

# AMP Annual General Meeting

12 May 2016

## Address by AMP Chairman, Simon McKeon

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. I think the music has stopped. No. Not quite. I decree it's stopped. And, now we'll commence the 2016 Annual General Meeting of AMP.

Good morning, ladies and gentlemen. My name is Simon McKeon and I am Chairman of AMP Limited and of your meeting today. I'm advised that there's a quorum present and I now formally open this 2016 Annual General Meeting.

Before we begin proceedings I'd like to acknowledge the traditional owners of the lands on which we meet today, the Wurundjeri Tribe of the Kulin Nation and would like to pay my respects to their elders, both past and present. I also extend a warm welcome to all of you here in the room and particularly to those shareholders watching the meeting via the webcast. It's a very good thing for shareholders, particularly of large companies, to take an interest in your companies. Thank you.

As you may have heard, I will be retiring from the AMP Limited Board at the conclusion of today's meeting. My decision to retire reflected a recent change in circumstances that unfortunately could not have been anticipated. I am disappointed to be leaving the Board and have been very grateful for the support and good wishes received from many of you in recent weeks. It's been an honour to serve as your Chairman. AMP, I believe, is a very special company, one that is part of the fabric of Australia and plays a particularly important role in our society, helping millions of Australians and New Zealanders achieve their financial goals.

Rest assured, I leave your company in a strong position and in very good hands. I have every confidence that my fellow Directors, together with AMP's skilled and stable management team, will continue to deliver on the strategy, grow the business and deliver strong returns for shareholders over the longer term.

Over the past 12 months we have been through a process of Board renewal, seeking to

strengthen and deepen skills at Board level in line with AMP strategy and to improve diversity generally. And, as you can see from the makeup of our Board joining me on stage today, I'm delighted to report that we have met our self-imposed gender diversity targets.

I'd like to take a moment to briefly introduce your Directors starting with our incoming, interim Chairman, John Palmer who is seated to my right. His name is in front of him. Raise your hand, John, just for those who can't read. Good. As you would be aware, John is one of our longest-standing and most experienced Directors. He has kindly agreed to postpone his retirement and step in as interim Chairman, providing stability and direction until a permanent appointment is made. Thanks, John. And, I've asked John to address the meeting a little later on that reappointment process.

Then on my extreme right we have Trevor Matthews who is Chairman of our Audit Committee and a member of our Risk Committee. Next to Trevor is Catherine Brenner, Chairman of our Nomination and Governance Committee.

Seated next to John is Vanessa Wallace, our newest Board member who is now a member of both the Risk Committee and our People and Remuneration Committee. Vanessa has more than 30 years' experience in the financial services sector across Asia Pacific and I'm very pleased she is here with us today. You'll have the opportunity to hear a little bit more about Vanessa later and to vote on her election.

On my immediate right is Craig Meller, our Chief Executive Officer and Managing Director. Craig will shortly provide an update on AMP's performance in 2015, progress against strategy to date and future growth potential.

On my left, again starting from the very end, we have Peter Shergold who is Chairman of our Risk Committee and a member of our Audit Committee, Patty Akopiantz who is Chairman of our People and Remuneration Committee and a member of our Nomination and Governance Committee. Must come up with shorter names next time.

Next to Patty is Brian Clark who will also retire from the AMP Limited Board at the end of today's meeting. Brian joined the AMP as a Director in 2008 and has also served as a Director and then Chairman of AMP Capital Holdings. Our company has benefited greatly from Brian's insights and sound judgements over the years. On behalf of the Board I wish him all the very best for the next stage of his career and thank him for his professionalism and service.

Seated next to Brian is Holly Kramer who joined the AMP Board last October and as a

member of the Audit Committee. Holly has extensive marketing and retail experience and has helped to transform some of Australia's most customer-focussed organisations. Like Vanessa, you'll also have the opportunity to vote on Holly's election later in the meeting.

Finally, we have our Company Secretary, David Cullen.

I hope many of you were able to join us for the information session held this morning with our Chief Economist, Shane Oliver, an initiative we've had in recent years. You, our shareholders, are an important part of our business and we are looking for more ways to share with you some of the tremendous financial expertise we have in our company and provide some extra value. We continue to welcome your feedback on how we can continue to improve this event.

Our agenda for today is now on the screen. At the conclusion of the meeting lunch will be available in the foyer. Before we move to the formal items of business both Craig and I will now address the meeting. To get us underway I'd like to share a few reflections on AMP's 2015 performance and our thinking as a Board on the state of Australia's financial services industry and, specifically, the debate and challenge around culture.

### **2015 business performance**

Reflecting on 2015, AMP performed very well, demonstrating the company's strength and resilience, particularly against the backdrop of more challenging investment markets in the second half.

The consistent execution of our strategy developed strong financial results.

Craig will take you through that performance, our strategy and our significant long-term growth potential in more detail shortly.

What is most pleasing about 2015 is that we continued to develop better outcomes for all the people who count on us: you, our shareholders, customers, business partners, employees, the communities where we operate across Australia, New Zealand and internationally.

For our 800,000 shareholders, we lifted our total 2015 dividend to 28 cents per share, an 8 per cent increase on the previous year.

We also made improvements to our payout policy and franking rate based on our confidence in AMP's financial strength.

Our policy is now to pay out between 70 to 90 percent of underlying profit, and we've lifted

our franking rate up to 90 percent.

Our return on equity improved to 13.2 per cent, and we were pleased to deliver better total shareholder returns, outperforming the ASX 200 by eight percent in 2015 and ten percent over the past three years.

Looking at the current year, investment market conditions have continued to be volatile. The first quarter cash flows we announced today are subdued as a result. This is consistent with what we're seeing across the industry.

The first quarter also proved challenging for our life insurance business with ongoing volatility in our claims experience. We have previously said that we expect volatility in these results while we continue to fix and strengthen the life business but we remain committed to our strategy and confident that we are on the right track.

I'm now going to turn beyond AMP's business performance, which Craig will come back to, and make some comments about the broader financial services industry in which we operate and the scrutiny it is currently facing.

### **Role of Australia's financial services industry**

Australia has one of the most highly advanced financial systems in the world, a system admired globally for its stability and sophistication.

Indeed, this industry is the largest contributor to our national economy, with gross value added to GDP of 9.3 percent<sup>1</sup>. Wealth management has been identified as one of Australia's key drivers of international growth during the next 20 years<sup>2</sup>.

Of course, our A\$2 trillion<sup>3</sup> superannuation system is lauded for its foresight and hailed as one of the cornerstones of the nation's economy.

While helping people save for their futures, it also helps to fund infrastructure and business investment across our nation.

We have high expectations of our financial services providers, and understandably so; we trust them to safeguard and grow our hard-earned money.

We expect that the people who have the privilege of taking care of our savings and

---

<sup>1</sup> *Why Australia*, Benchmark Report 2016, Australian Trade Commission (Austrade)

<sup>2</sup> *Positioning for Prosperity? Catching the next wave*, Deloitte report, 2014

<sup>3</sup> Quarterly Superannuation Performance, Australian Prudential Regulation Authority, December 2015

investments will act in good faith and in the best interests of customers.

The community's support for our financial system helped to cushion Australia from the full impact of the global financial crisis, and so our country's major financial institutions remained profitable and well-capitalised.

At AMP, we acknowledge the enormous responsibility and privilege we have as the steward of the financial futures of millions of people and we recognise that the most important licence we operate under is the one granted to us by the people of Australia and New Zealand.

Our social licence is underpinned by the community's trust and confidence and we don't take this for granted.

### **Integrity of industry**

However, there's an important national conversation going on in our country right now about the integrity in our financial services industry.

The discussion stems from a series of serious and disappointing issues across the industry including:

- The alleged manipulation of the key benchmark interest rate;
- The mismanagement of life insurance claims which followed last year's concerns about the financial advice sector; and
- The role and treatment of whistleblowers.

At the crux of these issues is the question of how to balance competing stakeholder interests and specifically how organisations can create value for shareholders in a way that serves the best interests of customers. The answer to this question goes to the heart of a company and its culture.

The issues confronting our industry have driven a period of more intense self-reflection at AMP in this regard.

It's caused the Board and the management team to take a harder look at what we think and what we do.

It's very difficult to define culture and I suspect, like many others in our industry, we are doing our fair share of grappling with this.

There is no universally-recognised description and certainly no one-size-fits-all approach. But, we know that culture forms the bedrock of any organisation and that when companies get it right, good things follow.

We also know this is an important conversation to have within AMP if we want our industry to be trusted, and therefore successful and sustainable.

And, while we're not perfect, we don't have all the answers, we know that as an industry leader it is our responsibility to participate in the public debate.

So, today we are intentionally sharing AMP's thinking on culture in the interest of furthering this debate.

## **1. Culture is about doing the right thing**

First, we believe that culture is about doing the right thing. It is about actions, not words.

It is pervasive and multidimensional, embracing everything we do to foster a customer culture, nurture strong risk and fiduciary cultures, manage conduct risk and ensure strong ethics and compliance.

At AMP, we recognise that culture has many threads and we are taking action and making progress on each.

- o Over the past two years, we have been transforming our core Australian business to recognise and keep pace with changing consumer expectations around technology and service.
- o We have led the industry in lifting professional standards for financial advice and driven the development of an industry-wide ethics programme in partnership with The Ethics Centre. More than 400 AMP-aligned advisers and employees have participated in this course to date.
- o Both myself and other key members of AMP's management team have also been active in shaping and promoting The Banking and Finance Oath. The decision to sign up is entirely voluntary but is a sign of our commitment to do the right thing by our customers.
- o Work is also underway to strengthen our risk and compliance frameworks, including an active review of our advice controls.

