

AMP 2019 ANNUAL GENERAL MEETING

PARTICIPANTS:

- DAVID MURRAY, Chairman**
- FRANCESCO DE FERRARI, Chief Executive**
- ANDREW HARMOS, Chairman – Risk Committee**
- TREVOR MATTHEWS, Chairman – AMP Life**
- GEOFF ROBERTS, AMP Limited Board Director**
- PETER VARGHESE, Board Member**
- JOHN FRASER, Board Member**
- JOHN O’SULLIVAN, Non-Executive Director**
- ANDREA SLATTERY, Non-Executive Director**
- MIKE WILKINS, Non-Executive Director**
- DAVID CULLEN, Group General Counsel**

DATE: **THURSDAY, 2 MAY 2019**

MR D. MURRAY AO: Good morning, ladies and gentlemen. My name is David Murray. I'm chairman of AMP, and chairman of your meeting today. As there is a quorum present, I now formally open our 2019 annual general meeting. Before we begin proceedings, I would like to acknowledge the traditional custodians on the land
5 on which we meet today, the Cammeraygal People of the Eora Nation, to whom I pay my respects to their elders, past and present and emerging.

I would also like to welcome all of you joining us here at the Concourse, Chatswood, and those shareholders watching the meeting via the webcast. I'm joined here today
10 by my fellow directors on the AM – the board of AMP Limited. I would like to take a moment to briefly introduce your directors.

Starting on my far left, Andrew Harmos. Andrew was elected to the board last – at last year's AGM and is chairman of the risk committee. Next to Andrew is John
15 O'Sullivan, who was appointed to the board in June last year, and is standing for election today.

Sitting beside John is Trevor Matthews. Trevor is chairman of AMP Life, and on completion of the sale of our insurance and mature businesses to Resolution Life,
20 Trevor will remain on the AMP Life board, and will retire from the AMP Limited board. I'd like to thank Trevor for his contribution to AMP over the last five years.

Next to Trevor is Geoff Roberts, who is retiring from the board at the conclusion of today's annual meeting. Geoff made this decision, which I support, due to the
25 increasing demands on his time, both at his executive role at Seek and as a director of AMP Limited and a number of AMP subsidiaries. Geoff has been chairman of the audit committee since he joined the board in July 2016. I'd like to thank Geoff for his insights and commitment, particularly as chairman of the audit committee.

Turning now to my far right, we have Peter Varghese, who has been a member of our board since October 2016. Next to Peter, I'd like to introduce John Fraser. John was
30 appointed to the board last September, and is also standing for election today. Sitting next to John is our newest director, Andrea Slattery. Andrea was appointed to the board in February and is also standing for election today. Following Geoff's
35 retirement at the conclusion of today's meeting, Andrea will become chairman of the audit committee.

Next to Andrea is Mike Wilkins. AMP was fortunate to have someone as experienced as Mike assume the role of interim chairman and CEO last year. Since
40 the appointment of our new CEO in December, Mike has resumed his role as a non-executive director. On behalf of the board, I would like to thank Mike for all he did for the business last year.

On my immediate right, I'm pleased to introduce our new CEO, Francesco De Ferrari. Francesco joined AMP in December, and was appointed to the board in
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January. He will provide an update on the actions under way to reinvent AMP and the business priorities for 2019.

5 We have also recently announced the appointment of Debra Hazelton as a non-executive director to the AMP Limited board, and I look forward to Debra joining our board on 15 June next. Debra is in the audience today and, along with other directors, will be available to meet with shareholders after the meeting.

10 I'd also like to take this opportunity to thank Patty Akopiantz, who stepped down from the board at the end of last year, for her service to AMP. Patty made a valuable contribution to our business, particularly in her role as chairman of the remuneration committee.

15 Finally, I'd like to introduce our group general counsel and company secretary, David Cullen, who, as you've already figured out, is my minder here today. I'd also like to acknowledge those members of the AMP leadership team seated in the front row here today, for coming along to support us at our meeting. I hope many of you were able to join us for the information session this morning with AMP's chief economist, Shane Oliver, and one of our AMP Advice financial advisors, David
20 Cuff.

Our agenda for today is now on the screen. As you can see, Francesco, our new CEO, and I will both address the meeting before we move to the formal business. So let's get under way. And I'd like to start by acknowledging the challenges that our
25 business has faced last year, and the very significant impact this has had on you, our shareholders. I will seek to address some of your questions as we outline the actions that we have taken, and will take, to reinvent our business.

30 In the lead-up to last year's AGM, the then board approached me regarding the role of chairman, following the resignations of the previous chairman and CEO. And in light of the issues that had emerged then at the Royal Commission. Following agreement from the full board, I commenced as chairman on 21 June last year. On behalf of the board, I would like to thank Mike Wilkins again for stepping in as interim chairman and chief executive last year, for steering the company through
35 those very testing few months, and for chairing last year's AGM at short notice, in difficult circumstances.

I joined AMP because I believe this is an important institution for our customers, the community and the wider Australian financial system, which, in the context of the
40 Royal Commission, must make earning back trust a priority. Last year, AMP was shown to have faltered from its purpose. The board and I are acutely aware of the loss our shareholders have suffered, both in share price and dividends. We also know the follow-on consequences were felt keenly by our customers, employees and advisers.

45 This company belongs to our shareholders, and as always, your input and interest is valued. I would like to thank those attending today's meeting, both in person and via

the webcast, as well as those who submitted their vote via proxies. As your new chairman, I'm focused on driving change, improving governance, and facing squarely into the issues, and being accountable to you, our shareholders. Your renewed board, new CEO and restructured management are also committed to the task ahead. But there is no quick fix. And with the right leadership, capability, systems and customer focus, we intend to turn this business around.

In speaking with shareholders and reading comments submitted in advance of today's meeting, it is clear that many of you have questions about last year, and what the future holds for AMP. I will endeavour to address your questions today, as well as outline the actions taken since my appointment as chairman as we position AMP for the future.

Starting with questions regarding the Royal Commission, last year AMP and the wider financial services sector faced unprecedented scrutiny from regulators, politicians, media and the community. The Royal Commission was a confronting experience for the industry.

For AMP, it brought a number of issues to the fore, many of which were already known to the regulators. I believe that the Royal Commission provided three key lessons for our business, and we've taken decisive action as a result. Firstly, the business was too slow to identify customer issues and take appropriate action. Putting things right for customers is, therefore, critical. Not only is it the right thing to do. It ensures that we can put the past behind us and focus on building our future.

Our objective is to identify and remediate as quickly as possible customers who received inappropriate advice or paid fees there was no evidence a service had been provided. By building the necessary infrastructure and systems, we're on track to compensate all affected customers within the estimated cost and planned but challenging three year timeframe.

Secondly, in hindsight, investment in the monitoring and systems was not adequate for the complexity of the business. Strengthening risk management, controls and governance has been a priority. We know we must address the root causes of past failings and create the structures to prevent recurrence. Our investment of \$100 million pre-tax over two years has already funded a number of initiatives to strengthen practices on governance, culture and accountability. And we're committed to ongoing improvement.

Thirdly, accountability and consequence management should have been more explicit. The board has taken firm decisions on consequence management and those accountable for issues highlighted in the Royal Commission are no longer with the business. The Royal Commission's final report has delivered a clear positive legacy and provides valuable guidance for legislators, regulators and organisations, including AMP. For a wealth manager the size of AMP, the implications for our business are proportionally larger than many other institutions, given the focus on advice and superannuation.

The final report set the challenge of improving the system. This must now be AMPs focus, as we embrace the findings of the catalyst for change perhaps more than any other institution. Legislators are moving swiftly to implement the final report's recommendations. Consistent and fair application across the industry will be crucial, allowing for all players to adjust and implement solutions in the best interests of their customers.

At AMP, there are a number of legacy issues to work through and we will continue to work constructively and cooperatively with the regulators to resolve these. Perhaps the most significant change of last year was the transformative but necessary decision to sell our life insurance and mature or close business to Resolution Life. Our Life business has been challenged for some time where structural changes in the industry and regulation globally have restricted our ability to compete on a sustainable basis and deliver acceptable returns to shareholders. In response, the board undertook a review of our Life business and mature businesses.

In May 2017, AMP confirmed that it was considering options to release value from these businesses. At last year's AGM, we advised that the review progress was still progressing, although we were then focused heavily on performance of the whole business, board renewal and appointment of a new CEO. Following a process to find an acceptable buyer, the board unanimously agreed to sell the insurance and mature businesses to Resolution Life, an international specialist insurance business which was already known to many of us.

The significance of selling a business that has been a proud part of AMP's heritage since inception was not lost on the board. However, we firmly believe that the sale is the right outcome for our business, our company and its shareholders, as stated previously, and we are committed to returning the majority of net cash proceeds from the transaction to shareholders upon settlement, subject to unforeseen circumstances.

For our customers with insurance and mature policies, there will be no change to existing policy terms and conditions. And, once owned by Resolution Life, the businesses remain subject to the same regulatory regime as at present. We are progressing the work required to legally separate the insurance and mature businesses and gain regulatory approvals.

This is a difficult and complex task. We are continuing to deal with multiple regulators in different jurisdictions to achieve the conditions precedent for the transactions. In some cases, these regulatory requirements have changed since the transaction was agreed. Nevertheless, we continue to work towards completion of the sale by the end of the third quarter this year.

Since the sale agreement in October, our financial results have reinforced that AMP is not the best owner of a life insurance business, with higher capital requirements and earnings volatility. Indeed, the recent sale of many major life insurance groups in Australia are also attributable to these same factors. There has been some criticism of the transaction with Resolution Life.

As a board, we respect differing viewpoints, but we are bound to act in the best interests of the company and all shareholders, rather than satisfy the particular agenda of a few. Life Insurance is a very long term business. Given we were faced with deteriorating prospects, a sale was the best option when considering the interests of the company over the long term.

Turning to our financial performance in 2018, this was undoubtedly a difficult year for our business and our shareholders. Overall, in 2018 we reported an underlying profit of \$680 million and profit attributable to shareholders of \$28 million. A number of factors influenced this result, including the urgency to remediate customers in our advice business, a deterioration in the performance of our insurance business and the impact of the Royal Commission.

After careful consideration, the board determined a reduced final dividend of four cents per share, bringing the total dividend for 2018 to 14 cents per share. This took account of the financial results and related impact on the business's capital and capital surplus position, an uncertainty in the operating environment. As a business with a large customer base, we must hold a strong capital position to continue to honour our obligations. In 2018, we maintained this position, holding \$1.65 billion above minimum regulatory requirements at year end. After the sale of our life insurance business, the board will be in a position to reassess AMPs future capital buffers and structure.

Next, I would like to address recent public commentary about sustainability and related environmental, social and governance, or ESG, issues. AMPs sustainability report published as part of our annual reporting suite provides a full outline of our approach to ESG issues and details the material issues of greatest importance to our customers, our people and our community. These 11 material issues are customer experience, digital distribution and innovation, cyber security and privacy, the regulatory and legislative environment, ethical conduct and professional standards, inclusion and diversity, supporting and developing our people, climate change and the environment, responsible investing, sustainable supply chain and community investment.

To be clear, this report carries the collective endorsement of the board and I encourage those interested to study it carefully. The topics I've addressed cover key questions asked by shareholders, and I look forward to addressing further questions during the meeting.

I will now turn to actions taken since my appointment as chairman. From past experience, I know that reinventing a business requires a root and branch review. There can be no areas that are off limits to change, and change must come from the top. The role of the board in setting the tone from the top is fundamental to achieving effective culture, and this has been an important consideration in board renewal. A culture of a business cannot be imposed via legislation and regulation, but through the quality of leadership and the adequacy of its systems. As a result of our significant board renewal, 70 per cent of the directors in place at the beginning of

last year have left or are stepping down. No director remaining will have served more than two and a half years.

5 I'm pleased to have welcomed four highly competent new non-executive directors:
John Fraser, Debra Hazelton, John O'Sullivan and Andrea Slattery. All have deep
knowledge of the financial sector and significant business experience. Later in
today's proceedings, John Fraser, John O'Sullivan and Andrea Slattery will stand for
election and the board full supports their appointments. I will also stand for election
10 as a director at which point the board has agreed that Mike Wilkins will chair the
meeting.

In addition to renewal last year, we also took decisive action to strengthen board
governance. These changes will not only improve oversight of AMPs businesses and
subsidiaries but contain the overall cost of governance arrangements at AMP. At the
15 end of last year the board and I were pleased to welcome Francesco De Ferrari, our
new CEO. In Francesco we have a leader with a strong track record as a change
agent, a critical requirement given the mandate to redesign AMPs business model
and deliver turnaround growth. Candidates from within Australia and overseas were
considered in our search for a new CEO, however, the board was of the firm view
20 that a fresh perspective not then available in Australia was needed to drive our
business forward.

