mr Murray be required to take steps to inform and educate himself about the significant financial risk climate change poses to our business?

MR WILKINS: Do you have a series of questions or do you want me to deal with these individually?

5 MR VAN DER POL: I was trying to keep it brief but I will move on. Just quickly, how can we as shareholders be confident that Mr Murray will discharge his duties with relation to climate change risk when he so clearly holds divergent views than that you profess the board holds?

10 MR WILKINS: Okay. Thank you. It's – Mr Murray is chairman elect as opposed to chairman and as I said he is working through other commitments to the able to take up the role on our board and hence couldn't be here today. I think that the answer to your question is probably wider than the issue that you put there because as incoming chairman but, indeed, any incoming director is put through a significant induction process and that includes addressing all of the risks that we believe are  
15 confronting the organisation so that we can make the earliest and greatest contribution from that, and certainly David will be going through that induction progress as a – as a director. In terms of discharging his duties, I believe he'll discharge those duties with considerable skill and considerable care. We're certainly delighted that someone of David's calibre has chosen to join the board of AMP,  
20 because he's got deep experience in financial services, particularly in banking and wealth management, but also in the industry's regulatory environment, including the risks that are facing the organisation, so I believe he will discharge those responsibilities well. And as I've said earlier, shareholders will have a chance to hear from him no later than the annual general meeting in 2019.

25 MR VAN DER POL: Thank you. Just to follow up quickly, if it arises that Mr Murray continues to hold positions or affiliations with organisations that adhere to a climate sceptic viewpoint, will he be required to revoke those affiliations before becoming a member of the board?

30 MR WILKINS: Well, I'm not aware of him holding any of those, but obviously we'll be having discussions with him around any of those issues, but I'm not aware of any of those issues arising.

35 MR VAN DER POL: Thank you.

MR WILKINS: Thank you. I have a question from microphone 3.

40 OPERATOR: Mr Chairman, I'd like to introduce Mr Mayne.

MR MAYNE: Good morning, Chair. Stephen Mayne. I'm here as an individual capacity as an individual shareholder owner not representing any other group. First up, what have we agreed to pay David Murray as the chair, and what are we paying you as the acting CEO?

45 MR WILKINS: Do you wish me to deal with these individually, Mr Mayne?

MR MAYNE: Yeah.

MR WILKINS: Yeah. Okay. David's remuneration will be disclosed with the remuneration report next year. However, it has been benchmarked against other  
5 organisations of similar size, and is within those benchmarks for a company of the size and complexity of AMP. That will be disclosed in the remuneration report next year. In terms of what the company is paying me at the moment, nothing. Seriously. It's not an issue that was uppermost in my mind when I agreed to step in to take this role. I think as a director I felt a responsibility to try to assist the organisation as best  
10 I could. There will be some remuneration coming my way. I haven't had a discussion with the organisation about that. What I can say, though, is that I envisage and I'm pretty sure my colleagues would envisage that that would be in the form of a monthly payment. It will not include any incentives. It will not include any long-term or short-term incentives. It will be a monthly retainer paid until such  
15 stage as a new chief executive is in place, in which case I'll then go back to being a non-executive director and draw non-executive director fees.

MR MAYNE: And why didn't you want to be the chairman?

MR WILKINS: I think that it was important that the organisation was seen to  
20 change and to want to change, and with a person of David's calibre stepping in to this role, I felt and my board colleagues felt that it was appropriate that we had someone new to actually lead us to the – to that future that I described during my remarks, and we're very pleased that David chose to step in to do that.

MR MAYNE: When the – with the proxies that were cast, there's been media  
25 reports – Liz Knight had a column saying that it was 60 per cent against the two candidates who subsequently resigned. Could you actually undertake to release the proxy votes to the ASX? Because thousands of shareholders went to the trouble of voting. You asked us all to vote. They're our votes. They're not necessarily your votes. And then when you saw the votes, the two – the two candidates decided to resign when they didn't actually resign – they were voted off the board. But the board has decided not to disclose that in detail when they're our votes. So could you  
30 tell us now if that 60 per cent figure is correct. Is it correct that the proxies were against the candidates and they resigned because they had been voted off? Is that a fact?

MR WILKINS: The – I mentioned earlier in my remarks that both Holly and  
40 Vanessa had bowed to the wishes of our shareholders. And whilst the votes are yours, they are merely a mechanism to indicate your wishes. So I think that we – they have both bowed to the wishes of shareholders. I see no point in actually disclosing what the issues were, rather than – other than saying that they have bowed to the wishes of the shareholders.

MR MAYNE: Okay. Just a final point. I think your earlier comment in not telling  
45 us the incoming chairman's negotiated salary or fee until February next year is disappointing and reflects the ongoing trend with disclosure that we've seen. I mean,

you're being sued in class actions effectively for not revealing bad news. So you need to be best practice on disclosure. Normally when a CEO is recruited, it's standard to tell the ASX, "These are the terms of the CEO's appointment in salary terms."

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The same should apply in this situation with David Murray. It's probably a million dollars or 600,000. You've negotiated it, you know it and you're telling us to wait until February next year. So I'll ask you to reconsider that and actually make a public statement or tell us later today, but I don't think you should make us wait for something as basic as the chairman's fee. It's not material in the scheme of things.

10

And I'd also ask you as a board to reconsider your decision to hide the proxies and to actually disclose them as an article of faith about the fact that you are going to tell your shareholders and you're going to be demonstrably transparent in sharing information with us. Hiding the chairman's salary and hiding the proxy results is more duck and weave when you need to be really clearly transparent. So I'd just ask you to reconsider your position. All of you directors can vote on this. Listen to the debates today and then take the high ground on transparency and disclosure on every issue from now on.

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MR WILKINS: Thanks for your comments, Mr Mayne. I think what we are doing is in accord with industry practice. I agree with you that disclosing a chief executive's remuneration is the normal practice. It is not the normal practice to disclose chairman's remuneration. You're right. It's not material in the greater scheme of things. I note your comments on the proxies, but, as I said, all the votes are an expression of the shareholders' wishes, and Holly and Vanessa have bowed to the shareholders' wishes. So we take a question from microphone 1.

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OPERATOR: Mr Chairman, I'd like to introduce Mr McKenzie.

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MR MCKENZIE: Thanks, Chairman. I'd just like to congratulate you on a very difficult position you've put yourself in here today. But Stephen actually stole most of my thunder, actually, and the thing that really is getting to me about AMP is the fact that – and you've mentioned it that many times today that I've lost count, but it's that you seem to want to apologise and think that by apologising you're appeasing all the things that maybe you and the board failed to do, and I think that this is an absolute disgrace.

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The other thing that I think should happen in light of what's going on and the problems that have focus with AMP, why doesn't every member of the board stand on his feet today and tell us why he doesn't feel sorry for the predicament that we're in? You've had directors fall on their sword. You have not mentioned once today your prior – your past chairman, as to why she resigned. And I think that we just need to know these things. I think we're past the due diligence of what you presume is general practice within companies. I think that that – AMP gave up that right when all this mess took place. So I think you've got to be transparent, and I think you've got to just learn to live with the people that are real people and answer the

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questions effectively, as per Stephen Mayne's questions. I think they're very valid and I think that it should happen.