These are just some of the many actions we are taking across the group to strengthen culture and recognising that culture is about 'doing', we'll always view it as a work in progress. It isn't 'set and forget' and there is never any room for complacency.

One must remain vigilant and humble so one continually assesses and improves our processes, systems and frameworks.

## **2. Culture emanates from a strong social purpose**

Secondly, we think that culture emanates from a strong sense of purpose.

We were founded 167 years ago with a clear social purpose: 'to be a sure friend in uncertain times'.

At its heart, this is a commitment to help and do the right thing for our customers, which has become an integral part of AMP's DNA.

Our history and heritage as a mutual intrinsically aligned the interests of customers and members and is still a key driver of who we are today.

We now express our purpose as helping people 'own tomorrow' and our employees take great pride in upholding this commitment for our customers. It remains one of the most powerful cultural motivators in our organisation.

## **3. Doing the right thing starts at the top**

Thirdly, we think that a commitment to doing the right thing starts at the top.

'Visible and vocal' leadership is undoubtedly one of an organisation's most significant cultural levers.

It is up to AMP's Board, leadership team and other senior leaders in the organisation to set, protect and role-model desired behaviours and actions.

One of the most important leadership values we foster is an openness and willingness to listen and respond to bad news.

Former AMP Chairman Peter Willcox said it best when he told management, 'Run, don't walk to me, with bad news' and this holds true in AMP today.

It's the responsibility of leaders to respond constructively to challenging news: it's our duty to listen, investigate and fix.

This is why whistleblowing policies are so important.

We want employees – at any level – to feel safe and empowered, to identify and raise issues that are unethical, unacceptable or even questionable.

Our CEO Craig Meller regularly emphasises the importance of speaking up and taking action. This forms the fundamental premise of our whistleblowing policy which is regularly communicated to and reinforced with all employees and our aligned financial advisers.

#### **4. Culture involves balancing competing stakeholder interests**

The importance of debating and optimising that balance of competing stakeholders' interests is the fourth factor influencing our thinking on culture.

And for AMP, like many other organisations, one of the crucial balances to strike is the one between shareholders and customers. This lies at the crux of issues, I think, facing the industry today.

We believe that doing the right thing for customers is in the long-term interests of all of you as shareholders.

Short-term measures designed to maximise shareholder value can often come at the expense of customer interests. In the long-term, this undermines the social licence to operate and devalues the company for shareholders.

This is why remuneration frameworks aligned to customer outcomes are critical.

At AMP, we have aligned a proportion of our remuneration framework to the net promoter system which not only measures customer advocacy but is also a powerful way to give customers a stronger voice within the organisation and to drive behaviour change in line with customers' best interests.

#### **5. Doing the right thing means owning and fixing your mistakes**

How companies respond when things go wrong really matters – it is an important cultural indicator.

At AMP, we stand behind our products, services and advice. Yet, for all the action we are taking to strengthen and improve culture and for all our best intentions we won't always get everything perfectly right.

When we make a mistake, we acknowledge it, apologise and work hard to fix it as quickly as



possible. That's the right thing to do.

### **AMP's response to industry events**

So what are we doing to foster and strengthen culture in the context of the challenges facing our industry, taking each in turn?

We can't comment on the benchmark rate issue as we are not involved directly in this specialised market activity. However, we are Australia's leading life insurance company and in recent months you would have seen media coverage relating to the management of **life insurance** claims at one of our competitors.

It's difficult not to feel distressed by these stories which remind us all of the importance of life insurance at the most vulnerable times of a person's life.

Insurance provides security when people experience the trauma of losing a loved one and reassurance during illness or disability. And, insurance is one of the driving reasons behind AMP's existence; it has helped define the role we've played in Australian daily life for the past 167 years.

At AMP, we treat each claim on a case-by-case basis and use thorough, expert assessment to identify and pay all rightful claims.

Last year we paid almost \$1 billion in insurance claims, helping nearly 10,000 customers.

We don't pay every claim, we don't always get it right, but we are committed to being absolutely open and fixing our mistake if we're in the wrong.

The recent scrutiny has served to highlight the inherent complexity in life insurance.

We recognised the need for change two years ago and have been on the front foot in putting in place a comprehensive program to make our insurance business better for customers and more sustainable for shareholders. Craig will take you through the specific action we're taking shortly.

### **Conclusion**

In conclusion, AMP is a strong, resilient company, taking action to better serve customers and generate better returns to shareholders. This is evident in our 2015 results.

We are achieving this through the consistent execution of our growth strategy, along with constant work to strengthen our culture.

AMP is a very special company.

I'm proud of its culture; I'm honoured to have been part of it.

I have every confidence that this great company will continue to grow and prosper. I leave it in very good hands with a strong, professional and highly capable management team, under Craig's leadership, who I believe have the highest standards of integrity.

Within AMP, there is a willingness to listen and learn; there's a fight against complacency and there's an unwavering commitment to our purpose and doing the right thing.

No organisation is perfect. We do not hold ourselves up as an example nor do we have all the answers because there are things we need to change and things that we'll do better.

We know, however, that culture is an important conversation to have if we want our industry to continue to thrive and prosper. And, that will only happen if we have the community's trust and therefore a strong, social licence to operate.

Thank you. I will now hand over to Craig.

*Address by AMP CEO, Craig Meller*

Thank you Simon and good morning ladies and gentlemen.

First, Simon, I wanted to acknowledge that it has been an absolute pleasure to work with you over the last three years and on behalf of AMP's management and employees I want to thank you for your very significant contribution to the group.

Two thousand and fifteen was a good year for AMP, a year in which AMP demonstrated its strength and resilience, particularly when facing more challenging investment markets in the second half of the year.

We began to see strong growth potential from the strategy we committed to almost three years ago with:

- The transformation of our Australian business showing early signs of success; and
- The continued expansion of our business internationally, particularly through our partnership with the world's largest life insurance company, China Life.

This progress is the result of the hard work of AMP's five and a half thousand employees, who I'd like to thank for their ongoing commitment to the group.

It is the combination of the right culture and the right strategy, executed with precision and efficiency, that will ultimately deliver strong customer outcomes and create long-term value for you, our shareholders.

This morning Simon outlined our thinking on culture and our commitment to doing the right thing and so I will focus on AMP's strategy and growth potential.

But first, let's start with a look at our business performance in 2015.

### **2015 business performance**

AMP continues to be Australia's leading specialist wealth management company in a \$2.6 trillion<sup>4</sup> marketplace with enormous long-term growth potential. We take great pride in being Australia's leading provider of financial advice, Superannuation, life insurance and the administration of self-managed Super funds. We are also one of the leading infrastructure managers in the world and one of the largest direct property managers in the Asia Pacific region.

Our financial results for 2015 demonstrate AMP's strength and resilience particularly against the backdrop of more challenging sharemarkets in the second half of 2015. Your company's underlying profit for the full year of 2015 was \$1.12 billion, an increase of seven percent on 2014. Overall our earnings and assets under management increased, cash flows were strong, and we tightly managed costs, driving our cost to income ratio down to 43.8 percent. This year we'll complete our three-year business efficiency programme which will deliver recurring cost savings of \$200 million a year pre-tax. These savings will allow us to invest in our long-term growth and this cost discipline ensures we remain competitive in the marketplace and highly profitable.

Sharemarket volatility we saw in the second half of 2015 has continued into 2016. The first quarter cash flows we announced today are subdued as a result, as we've seen right across the industry and, as we've consistently flagged, we expect life insurance claims experience to be volatile as we work to strengthen and fix our life insurance business. The first quarter of this year, claims have been higher than expected, however, our Claims Change programme is delivering improved business capabilities and, more importantly, better customer outcomes and so we remain confident in our insurance strategy and the long-term

---

<sup>4</sup> Australian Bureau of Statistics Managed Funds Report, Managed Funds Industry, December 2015

outlook for this business.

In the past week we've also seen the Government's proposed changes to tax on superannuation in the Federal Budget. We support the Government's intent to define the purpose of the superannuation system and to ensure the system is fair and equitable for everyone but, given the significance of the proposed changes, we would strongly urge a prolonged period of stability so that Australians' confidence in saving for retirement through super is not undermined.

For our customers we expect that the proposals will significantly affect the plans and investment strategies of our wealthier clients. We also suspect that many more people will now benefit from professional advice to optimise their financial arrangements and so this will be a net positive for our advisors, given the detailed nature of the Government's proposals.

### **AMP strategy**

Turning now to our strategy to drive long-term growth, AMP has continued to deliver short-term performance without sacrificing investment in the long term. We've achieved this through the consistent execution of our strategy which has four key objectives. First, transforming our Australian business to be more customer-centric. Second, growing or strengthening our position in domestic markets where we see strong potential or enjoy a market-leading position. Third, growing selectively in Asia and internationally, primarily through AMP Capital and, fourth, a relentless focus on efficiency and agility.

Taking each in turn and starting with the strategic objective to become more customer-centric.

Simon has described how putting our customers' interests first underpins AMP's purpose and is an integral part of our DNA.

Delivering for our customers has always been core to our strategy but for AMP today, being customer centric is about evolving to meet changing consumer expectations, particularly around technology and service.

Over the past two years, we've focused on building the foundations, and putting in place the core technology and infrastructure to make it easier and more convenient for customers to deal with us.

We've fundamentally transformed our digital capabilities, launching a new website, mobile apps and more recently, My AMP, a smart, online tool to help customers manage their total

financial position much more easily.

We've also invested in leading edge data and analytics systems so that however a customer chooses to interact with us, be it online, over the phone or face-to-face with their advisor, we understand their financial position and are able to proactively help them achieve their goals.

And, as you may have seen from our new advertising which was on the screen prior to the meeting, we are reshaping our entire business, our solutions, systems and processes, to be focused on helping our customers achieve their goals and their ambitions.

