notice of meeting05

Notice of Annual General Meeting
and Explanatory Notes

AMP Limited ABN 49 079 354 519
Annual General Meeting for 2005
When: 10.00am (Sydney time) Thursday 19 May 2005
Where: State Theatre, 49 Market Street, Sydney NSW

Please read this first

AMP's Annual General Meeting for 2005 (Meeting) will be held at 10.00am on Thursday 19 May 2005 at the State Theatre, 49 Market Street, Sydney NSW.

The Board of AMP encourages you to vote, and if possible, attend the Meeting.

This document contains:

> information about **how to get to the Meeting,** page 5;
> information about **who can vote** and **how you can vote** at the Meeting – including **how you can appoint someone as your proxy** to attend the Meeting and vote on your behalf, page 7;
> the formal **Notice of Meeting** containing the proposed resolutions, page 6;
> Explanatory Notes which contain a **Question and Answer** explanation of the business to be conducted at the Meeting and the resolutions to be voted on, page 10.

Will you attend the Meeting?
If you will attend the Meeting, please let us know either by:

> calling the AMP Securities Registry on the relevant number below; or
> using the AMP website at www.amp.com.au/agm

If you have any questions, or want more information about the Annual General Meeting, please visit our website www.amp.com.au/agm or call the AMP Securities Registry:

Australia	1300 654 442
New Zealand	0800 448 062
United Kingdom	0800 783 3315
Other countries	+613 9415 4051

Letter from the Chairman

Invitation to the 2005 Annual General Meeting

Dear Fellow Investor,
I am pleased to invite you to the 2005 Annual General Meeting of AMP Limited (AMP).

This booklet contains information about:
> the resolutions to be put to the Meeting;
> questions and answers explaining the business to be conducted at the Meeting, see Explanatory Notes on pages 10 to 20;
> how to vote, or appoint a proxy to vote, at the Meeting (see page 7).

Please read the whole booklet carefully, as it provides important information on the Meeting's items of business and the resolutions that you, as an AMP shareholder, are being asked to vote on.

The items of business are as follows:

Discussion of 2004 Financial Statement and Report
I will be reporting to you on AMP's financial performance during 2004.

Election of directors
You will be asked to vote on the election of a director and re-election of another director at the Meeting.

Capital return to shareholders
With strong markets and business performance, and substantially reduced debt levels, AMP is now in a position to return excess capital to our shareholders.

The capital return is being implemented to return surplus capital to shareholders and to ensure that AMP maintains an efficient capital structure. We are proposing to return approximately $750 million to shareholders by giving each shareholder 40 cents cash for every AMP share they hold at the record date of 26 May 2005.

It is expected that the capital return will not be taxable in the hands of the majority of shareholders but will reduce the cost base of their shares for capital gains tax purposes (see page 18 of the attached Explanatory Notes for more details).

An Australian Taxation Office (ATO) ruling on the proposed capital return is in progress. AMP has applied to the ATO to treat the capital return as a reduction in the cost base and not as a taxable dividend for Australian tax resident shareholders. The class ruling will be posted on our website (www.amp.com.au/shareholdercentre) when it is received.

The Explanatory Notes on pages 10 to 20 provide more information on the terms, timing and payment methods for this important proposal.

Your directors recommend you vote in favour of this resolution for the reasons set out in the Explanatory Notes.

Amendments to constitution

You are being asked to vote on changes to AMP's constitution in relation to:

> the closing date for nominations of candidates for election as a director;
> the methods for payment of dividends (and other amounts);
> the service of notices using electronic communications – such as the distribution of shareholder communications via email;
> certain terminology.

Your directors recommend you vote in favour of these resolutions for the reasons set out in the Explanatory Notes.

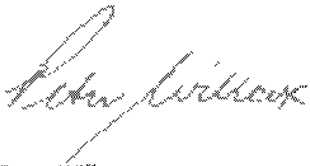
Questions?

Shareholders attending the Meeting will have a reasonable opportunity to ask questions and make comments on the report, the business, operations and management of the AMP Group generally. Your questions are important to us so we invite you to submit your questions in advance of the Meeting if you prefer. Instructions on how to do this by mail, fax or online are outlined on page 22 of this booklet.

Voting

The board encourages you to vote at the Meeting. If you are unable to attend, please return your completed proxy form in the enclosed envelope or simply visit our website www.amp.com.au/shareholdercentre to submit your proxy appointment online. To appoint a proxy, you will need to make sure that we receive your completed proxy form (and any necessary supporting documents) by 10.00am (Sydney time) on Tuesday 17 May 2005.