5 The other thing that I'd just like to bring up is you have not once answered the  
question in regard to the fees of the past – of the directors that have resigned,  
whether those fees have been paid to them for either past duties or maybe for what  
their contract period was. So why don't you disclose these things? I think it's just  
absolutely imperative that you become a bit more transparent because the minute you  
10 want to become transparent, the word "apology" comes out – "We're very sorry for  
what we did". There's a lot of mums and dads here that are more than sorry. They  
would probably like to have you people on a spit at the moment, but the – but I think,  
at the very least, Mr Chairman – Mr Acting Chairman, I'm sorry, is that you could  
ask your fellow board members at the table today to actually stand up and tell us why  
they feel that they should act as a director of this company in the future. Thank you.

15 MR WILKINS: Well, Mr McKenzie, thank you for your comments and let me  
assure you, I – on a spit, I don't think I would be very tasty, but in terms of the fees  
that directors are paid, they are set out in the annual report. There is no retirement  
fee, there is nothing else. The directors that have retired leave with the fees paid to  
20 the date of their retirement and nothing else. In terms of your broader comment  
around the issues that have confronted us, we actually understand that. We're not  
running away from it. We are apologising for the activity. But we also understand  
that we've breached the trust of our shareholders, we've breached the trust of our  
customers and we've breached the trust of our employees and the greater community.

25 What I wanted to acknowledge was that we understand that and we're all working as  
hard as we can to try to actually address that and to take the organisation forward.  
Each of these directors is committed to that and I have certainly seen that over the  
course of the last two weeks, as they've assisted me in the role that I've taken on. So  
30 I think that we all feel a great responsibility. What we do need, though, is also to  
have some stability in the board because it's important – and I mentioned that in one  
of the earlier questions that was asked. It's important that we have stability here.  
Change is going to happen on our board, but it needs to be at the right pace and it  
needs to be measured so that we don't throw the baby out with the bathwater. Thank  
35 you.

MR ..... ..

40 MR WILKINS: Well, I think I said earlier in my remarks to the meeting, that we  
know actions speak louder than words, so think judge us on our actions as we move  
from here. We have a question at microphone 2.

OPERATOR: Mr Chairman, I would like to introduce Mr Rees.

45 MR N. REES: Good morning, Mr Chairman. Nathan Rees, National Assistant  
Secretary of the Finance Sector Union. My question is directed to you and through  
you to your fellow directors. You've presided over and been complicit in an

extraordinary trashing of a once great brand. Over recent weeks, you've lost your Chair, you've lost your CEO, you've lost your General Counsel and, most importantly, you've lost billions of dollars of shareholder value for the people in this room. There's two class actions about to be brought, possibly more, and possibly  
5 additional legal action. Recently, it has been reported that directors chose to reduce their fee by 25 per cent. It makes me wonder under what circumstances you actually wouldn't take a fee.

10 So my question is to individual directors in the interests of accountability. Have you declined to take any fee at all and, if not, why not?

MR WILKINS: Thanks, Mr Rees. I think the – we've said today and we've said in numerous occasions over the course of the last few weeks that we are acutely aware of the issues that the company has found itself in and we understand because all of us  
15 are shareholders as well, so it's not as if it's a two-speed situation here. We are all shareholders. I think that what we've done is appropriate in the circumstances. We have taken a voluntary fee reduction to recognise the governance responsibility that we have for the issues that have occurred. As I said, I think that that's appropriate. We have a question from microphone 3.

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OPERATOR: Mr Chairman, I would like to introduce Mr Luka.

MR LUKA: Good afternoon. My question is brief. Apart from all the going ons that happened – and I'm surprised actually as highly qualified directors that they  
25 entertain such ideas of unethical practices – but my question as a shareholder, I'm interested in the return I'm going to get on my investment. So my question is what is the policy going to be in the future regarding dividend issues.

MR WILKINS: Well, Mr Luka, thank you. Our dividend policy remains the policy  
30 that we have previously had which is to pay 60 to 80 per cent – 70 to 90 per cent, I beg your pardon – 70 to 90 per cent of our underlying profit as a dividend. That was reflected in the 29 cents per share dividend that we paid for 2017, and we're not stepping away from that policy. So we expect that the dividend will be in that range for the underlying profit for 2018. We have a question from microphone 2.

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OPERATOR: Mr Chairman, I would like to introduce Ms Chowdhury.

MS CHOWDHURY: Hi. You just mentioned that AMP Capital takes environmental issues very seriously. At the annual general meeting last year, it was  
40 revealed that AMP Capital facilitated a 420 million loan to Mundra Port for the Adani Abbot Point Coal Terminal. The Institute for Energy, Economics & Financial Analysis, IEEFA, has repeatedly pointed out that Adani Power is unable to provide a viable, nor bankable, coal offtake agreement for the Carmichael proposal. Does AMP Capital still hold this debt and has our company been approached by the Adani  
45 Group to contribute to the refinancing of Abbot Point or any finance connected to Adani's Carmichael Mine?

MR WILKINS: Ms Chowdhury, thank you. I'm – I'm not aware that we have been approached to take any participation in the Adani Mine. I'm looking at Adam Tindall here who says that I am correct in – in – in that statement. So I – I think the answer to your question is no.

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MS CHOWDHURY: Can the board confirm that our company will add its name to the list of more than 30 financial institutions that have ruled out lending to the Carmichael Mine and related projects in the future?

10 MR WILKINS: That's one that I would like to be able to speak to my fellow board members around, but I think the fact that we have not been approached to participate in that should also give you some confidence in .....

MS CHOWDHURY: So it's a no?

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MR WILKINS: As I said, I would like to speak to my fellow board members about that to understand the – the – the situation more fully because I'm – I'm seriously not informed on that – on that particular matter to the depth I would like to be.

20 MS CHOWDHURY: Thank you.

MR WILKINS: Thank you. We have another question from microphone 2.

OPERATOR: Mr Chairman, I would like to introduce Mr Solomon.

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MR SOLOMON: Mr Wilkins - - -

MR WILKINS: Mr Solomon.

30 MR SOLOMON: - - - you've given us an unreserved apology this morning. Unfortunately, it is too little, too late. Your board has not only destroyed shareholder value, but you've gone – you will go down in history as the board who has stolen from their client base as well and lost trust completely. You've tried to appease us this morning by informing us that 50 per cent of the board has resigned. My question  
35 to you is when will the remaining 50 per cent resign because if the chairman-elect has any chance – any chance of turning this company around, then he must be given a clean slate.

40 MR WILKINS: Thanks. Thanks, Mr Solomon. I've mentioned that we – that there will be further board renewal and the chairman-elect needs to be given time to do that. Both he and I have said that we think stability through that period and some continuity of knowledge of the company is important, but we do expect that further renewal will be happening to the board. And over the course of the next 12 to 18  
45 months, the constitution of this board will look very different. Another question from – actually, what we might do is I understand that we do have some questions from our webcast. So maybe we will give the microphone attendance in the room a

little bit of a rest from hopping up and down, and we will go to a couple of those questions. So the first question - - -

MR .....: .....

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MR WILKINS: I'm sorry.

OPERATOR: Chairman, the question from a shareholder on the webcast is what is the contribution to cash NPAT and revenue from Asia-Pacific Airport Management which is an investment managed by AMP Capital. Is the board pleased with the performance?

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MR WILKINS: Well, thank you for that. What we earn from that investment is actually fees, not investment returns. So almost all of that is managed for policyholders and for customers' funds. My understanding: this is less than two per cent of AMP Capital's assets under management, but we do earn management fees, not investment returns, in AMP capital. Is there another question .....