To date we have designed innovative technology to help financial advisors work more efficiently with their customers to achieve this. The combination of technology and a face-to-face conversation is a powerful motivator in helping customers realise their financial goals sooner. We are testing and improving this experience and will gradually take it to scale for AMP advisors and their clients across Australia.

We're also designing products and solutions around the financial goals that matter most to our customers and we're launching four new solutions later this year.

Moving on to the second strategic objective, **growing in markets where we hold a strong position or where there is very strong growth potential.**

**AMP Bank** is central to our customer strategy with management and mortgage solutions a very important way that we help customers achieve their goals.

In the past six years AMP Bank's contribution to our profits has tripled and today it represents almost ten percent of our operating profit.

Its return on equity is in line with larger competitors and it has evolved to become a core part of our value proposition to customers and to advisors.

We see significant potential to grow the bank further through both mortgage brokers and our own financial advisors and this year we'll launch a new solution called Better. This new approach to banking will help customers manage their money much more effectively.

We also see enormous potential in the **self-managed superannuation** sector.

This fast-growing market is expected to grow to more than \$2.5 trillion in the next 20 years<sup>5</sup>.

---

<sup>5</sup> *Dynamics of the Australian Superannuation System – The next 20 years: 2015-2035*, Deloitte Actuaries and Consultants, November 2015

We entered the SMSF market just four years ago, and since then we've grown our business into a market leader, with almost \$19 billion in assets under administration.

We are the number one provider of administration services, and in total, provide around 38,000 funds with both administration and software services through our re-launched SMSF business, SuperConcepts.

We'll continue to grow this business and use innovative technology to provide better services, at a lower cost to our customers.

And, in 2016, we will continue our focus on fixing and strengthening our **life insurance business**.

The approach here is three-fold.

First, we are improving how we manage claims and lapses, taking a significantly different and much more empathetic approach to managing claims; an approach that extends beyond paying a claim; to helping people rehabilitate and recover, so that they can get back to work.

We've introduced a new philosophy, processes, tools and capabilities in our income protection business and will roll these out to our lump sum businesses later this year.

At the start of the Claims Change program, we had advised that throughout this process the claims experience would continue to be volatile.

Despite this ongoing volatility, we remain confident in our strategy and the longer-term outlook for the business.

Second, we are actively looking at a range of capital initiatives to improve the efficiency of this business, which includes the opportunity to consolidate our two insurance companies: AMP Life and The National Mutual Life Association, or NMLA which is the former insurance arm of AXA.

Bringing the businesses together requires regulatory approvals. It will not impact policyholders' terms and conditions but should ultimately release capital to shareholders.

Finally, we are developing a simpler insurance product aligned to the goal of helping people protect themselves, their loved ones and their income.

Our third strategic objective is about **international growth**.

In Asia, our focus is on the high-growth markets of China and Japan.

Our approach to doing business in these markets is unique in Australian financial services, based on forging partnerships with national champions.

Our connection to China is strong; we've had a presence there for almost 20 years.

For the past decade we've had the privilege of working with China Life – the world's largest listed life insurance group and a Fortune 500 company.

Three years ago, we formed our first joint venture together – China Life AMP Asset Management Company – which happened to be China Life's first funds management joint venture in mainland China with a foreign partner.

Today, it is one of the fastest growing asset management companies in China, managing RMB 70 billion that's around about A\$15 billion, for Chinese retail and institutional investors.

AMP was also the first foreign company in the world to take an ownership stake in a Chinese pension company with a 19.99% stake in China Life Pension Company or CLPC, as we know it. It's the largest pension company in China, with RMB 301 billion, or almost A\$64 billion, in assets under management and administration.

CLPC is in an exciting position for further growth with the recent opening of part of China's pension market expected to deliver 12% compulsory superannuation contributions for some 40 million public sector employees going forwards.

In Japan, we continue to work with our partner Mitsubishi UFJ Trust and Banking Corporation or MUTB, one of Japan's largest trust banks, to develop and provide relevant investment products for investors.

Today, we manage 621 billion yen, that's about A\$7 billion, for investors in that market, although conditions in Japan continue to be challenging.

More broadly, we are capitalising on the increasing demand from global pension funds and institutional clients for infrastructure and property assets, and fixed income opportunities.

Today, we manage A\$17 billion for global investors.

Finally, our growth strategy is underpinned by a relentless focus on efficiency and agility.

Retaining a rigorous cost focus ensures we remain competitive and enables us to continue to invest in long-term growth.

## **Conclusion**

In conclusion, AMP is in a very strong position.

We have a clear strategy for long-term growth with leading positions in the Australian and New Zealand wealth management markets underpinned by our focus on customer-centricity. We have strong partnerships in key Asian markets, exporting our core skills and expertise to new, high-growth geographies. We see increasing global demand for our infrastructure, property and fixed income management skills, and we have a proven focus on efficiency.

Further, we have at our heart a strong social purpose that has stood the test of time, shapes our culture and drives us to do the right thing for customers.

Together, we believe this combination of strategy and culture will continue to deliver better outcomes for customers and better returns for our shareholders into the long-term.

It is a very great privilege to lead AMP, and I would like to thank you for your continued support. Thank you.

#### *Items of Business*

MR McKEON:

Thanks very much, Craig. Now to the formal business of the meeting. The items of business for today's meeting are set out on the screen. Items two to four set out resolutions to be voted on at today's meeting and to assist with the efficient conduct of the meeting I declare that each of those proposed resolutions is now properly before you. At the appropriate time we will proceed with the discussion on each resolution. Each item will be put to a poll using electronic handsets. If you need to leave the meeting early and would still like to vote, please see one of the Computershare representatives as you leave this room. If you did not receive your handset or white card, please raise your hand now for assistance. We have one down here.

If you would like to participate in any of the discussions during the meeting, please make your way to one of the microphones. If you have questions about your AMP products or services, our staff at the customer centre in the foyer are best placed to assist you.



I am pleased that once again shareholders who are watching the meeting through our live webcast will also be able to ask questions. If you'd like to ask a question through the webcast, please click on the Ask a Question tab at the top of the screen.

Turning now to the first item of business, the purpose of which is to discuss the 2015 statutory reports contained within the 2015 annual report. Now, I'd like to take this opportunity to introduce Tony Johnson of Ernst & Young. Stand up, Tony. Tony is here today in his role as AMP's auditor and is available to answer questions about the audit of our 2015 accounts.

I now call for any questions and comments on our 2015 reports and the management of AMP. Please note we'll focus specifically on the remuneration report later in the meeting.

Now, I think I'm going to take the first question from microphone one. Is that correct?

HOSTESS: Good morning, Chairman. I would like to introduce Mr Vincent.

MR VINCENT: Good morning.

MR McKEON: Good morning.

MR VINCENT: Two quick questions, if that's okay. One is around disclosure, and the other one is around engagement. The first is that last week ASIC announced that the mandatory disclosure of superannuation holdings laws would again be delayed - I think it's been the third delay this month - to July 2017. I'm just curious to know, does the board support this decision, this shifting again, and the way you've enacted with ASIC or any other government bodies around your proposals regarding these laws?

MR MELLER: Thank you. Mr Vincent?

MR VINCENT: Yes.

MR McKEON: Thank you. I will pass to Craig in just a moment on that but let

me kick off by saying that plainly AMP is in an industry with constant change, regulatory change and what have you. As I said in my speech, AMP would like to think that it's at the forefront of promoting good and sensible change but, as you've so appropriately pointed out, sometimes that change doesn't happen in a timeframe or, indeed, sometimes a manner that we'd want.

That's actually part of our business. We have to be good at dealing with a regulatory environment that sometimes is less than perfect or changing slower than we would have liked but I say again, we have to be good at that, managing an imperfect environment. But, Craig, would you like to answer more specifically?

MR MELLER:

Thank you, Chairman. Thank you for the question, Mr Vincent. Look, I think it's an issue where clearly it's a good thing to be able to report to the members of superannuation funds the underlying composition of the make-up of those funds but there are a couple of potential complexities in it which could cause that to be a very costly exercise and so I think the discussions that the industry and the regulator have been having is how can we produce a system that gives effect to that disclosure without putting significant extra costs into the system and so whilst we're broadly supportive overall, it's in the context of having a process of disclosure that allows us to deliver it in a cost-effective way and means that we can keep the costs down for our customers.

MR VINCENT:

Thank you for those comments and, thank you, that's very helpful. Is the position that's been taken either directly to ASIC or perhaps IASA or however you engage, been one of delays, a necessary step so you can have a simpler system? Is that what I'm hearing?

MR MELLER:

Essentially, the case is how can we have a system that gives the customers the information they want and need to make informed decisions without then making it prohibitive from a

cost basis?

MR VINCENT: Right. Thank you. The other questions, just on engagement, if that's okay, I wanted to ask, there's been a number of resolutions that have been put reasonably and it's increasingly the case that they've been submitted to energy companies requesting disclosure on climate change risk and opportunities. I'm just wondering, has AMP voted in favour of these kinds of resolutions around disclosing energy companies' climate risk or their being able to stress test in a less than two degree global warming economy and particularly with AES Corp, Mobil Energy, Occidental and there are a couple of them coming up on Chevron and Exxon Mobil and it would be good to know your preference or if you don't know how you're voting on those points, whether or not there's an overall principle that you apply?

MR McKEON: Thank you, Mr Vincent. Perhaps if I can answer it this way. And, again no doubt I will pass to Craig. AMP, as you'd expect, owns shares and very significant shareholdings in many, many different companies and we have to be good at discerning what is the right way for a large and responsible shareholder to devote. In fact, we're very proud of, I would suggest, an industry leading capability inside our company to get that absolutely right. As always, we are balancing a broad range of views, but nevertheless, we take very seriously, trying to work out one; when we should vote or not, and secondly, when we do vote, ensuring that we get it right, certainly starting from the best interest of our shareholders. But, in this era, one goes beyond that as well. Craig, did you want to add to that?

