



# 2011 notice of meeting

**AMP Limited 2011 Annual General Meeting**  
10.00am (AEST) Thursday 12 May 2011  
The City Recital Hall, Angel Place, Sydney NSW  
AMP Limited ABN 49 079 354 519

## Your guide to AMP Limited's 2011 Annual General Meeting

### Dear Shareholder

I am pleased to invite you to the 2011 Annual General Meeting (AGM) of AMP Limited (AMP).

The meeting will be held at the **City Recital Hall, Angel Place, Sydney** on **Thursday 12 May 2011**, commencing at **10.00am**. Details on how to get to the meeting can be found on the next page of this booklet.

The AGM is an opportunity for shareholders to talk to the directors and the senior management team and I encourage you to attend.

If you are not able to attend the meeting in person, you will be able to view a live webcast of the event at [www.amp.com.au/agm](http://www.amp.com.au/agm). An archive of the webcast will be made available on the website shortly after the meeting.

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

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

- the re-election of two Directors, Brian Clark and Peter Shergold, and the election of three Directors, Catherine Brenner, Richard Allert and Patricia Akopiantz to the board
- the adoption of the Remuneration Report as set out on pages 11 to 28 of the AMP 2010 Annual Report
- the approval of the Managing Director's long-term incentive for 2011
- an increase in the non-executive directors' fee cap
- the approval of an issue of Notes by AMP Group Finance Services Limited, a wholly-owned subsidiary of AMP.

Finally, I would like to take this opportunity to thank Richard Grellman for his services to AMP. After 11 years on our board, Richard has announced his retirement as a Director. Richard has been much involved with AMP, initially as the independent financial expert for AMP's demutualisation and, since 2000, as a Non-executive Director on the board of AMP. His extensive knowledge, sound judgement and financial acumen have proved invaluable over the many years of his involvement. We greatly appreciate the contribution he has made.



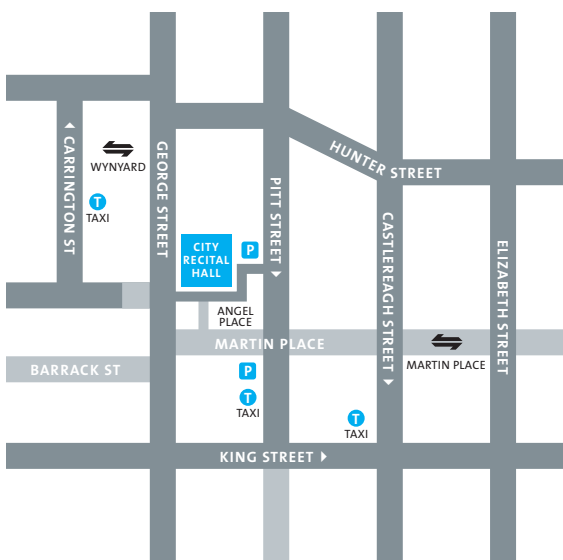
**Peter Mason AM**  
Chairman

## Details of the Meeting

AMP's 2011 Annual General Meeting will be held on Thursday 12 May 2011 at 10.00am (AEST) at the City Recital Hall, 2-12 Angel Place, Sydney NSW.

### How to watch the Meeting live online

You can watch a live webcast of the Meeting at [www.amp.com.au/agm](http://www.amp.com.au/agm)



### How to get to the Meeting

**Bus:** buses travel along George Street and Pitt Street close to Angel Place

**Train:** the closest train stations are Wynyard and Martin Place

**Ferry:** Angel Place is a 10-15 minute walk from Circular Quay

**Car:** there is a car park next door to Angel Place. For information call 1800 727 5464 or visit [wilsonparking.com.au](http://wilsonparking.com.au)

For public transport information please call 131 500 or visit [www.131500.com.au](http://www.131500.com.au)

### Did you know?

Angel Place was built in 2001 by AMP, in conjunction with the City of Sydney. The building consists of a custom-designed concert hall, which was given to the city on a 99 year lease, and a 29 storey office tower. Angel Place is owned by the AMP Capital Wholesale Office Fund, which is an unlisted property trust. Superannuation funds from both AMP and other companies invest the retirement savings of their members in the Fund.

### 2010 Annual Report

A copy of AMP's 2010 Annual Report (including the Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2010) is available online at: [www.amp.com.au/2010annualreport](http://www.amp.com.au/2010annualreport)

## Items of business

### **Item 1: Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 31 December 2010.

### **Item 2: Election and re-election of Directors**

- (a) To re-elect Brian Clark as a Director
- (b) To re-elect Peter Shergold as a Director
- (c) To elect Catherine Brenner as a Director
- (d) To elect Richard Allert as a Director
- (e) To elect Patricia Akopiantz as a Director

### **Item 3: Adoption of Remuneration Report**

To adopt the Remuneration Report for the year ended 31 December 2010.

### **Item 4: Approval of Managing Director's long-term incentive for 2011**

To consider and, if thought fit, to pass the following ordinary resolution:

"That approval is given to the acquisition by the Managing Director of AMP Limited, Mr Craig Dunn, of:

- (a) performance rights as the Managing Director's long-term incentive for 2011, and
- (b) shares in AMP Limited on the exercise of some or all of those performance rights

as and on the basis described in the Explanatory Notes to the Notice convening the Meeting."