The board believes that Francesco has the ambition, strategic acumen and expertise
to steer AMP through this important phase. Since joining AMP on 1 December last
25 year he has already injected a refreshed sense of vigour and optimism. In his first
weeks he made it a priority to speak to as many employees, investors and customers
as he could. Less than three months into his role he has already restructured his
management team to increase accountability, charging his team with simplifying and
streamlining their businesses. And by the interim financial results in August the
30 board anticipates that he will outline his strategy to position AMP for the future.

We expect by then to have a line of sight on completion of the sale transaction and
clarity on relevant legislation post the federal election. The CEOs current
remuneration arrangements have been designed to drive the recovery of AMP and
35 take account of the challenge in the task ahead, and though the value of AMP share
price declined between agreeing his arrangement and his start date, the board has
made no adjustments to the existing long-term incentives to reflect this downturn.
Nor have any such adjustments been requested by the CEO. The board recognises
that the sale of our life insurance and mature businesses and a number of other
40 company-specific matters that affected our share price have occurred before the new
CEO took office.

A number of shareholders have also expressed concern to me that the current long-
term incentives may no longer be realistic. Following the completion of the sale of
45 our life insurance and mature businesses and with new value creation more evident in
the strategic plan we will consider this matter in the context of that plan. Looking at
our broader approach to remuneration across the business, the board consulted and

undertook a number of significant reviews of AMPs remuneration model following last year's AGM. In setting the appropriate model there must be a clear link between remuneration and consequence management and accountability. Let me assure you that there has been clear consequences at AMP.

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As a result of the circumstances of last year the board did not award any short-term incentives for AMPs leadership team, excluding the CEO of AMP Capital. Reflecting their overall accountability for the fee for no service issue highlighted during the Royal Commission, the vested allocations of two former executives will not be paid, valued at \$10.8 million. The board also withheld incentive holdings for a number of other former executives and employees in connection with the issue, and at board level fees were reduced by 25 per cent during last year for the board in place at that time in recognition of the collective governance responsibility.

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There is no one remuneration that can be applied to all businesses across all circumstances, and the board recognises there are a number of different views about remuneration practices but we know that a successful remuneration approach must balance attracting and retaining the right people with the views of shareholders and regulators. The board and I are determined to reinvent AMP as a more agile valuable and sustainable business. As the CEO explained at our full year results earlier this year, 2019 will be a year of transition where a number of critical initiatives can be delivered to position the business for the future. We must complete the separation of our life business, progress our remediation program and deliver improvements to our risk management and controls and governance.

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Shortly, our CEO will provide further detail on these initiatives. Externally, we must contend with uncertainty in the legislative and regulatory environment. With a federal election not long away and some regulatory actions from the Royal Commission yet to conclude, we do not have complete certainty but the past should become clearer. We must also remain mindful of the economic outlook and the impact to our customers and shareholders from any downturn in wider financial markets. From my experience in reinventing a business, change can only be successful with a firm commitment to restructuring and associated investments.

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Additionally, the process of improving our control systems usually results in an uptick, initially, in identified incidents and associated corrective action. In considering the CEO's strategic plan, the board will be mindful that these aspects and associated intentions to add value should be made clear. Since joining as chairman, I've been encouraged by the latent goodwill towards our business. It is clear that people want and expect us to re-establish AMP as a strong player in the Australian financial services landscape. We will put the past behind us and build the new AMP. As we set out on this task, I'd like to thank my fellow directors for implying their expertise in guiding the company and for accepting the collective responsibility that this entails.

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Our customers have a great deal of choice when selecting their insurance, superannuation, banking and other financial services and I thank them for choosing

AMP. To the great majority of our employees and advisers who remain dedicated to delivering for our customers, thank you for your hard work. And to our shareholders and those of you here today, thanks for your commitment through some of AMPs most challenging times, and for holding your board to account to ensure that AMP fulfils its potential. I would now like to hand over to our CEO to address the meeting. Thank you very much.

MR F. DE FERRARI: Thank you, David, and a very warm welcome to everybody, also from me to our AGM. As a new CEO this is a great opportunity for me to present myself and share some of the plans that we have for AMP. Now, starting with me personally, as you would have seen from my name I am Italian, and just to pre-empt any questions, no, I don't belong to the family that produces the red shiny cars. I grew up between Italy, Switzerland and the US. I'm married. I have five kids; four of them and my wife relocated here to Australia for me to take on this opportunity.

Professionally, I spent the first 12 years working not in finance; I worked for many different companies including Deloitte, Nestle, McKinsey. I also spent a few years as an entrepreneur setting up and running three businesses of my own. And then I spent 17 years at Credit Suisse, and there I mainly helped run, restructure and drive some of the most profitable wealth management businesses around the world.

In my last job, I spent seven years as head of the private bank for Credit Suisse in Asia. And then I was approached with this fantastic opportunity to come and lead AMP, a truly iconic company that was going through a significant crisis.

And so I often get asked, "Why would you leave such a comfortable job to take on what some of the press has described as one of the greatest corporate challenges in Australian history?" Well, I think some of it is actually on this first slide. I was really attracted by the fact that what we do in this company matters for our customers. Now, I know the headlines last year were terrible, but if you look at the facts, we have three and a half million customers. We've helped 125,000 Australian retire and paid last year 2.5 billion in retirement payments. We've also helped Australians when they needed us the most, paying out 1.2 billion in insurance claims last year, paying more than 95 per cent of the claims submitted to us.

And not on this page, but also the work I found very motivating, the work that we do with the AMP Foundation and our Tomorrow Makers program – and we've distributed more than 96 million in support of projects that made life in our communities better. Now, not all of the numbers are positive. And for AMP shareholders, 2018 has been truly a terrible year, as you have seen our share price lose half of its value, versus the average financial ASX 200 company that lost 10 per cent.

And so, clearly, not an acceptable performance for our shareholders. So what are we doing about it? Well, the short answer is a lot. I don't want to dwell too much on the past and why we are where we are. I think a lot of has been said. It suffices to

say that unacceptable mistakes have been made and we let ourselves, our shareholders and the broader community down.

5 Since becoming CEO, my priority has been to work with David and the board in transforming AMP. Now, David, in his speech, has already addressed a number of the items on the slide. Let me focus on two. In terms of executive change, we have restructured and streamlined the leadership team. We've also brought new talent to the team, some of whom are sitting here in the front row, such as Alex Wade, who leads our Australian Wealth Management business, and the announcement from this morning, as J.P. Moorhead is joining us as new group CFO.

10 We've also started to focus on improving our offering to our customers. Last year, we repriced the MySuper product, benefiting more than 600,000 customers. And this year, just recently, we repriced our MyNorth platform, a reduction benefiting more than 85,000 customers. But comprehensively, a pretty large transformation agenda. So what is the future of AMP effectively going to look like? Well, following the sell to Resolution Life, the new AMP will focus on three core businesses: wealth management, banking and asset management.

15 Now, taking them all in turn, wealth management is really about delivering trusted and affordable advice for all, linked with the great products. We operate this business in Australia and New Zealand, where we are a leader in superannuation and KiwiSaver and we run the largest financial advice network. Now, I find it interesting as a newcomer to the market that, given the changes in the Royal Commission, a lot of the large players have decided to exit the industry, leaving a significant unmet demand. And we firmly believe that AMP has a key role to play, because providing critical, quality advice is essential to keep customers, build their wealth throughout their lives, especially as more approach retirement age and have to face into the challenging questions about affordability of lifestyle once they stop working.

20 If we move to the bank, banking is one of the most important financial relationships all of us have. And, in particular, buying our own home is one of the most critical financial decisions we make. About 55 per cent of the wealth of the average Australian is in real estate. With AMP Bank, we have a niche player, who today has about one per cent market share, in a highly-competitive market, but we also have many advantages. We don't have a branch network, and so we can be a more low-cost and agile player, while still offering high-quality service to customers.

25 And then, finally, our asset management business with AMP Capital. We are a leader in asset management, not just in Australia and New Zealand, but this is a business where we are a leader globally, especially in our real asset business. And so in infrastructure and real estate. And I find it interesting that actually a lot of the funds managed by AMP Capital helped build the nation in Australia. A lot of the infrastructure that we have in this country was funded by funds from AMP Capital. Here in Sydney, for example, the Harbour Tunnel. And we're also owners of the Melbourne Airport.

So with these three businesses, we aim to build a group that is relevant for our customers, that adds value, with best-in-class products and services, and that will provide a good return to our shareholders and a renewed sense of pride for our employees. So talking about our employees – you’ve heard David say, “Well, what about our company culture?” Well, any large transformation of a company that has been through such a crisis last year has to be anchored back in the roots of the true sense of purpose. And AMPs sense of purpose goes back 170 years.

Many of the older buildings in which we operate still feature the Amicus statue, with the goddess of plenty standing protectively above a family. And it also bears an original Latin inscription, which translated in English means, “A certain friend in uncertain times.” Now, these statues clearly express the purpose of AMPs ambition of financial dependability and helping our customers own their tomorrow. And this was another one of the key reasons which attracted me so much to AMP. Actually, the picture you see all the way on your right is the one that hangs outside our head office building at Circular Quay here in Sydney.

Now, a deeply-rooted sense of purpose is critical for any company to be successful. But we also have to have in mind that we need to evolve our culture, to fit with the times. And in order to build the great business we have in mind, we need to become a more entrepreneurial and agile company. Now, I’ve managed a number of businesses through pretty significant crises before, like the global financial crisis or severe regulatory intervention. And in similar moments of political uncertainty, regulatory uncertainty and industry disruption, I find it’s critical to provide all the employees with a clear sense of direction. And this is where culture and values are absolutely critical, because, as David said, regulation cannot be the ultimate answer.

And so, as I addressed our employees, I told them – and they asked for guidance on this – I told them my experience has been, “You just need to be able to answer three very simple questions as you go about doing your day-to-day business”. The first is, “Would I be doing what I’m doing if this was my own company?” The second is, “Would I be spending and investing the money if I were to pay it out of my own wallet?” And the last and probably most important is, “Would I be buying the products and services that we’re selling if I were sitting on the other side of this conversation?” Now, hopefully – and my very clear expectation is that all our employees will be able to answer yes to all these three critical questions, because a great company needs to empower its employees and create a full alignment between employees, shareholders and customers.

Now, very briefly, with the time I have today, that is the vision of the business that we want to create with these three core pillars and the type of culture and company that we want to be. Now, I’m also acutely aware that this is not where AMP is today. And so while we have to be very optimistic about our past and proud about our past, I think, with the businesses that we have we can be optimistic about the future. But we also need to be very realistic about the issues, as David said, that we have, and what we need to do to get out of them. This transformation of AMP is going to be a

multi-year journey and will not happen overnight. It will require investment to restructure and reposition the business.

5 Now, any transformational journey requires a very ambitious goal and then an execution plan that takes it one step at a time. The first step for us is to deliver on our 19 priorities. On the left you see the transformational priorities that we're focused on in this year to create the foundation on which to build the future AMP. The first, you've already heard from David, is the complex separation and sale of our life insurance business. Unwinding a company that has run together for 170 years and splitting out two separate companies front to back is an extremely challenging task, and we have a number of critical milestones for execution that we need to get through to ensure completion.

15 The second priority is to rectify the clients or customers for which we did wrong. Now, you've heard from David significant efforts and significant amounts of money have been put aside to make sure we compensate the customers that have been impacted by past mistakes. And our third priority is to make sure that, going forward, we have ethics and risk management at the core of everything we do. Now, these are already – each one of these taken alone would be very challenging; doing all three at the same time requires us to be relentless on execution.

25 Now, at the same time, on the right, these are the first steps that we are taking to make sure that our going forward businesses are going to be positioned for future growth, and they are about transforming our wealth management business in Australia, which has been impacted by the Royal Commission, and capturing growth in our wealth management business in New Zealand, in the bank and in AMP Capital.

30 And so in closing, a couple of comments: (1) I appreciate this past year has been extremely difficult for shareholders and I would like to thank you for your support. I would like to reiterate that the board, the management team and all our employees are committed to driving change across AMP and to work relentlessly to ensure that our company goes back to the rightful place it deserves. We are convinced that we can build a successful business centred around customers, but this is not going to be a quick fix, and so we will need your continued support going forward. I look forward to meeting – I, the management team and the board all look forward to meeting you at the conclusion of today's AGM and I would like to thank you for your attention to day and I pass it back to David for the remainder of the proceedings. Thank you.

40 MR MURRAY: So thank you. Turning now to the formal business of the meeting, the items of business for today's meeting are set out on the screen. Items 2 to 4 set out resolutions to be voted at the meeting. Item 5 is a conditional item which will only be put to the vote at the meeting if a second strike is received on the remuneration report. For a second strike to be received, 25 per cent or more of the votes validly cast would need to be against item 3 to adopt the remuneration report. To assist with the efficient conduct of the meeting, I declare that each of the

proposed resolutions set out in items 2 to 5 of the notice of meeting is now properly before the meeting.