MR MELLER: Thanks for that, Simon. I can't answer your specific question, because I don't have that information in front of me. But, within our investment management firm, AMP Capital, we have a very experienced corporate social responsibility team who develop a policy with regards to what our voting intentions should be. And, do that in many cases in conjunction with the underlying owners of the funds that we manage. They produce a report each year,

and I know that report is published and available, and I suspect will go some way to answering the question that you've raised, or certainly the philosophy we have around that.

MR VINCENT: Specifically on that point, just on a matter of principle, though, the idea of an energy company being required to be consistent with a low carbon world and a resolution mandating that is presumably something the Board would want to see happen, would want to see more of and vote in favour of.

MR McKEON: That along with many, many other issues. They are important, certainly for our management team in understanding correctly the best way to vote. Now, do we have another question?

HOSTESS: Mr. Chairman, I'd like to introduce Gavin Morton, from Australian Shareholders Association.

MR MORTON: I have two questions. One is the business efficiency programme, which was completed last year. Do you have another one in sight?

MR McKEON: I'll answer that one first. That efficiency programme of course was announced some years ago, and was very significant in terms of its investment and the benefits that we expected would accrue from that, which have actually now proved to be the case. I think we take on the chip the fact that not everyone agreed with our accounting of that, but at the end of the day, at least we were very, very clear on how we were indeed representing the investment and taking the benefits which have continued to accrue. To your question, Gavin, let me say this, that I think we are plainly in an era now where not a day goes by where there is continual business improvement right across the range of activities which Craig has spoken to. There is certainly no present intention to have another programme treated the same way as that very large one. But, equally, let me say that the resolve to continue to do everything from being more efficient, to drive costs down, to be competitive in every area of our activity, is as strong as it's ever been, in my opinion.

MR MORTON: Still, on the subsequent costs, the company has \$66 million in external funds, and the question is, is there a scope to bring any of this in-house, and you would save some margins by doing so. Of course, the quality has got to stay the same.

MR McKEON: Mr. Morton, you are absolutely astute in saying that. And, rest assured that management is always watching. How can we improve margins? How can we manage more of the funds that we have some connection with? Et cetera, et cetera. But, as a vertically integrated group and, indeed, a proud one, we also know that every aspect of our group has to be world class, competitive best. And, we don't give any free kicks inside AMP. So, I think it is a very good environment that incentivises every part of it, to be the very, very best they can. And, that means that there ought to be the sorts of awards that you're talking about.

MR MORTON: I'm fairly positive you would have looked at it, it's an easy one to think about.

MR McKEON: Sure is, constantly.

MR MORTON: But, just lastly, one fairly general one. And, that is that there has been in recent times a rising tide in the amount of money in super funds for the last five years. \$500 million, or something and by another five years, maybe \$2 trillion. It is not evident in the company sales line that it's getting benefit from this tide lifting up. Is this going to change in the future?

MR McKEON: Let me explain it this way. I think it's an area that AMP believes will continue to grow, it's a good market to be in. I think we all agree on that.

GAVIN: Do you see it, though, lifting the sales line?

MR McKEON: Certainly, that's always the objective. Look, you are quite right to point out that certainly some super funds are growing very large and increasingly taking in management in house. But, we see that as an environment simply to be better, and in

particular, to be particularly good at what Craig mentioned before. Namely, some of our specific expertise in various areas. Whether that's property, infrastructure, fixed interest, et cetera, et cetera. But, we are in a competitive world. We are very proud of the fact that we're a very serious player in the industry here.

MR MORTON: What prompted this question was, I was looking at the sales line, and the sales line is basically flat for the last five years. It put my mind on, where is the money to come from to lift it, it struck me that the money is there, I guess the difficulty is how do you access the benefit for AMP? I'll leave it at that point.

MR McKEON: Craig, would you like to?

MR MELLER: Yes. I think if you look at the growth of the superannuation system, there are two components to it. One is the underlying growth that you see and the value of the investments that superannuation customers receive because their money is invested, and the second is the net growth of all of the money in, less all of the money out. I think the figure you gave in terms of the overall growth of the system was the total combined of the growth of the value of your investment, plus the value of the net flows. And, typically, about 70 percent of the growth in the superannuation system comes from the underlying investment growth. Which is what we're receiving, as well as a part of the contribution. If you look at our net flow as a percentage of total assets under management for AMP platforms, it's around about 3 percent, which is around about the average for the system as a whole. So, when we look at our business, we think we're growing at the same rate as the overall system.

MR McKEON: I think we have a question from number three.

HOSTESS: Mr. Chairman, I'd like to introduce Mr. Brait.

MR McKEON: Thank you.

MR BRAIT: Thank you. I've got a couple of questions about Rick, which followed on a little bit from the first questioner. For the moment,

most oil, gas, coal companies around the world are at least in part valued by the size of their proven and probable reserve to how much of the fossil fuel they've actually got available to Australia. At the end of last year in Paris, all the world's governments agreed to keep global warming to below two degrees above the industrial level, and to achieve this, the latest science shows that 80 percent – so, four fifths of current proven and probable reserves need to be kept in the ground to achieve two degree target. So, this actually implies that a lot of fossil fuel companies won't be able to burn the reserves, and also the money they're spending on exploration is also potentially money down the toilet. And, that means that there is trillions of dollars in value that either gradually or suddenly will disappear from these companies at some point. So, my question is, what's the Board's view on when this correction will happen? And, have you observed stranded assets in the fossil fuel sector as yet?

MR McKEON:

Thank you. Well, if I can just kick off by saying yes, there's stranded assets here today in this nation, which weren't around two or three years ago. So, I think that's a fairly obvious answer. Can I just say that I think your questions, Mr. Brait, is actually really just part of a much, much larger question, namely – and, I thank you for the way you've expressed it. How does one be a very, very good investment manager? And, the point is that we recruit the very best people we can to take into account all sort of issues, particularly the longer term seismic changes that may indeed just arise out of a change of community thinking. All I know is that we need to have extremely talented people who are not narrowly constructive, indeed, look at every relevant possible measure. Craig?

MR MELLER:

Very similar. I can't comment on the specific investment decisions we make around some of the issues that we raised. But, rest assured that our investment professionals and the corporate and social responsibility team that we talked about earlier are very actively debating those sorts of issues, and

taking them into account in the investment decisions that they're making on behalf of our customers.

MR. BRAIT: One other quick one. In the UK, the Bank of England have been very vocal about the systemic nature of the width of climate change focus. Do you think Australian regulators are providing enough leadership on this issue of climate change? And, has AMP discussed the nature of this potential, very large correction in the market of fossil fuel companies and the risk of stranded assets with APRA or ASIC?

MR McKEON: Let me answer the second question. I don't want to duck the first bit, it's really not an appropriate one for this board to answer. In relation to the second question, again, going back to the fundamental point of what makes for an outstanding investment manager, one has to take into account every possible important consideration in making these decisions. It's that simple and complex at the same time. And, I think, Mr. Brait, you are raising an issue that will strike a chord with many people in the room, plainly. And, my response simply is, we need to be across – our investment professionals need to be across every relevant aspect that's going to determine whether an investment ends up being simplistically good or bad. Craig, again.

MR MELLER: I can assure you that the conversations that we have with both APRA and ASIC cover the broadest gamut of risks that could be considered to impact our business.

MR. BRAIT: Are there plans in place to reduce AMP's exposure to the fossil fuel industry, which is obviously a very risky and overvalued industry.

MR McKEON: I don't think we are going to make comment on detailed investment decisions today. Thank you. Now, microphone number one, is it?

HOSTESS: Chairman, I'd like to introduce Ms. Hugo.



MS. HUGO: Thank you. AMP's environment policy states that we address the impact of our investments through – and I quote, “Incorporating environmental considerations in our investment analysis, decision making and engagement activities.” However, the AMP superannuation fact sheet, under the heading ‘Environmental and Socially Responsible Considerations’ states, and I quote again, “Unless specifically stated, neither AMP Capital nor any of the underlying investment managers actively takes into account labour standards, environmental, social or ethical considerations in relation to the investment decision making. They may, however, take into considerations if they become aware of them, but only to the extent that they financially affect the investments.” These two statements directly contradict each other. So, do you take environmental considerations into account, or don't you?

MR McKEON: Well, I'm going to pass to Craig in a moment, but plainly, the answer to that question is yes. And, very easily so, when it has an ongoing effect on financial returns down the track. We've already have had a couple of questions which have made that very plain. But, I think, what you're really driving at, is the question to whether one takes into account the issues you are raising beyond pure financial return. And, I might just pass to Craig on that one.

MR MELLER: I think the answer is, yes, we do take them into account in our investment decisions. That doesn't mean we will reach a conclusion that we will not invest, but will take into account our investment decision.

MS. HUGO: So, the answer is yes, you do take environmental factors into account?

MR MELLER: Yes, we do.

MS. HUGO: Okay. Well, that superannuation fact sheet needs to be corrected to reflect the fact that environmental considerations are taken into account in the investment analysis, decision making and engagement activities.

MR McKEON: We will certainly look into that.

MS. HUGO: Thank you. And, I have another question. Does the board agree with the target of limiting global warming to below two degrees? What is AMP's role in keeping global warming below two degrees through our own business and investment practices?

MR McKEON: Well, thank you for the question. The answer is that, certainly at board level, that's not a particular question that has ever been on our agenda. We are all individuals, we all have strong views no doubt on a range of different issues such as that one. But, it's not something that is ever on our agenda the way that you've expressed it. Number two?