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OPERATOR: Chairman, the next question is does the audit or risk committees audit the governance procedures of AMP? If not, why not? If they do, how did they ..... the malpractices that have led to the unfortunate incidents recently?

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MR WILKINS: The – both the audit committee and the risk committee do actually review the processes that are in place, and we actually look to ensure that they give us the best assurance that we can in the circumstances. As I mentioned earlier, no institution can be immune from this situation. What arose in the advice business was a small number of individuals actually going outside the protocols. Once we became aware of that, we acted with great haste in terms of how we dealt with that, including informing the regulator and taking actions to stem it. However, the protocols were there, but when people go outside them, it's very difficult until you actually pick that up. Is there a third? No. We'll go back to microphone 2.

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OPERATOR: Mr Chairman, I'd like to introduce Mr Bertolis.

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MR BERTOLIS: Hi.

MR WILKINS: Mr Bertolis.

MR BERTOLIS: There have been a number of questions on disclosure today. I've got another one. Given support by investors managing over \$100 trillion, including Australia's big four banks, major insurers QBE and Suncorp and superfunds Cbus and VicSuper, why hasn't AMP implemented, nor shown any intent to implement, the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures, the TCFD? Does AMP plan to do this, including adopting the key recommendation of conducting and disclosing two-degree scenario analysis?

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MR WILKINS: Mr Bertolis, I thank you for that, and I mentioned in answer to Mr Vincent's question, I think, that we were aware of that. We have started to make progress on the Financial Stability Force – Financial Stability Board's Task Force on Climate-related Disclosures – that we want to head towards that. We recognise that we've got more work to do on that front, and it does take time to get there, but we are not stepping away from that. We actually support the principles that are put in that.

MR BERTOLIS: As I mentioned, the key recommendation is the disclosure of the two-degree scenario analysis. Can we secure a commitment to get that key recommendation implemented?

MR WILKINS: As I said, we will work towards all of those recommendations from the task force, although understand that the footprint that an organisation like AMP has is very different to some of the other institutions that you mentioned.

MR BERTOLIS: It's not a question of the footprint. It's a question of the risks associated with the investments. So you manage a lot of money, and that money has inherent risks associated with it, and that's what I'm referring to. I'm not referring to your internal operations. On another note, I'd just like to know, have you conducted any sort of analysis like the two-degree scenario analysis internally which you haven't disclosed?

MR WILKINS: Not to my knowledge that we have conducted that.

MR BERTOLIS: Thank you very much.

MR WILKINS: Thank you. We have a question from microphone 1.

OPERATOR: Chairman, I would like to introduce Mr Reiko.

MR REIKO: Thank you, Mr Acting Chairman. I'd like to ask a question: if you can put a dollar-figure value to the reputational damage done by the brand, taking into account the various litigations, not only on behalf of the shareholders but also on behalf of the customers, who were basically charged fees for something that they didn't receive anything in return, which I classify as theft and which I presume will have to be paid back and will have to be paid back with interest, I presume.

MR WILKINS: So, Mr Reiko, in terms of trying to put a dollar value on the reputational issues, I don't think we can do that. All we can do is say that we are intending to try to rebuild the reputation, because I think AMP is a great brand. It has been tarnished, and we acknowledge that. What we need to do is to rebuild that. In terms of the customers that have been affected, we are already well down the track in terms of remediating those customers where fees were charged and no services were given. We've disclosed that the customers that were affected by the matters raised in the Royal Commission – there's 15,712 customers at a cost of \$4.7 million in terms of the remediation that we've paid to date.

MR REIKO: Thank you.

MR WILKINS: We have a question from microphone 2.

5 OPERATOR: Mr Chairman, I'd like to reintroduce Mr McClure.

MR McCLURE: Thank you, Mr Acting Chairman.

MR WILKINS: Mr McClure.

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MR McCLURE: In relation to what you've already spoken to about, you know, when the board finds that something is going on then you sort of act on it, what's your policy about whistleblowers within the company? Like, do you protect them or do you come down on them?

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MR WILKINS: I believe that we protect them and certainly I can only speak from my own point of view on this. As I said earlier, I've encouraged our people to speak up where they have issues and if they're concerned about any – about raising it with their manager or even raising it with the leadership team, they can come to me. If they're not comfortable coming to me, we do have an anonymous whistleblower service that is available to them. We regularly reinforce that and certainly I have reinforced it considerably over the course of the last two weeks as I have spoken to our staff. We want to know about these issues. We encourage them to do that and certainly I would take a very dim view of anybody coming down on whistleblowers because I think by actually understanding the issues we can then get to them and deal with them as quickly as they need to be dealt with.

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MR McCLURE: The reason is my experience with boards is that the boards use the CEO as a gatekeeper and they don't take – they don't take complaints or issues which comes directly to board or board members and so you're sort of locked by the gatekeeper.

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MR WILKINS: I think that – again, speaking personally – if an issue came to me that I was concerned about I would make sure I was running it to ground to the maximum extent possible. In terms of the whistleblower pieces, we do get a regular report from the chief risk officer of the organisation to the risk committee that talks about whistleblower activities that have occurred in the quarter leading up to that meeting so we can see the issues that may have been raised and one of the important things for me is to actually look for patterns in that because I think that gives you the best indication of where issues may be coming.

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MR McCLURE: In regard to the procedure, can you sort of formalise that for the employees?

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MR WILKINS: We already have a whistleblower policy which is very clear for our employees and in fact all of our shareholders can see that, I think. I'm speaking from a somewhat secure base of ignorance here but I think they can see that on our

website because we do publish that and we're required to do so by the Australian Stock Exchange.

MR McCLURE: Thank you.

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MR WILKINS: We have a question from microphone 1.

OPERATOR: Chairman, I'd like to introduce Mr Sheehan.

10 MR SHEEHAN: Mr Chairman – Mr Acting Chairman, thank you. Mr Chairman, I'm associated with, as well as being a shareholder, with a religious organisation that has funds invested through the AMP and we're charged a fee of .9 per cent. Are there additional benefits for AMP if the value of funds are then allocated to other AMP in-house products?

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MR WILKINS: Not that I'm aware of. I think the fee that is charged to you is the fee that is charged to you for the fund and there is no other rebate or anything else that we're taking on that. A fee of .9 of one per cent would be tested against market comparable fees and hopefully also the performance is actually delivering the sort of

20 outcomes that you and your association are looking for.

MR SHEEHAN: Mr Chairman, thank you.

MR WILKINS: Thank you. We have a question from microphone 2.

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OPERATOR: Mr Chairman, I would like to introduce Mr Paisha.

MR WILKINS: Mr Paisha.

30 MR PAISHA: Thank you. Now, I'd just like to ask one question here that – it's quite an interesting meeting, this one. We're talking about change and you – and how can the shareholders be confident of change when you have the directors sitting there and only one person speaking, yourself? There's no – the board are quiet. No one has stood up. No one has made a comment, and I find that to be a very, very bad reflection on the way the company will be run. I'd like to hear something from some

35 of the other directors. Thank you. That's my question.

MR WILKINS: Thank you, Mr Paisha. I think that we're proceeding in the – in the way in which annual general meetings normally occur, which is the – the chairman

40 dealing with these issues. If I feel the need to actually ask any – a question of any of my colleagues, I will do that. And as I said earlier, Mr Harnos is standing for election and you will hear from him later in the meeting.

MR PAISHA: Well, that's nice to hear, but I've been to many meetings and I very rarely go to one where only one person speaks, and this is a very, very important

45 meeting for AMP. I find it – I still don't find that a very satisfactory answer, actually, but anyway.