### **Item 5: Increase in non-executive directors' fee cap**

To consider and, if thought fit, to pass the following ordinary resolution:

"That, with effect from the day after the conclusion of the 2011 Annual General Meeting of AMP Limited, the remuneration for the services of non-executive directors of AMP Limited is increased by \$350,000 to an aggregate maximum sum of \$3.85 million per annum. Such remuneration is to be divided among the non-executive directors in such proportion and manner as the directors agree (or in default of agreement, equally) and to be taken to accrue from day to day."

### Item 6: Approval of issue of Notes

To consider and, if thought fit, to pass the following ordinary resolution:  
“That, for all purposes, including for ASX Listing Rule 7.4, the issue of Notes by AMP’s wholly-owned subsidiary AMP Group Finance Services Limited, as and on the basis described in the Explanatory Notes to the Notice convening the Meeting, is approved.”

*Note: Voting exclusions for Items 5 and 6*

*For Item 5, AMP will disregard any votes cast on the proposed resolution set out in Item 5 by any director of AMP or associate of a director of AMP.*

*For Item 6, AMP will disregard any votes cast on the proposed resolution set out in Item 6 by any person who participated in the issue of the Notes referred to in Item 6 and any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) from approval of the resolution or any associate of any such person.*

*In both cases this is unless:*

- the vote is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or*
- the vote is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

The proposed items of business should be read in conjunction with the Explanatory Notes on pages 8 – 21.

## How to vote

Shareholders can vote on the items of business by:

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

### Entitlement to vote at the Meeting

The board has determined that you will be entitled to attend and vote at the Meeting if you are a registered shareholder of AMP at 7.00pm (AEST) on Tuesday 10 May 2011.

### Appointing a proxy

A shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. Shareholders can appoint anyone as their proxy, including the Chairman of the Meeting. A proxy does not need to be a shareholder of AMP.

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

If a shareholder appoints two proxies, neither is entitled to vote (as proxy) on a show of hands at the Meeting – they can only vote on a poll taken on a proposed resolution.

To appoint a proxy, your completed proxy form (and any necessary supporting documents) must be received by AMP no later than 10.00am (AEST) on Tuesday 10 May 2011.

You can submit your proxy form in the following ways:

**Online** at [www.investorvote.com.au](http://www.investorvote.com.au)

You will need the information shown on your proxy form to submit your proxy online.

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

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

**By fax**

Australia:	1300 301 721
New Zealand:	09 488 8787
Other countries:	+ 61 2 8234 5002

**By post or hand delivery** to:

AMP's registered office, Level 24, 33 Alfred Street, Sydney NSW 2000  
or the AMP Share Registry:

Australia:	Level 3, 60 Carrington Street, Sydney NSW 2000, Australia
New Zealand:	Level 2, 159 Hurstmere Road, Takapuna, North Shore City, New Zealand

Participating intermediaries can lodge their form online through  
[www.intermediaryonline.com](http://www.intermediaryonline.com)

### **Power of attorney**

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

### **Attending the Meeting**

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

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative will need to bring to the Meeting adequate evidence of their appointment unless this has previously been provided to the AMP Share Registry.

### **Chairman as proxy**

If a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on the proposed resolutions set out in this Notice, then the Chairman intends to vote, as proxy for that shareholder, in favour of each of the proposed resolutions (if a poll is called on the relevant resolutions).

By order of the board.

A handwritten signature in black ink, appearing to read 'B. Salter', with a long horizontal flourish extending to the right.

**Brian Salter**

General Counsel and Company Secretary  
7 March 2011

## Explanatory notes

The information below is an explanation of the business to be considered at the 2011 AGM.

### Item 1: Financial Report, Directors' Report and Auditor's Report

The 2010 Annual Report (which includes the Financial Report, the Directors' Report and the Auditor's Report) will be presented to the Meeting. Shareholders can access a copy of the report at [www.amp.com.au/2010annualreport](http://www.amp.com.au/2010annualreport). A printed copy of the 2010 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. To elect to receive, free of charge, a printed copy of the Annual Report each financial year please contact the AMP Share Registry.

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

Shareholders will also be given an opportunity to ask a representative of AMP's auditor, Ernst & Young, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by AMP in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

If you would prefer to submit a written question to the auditor please do so in accordance with the instructions on page 22 under the heading *Questions from shareholders*. Please note that all written questions to the auditor must be received by no later than Thursday 5 May 2011.

## **Item 2: Re-election and election of Directors**

### **Who is standing for re-election and election?**

Brian Clark and Peter Shergold are Non-executive Directors who are retiring by rotation in accordance with AMP's Constitution. They are each eligible to be re-elected as a Director of AMP and intend to offer themselves for re-election with the unanimous support of the other Directors. They were last re-elected by members at the AGM in 2008.