HOSTESS: Mr. Chairman, I'd like to introduce Mr. Featherstone.

MR FEATHERSTONE: Mr Chairman, I'm a happy shareholder and happy to reinvest my dividends in the great program that you have going. My issue which I wish to put before the board is first, commendation for your engagement with China. It's been a great business for us. We're told be the experts that the next growth economies in the world are likely to be India and Brazil. Now, I notice in the Annual General Report that we don't have any dots on the South American continents. Is it your plan to put them there?

MR McKEON: Thank you very much, Mr. Featherstone, I'm glad you are a happy shareholder. I think our strategy has been well enunciated by Craig a little earlier, and you might read into that that he didn't exactly talk about South America at length, so, it's not on this company's agenda at any time soon. But, what I do want to say is that – and, I said it in my speech, that we often take this for granted, but we happen to live in a part of the world which actually has, notwithstanding all of the community debate and disagreement, actually has an incredibly well developed, thought through and sophisticated retirement incomes policy; superannuation system, pension system, call it what you like. And, I think AMP has carefully, over many years, worked out how do we create value out of being a very large and

experienced player in this particular market and exporting that IP, if you like, to other economies. The China story, for example, is not one that just appeared two or three years ago with the announcement with a couple of joint ventures. A hard working management team and chairman well before me were sowing the seeds in that massive economy many, many years ago. And, perhaps, Mr. Featherstone, the correct answer to your question really is not so much specifically as to whether a part of South America is the next field to plough, but a more generalist one, namely, how do we continue to be the best we possibly can in this quite mature and developed market and export in a way that creates the most value, probably to the places that most need it with the largest populations et cetera.

MR McKEON: ....namely how do we continue to be the best we possible can in this quite mature and developed market and export in a way that creates the most value. Probably to the places that most need it with the largest populations, etcetera. All of those learnings. All I would say that you're seeing right now. I'd like to think the early stages of what that might be well down the track. Thank you.

MR FEATHERSTONE: Thanks very much.

MR McKEON: Number 3?

HOSTESS: Mr Chairman, I would like to introduce Mr Neville.

MR NEVILLE: You've had a few questions today around climate risks and investments in fossil fuels. I'm just wondering whether you're getting the same sort of questions from customers and if so what are the sorts of things they're asking about. And, if not do you expect these questions to increase in the future?

MR McKEON: I'm going to pass straight to Craig on that. That's obviously a management decision. You're talking about the daily talk. The contact between our investors and our professionals. Craig.

MR MELLER: The number of questions we're getting at our AGM would be a

significant order of magnitudes greater than what we receive from our customers on a daily basis.

MR NEVILLE: Is there any expectation that that might be increasing in the future with customers? What's the market research saying?

MR MELLER: I'm sure after today's AGM we'll be much better prepared to be able to answer those questions when customers raise them. Thank you.

MR NEVILLE: Thank you very much.

MR McKEON: Number two?

HOSTESS: Mr Chairman, I'd like to introduce Mr Pascoe.

MR PASCOE: Mr Chairman, I've got to add a bit of humour because recently I lost three front teeth and they're being replaced next week. So, please forgive my speech. And, I reassure you I'm not a Collingwood Football Club supporter.

MR McKEON: I think we can all see that, Mr Pascoe.

MR PASCOE: But, the question I would like to ask you and the board is: why do you have a dividend that's not fully franked? I would like to see AMP give a fully franked dividend. The problem is that with taxation it's a bit of a hassle with dealing ATO when you're dealing with dividends that are not fully franked. Please comment.

MR McKEON: Mr Pascoe, thank you for that question. The good news of course is that it's getting more. The franking level has increased up to 90 percent now. So, we still have that ten percent gap. And, the fact is we actually have a range of activities in which our profit is generated from. Those range of activities pay different rates of tax. And, just for one example we have a very long standing, very large life insurance business. And, the reality is the taxation applicable to that particular business is very different to just about any other area of human activity that I can think of. The reality is that therefore

we don't pay quite enough tax at this point to result in 100 percent fully franked dividend. So, the choice for the board is do we lower the dividend so that it's fully franked or do we pay a dividend that is very largely franked but not the final, at this point in time, ten percent. The judgment of the board has been that latter alternative. I have to say, Mr Pascoe, most shareholders are very, very happy with that level of dividend. At the end of the day paying the right amount of tax, being a good corporate shareholder is very, very important for us. That does not mean we make a voluntary donation though to the ATO if we don't need to.

Number three?

HOSTESS: Mr Chairman, I would like to introduce Mr Foley.

MR FOLEY: Good afternoon, Mr Chairman. My question or comment is probably through you too, Craig. It's about my AMP. Very small. And, I only have one question. Not the Press Club three to two.

MR McKEON: Thank you.

MR FOLEY: I went to the information session earlier which was excellent. And, then they told us about my AMP and how we could come outside and enrol in it.

I went there and I asked, "Can I pay my premiums on my life policy through my AMP?" "Yes." I didn't have my bit of paper with me. So, they looked me up on the computer and found me. We went through the circus of entering stuff but with some difficulty. Because, when you hit return it doesn't go to the next line. I entered a password. It said it had to have eight characters. It didn't pick up all the characters. I put them in. Didn't pick them up. So, that was a laborious process. Having got to that stage it then says, "No, that's not right." The policy it had looked up was a matured policy. Fifteen minutes gone by. Start again. Much the same sort of thing happened. We find a couple of life policies. We go through and it says now can I pay

the premiums on those. Do you bank AMP bank? No. No, you can't. Why can't I pay a premium from any bank or from any credit card like I can just on and ordinary thing. The staff don't know from the very beginning that you can't pay other than through AMP Bank. I've got better things to do in half an hour.

MR McKEON:

Thank you. It is a question for Craig. But, I'll just start off by saying that these are important things to know about. AMP does pride itself that it's changing constantly better for the better using IT. Using technology to the best of our abilities and to make experiences just like the one you've talked about Mr Foley a whole lot better. One of the good things about being chairman of course though is that I really pass that question to Craig.

MR MELLER:

Thank you, Simon. Just a very quick question in the shareholder context and thank you for the feedback. Simon mentioned that we are implementing the net promoters system, which is a system that allows us to get much more direct feedback from our customers much more quickly so that we can identify some of those administrative and bureaucratic issues much more quickly and then effect changes through the organisation. So, whilst I was unaware of this specific issue rest assured we'll put that through our system to make sure that we can look at improving that process as well.

MR McKEON:

Thank you. I can see microphone one.

HOSTESS:

Chairman, I'd like to introduce Miss Talbot.

MISS TALBOT:

I thank you that you're going to give a good service to customers and it is very difficult for customers to contact AMP by phone. You can go to facilities that they don't know what to tell you and they can't answer your questions. But, could we have more people in Melbourne who answer the phones for customers, please?

MR MELLER:

Thank you for your question, Miss Talbot. We don't have any call centres in the Philippines. And, in fact, all of our employees

who are employed in call centres are either in Melbourne, Sydney or Brisbane. I'm not going to get involved in debates about whether we should be putting more in Melbourne than Sydney in this audience.

MISS TALBOT: But, I mean with respect if you want more feedback how can we contact you by phone? We can't. And, I did go to the Philippines but that was the shares AMP company.

MR MELLER: Okay.

MISS TALBOT: I tried to find out about this meeting and I went to the Philippines on the phone and they couldn't give me any information.

MR MELLER: Okay.

MISS TALBOT: But, I would like to be able to ring Melbourne AMP to get an answer. A person.

MR MELLER: Okay. As a customer I can assure that we will make sure that you have the number to call and it will go through to an Australian contact centre as a customer of AMP.

MISS TALBOT: Okay. And, could it be a shorter time? Half an hour's a long time to hang on to get a person.

MR McKEON: Thank you.

MISS TALBOT: Thank you.

MR MELLER: Thank you.

MR McKEON: Thanks, Miss Talbot. Yes, half an hour is a long time.

Can I see any other questions?. I'm not sure that I can. Accordingly, I believe everyone has had a reasonable opportunity to discuss this item. We will now turn to the items of business which will be put to a vote.

I appoint Mr Barry as a party of Computershare as the returning officer to conduct the polls.

Let me explain these voting procedures. Only shareholders or their representatives can vote. All shareholders eligible to vote should have a handset with a white smart card inserted in the top. This is what it looks like. If you still haven't received your handset or card please raise your hand for assistance.

If you are here today as a proxy and the instructions given to you by shareholders will automatically cast. So, you need only cast in the open proxies you hold using your handset.

Shares held jointly can only be voted once if both holders are here today. Only the shareholder whose name is recorded first in the register will have received a voting handset.

And, as set out in the notice of meetings on items three and four voting restrictions apply to AMPs key management personnel and their closely related parties.

We've implemented vigorous procedures to ensure these voting restrictions are followed.

We will show the final proxy position on the screen after the discussion on each item.

Once voting begins the voting options will appear on the handset screen. To vote for the resolution press one. To vote against press two. And, if you wish to abstain you press three.

If you change your mind before voting closes simply select a new option by pressing one, two or three and that will override your original selection.

Once the voting is closed the results will be displayed on the screen including all the proxy votes.

And, if you have any issues with your handset please raise your hand for assistance.

Now, let's now move to item two which concerns the election of directors.



Following my decision to retire from the board, item 2A, which dealt with my re-election has been withdrawn.

I'll shortly conduct the elections of the new directors to the board and ask each of them to speak. But, before doing so I've asked the incoming interim chair, John Palmer, to address the meeting and to provide an update on the process selection and appointment of the new chair. Thanks John.