MR WILKINS: Well, the – most of the annual meetings I’ve been to, the two people that speak are the chairman and the chief executive, and unfortunately at the moment you’ve got both of them in me, so – we have a question from microphone 1.

5 OPERATOR: Mr Chairman, I’d like to introduce Mr Blake.

MR BLACK: Yes. Thank you, Mr Chairman. Terry Black is my name.

MR WILKINS: Black?

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MR BLACK: That’s okay. I’d just like to introduce myself, I suspect, by saying that in 1965, as a 16 year old, I joined the employ of AMP, and in 2005, as a much older person, I retired as a financial planner. Now, I’d like to make a supposition first with respect to executive remuneration, and that is those executives who seem to  
15 have breached the rules that’s been such an issue over the last couple of weeks, one could only suspect – and I don’t expect a response from you, but one could only suspect that they’ve done that to enhance their remuneration package in some way through an incentive or a bonus or some description.

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Now, if I can go back to what I lovingly call the good old days, executives of financial institutions, and for that matter, any other large public company, received a fixed salary, and that tended to be a reasonable multiple of the salaries of the rest of the community. I’ve had it described to me in the past that the whole purpose of short and long-term bonuses is to align the interests of the executives with the  
25 interests of the shareholders, and I would like to say that if paying a chief executive millions of dollars as a fixed salary doesn’t align his or her interest with those of the shareholders, then you’ve got the wrong chief executive. I think while AMP is rebuilding its reputation here, it should consider fixed salaries for the upper echelon of management, and abandon the whole issue of short and long-term performance  
30 bonuses, and that might set an example for the rest of the community. Thank you.

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MR WILKINS: Mr Black, thank you for your comments, and you are getting into some of the ground that we will deal with when we come to considering the remuneration report as well. But I think it’s important to recognise that AMP, as  
35 with all institutions, is now working in a global world and there is a war for global talent, and we actually need to meet the expectations forensic order that. I think it is important, though, that organisations do align the interests of their executives with the interests of their shareholders. Short and long-term incentives or the new scheme that we have proposed were intended to do that. They don’t always do that, but as I  
40 mentioned in my opening remarks, we’ve heard our shareholders about that, and what we need to do is to look at the schemes to make sure they do get a better alignment. What we do need to do, though, is to recognise also that there is this international pool of talent. In terms of the chief executive that we want to bring on board, we need to get the right person and we will need to pay the appropriate  
45 remuneration to get that person. So another question from microphone 3.

OPERATOR: Mr Chairman, I’d like to reintroduce Mr Mayne.

MR MAYNE: Hi again, Chair. One of the quirks of the AMP constitution is that you don't have the normal clause about one-third of the board being up for election each year. Obviously, you've just got the three-year term. And by another quirk, none of the people up on the stage will be up for election next year because you've  
5 all either been elected last year or not what would be three years next year. So we'll only get to vote next year on anyone you subsequently appoint, so David Murray and anyone else you appoint.

I know you've been asked this before, not publicly, but can you give a commitment  
10 that all of the board will put themselves up for election next year? So we don't know what the Royal Commission will say. So we're flying blind on the Royal Commission. There's potentially a second strike next year which triggers a board spill. So if you make a public commitment today or, you know, soon that all of the directors agree that all of you will be up for election next year, it would be a good act  
15 of accountability and, again, it would be on the front foot, being proactive about being accountable and transparent.

So why haven't – why didn't you promise to do that when you were asked leading into the vote? That would've potentially saved the two directors you lost. And  
20 having seen the anger of the shareholders, will you commit to do that next year as a board as an act of good faith and transparency and dealing with the quirks of your constitution?

MR WILKINS: So, Mr Mayne, in terms of the quirks of the constitution, I think the  
25 company has followed the policy of making sure that we do have regular elections, rather than going through years where no one is up for election because we think that's better practice. In terms of the constitution of this board at this time next year, I suspect that will look very, very different to how it looks today. I will take your request on board. I will discuss with the chairman elect, and we will then let  
30 shareholders know at the appropriate time.

MR MAYNE: And just one other question in general business on you, Mr Acting  
Chair. You're on three insurance company boards at the moment. I've never seen anyone who's sat on three major public company boards in the same sector. So  
35 you're a director of QBE, global insurer; you're a director Medibank Private, biggest health insurer; you're a director of AMP. Can you explain how you manage to work for three insurers at the same time? And a serious question, because you are highly regarded and you did a fantastic job as the CEO of Prominer and as the CEO of IAG. So are you a candidate potentially to not only have served on three boards of insurers  
40 but have also been the CEO of three insurers by becoming the CEO of AMP under Chair Murray?

MR WILKINS: Answering your last question – and I think I addressed that in a  
previous question – I will not be a candidate for the CEO of AMP. I'm serving in  
45 this capacity to assist the organisation through a difficult time, having lost its chairman and its chief executive. Once our chairman elect comes on board I will

step back to being acting chief executive, and when we get a full-time chief executive I will then go back to being a non-executive director.

5 In terms of my commitments on those boards, I find that I'm very good at juggling.  
But also, I think that AMP is actually a wealth manager and insurer in the life  
insurance space. QBE is a general insurer, so there is no conflict with that. And  
Medibank, whilst a health insurer, is actually a broader health organisation. So for  
me, they're three very interesting and – very interesting boards. And I hope – and  
10 my fellow directors and shareholders will make a decision on that – I hope that I'm  
able to make a contribution to all three of those boards. We have a question from  
microphone 1.

OPERATOR: Chairman, I'd like to reintroduce Mr Whittington from the Australian  
15 Shareholders Association.

MR WHITTINGTON: Good afternoon, now, Mr Interim Chairman. I have three  
questions, if I may.

MR WILKINS: Yes, Mr Whittington.  
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MR WHITTINGTON: The Royal Commission revelations and the poor responses  
so far to these revelations suggest that permanent damage will be incurred to the  
value of intangibles and other assets on the AMPs balance sheet, specifically, to the  
Australian wealth management division value for goodwill, distribution networks,  
25 client registers and equity and advice practices, so the first question on this basis is,  
is it likely that this will necessitate substantial impairments to the June 2018 balance  
sheet?

MR WILKINS: So the – I mentioned during my remarks that we are working  
30 through the implications of ASIC Industry reports 499 and 515, and that will  
certainly see some additional costs that will be incurred in terms of customer  
remediation, but also systems and other improvements. I also mentioned that, whilst  
we'd seen an increased activity in our call centres and some increase in terms of  
withdrawal request, we'd seen that abating in recent days, so I believe that AMP and  
35 its brand is still well-regarded and don't see that, at this stage, there is any  
impairment that will be necessary, but we'll obviously make that decision as more  
facts come to light.

MR WHITTINGTON: Okay, thank you. The second question is why did the board  
40 approve the strategy for 2018 for the Australian wealth management division to  
increase investments in its advisor networks, when it seems AMP has known, since  
2010, that there are a number of major failings in management control?

MR WILKINS: Well, I think that one is more a philosophical issue and, again, I  
45 mentioned during our – during the presentation that I made, that we think that advice  
is fundamentally important for our customers, but also for the Australian community  
more generally. I think the outcomes for individuals and for families and others who

take advice is far better than those who don't take advice, so we fundamentally believe in advice, hence the strategy and the investment I think is appropriate in the circumstances. The issues that have arisen, we all regret those issues, but we certainly see that advice continues to form an important role in the overall strategy of AMP.