Catherine Brenner is a Non-executive Director who was appointed to the board on 16 June 2010 – that is, since the last AGM. In accordance with AMP's Constitution, Catherine will cease to hold office at the 2011 AGM unless elected at the Meeting. Catherine is eligible to be elected as a Director of AMP and intends to offer herself for election, with the unanimous support of the other Directors. Catherine has extensive experience in the financial services industry and a strong knowledge of AMP gained through her service on the AMP Life Board. Her experience makes her a valuable addition to the AMP Limited Board.

Richard (Rick) Allert and Patricia (Patty) Akopiantz are members of the board of AXA APH who have been invited to join the AMP Limited Board on completion of the merger of the Australian and New Zealand businesses of AXA APH with AMP (Merger). This is expected to occur prior to the date of the AGM. Following their appointment to the AMP Limited Board, and in accordance with AMP's Constitution, Richard Allert and Patricia Akopiantz will cease to hold office at the 2011 AGM unless elected at the Meeting. They will each be eligible to be elected as Directors of AMP and intend to offer themselves for election with the unanimous support of the other Directors.

In accordance with AMP's Constitution, Richard Grellman will retire at the conclusion of the Meeting. Richard is not seeking re-election.

Profiles of the candidates are over the page. Separate resolutions will be put to the Meeting in respect of each candidate.

#### *Board recommendation*

The board has conducted an assessment of the performance of Brian Clark, Peter Shergold and Catherine Brenner. The Directors (with Brian Clark, Peter Shergold and Catherine Brenner abstaining in respect of their own candidacies) unanimously recommend the re-election of those Directors. The Directors also unanimously recommend the election of Richard Allert and Patricia Akopiantz, who are currently members of the board of directors of AXA APH.

## Explanatory notes continued



### Brian Clark

DSc. Age 62

Brian was appointed to the AMP Limited Board on 1 January 2008. He is a member of the Nomination Committee, Diversity Advisory Committee and People and Remuneration Committee, and became Chairman of the AMP Capital Investors Limited Board in March 2009. He has been a member of the AMP Capital Investors Board and of its Audit Committee since February 2008.

**Experience** Brian spent 10 years in a variety of senior executive roles at Vodafone internationally, most recently in the United Kingdom as Group Human Resources Director. He was CEO of Vodafone's Australian business as well as CEO of the Asia Pacific region, based in Tokyo. Before joining Vodafone, Brian spent three years as CEO of Telkom SA Ltd, in South Africa. Brian has degrees in physics and mathematics from the University of Pretoria, and has completed the Advanced Management Program at the Harvard Business School.

#### Listed directorships

- Director of Boral Limited (appointed May 2007)
- Chairman of AMP Capital Investors Limited (responsible entity of AMP Capital China Growth Fund, a managed investment scheme listed on the ASX) (appointed February 2008)

### Professor Peter Shergold AC

BA (Hons), MA, PhD. Age 64

Peter was appointed to the AMP Limited Board on 14 May 2008. He is a member of the Audit Committee and the Diversity Advisory Committee and has been a Director of the AMP Life Board since August 2008.

**Experience** Peter holds the Professorial Chair of the Centre for Social Impact, a partnership of the business schools of the University of New South Wales, Melbourne University, Swinburne University of Technology and the University of Western Australia. He is also Chancellor and Chair of the board of

trustees of the University of Western Sydney. Prior to this he served as Secretary of the Department of the Prime Minister and Cabinet for five years. Peter had previously been CEO of the Aboriginal and Torres Strait Islander Commission, Public Service Commissioner, Secretary of the Department of Employment, Workplace Relations and Small Business, and Secretary of the Department of Education, Science and Training.

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

#### Other directorships/appointments

- Director of Corrs Chambers Westgarth
- Chairman of QuintessenceLabs Pty Limited
- Chairman of the National Centre for Vocational Education Research
- Director of the General Sir John Monash Foundation
- Director of the National Centre for Indigenous Excellence
- Chairman of the Ministerial Expert Advisory Group on Gambling

### Catherine Brenner

BEC, LLB, MBA. Age 40

Catherine was appointed to the AMP Limited Board on 16 June 2010 and is a member of the Diversity Advisory Committee. She was appointed to the AMP Life Board in May 2009 and is a member (and former Chairman) of the AMP Life Audit Committee.

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

#### Listed directorships

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



The current candidates for election and re-election of directorships, from left: Brian Clark, Professor Peter Shergold AC, Catherine Brenner, Richard (Rick) Allert AO and Patricia (Patty) Akopiantz

- Within the last three years, Catherine served as a Director of Trafalgar Corporate Group (2003 – February 2008), Cryosite Limited (2006 – October 2008) and Centennial Coal Company Limited (2005 – September 2010).

#### **Other directorships/appointments**

- Director of the Australian Brandenburg Orchestra
- Trustee of the Sydney Opera House Trust
- Member of the Takeovers Panel
- Member of Chief Executive Women

#### **Richard (Rick) Allert AO**

FCA. Age 68

Rick will be appointed to the AMP Limited Board and the Audit Committee upon completion of the Merger.