MR PALMER:

Thank you, Simon. Good afternoon ladies and gentlemen. Before I begin I want to endorse Craig's thanks to Simon on behalf of the board in this case. We did that privately yesterday. But, I want to quite publicly to take this opportunity to thank Simon for his contribution to AMP over the past three years. And, particularly for the passion and enthusiasm that he's brought and the firm belief in the genuine commitment of AMP's purpose. Simon, our very sincere thanks and our very best wishes to you.

Once Simon announced his retirement I was asked to accept the role of interim chairman. To manage the process for appointment and to ensure a stable transition to the new chair.

Given AMP's position in both Australia and New Zealand, and you may notice by my accent that I am a Kiwi, we acknowledge that there is considerable interest in the appointment. So, we wanted to give you a brief update on the selection process. We are underway in that process and the board is committed to a rigorous process to ensure the best possible appointment.

This will involve benchmarking of any potential internal and external candidates. We are not putting a time frame on the appointment nor will we be making any further comment until an appointment is made.

I will continue as the chairman for that period. And, during that period it is very much business as usual. The board remain fully aligned in their focus on AMP's long term growth strategy and I'm working with management on the delivery of better

returns for shareholders.

Thank you and I will now hand you back to Simon.

MR McKEON:

Thanks very much, John. And, as I mentioned earlier, we have been through a process of board renewal over the last 12 months. Indeed longer. Deliberately seeking to build and strengthen the board's skills and experience aligned to the company strategy and to improve board diversity. The appointments of and recommendations to elect both Holly Kramer and Vanessa Wallace to the board are a testament to this process. Which brings us to item 2B, the election of Holly Kramer as a director. That resolution on the screen.

As mentioned earlier, Holly joined the board in October last year. She has more than 20 years experience in general management, marketing, sales for customer focus organisations. Most recently Holly was CEO of apparel retailer Best & Less where she transformed the business and returned it to growth and profitability. Holly has also held senior executive and marketing roles with Pacific Brands, Telstra, eCORP and the Ford Motor Company. She's currently a director of the ASX listed companies Nine Entertainment Company, and Woolworths. I would like to invite Holly to say a few words at this point.

Thanks, Holly.

MS KRAMER:

Thank you, Mr Chairman. And, good morning or afternoon, ladies and gentlemen. I am truly delighted to be here and very honoured to have the opportunity to be a part of AMP and to serve you, our shareholders.

AMP is one of the brands that I've admired very much over my past 20 years of living and working in Australia. It's a brand and a company that has meant so much to so many people over so many years. And, in fact, my husband often talks about when he was young and the AMP man would come around on a regular basis as he was almost part of the family. Over the past

few months I've been especially struck by the board's passion and commitment to AMP and its social purpose which our chairman so eloquently described earlier.

The responsibility of upholding this purpose weighs heavily on them and now on me. I've certainly felt this in every discussion and every deliberation that I've participated in thus far. Whether it was a formal board meeting or corridor conversation with some of my colleagues.

Over the past few months I've also had the opportunity to meet many of the people who work at AMP at all levels throughout the company. And, I've seen in all of them that very same dedication of purpose and commitment to helping Australians plan for their futures.

I believe that my current directorship and leadership roles in some iconic Australian companies like Best & Less and Telstra will allow me to make a valuable contribution to AMP.

I understand and have many, many years of experience in managing strong and inclusive brands. In transforming businesses to create sustainable profitability and building customer focus.

I have a particular passion for customers and that's because I firmly believe that it's the company who lose sight of their customers and lose sight of their purpose that are the ones who ultimately lose their way.

I saw this clearly when I did take the reins at Best & Less. So, as a priority we set out on a path and a mission to rediscover who our customer was. And, we did it through many of the traditional ways. Gathering demographics, doing marketing segmentation.

But, we took it to another level by bringing her customer to life in the organisation. We gave her an identity in the name we affectionately called Amy. And, we grew to know her as a

person who had aspirations for her kid, for her family, for her grandchildren. And, also for herself. And, we learnt to know a lot about her and the challenges she faces with so much to do in so little time. The challenges of putting on weight, trying to figure out what to wear, how to make ends meet on a budget, which usually was not a very big one.

So, once we went through this process all of us throughout the company reconnecting with Amy our business decisions actually became much clearer because we knew what value meant to her and we knew what mattered to her.

And, in time by delivering on what she wanted our customers, our Amy's, came back to us. And, we were then able to deliver back to our shareholders.

In my time at Telstra I had the opportunity to lead the product and marketing team through an extraordinary era where we introduced to Australia broadband, the NextG network, the iPhone, cloud services. And, with each new transformal technology that came along we tried to deliver products and services that customers really wanted, that were easy to use and we did this rather than just simply investing in the next bright shiny new thing.

On both counts, customers and technology, I have been very impressed with what I've seen so far at AMP.

Craig and the team have made enormous progress in embracing and embedding a customer focus with the help of tools that drive cultural change. Like, the net promoter system that you heard described earlier.

And, from the comments today it tells us that there is always more we can do to improve customer experience. But, I can assure my initial few months at AMP have absolutely convinced me that that commitment is there.

And, the business is also making smart choices about

technology investments that will help us get better, more effective and more efficient in serving our customers in this rapidly changing world.

It's an exciting journey we're on and it's an industry and a company with a very important role to play in Australia's future.

It would be for me a great privilege to work for the customers and the shareholders of AMP and I thank you for your support.

MR McKEON: Thank you, Holly. I now open the discussion on the election of Holly Kramer. And, I'm going to call upon microphone two.

HOSTESS: Mr Chairman, I'd like to reintroduce Gavin Morton.

MR McKEON: Thank you.

MR MORTON: Can I also mention the Australian Shareholders Association.

MR McKEON: Please.

MR MORTON: Thank you.

MR McKEON: Please.

MR MORTON: Look, I'll be brief.

What the ASA look for in a director is adequate experience and also that the director has less than five directorships in listed companies. Both Holly Kramer and Vanessa Wallace meet these two criteria.

Just lastly though, I had a look at the value of the directors' shareholdings in the company and they meet the ASA policy which should be roughly equal to their annual fees. It's quite good in this company. Some companies are dragging their heels but it's definitely a positive move across business in Australia.

So, I've dealt with both. I won't get up again.

MR McKEON: Thank you.

MR MORTON: Okay.

MR McKEON: And, Gavin, I'm going to take that as a comment what you've just said and in particular I want to take the opportunity to thank the ASA for the terrific dialogue. Particularly, two of your colleagues in Sydney have had with us in the recent two or three weeks. Thank you.

MR MORTON: You can be quite lengthy.

MR McKEON: We won't go there in this small group. Thank you.

Now, there's a question at number three.

HOSTESS: Thank you, chairman. I'd like to introduce Mr Durie.

MR DURIE: Hi, Simon. This is a question not really directly related to Holly. Although I would wholeheartedly endorse her election and also congratulate you as chairman for presiding over a board which will shortly have a majority of women directors.

My question is related to your position and I wanted to know firstly what was the unanticipated change in circumstances that has caused you to step down now just a matter of weeks after the board wholeheartedly supported your return.

MR McKEON: Thank you, John, as you've called me Simon. And, I should declare for the benefit of the meeting I've known John for some decades and I think we are privileged this morning, John, that you've chosen to attend this AGM. Thank you. I understand you're also a shareholder and as far as I'm concerned, with your breadth of experience, that's a good thing.

John, thank you for the question and the question has been asked vigorously by members of the press in particular, led by you if I may put it that way.

Look, the reality is that firstly the board has deliberated long and hard as to what was right to say in these circumstances and that has been said two or three weeks ago.

May I also say though and it's a good opportunity to reiterate one or two of the things I said before. Mainly that, yep, I'm leaving. But, this company is in good shape. I talked about the industry that it happens to be in and the challenges that this company as the leader in that industry is relishing and they're taking very seriously. But, at the end of the day I leave this company with an absolutely terrific management team. A board that will make a very good decision in relation to my replacement. Such that frankly my departure becomes a little blimp on something very, very big.

Thank you for trying to ask the question. There is really no more that needs to be said or is in the interest of the company on that. Thank you, John.

MR DURIE: With respect, as a shareholder, it is strange for me to read in the notice of meeting that the board wholeheartedly supported your nomination and yet now this is your final moments of chairman. Something's happened and I think we deserve some sort of explanation.

MR McKEON: Yeah. Let me say this. That there are many, many things for all sorts of reasons that companies don't disclose. We have a long history in this country of an ASX that has been very consistent in what's required to be disclosed and what's not. And there are many other things, they may range from something that places the company at a competitive disadvantage, something that's just a distraction to management and a list that goes on and on. Then, in these circumstances John, all I'm saying is the board has considered, very carefully, what was right to be said here, and it has said that and I'm not saying anything more today about that.

MR DURIE: Okay, my final question is on the succession policy on the AMP Board, which has clearly failed to deliver a successor to you in front of Starland, could you comment on why that is?

MR McKEON: I will, and I'm glad that you've said it's your final question. In the many discussions I've had with you, over 30 years, you've said

this was my final question and then there were ten others that followed. But, nevertheless, can I say that your question is answered by my colleague John, who was put in before you, basically a statement that says that there will be a particular focus, right now. It's already happened on insuring that I am replaced and replaced very, very well, either from within or from outside, and the fact is that it won't be all that long, where frankly, what we're talking about today will essentially be entirely forgotten. And, most importantly, most importantly, this company goes on. It's had a terrific two or three years, the management team is excellent, and the reality is that nothing ought to happen which will in any way distract or take management's eye off a ball that's constantly moving in this industry.