5 At the appropriate time we will proceed with the discussion on each resolution being put to the vote. Each proposed resolution will be put to the vote on a poll using electronic handsets. Voting will be conducted after we discuss the relative items. However, so that anyone who needs to leave the meeting early can vote, I will now officially open the polls for the proposed resolutions on items 2, 3, 4 and 5. I appoint Mr Barry as a party of Computershare as the returning officer to conduct the polls. If you need early and would still like to vote, please see one of the Computershare representatives as you leave the room. They will assist you to lodge your vote.

15 Please note that only shareholders and their representatives all right entitled to speak at today's meeting. At registration, these people should have been issued a voting handset with a white plastic smartcard or a grey admission card. If you did not receive your handset and smartcard or your grey admission card, please raise your hand for assistance. If you would like to participate in any of the discussions during the meeting, please make your way to one of the microphones – there's three here – when the relevant item arises. Please take your voting handset with the white plastic smartcard inserted or your grey card with you to the microphone. If you have any questions about your AMP products or services, please direct them to our teams at the customer centre at the foyer who will be best placed to assist you. Please remember this is a meeting for shareholders, so for those type of questions we can assist outside.

25 I am pleased that, once again, shareholders who are watching the meeting through our live webcast will also be able to ask questions. My assistant here will hand me those questions if they're asked on the webcast. If you're a shareholder and would like to ask a question through the webcast, please click on the "ask a question" tab at the top of the screen and follow the instructions provided. We will endeavour to answer as many questions from shareholders as we can. Turning now to the first item of business. The purpose of this item is to discuss the 2018 statutory reports contained within – contained within the annual report. This is it.

35 I would like to take this opportunity to introduce also Andrew Price of Ernst & Young, AMPs auditor who is at the front of the room here. Andrew is here today in his role as lead audit partner for AMP at Ernst & Young. He is available to answer questions related to the audit of our 2018 accounts. I now call for any questions or comments on our reports or on the management of AMP. Please note that we will focus specifically on the remuneration report later in the meeting. I will take the first question from microphone 1.

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

45 MR LOB: Thank you, Mr Chairman. I think your taking the role of chairman of this company is the best news we've had since it was demutualised. One gentleman said to me, "Mr Murray must want a new challenge". I hope it's a challenge you will

keep fit and keep able to fulfil. I think I would like to make a brief illustration. If I go out in the street and rob somebody, there will be a citizen's arrest; I will be in the slammer and likely jailed. If I had been on the board of this company in past years and robbed the shareholders, they would have paid themselves director's fees out of our pockets. Now, the value of this company on demutualisation was worked out – or the shares to be worked out about \$16 per share. They are now \$2 or around \$2.

On my working out, there are many scenarios you would make what the share price should be; I would say at least \$80 and probably over \$100 when you consider other financial institutions, such as the Commonwealth Bank. If I was an executive of this company, or I would say – no, I would say the first executive, CEO of the company, wiped off about three quarters of the value of the company in the first year or two, and we've suffered ever since. I have a question. There's – your refer constantly to the wealth management section. Where do we with life policies score in the accounting here? Do we, as life policy holders – are we part of the transfer to the other company you referred to? Thank you.

MR MURRAY: Well, Mr Lob, very grateful for your question. Thanks for being here and thanks for your welcome as chairman. In considering the role that I have, I understand the events since demutualisation; I watched them from other quarters. But I do try not to look back, because that's a dangerous practice. The CEO and I and the rest of the board are focused on what we have to do from here. So we will do that, as we've outlined in our addresses.

The issue with wealth management and Life is that, with sale of the Life business to Resolution Life, they will be the owners of that business, and responsible for the terms and conditions of the existing policies held by our policy holders. Those terms and conditions do not change, and they remain subject to the same regulatory regime that they are today. That means that Resolution Life will have the same obligations under the life insurance regulation as we do today, and that is to put the interests of policy holders – at board level – the interests of policy holders first.

Now, at this point, we are unable to put in place any of the administrative procedures to talk to those customers about exactly how this will transpire. That can't be done until the formal completion of the transaction. At that time, we will be contacting all of those customers to explain the circumstances. But in a nutshell, there is very little they have to do, but the terms and conditions of their policies remain as is. Thank you.

MR LOB: Thank you for your very clear presentation, both you and your – and the CEO. They were very clear, and they are appreciated. Thank you.

MR MURRAY: Thanks, Mr Lob. Microphone 2.

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

MR HUTCHINSON: First of all, in passing, I hope that my 70 year old life policies achieve better returns with the new master than it's achieved by AMP in the past. But secondly, I would like to say, as an ex-professor, that the theses put forward by the chairman and the by the CEO are excellent: let battle commence. Now, there's
5 been a great stressing of culture, and in the annual report, shareholders' benefits seem to be absent in that report.

But can you answer the questions here: how many years of fully franked dividends are held in reserve? And secondly, what is the aim in setting out to achieve at least
10 the current five per cent – sorry; six per cent – fully franked – fully franked dividend, or even at a 90 per cent franking? Those are my two questions: reserves of franked dividends, and how – what is your aim? You've got to have an aim to go to battle. Thank you.

15 MR MURRAY: Thanks, Mr Hutchinson. Would you mind, just on your second question, explaining the point? I got the first one, the years of dividend in reserve
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MR HUTCHINSON: The second thing is, what – what dividend deal – yield are
20 you aiming to achieve? The current figures I gave you are in fact the current ones with the share price at a low – at a low level, which is actually 60 – six per cent, at a 90 per cent franking. Is that your aim, or is it less? Or maybe it's better.

MR MURRAY: Thank you. So I appreciate the questions. And on the point about
25 culture in the discussion in the annual report, the reason we focused on that was that, in the Royal Commission proceedings, there was endless discussion about culture. And there is not a – a very helpful discussion about culture in a lot of – in a lot of the media talk, and a lot of the conferences, and a lot of the opinions that are expressed.

30 The reason for this is that people think that culture is just about values. It is, but that's not enough. If the systems of the organisation are inappropriate, the behaviour will be inappropriate. If the leaders in the organisation do not behave appropriately themselves, then the behaviours will be inappropriate; the culture will be flawed. That's why we focused on it. But I can assure you, we're interested in value of the
35 company, and value to the shareholders.

As for the years of franked dividend in reserve, I don't know the number. But at the moment there would be a substantial number, because we hold well in excess – in
40 excess of our regulatory requirements, we hold substantial capital. Now, we always will hold a buffer of extra capital. But until we conclude the sale of the Life business, it is neither prudent nor possible for us to work out, with the new plan to be developed and presented by the chief executive, how those relationships should work in future.

45 As for the dividend yield, again, this will be clearer in the type of business model we intend to operate once it's – the sale is completed and it's clear to us where the legislation relies – sorry; lies – particularly in relation to wealth management. So I

think that's the position, but after the meeting, our chief financial officer is here, and would be delighted to speak to you more about those numbers.

5 MR HUTCHINSON: So – if we could forget about the numbers, are you going to do as well in the distribution to shareholders, or are you going to do better?

MR MURRAY: Well, I would hope that we do better than the recent past. But the combination of growth, dividend and dividend yield is an outworking of the plan. And that's when we hope to make that clearer.

10 MR HUTCHINSON: Thank you, Chairman.

MR MURRAY: Microphone 3.

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

MR DODSON: Thank you. I don't know whether to congratulate you, or what to do. Obviously, the future will tell whether I do that. My questions were going to be a number, and most of them have been asked and mentioned by the first speaker. So
20 I'll give you the one that I'm really concerned about: your remuneration, compared to mine, is something that is of grave concern. I see anybody that is earning more than \$1 million an obscene salary for whatever it is they could possibly do, okay? Now, what I would like to try to understand is what the actual reasoning behind these remunerations are.

25 Now, what I would prefer to see in your annual report is not merely a total remuneration but a value that means something to me. Hourly rate is what many of the people in this room work on, and what I'd like to see is the hourly rate of your directors, your CEO, and all of those other people that are at the top of the company.
30 I'd be interested how they compare with the people around the bottom of the company.

Now, I expect you're going to answer me, saying, "That's not how it works." Well, that's how it works for 99 per cent of us in the workforce. And so I think that's
35 really a subject you need to address, understanding what these remunerations really mean, and how somebody who is a mere board director, with what appears to be no responsibility whatsoever, can actually be given three, four hundred thousand dollars every year for, effectively, having next to no corporate responsibility – at least from my perspective, having, as the other gentleman did, bought the shares at 16, 17
40 dollars, and now sees them at two. What can you tell me that you can do about that remuneration picture?

MR MURRAY: Well, Mr Dodson, thank you, and I – I fully appreciate that remuneration is an important topic. You can't discuss remuneration without a
45 discussion about accountability, and I get that. The – the starting point, I think, is that your concept about hourly rate, and the multiple of remuneration from the bottom of the organisation to the top, is a very contemporary topic, one that I've read

about, and a – an approach which can put context into people – give people context to discuss remuneration.

5 However, when we employ anybody at any level, we don't employ them in a vacuum; we employ them in a market. And that applies at every level. And we need to ensure that whoever we employ has the experience and skills to do the job and at the most sophisticated levels of work, the work of greatest complexity of the organisation, there is always somebody else in the market who is prepared to pay for those skills and experience. So I'm afraid we do not act in a vacuum.

10 And – but I will discuss with my colleagues how we might represent in our reporting some of the issues that you describe. As for responsibility of directors, the consultants and analysts in the market publish estimates of the time put in by directors and the relativity between their remuneration and other tasks. It is wrong to
15 say there is no responsibility, although I understand angst where things have gone wrong and nobody appears to be accountable. Don't forget a large number of our board are not here anymore. So they don't get any remuneration. But I know there are friends of mine who have lost their personal wealth from being a director of a company. And if you wait to see the outcome of the Royal Commission and the
20 matters being pursued by ASIC, you may reflect on the concept of no responsibility. And if we look at changes to the law that have already been put in place, I would respectfully suggest it might be harder to get decent directors in the future. So I appreciate the approach that you take. It is important to put it in context, but we are operating in a market for skill. Thank you very much.

25 MR: I will let you know, I'm also in that market and I think I could probably do a better job than most of the people you've employed in those positions before. So - - -

30 MR MURRAY: Well, I give you call.

OPERATOR: I will give you my name later.

35 MR MURRAY: Thank you. Microphone number 1.

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

40 MR SAINSBURY: I noted in your address that you mentioned the environment and climate change in your company's sustainability goals, so I'm just wondering, Mr Murray, yourself, do you still believe that there's no correlation between global warming and the amount of carbon dioxide in the atmosphere?

MR MURRAY: Is that – Mr Sainsbury, that's your question?

45 MR SAINSBURY: It's – yes. I will perhaps pursue it after your answer, if I may, Mr Chairman.

MR MURRAY: Fine. Well, thank you for putting it and thank you for being here. The – as I said in my address, the sustainability report is a report that carries the imprimatur of the board. In completing that report, the issues for any particular director, the opinion of individual directors are not relevant. The board is not
5 managed or conducted on the basis that one director’s view can prevail over all others.

And that is even more important for the chairman, because to lead any group of people on the basis that your own opinions matter more is to lead for yourself and not them. And that’s a position that I do not respect. So my opinions about climate
10 change are irrelevant. The report is there. I think it’s a good report. And there are people in the community with different views about that. That’s a healthy thing at the end of the day. Thank you.

MR SAINSBURY: So can I take it you haven’t changed your views. But I appreciate the background you’ve provided, Mr Chair, but I would have thought that there would be shareholders who might view with some concern the election of a chairman who maybe doesn’t share the weight of the scientific evidence regarding
15 climate change.

MR MURRAY: Well, as I indicated, my view on this is irrelevant. And there may be shareholders who share that view, which is fine, but there are a number of other issues that we must deal with as a board in addition to sustainability reports and climate change regulation and a number of factors and maintain – and keep our focus
20 on the business at the same time. So thank you for your question.

MR SAINSBURY: Thank you, Mr Chairman.

MR MURRAY: Microphone number 2. Microphone number 2.
30

OPERATOR: Chairman, I would like to introduce Mr Graves of the Australian Shareholders Association.

MR GRAVES: Thank you, Mr Chairman. I’m here today representing 669
35 shareholders holding collectively 3.5 million proxies, which is equivalent to the 16th largest shareholder. What I would like to ask you this morning is regarding the financials. With the goodwill and the wealth management fund, the Australian wealth management is shown as 1.5 billion. And what we would like to know is why no provision for write downs for cost of and also the potential liabilities under the
40 buyer of last resort haven’t been accounted for when considering the goodwill amount.