**Experience** Rick has over 40 years of senior business appointments including Chairman of AXA Asia Pacific Holdings Limited, Chairman of Tourism Australia, Chairman of Coles Group Limited, Chairman of Southcorp Limited, Chairman of Voyages Hotels and Resorts and President of the National Heart Foundation. In 1997, Rick was appointed a member of the Order of Australia for his service to business and the community, particularly through his work with the National Heart Foundation. In 2003, Rick was awarded a Centenary Medal for service to Australian society through rail transport, business and taxation. In 2007, Rick was appointed an Officer of the Order of Australia for service to the business sector through leadership and promotion of corporate social responsibility, and to the community through involvement with and support for a range of artistic, charitable and educational organisations.

#### **Listed directorships**

- Chairman of AXA Asia Pacific Holdings Limited (appointed September 1995 and Chairman from April 2000)

- Deputy Chairman of Gerard Lighting Group Limited (appointed March 2010)
- Chairman of Western Desert Resources Limited (appointed January 2011)

#### **Other directorships/appointments**

- Chairman of The National Mutual Life Association of Australasia Limited
- Chairman of The Aboriginal Foundation of South Australia Inc
- Chairman of the Major Performing Arts Board of the Australia Council
- Director of Genesee and Wyoming Australia Pty Limited
- Director of Cavill Power Products Pty Limited

#### **Patricia (Patty) Akopiantz**

BA, MBA. Age 47

Patty will be appointed to the AMP Limited Board and the People and Remuneration Committee upon completion of the Merger.

**Experience** Patty has over 20 years senior management and consultancy experience, primarily in retail and consumer industries both in Australia and overseas. In 2003, she was awarded a Centenary Medal for services to Australian society in business leadership. She was previously a Director of Coles Group Limited, YWCA NSW and the Australian Graduate School of Management.

#### **Listed directorships**

- Director of AXA Asia Pacific Holdings Limited (appointed April 2006)
- Within the last three years, Patty served as a Director of Wattyl Limited (from September 2005 – September 2010).

#### **Other directorships/appointments**

- Director of The National Mutual Life Association of Australasia Limited
- Director of National Mutual Funds Management Limited
- Director of Energy Australia
- Member of Chief Executive Women

### **Item 3: Adoption of Remuneration Report**

The Remuneration Report appears on pages 11 to 28 of AMP's 2010 Annual Report, which is available online at: [www.amp.com.au/2010annualreport](http://www.amp.com.au/2010annualreport)

Shareholders will be asked to vote on a resolution to adopt the report at the Meeting. The vote on the resolution will be advisory only and will not bind the directors or AMP. However, the board will take the outcome of the vote into consideration when reviewing the remuneration policy for directors and executives in the future.

During the discussion of this item, shareholders will be provided with an opportunity to ask questions about, and comment on, the Remuneration Report.

#### *Board recommendation*

The directors unanimously recommend shareholders vote in favour of adopting the Remuneration Report.

### **Item 4: Approval of Managing Director's long-term incentive for 2011**

Under his employment agreement with AMP, the remuneration of AMP's Managing Director and Chief Executive Officer, Craig Dunn, consists of:

- fixed remuneration
- short-term incentives (STI)
- long-term incentives (LTI) payable in performance rights (which are rights to receive shares if a specific performance hurdle is met).

Approximately 70 per cent of the Managing Director's remuneration (that is both STI and LTI) for 2011 is 'at risk'. Vesting of LTI is subject to AMP meeting a total shareholder return (TSR) performance hurdle over a specific time-frame to align company and Managing Director interests with those of shareholders.

LTI are granted in the form of performance rights.

As a senior executive, Craig Dunn has participated in AMP's LTI since 2000 and, in his capacity as Managing Director, since 2008.

#### **Why is shareholder approval being sought?**

As any LTI shares for which Craig may become eligible will be bought on-market, AMP is not required by law to seek shareholder approval. However, in the interests of transparency and good governance, AMP believes it is appropriate to do so. For these reasons, AMP sought shareholder approval at the 2008, 2009 and 2010 AGMs for the grant of Craig Dunn's LTI award in those years. Shareholders gave their approval at those AGMs.

It is proposed to again seek shareholder approval at this year's AGM for Craig Dunn's 2011 LTI grant.

#### **What is the Managing Director's proposed long-term incentive for 2011?**

It is proposed to grant Craig Dunn performance rights with a fair value (see below) of 125 per cent of his fixed remuneration as his long-term incentive for 2011 (2011 grant). Given that Craig's fixed remuneration for 2011 is \$1,750,000, this equates to a grant of performance rights with a value of \$2,187,500 at the time of the grant.

Each performance right will give Craig Dunn the right to acquire one fully paid ordinary share in AMP if the performance hurdle described below is met at the end of the three-year performance period. Performance rights are granted at no cost to the recipient.

In determining these LTI arrangements, the directors took into account the nature of the position, the context of the current market, the function and purpose of the long-term component of AMP's remuneration strategy and other components of Craig Dunn's remuneration, benchmarked against the practice of its Australian institutional peers, and other relevant information provided by external remuneration consultants.

**How many performance rights will be granted to the Managing Director for 2011?**

The number of performance rights to be granted to the Managing Director in the 2011 grant is not currently known as it depends on matters yet to happen and board determinations yet to be made.