Now, I can't see another question at this juncture, and accordingly, as there are no further comments or questions, I'll close the discussion on this particular item, the proxy position. We don't want to see me anymore. The proxy position ought to be shown on the screen, and there it is. I know open the poll on the election of Holly Cramer as a director of AMP Limited. As I said before, please enter your vote on your handset by pressing 1 to vote for, 2 to vote against, 3 if you wish to abstain, and at this point I'll just allow you to do that.

I can see the majority of people have cast their vote, I'll just wait for another moment or two before declaring the voting closed. No one's struggling with technology, no that's good. I now declare the voting closed, and the results will appear on the screen magically and very quickly. Fabulous, we can all see there that that resolution has been overwhelmingly passed. Congratulations Holly.

We now move to Item 2C, concerning the election of Vanessa Wallace as a director, there's our wording. Vanessa joined the board in March this year, and she has over 30 years experience consulting to the financial services sector, across Asia Pacific most recently, as Executive Chair of Strategy and Japan Inc.



Previously, she was Booth and Company's financial services practice leader and held multiple governance roles, including a member of that board.

Vanessa has worked in areas including customer experience, offer design and channels to market across a number of industries. She also has experience in mergers and acquisitions and post merger integration. Vanessa is a director of Wesfarmers. She's also a member of the Chairman's Council of the Australian Chamber Orchestra and a member of something close to my heart, MS Research Australia Leadership Council. I'd like to invoice Vanessa to say a few words.

MS WALLACE:

Thanks Simon. And, good morning ladies and gentlemen, it is a real honour to be asked to join the AMP Board and I thank you for considering your endorsement of me today.

Typically, shareholders get the resume and the facts and the figures, but, I think if I'm to represent you, it is really important that I give you a little bit more flavour for who I am. I'm a Tasmanian, grew up in Victoria, lives in New South Wales and works, currently, in Australia and Japan.

I'm passionate about nature and I've travelled and camped under the stars across the length and breadth of South Australia, Northern Territory, Western Australia and across many mountains in Japan.

Over my career in Australia and Asia, I have learnt a lot about the power and importance of mindful leadership, and long term multi stakeholder governance. My personal motto is 'Aspire, Care and Do'. AMP is a great organisation, and one that plays a really important role in society, and in the lives of many of us.

If AMP fulfils its mission of helping people own tomorrow, we can live and our children can aspire with greater confidence. So, why is my experience and contribution relevant to AMP? The world around us is getting faster, more connected and

complex and the information available is abundant.

The number of stakeholders and considerations continues to expand, and within this context, global corporate governance continues to evolve, and in my experience, both as a board director of public and private enterprises, it's highlighted the importance for boards evolving beyond their core fiduciary and strategic focus to incorporate a mindfulness that enables them to both steer through the heightened societal expectations, and we heard some of those before, and support management, be innovative and to get things done.

Over the last 30 years, I've had the privilege of working with many companies in the financial services sectors of asset management, banking and insurance in Australia, in Japan and in other global markets. And, at all stages of the economic cycle and through major periods of corporate transformation. I've seen firsthand the power of decisive leadership and alignments within an organisation. The essential advantage that comes from really knowing what you're truly differentiating capabilities are, and the strategic and financial risk that comes with hubris.

As a strategic advisor, my area of expertise within the revenue generating areas of customer channels and markets, and these are very aligned with AMP's strategic direction. Living the customer experience, as we heard from Holly, and ensuring that our offer is relevant and valuable enough for customers to choose to give AMP their next dollar is essential.

I hope my experiences in Japan and other Asian markets may contribute to furthering our partnerships we have with MUTB and China Life, as we leverage the world class products and services AMP has to offer to these markets. And, the number one learning that I've got from my time as an executive running the business, was the value of empowering great talent, and I look forward to the support and to supporting the tremendous management within AMP.

So, thank you for considering your endorsement of me as a non executive director. I look forward to representing you, as shareholders, as AMP continues their journey. Thanks.

MR McKEON:

Thanks very much Vanessa. I now open the discussion on Vanessa Wallace's election. I can't immediately see any questions. Mr Company Secretary, anything on the web? Okay, on that score, we have, as there are no questions full stop, we will simply observe the proxy position. And, there we have it. Once you've digested that I'll open the poll on the election of Vanessa as a director of AMP Limited. Again, 1 for for, 2 against, 3 if you wish to abstain, and I'll wait. No one seems to be having any difficulty, just another moment or two. Okay, I now declare the voting closed on that item, and the results again will appear very shortly. There they are. Well done, Vanessa.

MR McKEON:

We will now turn to item three, being the adoption of the remuneration report. The 2015 remuneration report appears on pages 24 to 44 of the annual report, and provides details of our remuneration approach and structure. We continue to structure our remuneration to ensure the interests of employees are clearly aligned with the creation of value for you, as shareholders. In our 2015 remuneration report, we've tried to provide a simpler explanation of how the different elements of our remuneration structure work together, so that we can attract, motivate and retain exceptional employees, who will strive to help our customers, and create value for you, our customers. And, they tell me that many of our employees are in the front row. Take the opportunity after this meeting concludes to talk with them. Each year, we measure performance against a set of financial and non-financial measures. Both at a company, and individual level. While our business achieved good growth in 2015, we only partially met the objectives set at the start of last year. As a result, the 2015 short term incentive pool was reduced by 11 percent, and subsequently, executives received reduced short term incentive bonuses. We have

listened to feedback from shareholders regarding the timing of disclosure of the long term incentive return on equity targets, and outcomes. And, as a result, we will be bringing forwards the disclosure of the outcomes of that particular ground, to later this month. Immediately, upon divesting of any such grant. Originally, we'd said we'd pop it in the next annual report. But, we've brought it forward to what will be a date, less than a couple of weeks away. Increasing the efficiency of our business remains a key part of our strategy, and we continue to closely manage our remuneration costs to balance these costs with our ability to attract and retain strong talent. Each director recommends shareholders vote in favour of adopting the remuneration report, and I now call for any questions and comments on that report. And, I think we've got a question at microphone two.

HOSTESS:

Mr Chairman, I'd like to re-introduce Mr Gavin Moreton from the ASA.

MR MORTON:

Thank you. The members of the board are probably familiar with the ASA policy on REM reports. And, we'd say that we do acknowledge that there has been a shift with the company policy in regards to REM reports this year. Good thing for both with this REM report is, that there's no things like black scores. FLU, Monte Carlo. And, Monte Carlo was a method of predicting share values on the stock exchange. All of these led to executives getting more than they would if they started with the weighted value on over a week, or something, days. But, dealing with the short term, we have problems with it. And, that is that there's 60 percent in cash. And, 40 percent in equity, which we've got two year lock. What we look for is [1:44:00] equity, one year lock, and recently I monitored company worth of a two year lock on short term incentives. This is something which is happening in other companies, so no doubt about it. The problem that we also have with the short term incentives, is that when you have a look at the results, there is a significant amount of money being paid in short term incentives. In the

last seven years, the lowest award was 43 percent, of a maximum opportunity of, say, 200 percent. That means they've got a substantial amount of money. The incentive scheme is lopsided. It's looking at the short term. We should be looking at the longer term, and going the distance. The look of the long term investment, we like the idea of the return on investment. But, what we need to see is hurdles. We want to know what it is. So, we're talking in that regard of transparency. Relative TSR, we accept it. The better one is absolute TSR. And, some of the companies I monitor do take that as an approach. What we have a great problem with is paying bonuses on underlying profits. I think it's fair to say we would never vote of an incentive scheme that bases the performance on underlying profit. I monitor a number of companies, and I don't see that anywhere at all. It's a, sort of, black and white issue. If you make mistakes, they're your mistakes. They're not the shareholders' mistakes. Which bring me to the [1:46:20]. What we're looking for as shareholders, is we're looking for the share price to go up, and the dividend to go up. But, if you have a look at the AMC over the last – seven years ago, I can tell you the share price was \$5.17. Two years ago, \$5.18. And, today, it's \$5.85, or something of that order. If you take inflation into account, it's just flat lined. So, what we're saying for this scheme is that it's too focussed on short term. And, we noticed that the long term [1:47:15] vested last year had no money in them whatsoever. So, I think the REM committee should revisit this matter again, and project it out over a longer term period, and less dependency on short term incentives.

MR McKEON: Thank you. Thank you, Gavin. Sorry, is there anything else?

MR MORETON: I didn't know I was going to get some applause.

MR McKEON: Well, you might even get some lunch, too, if you're lucky.

MR MORETON: I know the board wasn't going to cheer me, but never mind.

MR McKEON: Seriously, Gavin, thank you again for those comments. And, I mention again, because for the benefit of all other shareholders

here, the ASA does a huge amount of work outside of AGMs. Most of these issues that have just been raised, are not of a surprise to me. That's because the ASA, in many respects, endeavours to represent your interests, by encouraging many lists of companies to change their practises, etcetera, etcetera. And, I what I will say is, it's a good and healthy debate, and a debate that's not going to change anytime soon. And, I acknowledge Gavin again, you and your two colleagues that we met not so long ago, in Sydney. You've raised a smorgasbord of issues. Let me just deal with most of them very quickly. And, I'm not putting them to one side, I'm actually saying very seriously, that so much of the discussion occurs outside of the forum such as this. And, the discussion is not wasted. The market here is dynamic. Let me just start by saying, unashamedly, your board is focussed on retaining, and occasionally, inviting excellent management in from outside. The last thing you need, or deserve, is for management not to be top notch. That requires us to pay and be market competitive. But, as the ASA would no doubt agree with, there's no sense in going beyond where the market's at. And, for example, let me just start by saying that in relation to the LTI arrangements, and Gavin, you put some emphasis there on total shareholder return, and there is a debate right throughout the market as to what the right balance of, in our case, total shareholder return, versus that other measure that we employ, return on equity. As it turns out, over the last 12 months we have increased the weighting in favour of TSR, and all I am saying is that conversation continues. Thank you for starting off your observations by talking about things that probably many of us don't know about - Monte Carlo is a place in Europe, not actually a sophisticated model to produce a number. And, the reality is yes, we have 12 months ago gone to a, I would say, more easily understood face value measure of recording equity. In relation to the short term incentive, Gavin, you mentioned the ASA's interest in weighting that far more towards equity and of course having a different lock up period. Let me just say, very genuinely, those thoughts are received well by this board.