MR MURRAY: Well, thanks, Mr Graves. And thank you for representing the shareholders here today that you’ve informed us about. I have been involved with your association for a long, long time and respect the work you do in the interests of
45 company performance and transparency. The goodwill in our wealth management business is arrived at based on the business mode, the structure and the performance

of that business over time. And the items that you indicate, the buyer of the last resort facility and the remediation, are accounted for as we go along.

5 The remediation was the subject of over \$660 million of provisioning in the accounts. That, over time, may not affect the goodwill in the business. It certainly affects one year's results in a dramatic way, but it may not. Similarly, the payments are accounted for depending upon the payouts when notices are given. And that's just an ongoing nature of the business. Now, if things on a more permanent basis change dramatically, I'm sure our accountants and auditors under
10 the standards would require us to rethink the goodwill, but that has not yet happened.

MR GRAVES: Thank you, Mr Chairman. I was thinking more about the reputational risk associated with that and has that been taken into account, as well, when considering this matter.
15

MR MURRAY: Well, the reputation risk has certainly been top of mind for the board on everything we're doing at the moment. There has been no reason to look at that factor specifically in the accounts at this point, but I think for the auditor to sign off on any change, there would have to be something quite tangible, such as a
20 deliberate change in the model under which the business is operated, a major legislative change that affects costs or growth, for example. But, as I said, until we get to that point, there has been no reason to make a change yet.

MR GRAVES: Thank you, Mr Chairman. Can I ask one other question.
25

MR MURRAY: Yes, sure.

MR GRAVES: With the wealth management, have any changes been made to how advisors are recruited and rewarded, in view of some of the matters that came out
30 during the Royal Commission.

MR MURRAY: Yes. Thank you. I – naturally, as you would expect, we are looking closely at how that works, because the outcomes from the Royal Commission and the expected legislative changes will affect the way that whole
35 industry is working. You know, for example, just the fact that there are changes in the education requirements for advisors, will we expect, cause a shrinkage in the total number in the industry. There are a lot of changes. But, at the present time, we have important contracts with our advisors. We have some fantastic people doing that work. And I think our responsibility would be to – if there are changes, would be to
40 talk to them first and then let you know how that business is going to look in the future.

MR GRAVES: Thank you, Mr Chairman.

45 MR MURRAY: Thank you. Microphone number 3.

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

MR MINUJA: Thank you. Thanks for taking my question. I am Minuja. AMP have been a pillar in the financial and infrastructure sector. The top management, it seems, forgot its core purpose, to serve the customers and to deliver them value. The greed took over the organisation, which was clearly exposed during the Royal Commission. Now new management has taken over and divested some part of the business, as our Chairman stated again today.

Normally, when the new management takes over, the share prices go up. This probably happens because the financial analysts and the fund managers expect the turnaround in the organisation. However, in case of AMP, it has not happened, despite chairman telling us the big steps taken by our CEO. So the question is if the new management is capable and competent, why the experts outside AMP are not buying into any of these claims? As I am asking this question, the share price of AMP today has dropped further, by almost five per cent. Would the new management tell us what the other steps they would take to resurrect AMP. This is because the steps taken till now have not created a buy-in. Thank you.

MR MURRAY: Mr Minuja, thank you for your question. I think it goes to the heart of the concerns that shareholders rightly hold about the progress of AMP since the commencement of the Royal Commission and the events of last year. It's probably the most important question. AMPs share price has been affected by the events of the Royal Commission itself, the responses of some in the market to the sale of the business by the specific consequences for the wealth management business of the remediation process and the provisioning, and, as of the release the report earlier this year for the full year, the realisation that our ongoing sustainable earnings at present are lower than they had been. So these factors plus, as the CEO mentioned earlier, the relative progress of financial services businesses in the market have all weighed on AMPs price.

The one that's toughest to manage and goes back to Mr Graves' question earlier is the effect on AMP of the reputational damage. And both the CEO and I have spoken to investors who deal, for example, with AMP capital, and spoken to advisors. And this is hard, because until we re-establish trust, then reputational consequences cause people to hesitate in doing business with us. I think the CEO quite rightly pointed out that this is not a quick process, because of the range of factors that we are dealing with. And we can only take them in the correct sequence. But I mentioned in particular that the Royal Commission – the legislation following the Royal Commission is fundamental to us. And having clarity on that with the general election – sorry – the federal election coming up soon is also very important.

Now, we were relatively fortunate in the shape of that Royal Commission report, but I would like you to bear in mind that the Royal Commission and its aftermath throw up in the air very significant legislative change for most aspects of AMPs business. It wasn't most aspects of the major bank's businesses, but most aspects of ours. So that is a once in a lifetime shift. We do know that in other parts of the world where legislation wasn't as thoughtfully put in place that the shifts in businesses like ours were much more adverse, but that's not an excuse. It's just by way of saying we

have a large agenda. We intend to deal with it, but we do not intend to deal with it by loud-mouthing and promoting ourselves. It's just a lot of hard work. Thank you for your question.

5 MR1: Can I make a comment, please.

MR2: Yes. I think the – our CEO shared three steps that he wants every employee to take. They sound pretty good and did a good start. However, I think much more technical work is needed for that to happen. Being myself in
10 transformation in companies in that organisation managing projects and that. It – to create a buy in, we need to provide a solid support to every staff member and make sure that they are very clear about the court objectives, and that's why my first comment was it seemed the top management lost the core purpose of the business
15 itself: to serve the customers efficiently and to deliver value. So unless the whole technical processes address that issue, I don't think transformation will happen, and maybe this is the reason that by our outside AMP is not happening. So that's why I had my second question. What additional steps AMP senior management is taking to resurrect AMP. Thank you.

20 MR MURRAY: Well, once again, I share your view completely. That's why I made the comments I made about this public debate about culture. You're right. The CEO has outlined three admirable standards for our people to take in dealing with customers. Those standards will be of no value to AMP whatever unless those
25 with the expertise and skills and experience we employ in levels of work of high complexity apply their minds and design systems that make it easier for those people to deliver the services and to follow those standards, and unless they behave in a way that our people take those standards seriously. I can see from your question you understand this, which is fantastic, and I wish you would talk publically about culture and take a bit of the load off some of us.

30 The – so this is important. Now, one example I can give you is that we put aside this hundred million dollars to spend on controls and compliance. It was one of the first actions that Mike Wilkins took as interim CEO. There is no point having any system in the world if employees know that there are no checks on it. This has had some
35 very significant results already. Unfortunately, one of the results is that compliance breaches – the number of them keeps rising. You would know. I can tell from your question that this is the first round effect, and for a little while, things actually get harder, but the fact that there are more there being remediated more quickly is more important. In addition to that, we now require individual executives to come to the
40 board and explain their breach reports and what they're doing about them. So that's a little example. It's by no means going to transform the whole of AMP, but we're busy. I can assure you of that.

45 MR MINUJA: Thank you. I'm sure the steps that you have taken – the direction would bring thank you.

MR MURRAY: Thank you. Microphone number 1.

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

5 MR NELSA: Mr Chairman, thank you. In your comments about ASX regulatory governance principles, you emphasise strengthening the internal control systems of companies. Do these control systems extend for AMP to consideration of the material climate risks or business decisions?

10 MR MURRAY: They can do depending upon the level of work, the type of work and the particular activities. You will – this is particularly important in some areas of our business, for example, in AMP Capital, we look after the investment mandates of all different people, and charities, endowments, individuals, institutions, pension funds, and we think it's important that when people set out their own investment objectives, not only do we convert those into an asset allocation to make a return appropriate to their objectives and circumstances, we should also give them the opportunity to reflect their own priorities in those asset allocations. And this means that for people with certain backgrounds, certain beliefs, we try and give them as wide a possible list of exemptions that they can reflect in their investment strategy. That's why AMP Capital has taken the lead on ESG issues and supports, as you will see in our sustainability report – supports these things, and it's why AMP has earned an A rating for its work in this area. I've already answered the question about my views about this. So I hope that answers your question. Thank you.

25 MR NELSA: Thank you. Can I follow up with another question. In other comments to – about governance principles, you indicate that a lot of their requirements are focused on less important things, and that this is a distraction for boards and CEOs. I was wondering whether you consider climate risk of AMP decisions to be one of the less important things or one of the important things that you should be concerned with.

30 MR MURRAY: Well, as I mentioned, what's in the sustainability report carries the imprimatur of the board. The comments that I was making at the time were a reflection on the financial sector in particular, what had happened in the Royal Commission, the fact that the ASX governance principles had been in place for many, many years, and I think a fairly honest comment that we should really think about how effective they've been given what has happened in the financial sector, given what's happened at AMP and given some of the comments from our colleague shareholders over here about boards. So it was an important comment to make, I believe, and I hope it has caused people to reflect hard on the value of those principles. Thank you.

40 MR NELSA: My question was whether your – those comments apply to climate risk as an issue.

45 MR MURRAY: The - - -

MR NELSA: Are they regarded as important considerations?

MR MURRAY: Our consideration of climate risk is in the sustainability report. I must go on to more questions. Thank you.

MR NELSA: Okay. Thank you.

5

MR MURRAY: Microphone 3.

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

10 MS BLEACH: Hello, darlings. I'm Coral Bleach, and I'm the queen of the Neo-colonial Movement. Darling, would you hang up – would you hold up our coal, sweetie precious? You can see he's holding a bit of coal just like ScoMo's in Parliament. We've got one, too. So, David, I'm just so excited to see you here and to hear your views, to hear that you're not going to abandon us billionaire coal diggers. We from BUMS, that's Billionaires United Mining Services, BUMS. See, 15 it has been very hard for us lately. People are so mean just because we forget to pay our tax and, you know?

20 And, you know, they don't let us drain every last drop in artisan basins that we need to meet the basic needs to keep the substrated economy afloat, you know, and picking on us because of our seepages and our leakages. You know, my question really is a very important one. We need to know what's the core, what precise measures you will put into place to – to look after us, to ensure that our uniquely entitled way of life and our very rich culture here in Aussie land is preserved.

25

MR MURRAY: Well, Ms Bleach, I'm sure you hold these views passionately. You've put them to us very colourfully, and I appreciate that.

MS BLEACH: Thanks, darling.

30

MR MURRAY: This is a meeting of shareholders. We have this meeting – it's a serious meeting – to discuss the progress of our company in which people have invested their hard-earned savings. We have to cover at this meeting all of the questions of shareholders across a number of issues affecting the company, of which 35 your issue is one, and as I've explained before, is very clearly laid out, I believe, in our sustainability report, else how could we achieve an A-rating? But I'm glad you came and I thank you for your observations.

40 MS BLEACH: I just need to be clear, though, because there is this thing called coal investile dysfunction, and it is wiping away trillions of dollars in rightful billionaire coal diggers' profits in global financial markets all around the world, and we're feeling a little bit exposed here and a little bit worried, so, you know, what do you say to that? I mean, it's a thing, and we're really worried.

45 MR MURRAY: Yes. I can tell that you're very concerned, and that's why I explained in my – one of my answers to Mr Melser – I explained that as a financial intermediary, we look to the concerns of investors and others, how they would like to

handle these issues. But I would remind you that we are not a mining company. We are not an industrial company. So we handle this in the only way that we can, and we've been very highly rated for it, but thank you. I must move on to the next question at microphone 2.

5

MS BLEACH: Thank you.

OPERATOR: Chairman, I would like to introduce Mrs Duwegu.

10 MS DUWEGU: Thank you. Mr Chairman, I know you're trying to sort of skate over the climate change issue by – by – yes, this is financial. This is seriously financial. Okay. Because regulators and lawyers have made it abundantly clear that directors must already be considering and managing climate change risk.

15 So I'd like to know what steps you have taken to understand and manage these risks and whether, in fact, in the induction process we were told that you were going to be provided with information about climate change risk, that you would – that you would understand it.

20 Can you tell me first of all how much you have learned about climate change yourself, even though you seem to assume – that you seem to assume that it's irrelevant, and secondly, whether you actually do understand that they're – what specific effects you are taking, or what specific awareness you have of the kind of risks there all right. There's transitional risk, there's physical risk, there's liability.
25 The rest of the world is aware of this now. Why not AMP?

MR MURRAY: Well, I can – thank you. I can assure you that to the extent that these responsibilities are written in law, we understand them and take account of them. We're also aware of the importance which people place on boards taking these
30 things into account in their risk management. As I've said already, that is why these things are reported in our sustainability report. If we didn't care, we wouldn't report it. And with respect, I've answered these questions a number of times already at this meeting, and I think we're done with the issue. I'd like to move on to some shareholders' other questions. Microphone number 1.

35

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

MS CHAN: Good afternoon, Chairman Murray. I have two questions: one related to a question I raised two years ago in 2016, and that's AMPs – one of the asset
40 management area are the Opal Aged Care homes. I'd like to know, have any progress been made? Do we still own that Opal home? And, well, any improvement done to it if we do? That's my question 1, and I will leave it to you.