Under the LTI Plan's formula (see below), the number of performance rights in the 2011 grant is based on a board determination of the value of the long-term incentive the Managing Director should receive (namely, 125 per cent of the annual fixed remuneration), divided by the average closing share price of AMP shares during the 90-day period up to and including 30 April 2011, discounted for the possibility that total shareholder return based performance hurdles may not be met.

For a detailed explanation of the calculation of the actual value of the long-term incentive see page 15 of the 2010 Annual Report.

The formula used to calculate the number of performance rights to be allocated to the Managing Director as his long-term incentive for 2011 is set out below.

$$N = (125\% \times \$1,750,000) / FV$$

where:

**125%** is the actual percentage of the Managing Director's annual fixed remuneration determined by the board to be applicable for the Managing Director's long-term incentive for 2011.

**\$1,750,000** is the annual fixed remuneration of the Managing Director for 2011.

**FV** means the fair value of a performance right as at 1 May 2011 (or such other date determined by the board), as determined based on a valuation prepared by an independent external consultant in accordance with the principles set out in the Australian Accounting Standard AASB 2 *Share Based Payments*. The fair value will be based on the average closing share price of AMP shares during the 90-day period up to and including 30 April 2011, discounted for the possibility that the performance hurdles applicable to the grant may not be met.

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

### **When will performance rights be granted to the Managing Director?**

If shareholders approve the proposed resolution in Item 4, the 2011 grant will be made in May 2011 following the 2011 AGM.

### **What performance hurdle would apply to the performance rights?**

Under the LTI Plan, each performance right will be subject to a performance hurdle determined by the board. The current performance hurdle determined by the board and applicable to all participants of the LTI Plan is based on the total shareholder return (TSR) performance of AMP over a three-year performance period (expressed as a percentage) relative to that of the companies in the market comparator group (being the top 50 industrial companies in the S&P/ASX 100 Index (based on market capitalisation rank) at the start of the performance period). For the 2011 grant, the number of performance rights in the relevant grant that vests and may be converted into AMP shares at the end of the performance period will be determined in accordance with the following vesting schedule:

- if AMP's TSR ranking is below the 50th percentile of the market comparator group, none will vest
- if AMP's TSR ranking is at the 50th percentile of the market comparator group, 50 per cent will vest
- if AMP's TSR ranking is between the 50th and 75th percentile of the market comparator group, 50 per cent plus 2 per cent for each additional percentile (rounded to the nearest whole percentile) will vest, and
- if AMP's TSR ranking is in at least the 75th percentile of the market comparator group, 100 per cent will vest.

The applicable three-year performance period for the 2011 grant is 1 May 2011 to 30 April 2014.

Under the LTI Plan, if there is a takeover or other change in control of AMP during the performance period, some or all of the performance rights held by Craig Dunn may vest automatically (even if the performance period has not expired and the applicable performance period has therefore not been met).

The board may vary or waive the terms and conditions of performance rights in a particular grant.

### **What will happen to the performance rights if the Managing Director leaves AMP before the end of the performance period?**

If Craig Dunn resigns from AMP, all performance rights that have not vested by the end of his notice period will lapse. Performance rights that vest before the end of the notice period will be retained (whether or not Craig is required to serve out the full notice period). All performance rights will lapse if Craig Dunn's employment is terminated by AMP for serious misconduct or inadequate performance. In other cases, such as termination by AMP on notice, death, disability, retirement and redundancy, Craig Dunn's performance rights will

be retained subject to the original performance hurdle and performance period. However, if AMP terminates Craig Dunn's employment by giving notice or his employment is terminated due to death or illness during the 12 month period starting on 1 May 2011 (LTI grant year), the number of performance rights that are retained will be reduced pro rata so that the number of retained performance rights reflects the proportion of the LTI grant year for which he remained employed.

**What will happen at the end of the performance period?**

Under the LTI Plan, if some or all of the performance rights in the 2011 grant satisfy the performance hurdle at the end of the applicable performance period and therefore vest, Craig Dunn will have two years from the end of that period in which to exercise those rights to acquire fully paid ordinary shares in AMP. A nominal exercise price will be payable by Craig Dunn of \$1 for the aggregate of all shares acquired on exercise of a particular tranche of performance rights.

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

It is intended that shares delivered to Craig on exercise of any vested performance rights will be bought on-market and, therefore, will not dilute existing AMP shareholdings.

**What will happen if shareholders do not approve the 2011 grant?**

To compensate Craig Dunn for the remuneration he would forego if shareholder approval of long-term incentives is not given, Craig Dunn is entitled, under his employment agreement, to receive a cash payment instead of performance rights in these circumstances. Craig Dunn will only be entitled to receive a cash payment if the performance hurdle is satisfied.

For the 2011 grant, provided the performance hurdle described above is satisfied, the cash amount will be equivalent to the value the grant would have had at vesting if it had been approved by shareholders.

*Board recommendation*

In the non-executive directors' view, it is in the best interests of shareholders to approve the share-based 2011 long-term incentive grant to the Managing Director because it appropriately aligns the Managing Director's remuneration with shareholder returns due to the significant performance hurdle AMP must achieve for the long-term incentive grant to vest. Your directors (with the Managing Director, Craig Dunn, abstaining) therefore recommend shareholders approve the 2011 grant and the Managing Director's participation in the LTI Plan.