What I am saying is don't read into that that we will immediately obviously change our practice, but that's the nature of the discussion. And in particular, why equity - or more equity - in that short term measure is of value ultimately to shareholders. I think your final point was around underlying profit. Again, I am sure the board looks forward to further discussions but I do have to say that underlying profit has been for some time a most important measure inside AMP. Yes, it is different from other measures of accounting standard driven profit, but we are as transparent as one could possibly be in saying what comprises that underlying profit and in particular why we think it is the appropriate measure at this time of not only incentivising our management but indeed the most important benchmark, for example, that we consider in paying shareholders the dividends that we do. Again, Gavin, it is a good debate to have because -  
- please.

MR MORTON:

Let me just say that in regards to underlying profit instead of the [1:52:26] profit, the ASA is not prescriptive, and that is that if a company is travelling well, we will take some things on board and other things not on board. In the case of AMP, which has flatlined for a number of years, the focus on short-term and the lack of long-term rights vesting, it says there's not something quite right here. Let me just say something very briefly and I'll finish. That is the policies, which we find that over a period of time they're progressively accepted by companies. The reason for this is that we put a lot of effort into developing them in the first place. They're generally not antagonistic or anything like that, but just based on what will be the best thing for shareholders if a certain set of standards are applied. I monitor a number of companies and they all, one way or another, conform with ASA policies. I can tell you that all of them currently are performing well above the market. I'll mention one of them. You might not like it but it's Premier Investments. If you want to see a black and white remuneration setup, have a look at it. It is completely understandable and completely transparent. I'm not suggesting anyone buys that, by the way.

It's also a different company.

MR McKEON:

Thank you for those words. Let me just say that whilst we have retailing experience, certainly now on the board, at the end of the day we're not Premier Investments, we're actually in the financial services sector. I will say again that we're actually very proud of our total shareholder return record over the last one to three years. Any other questions? I can't see any microphones lit up. So I think that enables me to say that you have had a reasonable opportunity to discuss the remuneration report, the proxy position – get me off that screen again. It's now there. I will open the poll on the adoption of the remuneration report for the year ended 31 December, 2015.

Has everyone found one of those buttons? Just another moment or two. I shall now declare the voting closed on that item. Again, if we look at the screen, it's remarkable how quickly it happens. There we have it. Thank you, Gavin, for your comments. I have to say we are very pleased with that remuneration report vote in favour. Thank you.

So having declared that resolution passed, I turn to Item 4, which concerns the approval of Craig Meller's long-term incentive for 2016. Resolution is shown on the screen. While there is no legal requirement to seek shareholder approval for this item, your board believes that it is appropriate to do so. We have done it previously. Our intent remains to align long-term performance pay for executive with long-term value creation for shareholders. Details of the performance rights proposed to be granted to Craig is set out on pages 12 to 16 of the Notice of Meeting. In the non-executive director's view, it is in the best interests of shareholders to approve the share base 2016 LTI grant to Craig because vesting of the performance rights will be subject to performance hurdles that appropriately align Craig's at risk remuneration with shareholder returns. Your directors, with of course Craig abstaining, recommend shareholders approve the 2016 grant, and Craig's continued participation in the long-term incentive plan. I now open the discussion in



relation to this final item and call upon.

No one at this point. Gavin, you're thinking, aren't you? Yes.

MR MORTON:

I'll be brief. We like the 60% TSR. We'd much prefer the absolute but that doesn't cause us any concern. Forty percent ROE we wonder what the hurdles are. For something like this, we need to see transparency. What are the hurdles that he's got to -- then we can judge whether it's reasonable or not. Also, underlying that, is that would be based on underlying profit, which is another problem. Lastly, the Board has discretion to change the hurdles. Too many. So we're going to vote against that. I think that's [1:58:19] but that's what we're going to do. Thank you.

MR McKEON:

Thank you. If I can just respond ever so briefly again, I'll repeat what I said before, that what Gavin has said in a very concise fashion now, really is the tip of a very healthy iceberg in terms of discussion in other fora between ASA and the AMP. Let me just say, the AMP, again listens very carefully to what the ASA has said in this regard. The position that AMP has had for some time in relation to the ROE targets has been that we believe there is a view that says that simply release that target is giving away information that we ordinarily wouldn't, namely that is akin to a profit forecast etcetera etcetera. I think it's fair to say that we're in a market for executive talent, and we're in a market where the remuneration of that executive talent is recorded as in annual reports such as ours. As I said earlier, there is a certain element of dynamism to all of that, and we're watching it carefully. Gavin, as things presently stand, we are still of the view that it is right not to disclose the ROE target, but as I said in my speech earlier, we have been minded to bring forward significantly the disclosure of such a target in relation to the grant that may well vest very shortly, rather than to wait until the next year's annual report. So we've done that. We've listened. I would imagine that, Gavin, you and your colleagues will continue making the representations you are, and in the good spirit that you do. All I can say is that this Board in

particularly, the REM committee will continue listening and trying to get it absolutely right. It's not a matter of hiding anything, it's a matter of ensuring that not only do we have the right structure to retain the best talent, as I said earlier, but also that shareholders are best served. There was one other point that you raised that was important. Yes. Thank you. This was the point about the fact that the Board does retain a discretion to, if you like, adjust the relevant profit figure, having regard for various things that might occur. Not planned, but they occur in a way that not to do them would be against the interests of the company. I think it's quite common place that companies such as ours do vest a discretion in the Board to make adjustments, but they're not made out of some whim or in some capricious way, they are done for a purpose. They are done to ensure that the right incentives are still in place for management to enhance profit, to work as hard as they can to ensure that the profit is as high as it can properly be, but at the same time to ensure that important measures, initiatives, are still acted upon even though they might detract from short-term profit. We stand behind that principle. It may well be though that in the future there's more announcement of what that principle actually might be in the market place. Thank you, Gavin. Are there any other comments or questions?

HOSTESS: Mr Chairman, I would like to introduce Mr Cornelius.

MR McKEON: Thank you.

MR CORNELIUS: Thank you, Chairman. I'd just like to re-visit the share price. It's languished around the five to six dollar mark for about 15 years. When I bought them, I bought them for \$18. I would like to know why you haven't been able to get them up.

MR McKEON: I think the answer to the question is that, firstly, I think \$18 was a long time ago and well before, perhaps, some of us were here. Most importantly, our job each day, each week, each month, is to do the very, very best we can having the opportunities that the company has before it at this point. I

make no apology that history is history. It is what it is.

MR CORNELIUS: I mean, you've outlined how successful you are and all the good things you're doing, so why haven't you been able to get the share price up?

MR McKEON: I'm not here to explain the actions of people many years ago. I'm simply not. What I am here to do though, is to say where this company has come relatively recently, over the last year, or two, or three, and most importantly as we heard from our CEO, where it's going in the future. The statistics I shared with you earlier, in relation to the recent one or three year history, as they are. I apologise to shareholders, if indeed shares were bought at a significantly higher price. Nothing we can do about that today. All the Board and management can do today is to ensure that this company is going in the right direction. Do we have any other questions? Yes. Mr Featherstone, is it?

MR FEATHERSTONE: Mr Chairman, I'd just like to make a quick comment. As a relatively small shareholder, I am impressed that the Board has a policy of buying shares in the market, rather than issuing new shares so that our shareholdings don't get further diluted. Thank you.

MR McKEON: Thank you. I'll just quickly respond. Thank you for that compliment, if I can express it that way. Interestingly, there are other companies that say if we don't actually need to raise capital, we'll just turn off the dividend reinvestment scheme, all for that matter when we remunerate employees by way of issuing new shares as well. This company has a view on its balance sheet and capital requirements etcetera. We haven't been in the market to raise new equity for a while, but equally we think it's a good thing for shareholders who wish to reinvest their dividend to be able to do so. So the quid pro quo is plainly that as that happens, we could go into the market, the company itself buys back some shares and the amount of capital on issue is constant from period to period. Thank you, Mr Featherstone. Are there any other questions? Otherwise, the

proxy position again ought to be shown on the screen. There it is. For Craig Meller's LTI grant. I know open the poll on the approval of this incentive for 2016. Again, one for, two against, three to abstain. We're getting pretty good at it now, aren't we? No-one having any difficulty? Good. I declare the voting on that matter closed. The poll results will issue shortly. Excellent. Thank you. That has been passed. That concludes the official business of the day.

The results of the polls that you have participated in during the day will now be released in an ASX announcement shortly and published on our website. I want to thank you for joining us today. Your interest and involvement is genuinely appreciated. Lunch will now be served in the foyer. As I mentioned at the outset, if you have any questions about your products and services, the staff at the customer and shareholder desks are here to help. We also have a team of AMP staff in the foyer, who would be pleased to show you My AMP, our secure website etcetera. The site allows you to view all your superannuation, insurance, and banking products in a single location. In closing, and obviously lunch has more attraction than me, I should like to reiterate my thanks for the support and good wishes of shareholders over recent weeks, and I'm very genuine about that. I've received a number of notes and letters and I truly appreciate that. It's been an honour to serve you as your chairman. I leave the company in a very strong position, in good hands, and I wish AMP all the very best for its long-term success. The meeting is closed.

**[ends]**