MR MURRAY: Hit me with the other one and I'll read it down.

45

MS CHAN: May I hold that later, please?

MR MURRAY: Okay. Mrs Chan, thanks for being here. I'm afraid I don't know this particular asset, so I'm at a loss to answer correctly. The – I do know that we invest through – through that structure, and it's managed by AMP Capital. So I'm sure that Adam Tindall who's here, our leader from AMP Capital, could have a chat with you after the meeting and give you some more detail about that. But you had another question.

MS CHAN: Yes, I do. My second question is: the – regarding the cultural issues and accountability, and I appreciate Mr De Ferrari took on the job. Sure, yes, I don't relate him to the red car, but I do like to ask a question regarding, say, another revered Italian who managed to turn a car company around called Chrysler. So would – will Mr De Ferrari be one that we can expect to have a turnaround for AMP, and if so, please tell us the expectation – the realistic expectation we can sort of work out, like, single digit numbers or how many years and so we are not misguided by our own self-belief.

MR MURRAY: Well, let me let him make a comment in a moment, but I just want to reinforce the comments I made earlier that at the time we were searching for a CEO, the Royal Commission was in full swing, and that meant that – a couple of things. It meant firstly that the credibility that we could attach to an executive from the industry in Australia was – would be damaged, because people would be entitled to watch the Royal Commission and think, "Well, if this industry has been on this path for so long, how could somebody from within it come to AMP with its set of circumstances and be a very serious change agent in –" a person who'd come from something that had not adequately changed. The second – so therefore, the board's first consideration was finding a change agent.

Now, I can assure you that in Francesco's background is an executive who's made extraordinarily solid change in businesses in different parts of the world, all of them very relevant to our business. Now, being a conservative person and accountant, I'm not going to put a growth rate on his shoulders, but the board has significant expectations bearing in mind that turning things around has to be done in steps. But maybe he would like to make a comment about the turnaround of Chrysler, though this is not a Chrysler shareholder meeting.

MR DE FERRARI: Well, thank you. Thank you for your question and thank you for the kind comparison to Marchionne. I actually believe he was Suisse and not Italian, but it's okay. It took him quite a few years to actually be able to turn around this automobile group. Similarly, for those of you who had a chance to hear me speak at results, I outlined the following journey very high level. '19 is going to be a year of transition, where we need to work on those really big priorities, because – we don't deliver those, it's very hard then to build the future. It's like the foundation of a house.

Realistically, we're going to have two more years where the main levers we will be able to pull to deliver value to shareholders are resizing the costs of AMP and becoming more capital-efficient, because we are separating from an insurance

business which consumes half our capital, and, roughly, does not contribute a lot to our earnings base, based on last year results. The turnaround of the operational businesses – and here I’m referring mainly to Australian wealth management, because AMP Bank, AMP Capital, and our New Zealand business are less affected, and they’ve been very good growth businesses in the past – the turnaround and repositioning of Australian wealth management, for me, as I said, is a three-year expectation. And, unfortunately, you would have seen, in Q1, we still had negative outflows. And that’s about consumer support, consumer sentiment. This takes time. It’s one – it’s – companies lose trust very quickly; regaining it is going to take a lot of hard work. So, unfortunately, there is no silver bullet here. But I’m very committed, and the team is very committed, to work through this every day. Thank you.

MS CHAN: Thank you. Thank you.

MR MURRAY: Thank you.

MS CHAN: I’ve been a long-term shareholder, so – and I’m not holding you – for whatever number of years – as long as the – you lead a right culture, and your heart and soul in the company, I will leave it to you.

MR MURRAY: Thank you.

MR DE FERRARI: Thank you.

MR MURRAY: Thanks very much. We have a question from the webcast, which I will ask the company secretary to read.

MR CULLEN: Chairman, this is a question from Mr Dixon:

Was the board surprised by the share price reaction following the announcement of the sale of the Life company?

MR MURRAY: Well, thank you. Well, in some respects we were, because we had done considerable work to assess value, and to assess all our options other than the sale of the business. I – remember, though, that, in anticipation of the sale, the share price had risen, and, when it was announced, there were a few factors in play. One of them was a very sharp fall in the market on that day, in which finance sector companies in general fell by about 18 per cent – or those more closely linked to our business model. But it’s clear that a number of investors held a view about the value of the Life company, which we believe is not realistic, in the circumstances of the business over recent years, and other transactions in the market in Australia.

Firstly, if you look at the progress of sales of Life businesses in the Australian market, there were no sales to domestic buyers, and therefore any buyer would not attribute any value to the franking credits in the embedded value calculation. Secondly, our embedded value, using the actuarial basis adopted by our appointed

actuary, applies a discount rate of 7.6 per cent to the embedded value of the Life businesses. And that's the one we publish.

5 When we do publish it, in our investor report, we also show a sensitivity analysis, in
case any investor would like to apply a discount rate of their own. The choice of a
discount rate is peculiar to the circumstances of particular investors. Now, our view
of typical discount rates applied by investors in the market is that they will use rates
of between 10 and 12 per cent. Had that rate – applying those rates, the sale price
would be between .95, or 95 per cent, and 105 per cent of the embedded value. And
10 you will see other transactions that proceeded at much lower embedded value
relatives as well. So we were surprised by some of it, and some of the commentary.
But I think you will see that circumstances since suggest that this was the right
decision for the company. Microphone number 2.

15 OPERATOR: Chairman, I'd like to introduce Ms Pye.

MS PYE: I'd just like to say that I appreciate we have to move forward, and be
positive, but we must also not forget our problems, and the past, and where we went
wrong. And I just thing, you know, at the Royal Commission, there was some saying
20 that they spoke out, on the board, against certain things. But it wasn't in the minutes,
they were told.

So that, to me, was a problem. Also, I think, we have to think, could the auditors
have helped? Helped the board, and said, "Perhaps there's some problems here with
25 the culture." Are they limited to what they can do? Could they have said, "Fix it, or
else," you know? Give a bit of a warning. I'd just like to see what auditors could
have done to check it at all. Thank you.

MR MURRAY: Well, thank you very much. There has been some discussion,
30 during the Royal Commission and elsewhere, by regulators, about the way in which
board proceedings are recorded and minutes are kept. So that is a live topic. From
my perspective, there should be sufficient in the minutes and papers to point to
important matters discussed, and the next steps intended to be followed by the board
and the management.

35 The auditors – our auditor is here, and – but he's here, normally, to deal with matters
to do with the accounts. The auditor – audit of the accounts. I think, for an auditor –
and he'd certainly be happy to have a chat with you after; I'm sure Andrew would
do that, or Clare, who's with him. I think that, when an auditor starts to comment on
40 other matters to – with the board or the management – other matters in the company
– it needs to be done with great care, because otherwise there could be a suggestion
that his view of the accounts is tainted in some way. That is, if he doesn't like the
look of something else in the company, that he might be taking a deliberately adverse
view of the management on a treatment of an accounting item, for example, or vice
45 versa.

5 So, I think, a good auditor will try and steer clear of matters outside their remit. I have had great relationships with auditors in the past, including some from Andrew's firm, where we could sit down at the CEO level and have a heart-to-heart about things they see. But I think they have to be careful about raising any of those matters in a more formal way. Thank you. Microphone number 1.

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

10 MR VAUGHAN: Thank you, Mr Chairman. Earlier this year, the RBA Deputy Governor, Guy Debelle, stated:

Both the physical impact of climate change and the transition are likely to have first-order economic effects.

15 What's the position of yourself and the board on that statement? Do you agree with that statement?

20 MR MURRAY: Well, let me just say this. I indicated that we produced a sustainability report. I indicated the importance of the collective responsibility of the board, and of a chairman in particular, not pressing their individual views on the board. I've answered many questions on climate change. I don't intend to answer any more. To the extent that there are significant economic effects, they will affect all businesses, including AMP's business, and a wise management team always tries to project effects on the economy and on the business in the planning work that they do, and we hold our management to account to do that as well. Thanks very much.
25 Microphone number 3.

OPERATOR: Mr Chairman, I'd like to present Mr Kalesnikoff

30 MR KALESNIKOFF: Thank you, Mr Chairman. I would like to welcome you, David, and thank you for accepting this job. I hope that you will bring some of your magic to turn this company around, like you did with CBA. Me and my super fund been long-term shareholder. We've only seen this company going from bad to worse and really hope that you can turn it around. I have a question for our CEO, Mr
35 Francesco De Ferrari, who comes from well-known financial institution Credit Suisse that use technologies reducing costs of running computer systems, reducing the use of CPU and improve response time, why he did not implement these technologies in AMP? Also, I would like to know why people who close account many years ago still receive letter by post, emails with empty statement. Thank you,
40 Mr Chairman.

MR MURRAY: Mr Kalesnikoff, thank you for your question and thank you for your good wishes in the job. The issues you raise about the computing systems and efficiency in those systems will be very important because I know that the CEO
45 places great importance on the use of digital technology in the efficient service to our customers in future. It's going to be at the heart of what we do well. I will – to be fair, I don't think that less than six months in the job is quick enough to turn around a

computing system. It's a little bit bigger than a desktop, but I'm sure it's top of mind for him and maybe he would like to make a brief comment about the questions you've raised about his former employment.

5 MR DE FERRARI: Thank you. Yes. Absolutely. I think one of the biggest problems that we have in this country is that as a consequence of the Royal Commission, face-to-face advice is increasingly becoming unaffordable for most Australians. And so true to our purpose of trying to help the average Australian with these really important financial matters, the only conclusion for us is to work through
10 technology. We have at AMP some amazing technology.

Actually, as I was building the technology at Credit Suisse, I was very surprised by the solutions that AMP had and it is part of our strategy going forward to make those available to our customer base as a whole to be able to address the problem of
15 affordability of advice. So technology is clearly part of that. On the fact that you receive empty statements after many years, we will definitely look into that. That's a cost for us. Maybe it's a reminder to try to come back to the company. I take it as a positive message, but that's something that we will definitely look into. Thank you.

20 MR MURRAY: Microphone number 1.

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

MR McLEOD: Thank you, Mr Chairman. I would like to ask what is it that
25 Resolution Life can do to run the life insurance business that the AMP can't do? I mean, you and the CEO have spoken about agility, how AMP is agile now, well, why can't you use your agility to make whatever changes are necessary and run the business as Resolution Life would do? I understand that some of these foreign
30 jurisdictions currently have lower interest rates, possibly a lower cost of capital, but that may prove to be only transitory and if you do the right thing, you should be able to increase the capital return on the business. I mean, as far as I'm concerned, the AMP without the number 1 provident fund is really no AMP at all.

MR MURRAY: Well, thanks, Mr McLeod, and I appreciate that sentiment. As I
35 said, making this decision, given the heritage of AMP over nearly 180 years is not an easy one. The – of the factors that are important here, you've already mentioned the cost of capital. If you look at all of the life transactions in Australia, the common feature has been the lower cost of capital of the purchaser, whether it's a purchaser
40 that's operating in force business or closed businesses, it is – has been a differential cost of capital. From an Australian perspective, that is very hard, if not impossible to overcome. The cost of capital of any financial institution in Australia is governed by the risk-free rate in Australia and their own premium on cost.

45 These things are determined, amongst other things, by the credit rating of others and the fact that Australia is a capital importer will always have a slightly higher cost of capital than some other countries. A more – well, an important factor also is the fact that in the model applied by Resolution Life successfully in the past, what they do is

to group together businesses from different life companies from different countries and achieve a diversification of risk which we cannot achieve within Australia. A combination of those things and operating a closed book with common efficiencies across all of the businesses they put together has enabled them to be successful in a way that AMP cannot. Now, had we decided to continue and wait for the good times to come, having discussed this with the executives, there's a more-than-even chance that they won't.

And part of that has got to do with the progress in Australia on disability and income protection insurance, which has been dreadful across the industry. I mean, one look at the APRA statistics paints the picture. And part of the problem with that business is that when the State Governments move to reduce risk in their CTP and workers' compensation businesses, they effectively pushed more risk to the industry. So I'm – having been an observer of AMP and had friends who've worked there at senior levels over nearly 50 years, I'm awfully sorry to see that life business not in Australia. I don't like that. And we will be doing our best to make sure that our clients can buy life policies, even though supplied by others, with the skills that we apply to ensure that they're good products in future. Thank you. Microphone number 3.

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

MR WALLARD: Mr Murray, I would like to ask about our superannuation business. From the point of view of somebody starting out in super, I would love to hear a pitch from your new CEO or somebody else as to why one would want to choose to go with AMP super rather than with one of the well-known industry funds. It appears to me that the industry funds have a history of lower charges than we do. They have often better returns than we do, historically. And also, frankly, the industry fund sector came through the Hayne Royal Commission almost unscarred. Our reputation, frankly, was trashed. So I would love to hear why somebody should sign with us rather than with an industry fund. And if you don't have a good pitch as to why people would want to sign with us, then what are we doing in that business?