As Craig Dunn has a personal interest in the resolution proposed in Item 4 of the Notice, Craig has elected that he and his associates will not vote on Item 4 at the 2011 AGM.

### **Item 5: Increase in non-executive directors' fee cap**

#### **What is the proposed increase in the non-executive directors' fee cap?**

At the 2010 AGM, shareholders approved an increase in the maximum aggregate remuneration of non-executive directors to \$3.5 million per year.

For the purposes of clause 67.1 of AMP's Constitution and Rule 10.17 of the ASX Listing Rules, shareholder approval is now sought to increase the non-executive directors' fee cap by 10 per cent (\$350,000) from \$3.5 million to \$3.85 million per year.

#### **Why is an increase being proposed?**

The board considers it is appropriate to seek approval for an increase in the non-executive directors' fee cap at this time for a number of specific reasons:

##### *AMP and AXA APH merger*

The Merger is a significant corporate milestone, and will create the largest independent, non-bank wealth management company in Australia and New Zealand.

On the assumption shareholders vote in favour of the election of directors set out in this Notice, at the conclusion of the 2011 AGM, the AMP Limited Board will comprise nine non-executive directors, which is one more director compared to the composition of the board over the last few years. In this regard, an additional director, together with any related committee or subsidiary board appointments of this director, will reduce the amount otherwise available under the non-executive directors' fee cap.

Additionally, under AMP's governance model, a number of AMP Limited non-executive directors are appointed to AMP operating subsidiary boards and their committees to increase their knowledge and understanding of the businesses and to enhance the governance of the subsidiary boards.

As a result of the Merger, the board is mindful that AMP Limited directors may be required to join additional subsidiary boards or to undertake additional committee work relating to the integration of the AMP and AXA APH businesses.

While there is no certainty that such additional duties will be required, a further purpose of the proposed increase is to provide the board with the flexibility to make such additional board and/or board committee appointments which may arise in relation to the Merger, should such appointments be required.

##### *To have flexibility to increase the number of non-executive directors on the board and to assist orderly succession planning*

While the board is not currently proposing any increase in its size beyond that noted above, there are circumstances where the board may seek to appoint additional non-executive directors.

One such circumstance is where a potential director candidate comes to its attention who would bring a set of complementary skills to the board. If the board wished to invite any such candidate to become a director, the

proposed increase would provide sufficient flexibility to take advantage of the opportunity.

Another circumstance is around board succession planning where, to facilitate an orderly transfer of responsibilities, new directors may be appointed prior to the retirement of existing directors, resulting in a short-term increase in the size of the board and the total fees payable to the directors. The proposed increase in the fee cap would enable AMP to facilitate succession planning.

**What payments are included in the non-executive directors' fee cap?**

The non-executive directors' fee cap includes fees paid to AMP non-executive directors for serving on the AMP Limited Board and its committees (both permanent and ad hoc) and AMP shares provided under the AMP Non-executive Directors' Share Plan (where a percentage of directors' board fees is deducted and applied to the purchase of AMP shares).

Under AMP's governance model, some AMP non-executive directors are also appointed to the boards and committees of key operating subsidiary companies. Fees paid to the AMP non-executive directors for serving on the boards and committees of key operating subsidiary companies are included in the non-executive directors' fee cap.

The non-executive directors' fee cap also includes the following payments made to AMP non-executive directors:

- expense allowances
- amounts that, from time-to-time, the board may determine and approve in respect of services which are outside the scope of the ordinary duties of a director, and which would normally be paid in respect of any one-off or short-term additional responsibilities, such as participation in a due diligence committee.

Superannuation contributions that AMP is required to pay on behalf of the non-executive directors are also included.

**How much was paid to AMP non-executive directors in 2010?**

As set out in the table on page 28 of the 2010 Annual Report, in 2010 a total of \$2.82 million was paid to the non-executive directors. This amount is in respect of all directors who served on the AMP Limited Board during 2010, and is inclusive of superannuation contributions. While the total amount paid is well within the current non-executive directors' fee cap of \$3.5 million, for the reasons set out above, the board is seeking shareholder approval for the proposed increase.

The table on page 28 of the 2010 Annual Report also sets out the amount of fees paid to individual non-executive directors.

*Board recommendation*

As the non-executive directors have a personal interest in the proposed resolution in Item 5 of the Notice, the directors make no recommendation as to how shareholders should vote on this resolution. Shareholders should judge for themselves whether or not the increase in the fee cap should be approved.

### Item 6: Approval of issue of Notes

#### Background

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including convertible securities) that a company may issue or agree to issue without shareholder approval, unless an exception applies. Generally, a company may not, without shareholder approval, in any 12 month period, issue equity securities of more than 15 per cent of the number of shares on issue 12 months before the date of the issue. ASX Listing Rule 7.4 allows a company that has issued equity securities without shareholder approval to seek approval after their issue so that the securities will not count towards the 15 per cent limit. Under this rule, an issue by a company of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with their approval, if the issue did not breach ASX Listing Rule 7.1 when made and the company's shareholders subsequently approve it.