MR WHITTINGTON: And my final question at this point, Mr Interim Chairman, besides appointing consultants and calling for reports, what penalties were imposed on the planners and AMP executives who were involved in the practices, or had management oversight of those business units? Also, what other corrective action has been undertaken to prevent these types of practices reoccurring? And that last point, I know, you've covered slightly already, but I don't believe you covered the first point.

MR WILKINS: No. Well, the first point is what, if I understand your question, is what consequences have there been for individuals concerned here? I mentioned that we have an employment review process going on, because I think we have to give people natural justice in all of this as well. However, I want to be very clear about this: if there are individuals who are found to have transgressed the protocols or the code of conduct of the organisation, the board will actually extract significant employment consequences and that will also extend to the forfeiting of any outstanding short or long-term incentives.

MR WHITTINGTON: A follow-up, which I suppose I could just do in the remuneration thing, but it's probably appropriate now, is what ability do you have to claw back awards that have already been made to those people, which covers the time where they might have transgressed?

MR WILKINS: Well, where issues – where awards have vested, very difficult, is the answer. However, the idea of the longer-term deferrals that we have put in place means that there are multiple years of deferred incentives that are outstanding and the board has the absolute ability to forfeit those in the appropriate circumstances. Thank you.

MR WHITTINGTON: Thank you.

MR WILKINS: Thank you. We have a question from microphone 3.

OPERATOR: Mr Chairman, I'd like to introduce Mr Choi.

MR CHOI: Good afternoon chairman, Mr Wilkins. This is a very unusual meeting, AGM, that I've ever come across and I can feel that I mean, very much everyone with the shareholder are unhappy about the – what had happened, and from the beginning of the meeting, Mr Chairman, you have been brave and with a strong shoulder to take up the responsibility and saying on behalf of the board would be over 10 times saying apologies, and I think coming to this point, I for one, I would like to say that I will accept your apologies and I hope that many others will – will

follow, but with this, accepting apologies probably will be just once, and if there's a second time with the – with what this is going to happen again in the future, probably we will all lose our faith. Thank you.

5 MR WILKINS: Thank you, Mr Choi. I appreciate your kind remarks, and let me say, if this situation occurs, I don't think you'll find me here either, because you won't have to remind me twice about that. So thank you. Question from microphone 1.

10 OPERATOR: Chairman, I'd like to introduce Mr Bucknall.

MR BUCKNALL: Good afternoon, Mr Chairman.

MR WILKINS: Mr Bucknall.

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MR BUCKNALL: I'd just like to digress a little bit from what we've been discussing for the last hour or so, but I just wanted to make a query in relationship to the press, in relationship to AMP selling its life business. Number 1, can you tell me whether that is true or not?

20

MR WILKINS: We – we have said that we are looking to maximise the value for three of our businesses, our insurance business, our mature business and our New Zealand business, and we would consider all options with that. I mentioned in my remarks and I think also in response to a question from Mr Whittington that we actually had put that activity on the backburner at the moment because we wanted to concentrate on stabilising the organisation, on bedding in the new chairman and on finding the new chief executive, but we have been quite public that we are considering all options around our insurance business.

25 MR BUCKNALL: Just on that note, and I've been sort of puzzling this one out, what – the life business, what does that incorporate exactly? Does that include our capital guarantee life policies, or is it just the term life?

30 MR WILKINS: The insurance business, our wealth protection business is term insurance, income replacement insurance and so on. However, the – the mature businesses do include whole of life and endowment policies and similar matters. But, as I said, we're exploring all of the options to – to realise value from those businesses. Only one of those is to consider a divestment. There are a number of other options that are available to us. What we have done, though, is said we're putting all of that on the backburner as we deal with the issues that are currently before the organisation.

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40 MR BUCKNALL: Thank you.

45 MR WILKINS: Thank you. I think we've got some questions from the webcast. So, David, could we hear some of those?



OPERATOR: Chairman, the question is, how can you ensure that customers receive financial advice that is truly to their benefit and not to the company's benefit?

5 MR WILKINS: Well, I think I mentioned that we want to make sure that the advice that is given is appropriate in the circumstances and that it's very, very transparent. I've got to say that by and large, my experience of advisers is that they care deeply about our customers, and they actually care deeply about the financial outcomes that are achieved by those customers. We do from time to time find those who abuse the trust that is necessary to have. Where we find that, we also seek to deal with those  
10 individuals, but I've got to say, in my experience, they are in the vast minority. Certainly I think advisers deserve to be appropriately remunerated for the advice that they give, but certainly the best thing that I can talk about, I think, is that I see a great alignment between the advisers and our customers because they ultimately want the same outcome. Yes, and another question?

15 OPERATOR: Chairman, the webcast question is in terms of future board appointments, which consideration will take priority: gender or ability?

20 MR WILKINS: Well, the good news is I think you can have both. What we want is a diversity of a number of things on the board. Gender is but one of those. I think it really all comes down to diversity of thought. We want the best contributors that we can get. However, I think that gender fits with that because it is – it's important to recognise that gender diversity also promotes that difference of thinking as well. As I mentioned earlier, we – it's unfortunate that we have or are losing all of our female  
25 board members, and I know that it is uppermost in David's mind to make sure that as the board is rebuilt, we get the appropriate diversity back on the board. We have a question from microphone 3.

30 OPERATOR: Chairman, I'd like to introduce Ms von Oman.

MS VON OMAN: Hi. I just have a question that was sort of touched on just before about gender. I'm not necessarily a person who believes that women should have 50 per cent of the jobs. Any job should be based on their ability, not their gender. But just looking at what's happened with the recent massive scandal, Catherine Brenner  
35 is gone, Holly Kramer is gone, Vanessa Wallace is gone, and now Patty is going to go. So 50 per cent of your board have had to resign, but 100 per cent of them have been women.

40 MR WILKINS: Yes.

MS VON OMAN: Why is this?

45 MR WILKINS: Well, I think circumstances more than anything else. I've mentioned a couple of times that both Holly and Vanessa have bowed to the wishes of our shareholders. My wish would be that they had stayed on the board. However, the shareholders are the ultimate owners of the company and the ultimate decision-makers around that.

MS VON OMAN: Okay. That was – was the 60 per cent of shareholders specifically directed at Holly and Vanessa? Or did they say that 50 per cent of the board should resign?

5 MR WILKINS: I think that the vote was not about the individuals concerned, and I mentioned that I think that they were both great directors who made a great contribution to the organisation, and they will be missed by the organisation. I think that we've heard some messages from our shareholders. We know that everybody is angry, and one of the ways to express that anger is through voting against directors  
10 who are up for election.

MS VON OMAN: Right. Well, they resigned before they came up for election. Why didn't Andrew, Trevor, Peter or even yourself, as men, resign instead of the women?  
15

MR WILKINS: Well, the notice of meeting was sent out before a number of these issues arose, so none of us were up for election, so the matters that are dealt with really relate to the election of directors.

20 MS VON OMAN: Okay. Thank you.

MR WILKINS: Thank you. A question from microphone 2.

25 OPERATOR: Mr Chairman, I'd like to introduce Ms Poor.

MS POOR: Good afternoon, Chairman.

MR WILKINS: Ms Poor.

30 MS POOR: I just want a quick question. That is you keep mentioning that all these things that we have mentioned about today will be taken note, but I don't seem to see any of the directors writing notes. How would you remember that?