MR MURRAY: Thanks, Mr Wallard. It's a good question and one that's top of mind for us because of not only the Royal Commission but the work of the regulators on the responsibility of trustees across that whole sector. The issue for any member of a superannuation fund is how the trustees of that fund take the interest of a particular member into account. Now, AMP – AMP superannuation manages a large range of corporate superannuation funds where a lot of the focus is about the specific group of employees with superannuation in that business and how we take care of their particular interests. Now, in any superannuation fund, the investment of the members funds should be designed for their circumstances. That makes those investments look very different.

As you no doubt appreciate, if I had a group of employees all approaching retirement, I would have a less aggressive investment strategy and a lower apparent return in the interests of protecting the sequencing risk of those employees.

Sequencing risk means that if the market tanks just as you quite working life. So it should look different across businesses. It does not mean we're complacent about our performance and we've been retaining business from corporate clients who've put their business up for tender in the recent past. But I would like the chief
5 executive to make a further comment about this. And I can assure you also, before I do, that we look at investment performance very carefully.

MR DE FERRARI: Thank you for the question. Clearly, as we review the business, we are looking to invest in products and services where we feel we can
10 win. Superannuation is clearly one of them. We are – we feel we have a very contemporary product range and we can offer a degree of personalisation and service that the industry super funds cannot offer today. Right. I take it that there are issues that we need to improve and we're working with the team hard on making sure that we can continued to deliver value to our customers.

15 MR MURRAY: Microphone number 1.

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

20 MR ALLEN: Thank you, Mr Murray, and thank you Mr Ferrari. I thank you for the hard work you're doing. I wish you both very well. Like many, many thousands of Australians I got my initial technology training in AMP. I was invited into Europe, I invented quite a lot of our software that we use today when I was Europe. And in that software governance was front and centre; it's dropped out of the picture a little
25 bit now. And Donald Trump is saying recently that our technology is perhaps a little bit too complex. It's not really complex if you do it properly and I'm sure what Mr Ferrari is going to try to do will be an excellent implementation. I'm sure we can do a lot more with our technology than we do.

30 But when I worked at AMP a long time ago we had a department called Special Calculations, and we used to do the calculations that the computer could not do. Now, those calculations have been incorporated into the system but there are an awful lot of calculations that the computer just isn't programmed to do and would it improve our governance and our systems if we looked at reintroducing something
35 like a special calculations department, doing completely different things of course but based on the types of mathematics that we used to do.

MR MURRAY: Well, Mr Allen, thanks for your question and thanks for your service to AMP. I'm sure it's appreciated by everybody here. I'll leave the question
40 of whether we'd respond to your suggestion; I'll leave that with the CEO and we'll have a chat about that. What I would like to say about software and computing in general is that the capability of computers and people with computers is running at such a fast rate that often it gets a little bit ahead of where people can catch up, or even understand what to do next. This is relevant in some discussions we've had
45 recently about upgrading the technology in AMP Bank.

I think the more difficult question is that at every iteration, regulation is getting more complex and as you could probably recall from your service, each time you have to change the software to deal with a new regulation you add layers of complexity. I think it would be interesting if anybody has got nothing to read at bedtime to have a look at the Hayne Commission report and have a look at the way in which he had to lay that out to explain which items of regulation go with each topic.

And that's a demonstration in itself that the whole system has become too complex, and he laid it out that way so that the Law Reform Commission can pick it up and see if it can't be done a bit better. There are people now who say that regulation has become so complex it can only be effectively followed by employing artificial intelligence, which scares the hell out of me – I don't know about you, but that's important. Now, I'm pleased to say that your important question could well be our last which would give us time to deal with the remaining items on the agenda in time for our scheduled break for lunch. Thank you.

OPERATOR: Chairman, we have three questioners remaining on microphone 1.

MR MURRAY: Let's see if we can deal with those, Mr Secretary, and would that suit you? Thank you.

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

MR WILKINS: Thank you, chairman. Good afternoon, and I should say that I'm not related to my esteemed namesake on your board. Some questions which I hope I can at least ask quickly about Resolution Life. I understand that because of the accounting standards the treatment of the life businesses in the latest balance sheet is still that they are consolidated and actually carried at their previous book value. And my reading of the standard which is quite arcane as you have been saying is that if there needs to be any adjustment when the sale actually goes through that that will happen at the time, presumably in the '19 accounts, but on a pro forma basis can you indicate roughly how the value that is sort of implicit in the Resolution Life deal with AMP, what that – would that be higher or lower than the current and book value.

MR MURRAY: My understanding – and thank you Mr Wilkins; it's a great name, I agree. My understanding is that the way in which the contract works means that we carry all of the normal accounting for the business through until completion but Resolution Life carries those adjustments in value from completion going back to mid-2018. So to the extent that we've had best estimates downgrades in our accounts since 1 July '18 – I believe, Gordon, 1 July – they will be reflected in a payback to us at the sale. So in economic terms we are no worse off although we have to carry the accounting treatments until sale.

MR WILKINS: Thank you. And two very quick related questions. There seem to be mixed messages about New Zealand. The annual report says it's resilient and doing very well, and in fact some of your comments and Mr Ferrari's comments today endorse that, and yet you're talking about selling it. And I'm not quite clear

5 which is the intended message and I understand that one of the reasons for wanting to unload all the life businesses, amongst others, is the very high cost of capital and I assume that the wealth management business in New Zealand is not capital intensive so could you clarify at least the current intention today. Do you want to sell it or would you rather not sell it?

10 MR MURRAY: Well, we announced it at the time of the sale because for clarity of the business model going forward it was better for us to do that but with the amount of work that we've got on our plate now, because we announced that we would IPO that business, we just cannot handle the complexity of pre-IPO work at the moment so we've called that off. But we may reconsider, depending on how we progress all these other issues we've got on our plate at the moment.

15 MR WILKINS: Thank you very much. And, lastly, the 600 million value that's imputed to mature that Resolution – or at least the – sorry, that AMP will carry a value of approximately 600 million after the Resolution deal goes through, that's sort of explained as being a value that's equivalent to the runoff of about of 50 million a year after tax. What's not really clear, though, is this pure equity risk or is it a sort of a fixed rate of return or is it some sort of hybrid and it could actually be worth much
20 more or much less in the future than that sort of estimated value of 600 million.

25 MR MURRAY: Yes. There are two components. We will hold some convertible notes in Resolution Life but they are at market rate of return. The residual interest in the business will carry forward as that business does and we – as I said earlier today, we know Resolution Life and the progress they've made on their investments in the past has been broadly successful. So we are hopeful that that would achieve the sort of returns that Resolution Life has returned to their investors. But it is the same has having a slice of the life business owned by somebody else.

30 MR WILKINS: Right. So it is effectively a pure equity risk, albeit one that you know very well?

MR MURRAY: It's a business risk. It's a business asset risk - - -

35 MR WILKINS: Yes.

MR MURRAY: - - - which is in effect an equity risk.

40 MR WILKINS: Yes. Thank you very much.

MR MURRAY: Thank you.

MR WILKINS: Thank you.

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

MR NIEDERER: Thank you, chairman. There's just a couple of questions, and also an observation which I'd like you to comment on. With the sale of the business what will the total staff number of the remaining business be? There are currently 6000-something.

5

MR MURRAY: Well, thanks for the question but, I'm sorry, I don't know the answer. There will be considerable changes because that's - - -

MR: Sure.

10

MR MURRAY: In Australian terms, that's a not insignificant life business.

MR: Sure.

15

MR MURRAY: But I'm sure if you were to talk to the CEO or some of the executives that are in the front here when we're finished here they will give you an idea of how that will pan out.

20

MR: Okay. And I have an observation about our business that I would like comment on. When I'm comparing the AMP as an investment with somebody else and I'm looking, say, at the total number of employees, because of the nature of the life business it makes comparisons difficult. But if I take AMP Capital, where we've got 1200-odd employees and 180 billion of funds under management and a profit of around about \$167 million, we're making about \$130,000 per employee.

25

So if I compare that with, say, other people in the industry, the closest people I can come up with or businesses I can come up with, on a per employee basis, in the investment world, the profit per employee is somewhere around about 600,000 for Pendle and for Challenger and jumps to 1 million, 2 million for other people who are newer players in the industry and obviously have some efficiency. So why is it that for every dollar that somebody like Pendle makes or Challenger makes, we make 20 cents per employee?

30

35

MR MURRAY: Yes. Very good question and can I start by saying that when the then-treasurer asked me to set up the future fund in Australia I got started and because we employed only outside managers, I made it a rule that there would never be any more people in the future fund than one per billion of assets. But let me qualify that by saying AMP Capital is a very, very different business. If you undertake the asset management work yourself, you employ more people. Now, that's consistent with some of the other names that you've given.

40

MR: Sure.

45

MR MURRAY: But the two areas of specialisation and competitive advantage that AMP Capital have, namely, infrastructure and real estate, are much, much more labour intensive because the people doing that work have to search out new deals, then they have to effectively manage those assets that they've taken on through the

life of the asset. And I know from some involvement I've had in banking and investment banking, that that is very intensive work. So it is different. Adam is here, would love to have a talk to you about it afterwards, and his job for us and the CEO is to make sure that we understand that what he does do is efficient, I can assure you.

MR: Thanks very much.

OPERATOR: Chairman, I would like to reintroduce Mr Lob.

MR LOB: Very briefly, Chairman, this company has a lot of shareholders. A lot attend the annual general meeting, as with Telstra. CSR some years ago changed the format of their annual general meeting, having half of it before refreshments and half of it after, which was very good for bladder control. You don't – I mean, you need to have qualifications for directors and executives to have very good bladder control. Now, I might – I would suggest you might consider that, as one of the ways to manage the problem we have of long meetings. Thank you.

MR MURRAY: Mr Lob, a great question. I won't dwell on it much but given my age and 50 years in the industry, maybe it's a great idea. What I think might be difficult is extending that notion to the appointment of executives of directors because we might be charged with age discrimination. One more question at microphone 3 and hopefully we can move to the main business of the meeting after that.

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

MR VINCENT: Good afternoon. Mr Murray, you are obviously up for election today, so I became a bit confused through some of the comments you made earlier in the meeting. You said that it's not for any individual board member to put their specific views across on an issue of material business impact on the company. You also said that your own views on issues aren't important. So I'm just wondering when it comes to issues that are being discussed at board meetings, what's the value of you if you're not going to be putting your views across? How does that actually – can you elaborate on how that works in a board meeting?

MR MURRAY: Thanks, Mr Vincent. The point I think I made, and I hope I made it well enough, is that it is wrong for a chairman of a board to press their views above others. For any individual director, if their view differs from everybody else, they then have to consider carefully whether they're prepared to go with the consensus of the meeting or the matter is of such importance they should not participate at all, in which case they only have one choice and that is to leave the board. Now, these things, in my experience, happen on matters of serious consequence to the company its future prospects. So I hope that helps explain my view, but for a leader of any organisation, of any group of people to assume that their views are the only ones that count is basically to be an arrogant leader and they're the sorts of leaders that get organisations in trouble. Thanks for your question.

MR VINCENT: I would agree with that. So it sounds like on – it sounds like on the issue that kept coming up from other shareholders here, a lot of people in the room seem to have very similar views to yourself, because you got a lot of applause around when you took the questions about climate change. So I think they will want to know whether you're actually putting those views across - - -

MR MURRAY: Yes.

MR VINCENT: - - - forcefully in board meetings or do you leave the room when that comes up?

MR MURRAY: Well, thank you. I did say I wouldn't take any more questions on that topic. I think I've answered it. Thanks very much.

MR VINCENT: Well avoided. Thanks.

MR MURRAY: Let's get on with the business of the meeting. So I think everyone has had a reasonable opportunity to ask questions. It has been an enjoyable discussion that we've had. So I will now turn to the items of business which will be put to the vote. Let me explain the voting procedures first. First, only shareholders or their representatives can vote. All those eligible should have a handset and a white smartcard inserted in the top. If you've still not received your handset or white card, please raise your hand for assistance and somebody will help you.

If you're here today as a proxy and you're appointing a shareholder – your appointing shareholder has directed you how to vote on any items of business, these proxy votes will be automatically cast as directed. So you only need cast any open proxy votes 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.

As set out in the notice of meeting on items 3 and 5, voting restrictions apply to AMPs key management personnel and their closely related parties. We've implemented rigorous procedures to ensure these voting restrictions are followed. For each item put to the vote today we will show the final proxy position on the screen after discussion of that item. You will then be invited to submit your vote using your electronic handset.