By the date of the Meeting it is expected that AMP Finance, a wholly-owned subsidiary of AMP, will have issued the Notes (as defined on page 23 and described below). The proceeds of the Notes will be used to fund part of the consideration for the acquisition of minority shareholder interests in AXA APH pursuant to the Schemes (as defined on page 23) and some of the expected costs of integrating the AXA APH Australian and New Zealand businesses into the AMP group post Merger. The Notes may be exchanged in certain circumstances into fully paid ordinary shares in AMP.

The Notes will be equity securities (as they will, for the purposes of the ASX Listing Rules, be convertible securities), and will be taken to have been issued by AMP.

To apply the 15 per cent limit to the issue of the Notes, ASX has confirmed that the conversion rate of the Notes into AMP shares will be calculated based on the volume weighted average market price (VWAP) of those ordinary shares calculated over the 20 trading days prior to the time of announcement of the issue of the Notes. For example, assuming a conversion price of \$5.47 (being the VWAP for the 20 trading days prior to 4 March 2011), the shares that would be issued upon an exchange of all of the Notes would represent approximately 5.2 per cent of AMP's existing shares on an undiluted basis on that date.

The Notes are intended to be issued on or around 28 March 2011, before the Meeting. The effect of the approval sought would be that this issue of Notes will not reduce the number of shares or other equity securities that can be issued without shareholder approval under the 15 per cent limit and will be counted in determining the base number of shares from which the 15 per cent calculation is made.

**Why are we seeking shareholder approval?**

AMP's capital base is critical to its ability to manage its business. AMP funds itself from various sources, including retail deposits and borrowings, borrowings in the debt capital markets and equity capital. Although global credit markets are less volatile than in recent years, it is important for the board to have maximum flexibility in accessing all forms of capital to help protect against risks, and take advantage of opportunities, which might arise.

The requirement to obtain shareholder approval for an issue if AMP does not have enough capacity under its 15 per cent cap, and the need to convene a special meeting before the issue to do so, could limit AMP's ability to protect against risks, or take advantage of opportunities, that may arise by raising equity capital.

Accordingly, the board has decided to seek shareholder approval under ASX Listing Rule 7.4 for the issue of the Notes.

Other than in relation to the Schemes, as at the date of this Notice, no decision has been made by the board to undertake any further issue of equity securities regardless of whether approval is received from shareholders in respect of Item 6. The board will only decide to issue further equity securities if it considers it is in the best interests of AMP and its shareholders to do so. This may depend, among other things, on the capital position of AMP, conditions in domestic and international capital markets and changes in the prudential regulation of AMP.

Shares to be issued by AMP as consideration for the acquisition of minority shareholder interests in AXA APH pursuant to the Schemes will not require shareholder approval under the ASX Listing Rules and will be exempted from the 15 per cent limit. They will not reduce the number of shares or other equity securities that can be issued in future without shareholder approval under the 15 per cent limit and will be counted in determining the base number of shares from which the 15 per cent calculation is made.

Notwithstanding an approval by shareholders of the proposed resolution in item 6, any other future equity raisings would remain subject to the 15 per cent limit set out in ASX Listing Rule 7.1 (unless an exception applies).

### What are the details of the Notes for which approval is being sought?

The following information is required by ASX Listing Rules 7.4 and 7.5 for the subsequent approval being sought from shareholders under Item 6 for the issue of the Notes.

1. AMP confirms that the issue of the Notes will not breach ASX Listing Rule 7.1.
2. 1,200 Notes will be issued.
3. The issue price per Note will be A\$500,000.
4. A summary of the terms of the Notes as relevant to shareholders is set out below.

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<b>Exchange Right</b>	<p>Notes may be exchanged for AMP shares by a holder of outstanding Notes giving notice requiring AMP Finance to exchange the Notes for AMP shares:</p> <ul style="list-style-type: none"><li>– at any time from the fifth anniversary of their issue until maturity, or</li><li>– if there is a change in control of AMP Limited, or</li><li>– if there is a proposed delisting of AMP Limited (other than through a change in control).</li></ul> <p>AMP Finance may seek to cash settle the exchange, purchase the Notes, or procure the sale of the Notes to a third party purchaser, however these actions are subject to APRA approval and AMP Finance's ability at the time of exchange to elect such as an alternative outcome. These actions are not available in circumstances where AMP is delisted or there is a change in control of AMP, although AMP Finance will retain its right to redeem the Notes (subject to APRA approval).</p> <p>The number of shares issued to a Noteholder will be calculated by dividing the face value of the Notes exchanged by the Noteholder, plus any deferred interest, by the 20 day volume weighted average price of AMP shares less a 2 per cent discount.</p>
<b>Exchange Shares</b>	<p>Shares issued will be fully paid ordinary shares of AMP Limited listed on ASX and ranking equally with all ordinary shares of AMP Limited already on issue.</p>

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**Redemption**

The Notes may be redeemed by AMP Finance paying cash to the Noteholders (subject to APRA approval):

- on 31 March 2016 or any subsequent interest payment date, or
- if there is a change in control of AMP Limited, or
- if there is a proposed delisting of AMP Limited (other than through a change in control), or
- if AMP Finance or AMP Group Holdings Limited becomes obliged to pay additional amounts as a result of a change in, amendment to or the application or interpretation of laws or regulations in its home tax jurisdiction, or
- if, as a result of any change in, amendment to or the application or interpretation of the laws or regulations of Australia, at least 75 per cent of the Notes then outstanding cease to qualify as Tier 2 regulatory capital under APRA standards and guidelines.