35 MR WILKINS: Thank you, Ms Poor. There is a transcript being taken, so all the commitments that I've made and all the matters that we will be noting is there. Plus, there are people here but there are a number of AMP people spread throughout the auditorium as well, so I don't think we'll lose sight of anything. Microphone 3.

40 OPERATOR: Mr Chairman, I'd like to reintroduce Mr Stephen Mayne.

45 MR MAYNE: Two final quick ones, Chair. Can you tell us a bit more about the David Murray recruitment process. Were any other candidates considered? Did he personally meet the full board? So did you actually have a meeting in the flesh with him? Or was it a, "You handle it", and then a circular or phone hook-up? So can you give us a bit more insight. And I think the criticism about the lack of other people on the top table answering questions or speaking is a fair one. So I want to throw a couple in for our directors. The first one is to Geoff Roberts as to how he

can be full time 100 per cent CFO of Seek and perform his duties here. It's unusual to have CFOs of major global public companies part-timing elsewhere so how is he juggling his responsibilities.

5 And with Patty, Patty didn't have to resign with the two other female directors and the decision for Patty to resign has highlighted the gender issue more than it would have been if she hadn't resigned. So my question for Patty is if Patty was going to go why didn't she go with the Chair earlier? Because if she was – she is the longest serving director and if she had done that it possibly would have saved the two other  
10 female directors and having chosen not to go then why did she voluntarily go with the two other female directors, having this whole debate about gender, about no females surviving, which didn't need to have to happen, because that could have been handled in a more orderly process down the track. So I think Patty needs to tell the shareholders what her thinking was in the decisions she's made as the longest-  
15 serving director and the last female standing over the last couple of weeks.

MR WILKINS: Well, thanks, Mr Mayne. In terms of the recruitment process, there were other candidates that did put themselves forward, so David, we felt was the appropriate candidate to take this organisation forward, given the respect that he is  
20 held in in the community, but also his deep knowledge of financial services. He did meet with all of the board, so it wasn't me kind of doing a deal and then telling everybody else; that's not the way we try to work, and we are very happy to have David on our board. I'm happy to have those specific questions addressed to our directors. Let me just say, though, that during my executive career, I sat on a public  
25 company board as well as sitting on government, community and charitable organisations, and found that I was able to juggle that and I'd be pretty sure that Geoff is the same. Geoff, happy to hear from you.

MR G. ROBERTS: Yes, Mr Mayne, so I've had 30 years experience in this  
30 industry, firstly, as an auditor and consultant, then as a CFO of AXA and now as a director, so I have a lot of experience in this industry. I also have a lot of knowledge of SEEK and a very strong finance team at SEEK. So leaving the last couple of weeks aside, which has been very demanding, particularly out of hours and on weekends, I have been able to manage those responsibilities, I think, very well.

35 MR WILKINS: And I agree that Geoff has made a great contribution over that time. You called out that Patty is the longest-serving director and she felt it appropriate, at this stage, to go, and I also said that the skill and business acumen that Patty brings will be missed on this board, but, Patty, perhaps you'd like to express something on  
40 that.

MS P. AKOPIANTZ: Thank you, Stephen, for your question. I mean, I think, I've, you know, as all of us reflect on the collective accountability of the board and I made the decision that, based on the feedback from shareholders that it was appropriate  
45 that I offer my resignation as a way to take further collective responsibility of the board, and I think I'm not sure that I can add much more to that, but that was my decision.

MR WILKINS: Thank you. We do have a question from the webcast.

OPERATOR: Chairman, the question from a webcast shareholder is:

5           *Can, in the future, AMP include a voting system for those watching the AGM through the online web servers?*

MR WILKINS: Well, I think that that would require a change in our constitution, but also a change in the law, but I'm also aware that there continues to be a strong  
10 debate about the future of AGMs more generally, particularly in the technology age, and I think the best thing I can say is we continue to monitor that, because we want the maximum possible opportunity to hear from our shareholders and we want the maximum possible involvement from our shareholders. A question from microphone  
1. 1.

15

OPERATOR: Mr Whittington, from the ASA.

MR J. WHITTINGTON: Just a very brief one, Mr Chairman, picking up on your last comment. It may be an issue for your constitution but two other ASX-listed  
20 companies have hybrid AGMs, which was what was requested in that meeting, so it's not a corporate issue. It's purely a constitutional issue.

MR WILKINS: Well, thank you, Mr Whittington. We will take that one on board. Ladies and gentlemen, I think that we've had a reasonable opportunity to discuss the  
25 general matters before the meeting. I see there are no further questions at the moment from the microphones here. And what I would now like to do is to turn to the items of business, which are going to be put to the vote. Let me explain the voting procedures. Only shareholders or their representatives can vote. All of those eligible to vote should have a handset with a white smart card inserted in the top and  
30 they look like this. If you haven't received your handset or a white card, please raise your hand for assistance. If you're here today as a proxy, any voting instructions given to you by your appointing shareholder will automatically be cast so you need only cast any open proxies you hold using your handset.

35 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. As set out in the notice of meeting on item 3, voting restrictions apply to AMPs key management personnel and their closely related parties. We've implemented rigorous procedures to ensure those voting restrictions are followed.  
40 We will show the final proxy position on the screen after the discussion on each item. You will then be invited to lodge your vote using your electronic handset. Once voting begins, the voting options will appear on the handset screen. To vote for the resolution, press 1, to vote against the resolution, press 2 or if you wish to abstain from voting press 3. If you change your mind before voting closes, simply  
45 select a new option by pressing 1, 2 or 3 and your new vote will override your original selection.

Once the voting has closed, the results will be displayed on the screen including all proxy votes. Now, if you have any issues with your handset, please raise your hand for assistance. So let's now move to item 2(c) of the notice of meeting which concerns the election of Andrew Harmos as a director. The proposed resolution is shown on the screen. Andrew is the newest member of our board. He was appointed to the AMP Limited board in June 2017 and is the chairman of our risk committee and a member of our audit committee. Andrew was appointed a director of AMP Life Limited and the National Mutual Life Association of Australasia Limited in August 2013. He's chairman of the Audit and Risk Committee of both Life company boards.

Andrew is a founding director and shareholder of Harmos Husk, an Auckland-based specialist corporate legal advisory firm. He has significant experience in a wide range of corporate transactions with expertise in providing strategic board, governance and transaction advice across the Asia Pacific region. Andrew has got a strong understanding of our business and the financial services industry. He has got significant expertise in governance issues and a deep experience as a non-executive director in both Australia and New Zealand. I would now like to invite Andrew to say a few words.

MR A. HARMOS: Thanks, Mike, and good afternoon, ladies and gentlemen. Well, I guess it's no understatement that today's circumstances don't lend themselves to a normal sort of AGM speech for a director seeking election. You have every right to be angry and upset and there's no one at AMP who feels any different. Please allow me to introduce myself. I will duplicate a little bit of what's in the materials and what Mike has said. Actually, my involvement with AMP dates back to 1984 when my wife – when I first became a customer. My wife and I took out an AMP endowment, life and income protection policies at that time. The endowment policies matured and delivered to expectation and the life and income protection policies are still in place today.

As Mike has said, I live and work in New Zealand where AMP has a substantial and successful set of businesses that have been a mainstay of the life insurance and investment sectors for more than 100 years. I practise in a specialist corporate-focused law firm that I founded with colleagues about 16 years ago, and I've been involved in listed company governance as an adviser through my legal career and as a director since I was in my early 30s. Most recently, I chaired the New Zealand Stock Exchange Board, much smaller than your ASX but equally important in its national context. It's a company that is both a regulator and is highly regulated, and it touches many of the markets and sectors that AMP operates in.