Once voting begins, the voting options will appear on the handset screen. To vote for the resolution, press 1. I like that, press 1. To vote against, you can press 2, or if you wish to abstain, vote by pressing 3. If you change your mind before voting closes, simply select a new option by pressing 1, 2 or 3 to change your vote. Your new vote will override your original selection. Once the voting is closed, the results will be displayed on the screen, including all proxy votes. If you have any issues with your handset, please raise your hand for assistance. When you leave the meeting, please return the handsets to one of the Computershare representatives so

they don't get in trouble back at work. They are outside available or in the room at the registration desk so you can do that.

5 So item 2, election of directors. Let's move to that, the notice of meeting, which concerns these elections. As I mentioned earlier, I'm standing for election today, as are three other independent non-executive directors, John Fraser, John O'Sullivan and Andrea Slattery. As the resolution on my election is first, the board has resolved to appoint Mike Wilkins to assume the role of chairman for the next part of the meeting and to conduct the discussion and poll concerning my election. So I will
10 give Mike the chair.

MR M. WILKINS AO: Thank you, Chairman. And good afternoon, ladies and gentlemen. We will now proceed with item 2A, which concerns David Murray's election as a director. The proposed resolution is on the screen. David was
15 appointed to the AMP Board as chairman in June 2018. As he noted, the board has implemented a number of measures to strengthen its governance and oversight of the business, including the appointment of all directors of AMP Limited to the board of AMP Bank. And, in most cases, to the Audit, Risk and Remuneration committees. As such, David is also chairman of AMP Bank. He's chairman of the Remuneration
20 Committee and the Nomination Committee, as well as being a member of our Risk Committee.

David has over 50 years experience in financial services, with expertise in banking and wealth management, as well as the industry's regulatory environment. David
25 served as chief executive officer of the Commonwealth Bank of Australia for 13 years. He has also served as chairman of the Australian Future Fund and the International Forum of Sovereign Wealth Funds. Notably, David chaired the Financial System Inquiry, which reported to the Australian Government in December 2014. And he has also previously served as a member of the Finance Sector
30 Advisory Council and the APEC Business Advisory Council. I would now like to invite David to say a few words.

MR MURRAY: Well, thank you, Mike. I will be brief. In my 50 years experience in the financial services sector I've come to understand that a robust financial system
35 requires strong institutions that can deliver for their shareholders and help customers. In the time I've had leading transformational change, I know that with the right people, systems and processes, turnarounds can happen. And we should be confident we can do it. I know that reinventing AMP will not happen overnight, but I welcome the opportunity to drive change and help rebuild AMP as a stronger, sustainable
40 business, particularly in the role as its chairman. Thank you, Mike.

MR WILKINS: Thanks, David. I confirm that David has the unqualified support of all of his fellow directors for his election to the board. So I now open the discussion on David Murray's election. And the procedure has been previously explained. So
45 if you could please proceed to the microphones, we will take questions.

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

MR HUTCHISON: The candidate has excellent qualifications and experience for this job. Although I got a bit of a shock to find, on page 53, that it records – and, of course, it’s the past – that the chairman only holds 2000 share. Could the candidate explain that? And what his confidence in shareholdings indicates his confidence in this company? Thank you.

MR WILKINS: Well, thank you, Mr Hutchison. I can perhaps answer that question, at least start for – start that. And David will add as he sees fit. Under our Constitution, to be a director of the company you need to own 2000 shares. David fulfilled that responsibility as he was appointed to the board. Unfortunately, listed organisations are also in positions where directors become privy to information that is not in the public domain, and we are restricted from trading from time to time. That was certainly the case, as we went through all of 2018. However, upon the release of our 2018 financial statements, that restriction was listed – as we felt that all information was in the public domain. And a number of director, including David, actually did buy shares. In fact, a number of us bought shares; certainly, I did at that stage, to have confidence – to demonstrate confidence in the organisation. But I think that is the issue. And my understanding, David, is that you now have about 282,000 shares in the organisation.

MR HUTCHISON: Well done.

MR MURRAY: That’s correct.

MR HUTCHISON: Well done. I’m out to buy some shares as I go out of this meeting. Thank you.

MR WILKINS: Thank you for your support. Ladies and gentlemen, it appears there are no other questions. So once there are no further comments or questions, I will close the discussion on David’s appointment. The proxy position is now shown on the screen. And I now put the election of David Murray as a director of AMP to the vote. Please enter your vote on your handset by pressing 1 to vote for, 2 to vote against, or 3 if you wish to abstain. So please vote now. Well, I think everyone has had the opportunity to vote. Give it a couple of more seconds. I now declare the voting closed. As the poll has now closed, the results will appear on the screen behind me. On the basis of those votes, I declare the resolution passed. Congratulations, David. And I look forward to working with you.

MR MURRAY: Thank you, ladies and gentlemen, for your support. We now move to item 2B, concerning the proposed election of John Fraser as a director. The proposed resolution is shown on the screen. John Fraser was appointed to the AMP Limited Board in September 2018. John has more than 40 years experience in leadership roles in economics, public policy, capital markets and asset management in Australia and overseas. Most recently, he was Secretary to the Treasury. In this capacity, John was a member of the Board of the Reserve Bank of Australia, a member of the Australian Council of Financial Regulators and chair of the G20 Global Infrastructure Hub. I would now like to invite John to say a few words.

MR J. FRASER: Thanks, David. I joined the board on 20 September last year. When David asked whether I would like to join the board, I responded enthusiastically. I did so because of my respect for David, both professionally and personally, and also because I believe the challenge of rebuilding AMP was a very critical and a very important task. I believe that my background is well-suited to contributing to the rebuilding of AMP, covering pretty much fifty-fifty split between the public and private sectors.

My Treasury career, which was well over 20 years, spent in both Canberra and two postings in Washington DC, covered the full gamut of macroeconomic, international and financial sector issues. I won't repeat what David said, I was on the Reserve Bank Board, other than to say – and the Council of Financial Regulators and some other things. I also led Treasury's involvement with the Royal Commission over the past couple of years. Second, I have spent 22 years in very senior leadership positions, in both Australia and internationally in the financial sector. That included 12 years in London as chairman and CEO of UBS Global Asset Management.

And during this time I was also a member of the UBS Group Executive Board, including the period after 2008, when UBS had to rebuild in the wake of the global financial crisis. UBS remains the world's largest wealth management firm. What's very clear is that the path ahead for AMP will be very challenging, but I firmly believe that AMP, with the right stewardship, can return to being a major and successful part of the financial sector. Thank you very much.

MR MURRAY: Thank you, John. I confirm that John has the unqualified support of his fellow directors for his election. I now open the discussion of John Fraser's election and ask for any questions. There being no questions, I will close the discussion. The proxy position is shown on the screen. I will now put the election of John Fraser as a director to the vote. Please enter your vote on your handset by pressing 1 to vote for, 2 to vote against or 3 if you wish to abstain.

I can see the majority of people have cast their vote, if they have. It seems so. I have – I will leave the voting open for a moment longer. No. I declare the voting closed. As the poll has now closed, the results will appear on the screen behind me. Well, congratulations, John. It's better than a high distinction. Setting up a challenge for all of us.

We now move to item 2C, concerning the proposed election of John O'Sullivan as a director. The proposed resolution is shown on the screen. John O'Sullivan was appointed to the board in June 2018. He has over 40 years experience in the legal and financial services sectors in Australia, including as partner of a major law firm, and as general counsel at Commonwealth Bank some time ago. I would now like to invite John to say a few words.

MR O'SULLIVAN: Thank you, David, and good afternoon, ladies and gentlemen. I joined the board of AMP in June last year because I believe that AMP is still one of Australia's great financial institutions, an institution that can make a real difference

to peoples' lives. Any organisation with over 3 million customers, over 700,000 shareholders, a skilled workforce, a longstanding household name, some of the best products in the market and a leading advising force deserves to be, and can be, restored and reinvented.

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The last 12 months have undoubtedly been very challenging for the business and for shareholders. But I have confidence that AMP can regain its former market position and reputation and then improve from there. I was attracted to that challenge. I believe I have the skills to make a material contribution to the rebuilding of this great organisation. I've got over 40 years experience working at the highest levels of the law and regulation, in investment banking and in the senior management of major financial institutions. With that experience, I think I can make a special contribution to the work of the board in legal, regulatory and governance matters, but also in my strategic understanding of the financial services landscape.

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From working in retail financial services organisations, I know how important it is to build a business that supports customers to achieve their financial goals. Additionally, I have spent years advising on or participating in the decisions that major financial organisations make around people, culture, remuneration and disclosure. I, therefore, believe that I can make a real contribution to help the board reinvent AMP as one of Australia's preeminent financial institutions. If elected, I would continue to support the significant change already underway across AMP as the board focuses on improving governance and accountability and, most importantly, delivering for our shareholders and customers. Thank you.

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MR MURRAY: Thanks, John. I confirm that John also has the unqualified of his fellow directors for his election and now open the discussion on John O'Sullivan's election to questions or comments. I believe there are none. As there are no comments – I'm sorry. Yes. There's a webcast question which I will just check here. The question goes to my relationship with John O'Sullivan.

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I first dealt with John O'Sullivan when he was a senior partner at the firm – the law firm Freehills. He worked for us as the Commonwealth Bank on some of the most difficult transactions and issues one could imagine, issues such as the acquisition and due diligence of the State Bank of Victoria in very difficult times in Australia. The skill that he applied to that was like none in the market. He's a leading corporate lawyer in Australia. I was impressed with his ability to deal with people, that is, his abilities outside the law. And when the general counsel in later years retired at the Commonwealth Bank, we approached John to see if he was interested in taking on that role. So I worked with him at the Commonwealth Bank and got to further understand the breadth of his business skills outside his legal skills.

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I had not had much to do with him until I became an advisor at Credit Suisse for a few years, where we had worked in a senior role. We did not have much interaction at Credit Suisse. I spent a fair bit of time working with the private bank there. But I think, to go to the heart of the question, I have every confidence in John O'Sullivan's integrity, and he would not allow personal friendships to get in the way of business

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5 decisions. So if there are no further comments, I will close the discussion. The proxy position is shown on the screen. I will now put the election of John O’Sullivan as director to the vote. Please enter your vote on your handset by pressing 1 for yes – sorry – 1 for, 2 against or 3 to abstain. So I think the majority of people have cast their vote. Yes. I now declare the voting closed. As the poll has now closed, the results will appear on the screen behind me. On that basis, I – on the basis of those votes, I declare the resolution passed. Congratulations, John.

10 We now move to item 2D, concerning the proposed election of Andrea Slattery as director. The proposed resolution is shown on the screen. Andrea was appointed to the AMP board in February this year. She has substantial experience as a non-executive director and senior executive in financial services, retirement and superannuation, government relations, infrastructure, professional services and innovation, and all of those things spanning more than 30 years. I would now like to
15 invite Andrea to say a few words.

MS SLATTERY: Thank you very much, David. Hello, ladies and gentlemen. I am honoured to be here today seeking your approval for my election as a director of AMP. Under the leadership of David Murray and Francesco De Ferrari and with my
20 fellow directors, we have an historic opportunity to restore the fortunes of this iconic 170 year old Australia financial institution and give true meaning to our founding motto, “A certain friend in uncertain times”.

I am aware of the enormity of the task and I passionately embrace that opportunity.
25 From my perspective, there are three clear challenges facing the board: to regain and maintain trust of all stakeholders and the broader Australian community, to rebuild a customer-centric culture and to maximise sustainable profitability. I bring to the board unique skills and experiences acquired over 30 years in financial services as a business leader, a non-executive director on highly regulated and scrutinised boards,
30 as a small business entrepreneur and as a change agent, all invaluable at a time when directors are under intense public and regulatory scrutiny.

I have built relationships of trust at all levels of government, regulators, industry and consumers and have been a strong advocate for the self-managed super fund
35 industry, the wealth and retirement sectors and the financial advice and professional services industries in general. Since joining AMP, my experience is that this board has the requisite skills, judgement, experience and commitment to ethical propriety to meet and overcome the challenges we face. I commit to you that if elected, I will bring my proven governance, risk and change capabilities to the boardroom in
40 continuing to reset and rebuild a sustainable future for AMP. Thank you very much.

MR MURRAY: Thank you, Andrea. And could I just also congratulate you. I understand you’ve been awarded the corporate director certificate from the Harvard
45 Business School.

MS SLATTERY: I have.

MR MURRAY: Which also included topics dealing with audit committees in a new area of governance. So congratulations. So I confirm again that Andrea has the unqualified support of her fellow directors for her election and open the discussion on Andrea's election.

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OPERATOR: Chairman, I would like to reintroduce Mr Allen.

MR ALLEN: Thank you, Mr Murray. Thank you, Andrea. Congratulations on your awards and on being nominated for the board. I'm sure you will do an excellent job. We had some excellent and very intelligent women on the board over the years, and I just want to personally apologise for some of the comments which were made recently about some of our women who were on the board. It was more directed towards women than to members generally. I hope that does not continue in the future, and I'm sure if you are elected, you will do an absolute fantastic job for AMP. Thank you very much.