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A term sheet for the issue of the Notes is contained in the AMP announcement dated 7 December 2010 (Announcement no 45/10 – part 4) a copy of which can be found at [www.asx.com.au](http://www.asx.com.au)

5. The Notes will be allotted to certain investors selected and arranged by the Manager of the issue of the Notes, UBS Limited. AXA SA has agreed to offer to purchase the Notes to the extent not taken up by other investors.
6. The funds resulting from the issue of the Notes will be used to fund part of the consideration for the acquisition of minority shareholder interests in AXA APH pursuant to the Schemes and fund some of the expected costs of integrating the AXA APH Australian and New Zealand businesses into the AMP group post the Merger.

*Board recommendation*

The board considers that the approval of the issue of the Notes described above is beneficial for AMP as it provides it with the flexibility to issue up to the maximum number of shares permitted under ASX Listing Rule 7.1 in the next 12 months without further shareholder approval, should it be required. Accordingly, the directors unanimously recommend that shareholders vote in favour of Item 6.

## Questions from shareholders

Questions should relate to matters relevant to the business of the Meeting, including matters arising from the Financial Report, Directors' Report (including the Remuneration Report) and the Auditor's Report, general questions regarding the performance, business or management of AMP, and relevant questions of the auditor. There are three ways to ask AMP or the auditor a question.

1. Online at [www.amp.com.au/shareholdercentre](http://www.amp.com.au/shareholdercentre) then click on *ask a question*. You will need your Holder Number.
2. Post or fax your question to the AMP Share Registry. You can use the envelope enclosed to post your question. Registry contact details are on the back cover of this booklet.
3. Attend the Meeting.

Please note: Your questions (other than questions you wish to ask personally at the Meeting) must be received no later than Thursday 5 May 2011.

The Chairman of the Meeting will answer as many of the questions as possible at the Meeting. Due to the expected volume of questions, we will not be sending individual replies. The Meeting will be webcast live at [www.amp.com.au/agm](http://www.amp.com.au/agm)

## Definitions

**AEST** means Australian Eastern Standard Time

**AGM** means Annual General Meeting

**AMP** means AMP Limited (ABN 49 079 354 519)

**AMP Finance** means AMP Group Finance Services Limited (ABN 95 084 247 914)

**AMP group** means AMP and its controlled entities

**AMP Share Registry** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) of Level 3, 60 Carrington Street, Sydney NSW 2000

**AXA APH** means AXA Asia Pacific Holdings Limited (ABN 78 069 123 011)

**Board** means AMP Limited Board

**Meeting** means 2011 AMP Limited Annual General Meeting

**Merger** means the merger of the Australian and New Zealand businesses of AXA APH with AMP

**Non-executive directors' fee cap** means the aggregate maximum sum that the non-executive directors of AMP may be paid or provided as remuneration for their services in any given year, as determined by shareholders under clause 67.1 of AMP's Constitution

**Notes** means A\$600,000,000 of Floating Rate Subordinated Unsecured Guaranteed Exchangeable Notes due 2021 to be issued by AMP Finance, a summary of the terms of which, as relevant to shareholders, is set out in this Notice

**Notice** means Notice of Meeting

**Schemes** means the schemes pursuant to which AMP intends to purchase all the shares and options in AXA APH, set out in detail in the Explanatory Memorandum issued by AXA APH dated 14 January 2011 and disclosed to ASX on 17 January 2011

**You or holder** means a holder of AMP shares

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## Need help?

### Contact the AMP Share Registry

**Email** [ampservices@computershare.com.au](mailto:ampservices@computershare.com.au)

**Internet** [www.amp.com.au/shareholdercentre](http://www.amp.com.au/shareholdercentre)

**Voting website** [www.investorvote.com.au](http://www.investorvote.com.au)

**Intermediary Online users only (custodians)** [www.intermediaryonline.com](http://www.intermediaryonline.com)

**Australia**  
AMP Share Registry  
Reply Paid 2980  
MELBOURNE VIC 8060  
Phone 1300 654 442  
Fax 1300 301 721

**New Zealand**  
AMP Share Registry  
PO Box 91543  
Victoria Street West  
AUCKLAND 1142  
Phone 0800 448 062  
Fax 09 488 8787

**Other countries**  
AMP Share Registry  
GPO Box 2980  
MELBOURNE VIC 3001  
AUSTRALIA  
Phone +613 9415 4051  
Fax +612 8234 5002

**Registered office of AMP Limited**  
Level 24, 33 Alfred Street  
Sydney NSW 2000, Australia  
Phone +612 9257 5000  
Fax +612 9257 7178

AMP Limited is incorporated and domiciled in Australia.  
General Counsel and Company Secretary: Brian Salter