As the AGM notice materials say, I joined the Life subsidiary board in the second half of 2013 and the AMP Limited board last year. Last week, with Mike becoming interim executive chair, I was asked to assume the chair of the group's risk committee, again as Mike has mentioned. I felt humbled to be asked to join the board, and I feel no less honoured to be associated with AMP today. While my experience and connectivity across the New Zealand business sector was the reason I

was originally asked to join the Life board, I work very hard to ensure that my experience, relevance and contribution goes well beyond the New Zealand scene and extends as fully to AMPs business here in Australia and elsewhere.

5 People join boards for different reasons, personal and altruistic. In my case, I've always enjoyed business, financial and investment markets, and I believe strongly in making a positive contribution. Individuals, business and society can only do well over time if everyone has the opportunity to do well. That's becoming obvious if you look around at how the world has changed just over the last year or two, and, for me, that's a core philosophy. AMPs values are fully aligned with that philosophy. I'm standing for election for the first time, having been appointed, as I say, last year. If I'm to continue, I'm required to offer myself for election by shareholders at this meeting.

15 I've received sufficient indications of support to date to suggest that I should not withdraw my candidacy ahead of this meeting, and I haven't done so. I believe that AMP and its people can ill afford any more instability at this challenging time. If elected, I'll continue to support the board renewal process that has started already. I'll serve at your pleasure, and I'll keep my tenure under review. I'll take guidance from my colleagues, as I have to date, and the chairman elect on that question of tenure. I fully support David Murray and Mike Wilkins, their calls for meaningful change to the board.

25 Finally, Mike, I'd like to thank you on behalf of the board that remains and the directors who have resigned in recent days for your tremendous leadership in assuming the mantle that you have at the most difficult of times for the organisation, its people, shareholders, customers, stakeholders and for you and your family personally. You didn't need to do it, but you did need to do it, and you did it. Thank you especially to your family for their support and thank you very much for your attention.

30 MR WILKINS: Well, thank you, Andrew. Greatly appreciate that and thank you for your comments to the meeting. I confirm that Andrew has the unqualified support of his fellow directors for his election, and I now open the discussion on Andrew Harnos' election. See we have a question from microphone 3. No. We don't have a question from microphone 3. Question from microphone 1.

OPERATOR: Chairman, I'd like to re-introduce Mr Whittington from the Australian Shareholders' Association.

40 MR WHTTINGTON: Thank you. Mr Interim Chairman, firstly we have to state that, whilst not making any suggestions as to whether individual members made sins of commission or sins of omission, the simple fact is the buck stops with them, and, as stated in the AMP press release of 30<sup>th</sup> of April – and you've stated today – the board has collective governance accountability. Given that the brand and value destruction that has occurred in the last few months, we therefore expect the entire board to be gone by Christmas and will consider raising a shareholder resolution to

remove them at the next AGM if they are not. For this reason, we do not support the election of Mr Harnos, and also I would ask the question – can you put the proxy position on the screen at the moment, please. That will enable the shareholders to have a better understanding of the proxies that have been voted to date.

5

MR WILKINS: I've indicated that I intend to do that at the end of questions, so - - -

MR WHITTINGTON: Mr Chairman, I think it's appropriate that we get a chance to question after the proxy position has been put up.

10

MR WILKINS: I intend to put it at the end of questions, Mr Whittington.

MR WHITTINGTON: So you're not going to allow questions after the proxy, Mr Chairman?

15

MR WILKINS: I want to have questions asked, which I'm trying to get to.

MR WHITTINGTON: So I can come back after you put the proxy position and ask a question then?

20

MR WILKINS: If you wish.

MR WHITTINGTON: Thank you. And – well, my only comment is – yeah. So we'll not support him and I will look forward to seeing the proxy later. Thank you.

25

MR WILKINS: We have a question from microphone 2.

OPERATOR: Mr Chairman, I'd like to re-introduce Mr McClure.

MR McCLURE: Thanks, Mr Acting Chairman. Andrew, you're in a spot here, mate, but you're a lawyer. Were you a minority on the board when all this was going on?

35

MR WILKINS: Sorry, Mr McClure. I don't understand your question to Andrew.

MR McCLURE: The question is, Mr Harnos is a lawyer, a corporate lawyer, and so he would – he would be aware, more than the non-legal members of the board, what was right and what was wrong. I'm asking if he was a minority on the board when decisions were made.

40

MR WILKINS: I think maybe I should take that question rather than Andrew. Our board has a diversity of experience, but I think it has great experience. As decisions have been made, we've had the debate that is necessary to have, and then made the decisions that we believe are in the best interests of the company, and Andrew has made a great contribution to that date. We have a question from microphone 3 this time.

45

OPERATOR: Mr Chairman, I'd like to introduce Stephen Mayne.

MR MAYNE: I understand AMP owns 49 million shares in itself. Can you tell us whether you voted those today? And I think this would be in addition to any  
5 undirected proxies that you get from shareholders. So could you inform us on how many undirected proxies that you control and will vote in the poll in favour of Mr Harnos, and also just clarify what you've done with the 49 million votes that AMP controls in itself directly, whether you've voted those by proxy, not voted them at all, or whether you will be voting them in the poll.

10 MR WILKINS: So, Mr Mayne, my understanding is that we can't vote those 49 million shares under ASIC rules, so hence they have not been voted. In terms of the open proxies that are directed to the chairman, I intend to vote those in favour of the resolution, and we indicated that in the notice of meeting.

15 MR MAYNE: And I think a few shareholders would have questions about the size of the protest vote, so I just want to support Mr Whittington's view that best practice is to inform the shareholders of what they've done with their votes so they can ask any questions about their votes, and once again, here you are choosing not to do with  
20 cooperative, transparent approach, and you are withholding information from us. So maybe on the next resolution when we get to the remuneration report, you've already told us there's a strike. Perhaps you can flash up the slide earlier or even test the mood of the room. I think you should ask the room if they'd like to see the proxies. I think you'd probably find a majority of people here would say please show us the  
25 proxies. You can do it at your chair's discretion. So I just want to reiterate that point. It is best practice and it continues the duck and weave if you withhold them so we can't then ask questions about the 55/45 vote or whatever it may be.

30 MR WILKINS: I think the 55/45 or whatever the vote may be is not necessarily the issue at hand. The issue at hand at the moment is the election of Mr Harnos, and I'm very happy to have questions addressed to that election. Those shareholders who've voted have voted. Those who are on the floor, of course, can change their – their vote. So I think the question at hand is really the election of Mr Harnos and any questions that shareholders want to put to that. I take it that we have no further  
35 comments or questions. The proxy position will now be put on the screen.

I now put the election of Andrew Harnos as a director to the vote. Please enter your vote on your handset by pressing 1 to vote for, 2 to vote against and 3 if you wish to  
40 abstain. I think that the majority of people have cast their vote. However, I will leave it open for a moment longer. I now declare the voting closed. As the pole has now closed, the results will appear on the screen behind me. On that basis, I declare the resolution passed. Congratulations, Andrew, and I look forward to serving with you on the board.

45 We now turn to item 3, being the adoption of the 2017 remuneration report. The proposed resolution is shown on the screen. The 2017 remuneration report appears on pages 28 to 52 of the annual report and provides details of our remuneration



approach and structure in 2017. The report also includes details of changes to our executive remuneration approach in 2018. As I mentioned earlier, the proposed new remuneration scheme is designed to better support a culture of performance and to create a stronger alignment of interest between AMP executives and our  
5 shareholders.