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MR MURRAY: Thank you for your comments. Microphone 2.

OPERATOR: Chairman, I would like to reintroduce Mr Graves.

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MR GRAVES: Thank you, Mr Chairman. We acknowledge the skills and commitment of Andrea, and we are very pleased to welcome her. However, we would like some reassurance from her that the charitable areas that she's involved in and her board directorships there – could she please assure us how much commitment of time did they involve because we are concerned about her overall workloads.

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MR MURRAY: Well, thank you for the question. Maybe I can answer it, if it's okay, because I've had that discussion with Andrea, and she has already acquainted me with some of those roles that she will be quitting. Probably best not to say which ones for her sake, but she will be lightening that load to focus on her role at AMP.

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MR GRAVES: Thank you very much.

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MR MURRAY: Thank you. If there are no further comments or questions, I will close the discussion. The proxy position is shown on the screen. She's running a solid second place. I now put the election of Andrea Slattery as a director to the vote. Please enter your vote on your handset: one for, two against, three abstain. So the majority of people have cast their vote, and I will wait to see if there's any more. No. So I now declare the voting closed. As the poll has now closed the results will appear on the screen behind me. Call the stewards is all I can say on that. I declare the resolution passed. It's a photo finish. Congratulations, Andrea. Cognizant of time, I will now turn to item 3, being the adoption of the 2018 remuneration report.

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The proposed resolution is shown on the screen. The remuneration report appears on pages 37 to 62 of the 2018 annual report. It provides an overview of our remuneration approach and structure and details of the remuneration of the CEO,

nominated direct reports of the CEO and non-executive directors in 2018. At last year's AGM AMP received a first strike against the remuneration report, acknowledging the views of our shareholders, the first strike, ongoing regulatory developments and the changes occurring within the AMP business. The board has
5 consulted widely and reviewed remuneration arrangements. Each director recommends shareholders vote in favour of adopting the report. I now call for any questions or comments on the report.

10 OPERATOR: Chairman, I would like to reintroduce Mr Wilkins.

MR WILKINS: Thank you, Chairman. You've said a number of times today – and the phrase is used in the annual report about consequence management – I wonder if I could realise that you don't write these things, so if I could just make an
15 observation that perhaps a lot of the language in the annual report refers to the catastrophe that this organisation has suffered over recent years, somewhat in the tone of an unfortunate car crash that we were inadvertently involved in that was – but the car was driven by somebody else. Now, I realise you don't mean that, and there has been a lot of contrition shown here today, but I think perhaps just in terms of
20 future PR maybe the spin doctors could have less of a go at it, and certainly when working with regulators and so forth there could be a real tone of genuine humility used, but that's perhaps a semantic thing.

To the point, though, says the annual report and also the notice of meeting emphasised that there have been quite material consequences as a result of these
25 things, yet the published information doesn't really seem consistent with that. Three KMP have been remove from their roles. It's quite true that there were no STIs or LTIs granted to senior people or executive level people in that year, but the – working back through the notes of the accounts, the actual level of forfeitures of equity rights does not seem to be a very large number. Also the bonus pool of 33
30 million which, of course, excludes AMP capital. Still seems to be quite a high number when the bank was – other than capital, the bank was the only part of the business that actually did quite well.

So I guess these are, obviously, matters of judgement, and you probably feel that
35 what was paid was reasonable, but certainly from a shareholder point of view to see 33 million, presumably after tax, being paid in a pretty awful year does seem rather odd. And could I also ask, since that's perhaps more in the way of an observation, how many STIs have been awarded since the beginning of this year in respect of last
40 year for people below the KMP level? I imagine it's several million, but I can't actually see any announcement of that figure.

MR MURRAY: On the last part of your question, I'm sure we can have discussion with you after because I don't know the answer offhand. Two things. On language
45 you might appreciate that we've had to be somewhat cautious in what we say with managing various consequences legally from the Royal Commission, so I think that explains a lot about the language and the disclosures. The 33 million – the senior

team did not participate, but in the context of the company and in the context of its history it is not large at all.

5 One thing that we were very, very careful about at the board at the CEO's suggestion was not to use these circumstances to take it out on lower level people in the organisation who are actually working harder now to defend our business with the reputational issues we confront. We will continue to make sure that we direct incentives where they should go, and all I can do is reinforce my comments about consequence management, making sure that breach of controls can be dealt with
10 outside any remuneration decision or where there's a remuneration decision accompanying it that is made as well.

MR: Thank you very much.

15 MR MURRAY: Thank you.

MR: On the – just on the last point, can you give a rough indication of how many people have had their employment terminated?

20 MR MURRAY: I can't offhand, but we'd be happy to have a chat with you after, if that suits.

MR: Thank you.

25 MR MURRAY: Thank you. Microphone number 2.

OPERATOR: Chairman, I would like to reintroduce Mr Graves.

30 MR GRAVES: Thank you, Mr Chairman. What I was – first of all, as a representative, we will be voting against the remuneration plan, not because the plan itself, but just by – from a couple of areas that we have real concerns about. We have mentioned before that we are really awaiting the details of the new plan. And you have previously said that it would be some time later this year. Can you please
35 tell the meeting when this – the details of the new remuneration plan will be released?

MR MURRAY: Yes, look, the issue for us has been – well, there's – first there's the issue, for shareholders, that what's in the remuneration report is past history, and – shareholders are rightly concerned that, between the publication of that report and
40 the AGM, the board and the management will be working up their approach to a new year in the business. And they are concerned that we might have a vote on one remuneration report, then change the goalposts for the future. That causes us to visit shareholders, and have – and seek their views. And, I mentioned, we talk with regulators and others, and people who analyse the business, to form a view.
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We are in the unfortunate circumstance that our chief executive, who has to take the lead in this for the business, only started on 1 December, and had to pull together

changes in the team, think about the annual results, and then work up an approach to remuneration for this transitional year. We've put a lot of effort into that. As for when we might release that, I'm not sure how that works. We can have a talk to you after about timing, but we have had a lot of discussions to try and anchor that report in a – from a sensible basis, given the reinvention of the business that we're trying to achieve.

MR GRAVES: Thank you, Mr Chairman. May I ask one more question?

10 MR MURRAY: Yes.

MR GRAVES: What we were concerned about was also the CEO's recovery incentive. It's based, on the recovery plan, on the share price. And what we would like to know is, how will you be able to know, in view of the emphasis you're putting on governance and culture – how will this be able to be demonstrated, not only with the – that the share price, as the sole indicator, can give comfort to the shareholders that this is getting the same emphasis?

MR MURRAY: Yes, thanks. The price triggers in the incentives in the CEO's package create the incentive to – to get a great result. What's of equal or perhaps more importance to the board is that a plan delivered by the CEO for the company, in our view, should contain achievement milestones and costings, so that we're able to understand, as we progress, whether we're likely to achieve a valuable result for our shareholders.

25 Apart from that, the important thing, as we've set out in the skills matrix for the – for directors at AMP, is that they the ability to have been a CEO, and to read a CEO, and understand whether they were in fact making progress or just talking about it; and, secondly, whether they have business experience which will help them make – form good judgments about the quality of the plan and the progress. So we don't just rely on what's put in the long-term incentive plan.

MR GRAVES: Thank you, Mr Chairman.

35 MR MURRAY: Thank you. Microphone 3.

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

MR MURRAY: Thank you.

40 MR DODSON: Thank you. Short of asking every AMP employee, or person that's paid by AMP, to stand up, in this room, and tell us how much they got this year – you know, we're in the dark about this remuneration plan, aren't we? So is there some way that you can give us some idea of what the proportion is going to be for 45 this year as opposed to the year prior to it because, you know, still I have a problem with 300,000 for directors.

And you know, you've mentioned that a number of your directors have other positions; do they get 300,000 for every directorship they hold? How many do they hold? You know, I would love that information from all you guys because it gives me a concept of what it is that you guys might be doing. I also need something –
5 when somebody gets a bonus, what was it that they actually did that earned that bonus? Is it clear in the report? I don't think it is. And I think these are really open questions that you guys need to answer, and, quite honestly, every corporate entity in Australia and the world needs to start answering.

10 So, you know, can you give us some idea of what this remuneration is. I don't particularly want to say let's spill you all because I think you guys look as if and are talking as if you're going to actually do the job. So you know, I don't really want to spill you but you've got to give us some good reasons to keep this organisation going. One more question. I'm sorry I asked so many, but one of the things that
15 worries me is that the plan might be actually to sell AMP to Credit Suisse but let's hope that's not the case.

MR MURRAY: Well, I have a little difficulty with the last part of your question because it assumes that I would take on the chairmanship of a company - - -

20 MR DODSON: Sorry. I was joking.

MR MURRAY: Good. I will leave it alone. So on your other questions, just let me say this: if you want the right directors for this company, then we have to go and
25 search for them and everyone we ask has an option to join or not join. The remuneration is part of that. What they can earn in fees somewhere else goes through their mind. Now, I know when you go shopping you think about value for money and so do we, and that's all I can say. Microphone number 1.

30 OPERATOR: Chairman, I would like to reintroduce Mr Allen.

MR ALLEN: Yes. Thank you, Mr Murray. I hope you guys do earn your remuneration. I hope you do a fantastic job for AMP this year. My question is if a
35 proxy holder has got a load of proxies and 10 per cent are for and 10 per cent are against and the other 80 per cent are abstaining, does a proxy holder have a right to vote one way or the other?

MR MURRAY: The votes are cast as per the proxy, so I'm not sure I understand your question.

40 MR ALLEN: Maybe Mr Graves can illuminate that or young Richard here but the – we like to see proxy holders allocate their voting rights in accordance with the way that the people who have entrusted their proxies to them have voted, and mostly that's an abstain. And my understanding was if 100 per cent of people vote in one
45 way for or 100 per cent vote against, then we can record that as a vote with some extensions, of course. But if we've got a fifty-fifty split, a half for and a half against,

I don't know that a proxy holder can actually decide "we're going to vote for or against". I might be wrong but that was my understanding.

5 MR MURRAY: I think the only option they have in the lead up to the meeting is to withdraw their vote and vote again but once the meeting is in place it can't be changed.

MR ALLEN: Thank you.

10 MR MURRAY: Thank you. So we've discussed the remuneration report and we now will show the proxy position on the screen. I will now put the proposed resolution to adopt the - - -

15 MR: what's the point of voting it's already decided, is it not?

MR MURRAY: In my early days I went to annual general meetings at which we were criticised for not showing the polling. There are very significant strong arguments both ways. The conventional approach nowadays is to show them. I think it's a little more transparent, so that's what we do. So I will now put the proposed resolution to adopt the remuneration report to the vote. Please enter your vote on your handset by pressing 1 for, 2 against or 3 if you wish to abstain. We will just wait for a moment.

25 So my helper tells me the voting appears to be complete. So I now declare the voting closed. As the poll is now closed, the results will appear on the screen. On the basis of those votes, I declare the resolution passed. The next item on the agenda is item 4, which concerns the proposed amendments to the Constitution of AMP Limited. The proposed resolution is shown on the screen. The amendments relate to direct voting, the minimum share qualification requirement for directors, the eligibility requirements for directors, and the calling of directors' meetings.

35 Details of the amendments are included on pages 14 to 16 of the notice of meetings – meeting, and the amendments are set out in full on the schedule to the notice on page 18. A copy of the proposed amendment – amended constitution, marked to show the amendments, has been made available for inspection here today, and has also been available on our website.

40 The proposed amendments to the constitution must be approved by a special resolution, so at least 75 per cent of the votes validly cast must be in favour of the resolution. The board again unanimously recommends that shareholders vote in favour of the proposed amendments to AMPs constitution. I now call for questions or comments on the proposed amendments to the constitution.

45 I believe there are no comments or questions. The proxy position is now shown on the screen behind me. I'll now put the proposed resolution for amendment of the Constitution of AMP Limited to the vote. Please enter your vote by pressing 1 for, 2 against, or 3 if you wish to abstain.

It appears that the majority have voted, and there are no more, according to my helper. I now declare the voting closed. As the poll is now closed, the results will appear on the screen behind me. Thank you. I declare the resolution passed, and thank you for the support of those small but important changes to our constitution.

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As we did not receive a second strike on the remuneration report, the conditional spill resolution in item 5 will not be put to the meeting. We have therefore completed the final item on our agenda today. The results of the polls you participated in during the meeting will be released in an ASX announcement later today, and published on our website.

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Thank you for joining us today. If you have any questions about AMP, its products or services, or your shareholding, teams will be available at the customer and shareholder desks in the foyer. And lunch and refreshments will be available. And

15 lastly, I would like you to thank you for coming, thank those who have helped me conduct the meeting – never forget them – and declare the meeting closed. Thank you.

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20 **RECORDING CONCLUDED**