Each director recommends shareholders vote in favour of adopting the remuneration report. Now, I recognise that some shareholders have expressed concern about the 2017 remuneration report. The majority of concerns relate to events in recent weeks  
10 and a desire to ensure overall board accountability. The board acknowledges your concerns and we'll continue to engage with shareholders to ensure that shareholders' perspectives are understood. We expect a significant number of votes to be cast against the 2017 remuneration report leading to a first strike. I now call for any questions or comments on the 2017 remuneration report, noting that we do expect  
15 that there will be a strike against that report. We have a question from microphone 1.

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

20 MR WILKINS: Mr Whittington.

MR WHITTINGTON: Mr Chairman, I expected there to be far more questions about this. I was hoping someone else would go first. Mr Interim Chairman, we're concerned that AMP's remuneration policies may be partly responsible for the  
25 problems that have been raised at the Royal Commission. We're particularly concerned that high remuneration and the way incentives are structured, encouraging short termism, including overlooking problems regardless of the long-term consequences to the company. We are also very disappointed that whilst numerous reviews have been announced to AMP's governance culture and operating practices,  
30 they don't seem to have included a high-level review of the remuneration arrangements. This is unfortunate, and we ask ANZ to reconsider that.

We will not be supporting the remuneration report for a number of reasons which we've already discussed with you. The most significant issues are that we believe  
35 that the current pay is too generous with the CEO or the past CEO receiving 48 times average weekly earnings, and complained for almost 10 years that AMP's short-term incentives have generally been too large for often mediocre performance where the share price has only gone sideways or downwards. We see no alignment with shareholders there.  
40

So question. In the coming year, we understand that you're planning to pay key management personnel so-called long-term incentives which are based on one year's performance, i.e., what was proposed and then withdrawn for the CEO. Is 12 months your idea of long term? Can you assure us that no such plan will be used for yourself  
45 which I think you've done for the new CEO or for any KMP?

MR WILKINS: Mr Whittington, certainly I can say that any remuneration for me will be a monthly fee and – and nothing else, and I think that that’s entirely appropriate. In terms of the scheme that had been proposed, we do believe that it aligns shareholders’ interests with those of our executives and creates a longer term  
5 mindset because whilst there might be an award that – that is made, it vests over a five-year period and gives forth the discretion to deal with the issues that you were talking about. So I think five years can be regarded as longer term; however, we have also heard that – from you and others that you do not support this scheme.

10 And given that I’ve already called that we expect a – a – a strike on the remuneration report, we clearly need to listen to our shareholders. And we will consult over the course of next year to make sure that we have something that is the most appropriate scheme that we can find to align that interest between shareholders and – and our –  
15 our executives because we want to actually incentivise our executives to deliver for the – for the company and for the shareholders. In terms of a new chief executive coming in, he or she will actually participate in the same scheme as all of the other executives of the organisation.

MR WHITTINGTON: Okay. Thank you. And certainly I would offer our Sydney  
20 monitors would be very happy to provide feedback on that during the course of these investigations over the next year.

MR WILKINS: We will certainly consult with a wide variety of our – of our  
25 shareholders and other interested parties.

MR WHITTINGTON: My last question, Mr Interim Chair, I understand that some employees including at least one key management personnel have uncapped incentives, ie, the sky is the limit. How many employees have such incentives, and how is the risk to the company of these incentives producing perverse outcomes  
30 being managed? Also can you assure us the people evaluating those uncapped incentives are not themselves eligible for uncapped incentives?

MR WILKINS: I think that we – we call out one person, and it is Adam Tindall who is the chief executive of AMP Capital. The incentive scheme for AMP Capital  
35 is different because incentive schemes in the asset management arena more generally are – are different to the types of schemes that we propose here. I think the – it is aligned with the shareholders because essentially it is a profit share, but also there are a number of other factors that are – are taken into account rather than just purely profit in deeming that. There are no people who actually assess that performance  
40 that also have uncapped incentive schemes, and of course, ultimately the decision is made by the board around the awarding of that. As I’ve said earlier, the board receives fees and nothing else.

MR WHITTINGTON: Thank you.  
45

MR WILKINS: Thank you. We have a question, microphone 3.

OPERATOR: Mr Chairman, re-introducing Mr Mayne.

MR MAYNE: Just a final transparency request, Chair. Voter turnout has been falling in recent years at the retail shareholder level, so both attendance numbers at  
5 AGMs and the number of shareholders who are bothering to vote has been in decline, and one of the reasons for that is that us retail shareholders feel that our vote is powerless because we get swamped by the big institutions, so we don't feel – what's the bother in voting, because our vote won't affect the 62 per cent in favour of Mr  
10 Harmos or whatever it is on the REM report. So I know that ASA has got an excellent new policy, which is to request that companies when they disclose voting outcomes also include the voting outcome by voters as well as by votes, just as occurs in every scheme meeting approval for schemes of arrangement.

15 So could you become the first company that says yes to that voluntary request so we know how many people voted today? Presumably it'll be about 30, 40, 50,000. It's normally about four or five per cent of your 860,000 would vote. But if you also disclose how many voted in favour of Mr Harmos and how many voted against Mr Harmos, and same with the remuneration report. Not only will we have a discussion about what the big institutions and the powerful proxy advisers are saying and  
20 thinking and voting, we'll get an insight into retail sentiment, as to how your retail shareholders voted, whether it was 20,000 against the REM report or whether it was 30,000 who backed Mr Harmos.

25 It costs you nothing to release this. Computershare has this at the flick of a button. They collect this data anyway. So in the interests of transparency, yet again, I ask you, can you take the high road and can you, when you release the information this afternoon, provide the additional information of what the voters did on each of the resolutions, plus how many actually turned out. Was it 40,000, 50,000, whatever. Because that would make it more interesting for all of us who've bothered to turn up  
30 today to see what we think rather than just be totally overwhelmed by the big institutional voters.

MR WILKINS: Mr Mayne, I'll take that on board, but also the principle is one share, one vote, and you understand that very well, and what we'll be showing in  
35 terms of the overall outcome is actually the consolidated process of the vote at the moment. But I will take that on – under notice. There are no other questions or issues on the remuneration report? Well, the proxy position is now shown on the screen. I'll now put the adoption of the remuneration report for the year ended 31 December 2017 to the vote. Please enter your vote by pressing 1 to vote for, 2 to  
40 vote against, or 3 if you wish to abstain. I think the majority of people have cast their vote. I now declare the voting closed. As the poll is now closed, the results will appear on the screen behind me.

45 On that basis, I declare that the resolution has not been carried. The vote on this resolution is advisory only in nature. As more than 25 per cent of the votes cast were against adoption of the remuneration report, AMP has received a first strike on the report. As I mentioned earlier, we acknowledge your concerns and will certainly

consider all of your feedback. As item 4 has been withdrawn from the agenda, that was the final item on our agenda today. The results of the polls you participated in during the meeting will be released in an ASX announcement later today and published on our website. Ladies and gentlemen, thank you for joining us today. If  
5 you have any further questions about products and services or your shareholding, the staff at the customer and shareholder desks in the foyer will be happy to help you. Lunch and refreshments will now be served in the foyer. Thank you. And I now declare the meeting closed. Good afternoon.

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**MEETING CONCLUDES**