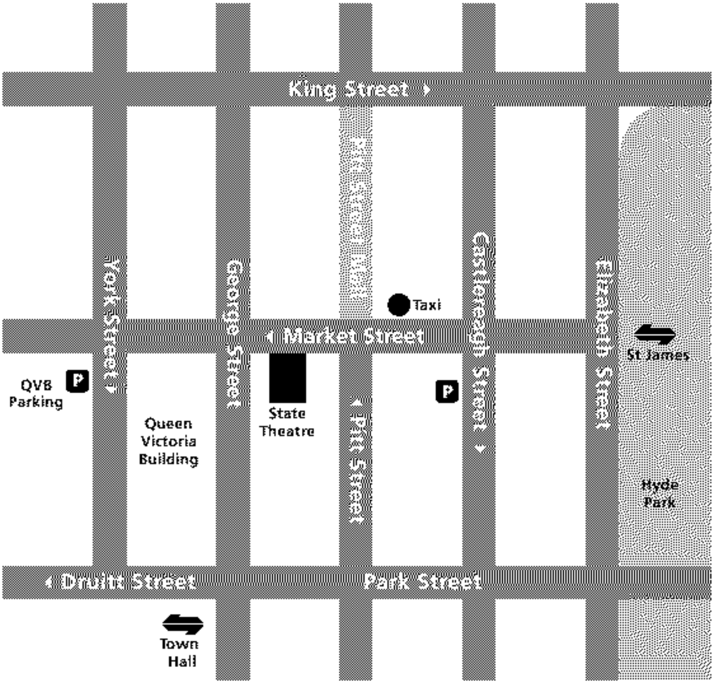
Yours sincerely



Peter Willcox
Chairman

How to find the State Theatre

You can use the map below to find the nearest transport routes and the location of the Meeting – the State Theatre, 49 Market Street, Sydney NSW.



By train
The State Theatre is a short walk from Town Hall or St James railway stations.

By bus
Major bus interchanges are nearby at Castlereagh, Elizabeth, George and York Streets.

By car
There are many car parks located within walking distance. The closest parking station is at Queen Victoria Building. Enter the station from York Street. To find out parking costs, visit their website www.qvb.com.au or call (02) 9267 1627.

By taxi
Your taxi can enter along Market Street.

For more specific information about public transport routes and timetables contact the State Transit Authority on 131500 or www.131500.com.au

Notice of Annual General Meeting

The Annual General Meeting of shareholders of AMP Limited (AMP) will be held at the State Theatre, 49 Market Street, Sydney NSW at 10.00am (Sydney time) on Thursday 19 May 2005.

Items of business

Item 1: Financial Statements and Reports
To receive and consider the Financial Report and the Reports of the Directors and the Auditor in respect of the year ended 31 December 2004.

Item 2: Election of directors
(a) To consider and, if thought fit, to pass the following ordinary resolution:

"That John Frederick Astbury, a Director appointed since the last Annual General Meeting and ceasing to hold office in accordance with clause 62.3 of the constitution of AMP Limited, being eligible, is elected as a Director of AMP Limited."

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

"That Richard John Grellman, a Director retiring in accordance with clause 64.1 of the constitution of AMP Limited, being eligible, is re-elected as a Director of AMP Limited."

Item 3: Capital return to shareholders
To consider and, if thought fit, to pass the following ordinary resolution:

"That the capital of AMP Limited be reduced by paying the sum of 40 cents per fully paid ordinary share in AMP Limited to the holders of such shares on the record date specified by AMP Limited."

Item 4: Amendments to constitution
To consider and, if thought fit, to pass the following special resolution:

"That the constitution of AMP Limited is amended in the manner set out in Annexure A to the Explanatory Notes to the Notice convening this meeting."

By Order of the Board

P A Milne
Company Secretary
17 March 2005

Explanatory Notes
This Notice of Meeting and the resolutions should be read in conjunction with the Explanatory Notes which accompany this Notice of Meeting (see page 10).

Determination of entitlement to vote at the Meeting
AMP has determined that the shares of AMP that are quoted on the Australian Stock Exchange (ASX) as at 7.00pm (Sydney time) on Tuesday 17 May 2005 will be taken, for the purposes of the 2005 Annual General Meeting, to be held by the persons who held them at that time. Accordingly, you will be entitled to vote at the Meeting if you are a registered shareholder of AMP at 7.00pm (Sydney time) on Tuesday 17 May 2005.

Can I appoint 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 behalf of that shareholder. A proxy need not be a shareholder of AMP. Shareholders can appoint anyone as their proxy, including the Chairman of the Meeting. 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 is appointed to exercise. If the appointment does not specify the proportion or the number of the shareholder's votes that each proxy may exercise, each proxy may exercise half of the shareholder's votes on a poll.

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

Where do I send my proxy form?

Send your completed proxy form:

> by mail — to the AMP Securities Registry, using the envelope enclosed or by posting it to:

Australia:	Reply Paid 2980, Melbourne Vic 8060
New Zealand:	P O Box 91543, Auckland Mail Centre
United Kingdom:	PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH
Other countries:	GPO Box 2980, Melbourne Vic 3001, Australia

> online — by visiting the AMP Securities Registry web page via the AMP website at www.amp.com.au/shareholdercentre. To use this facility, you will need your Holder Identification Number (HIN) or Shareholder Reference Number (SRN). That number is shown on your Proxy Form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the website. If you wish to use this facility, you must lodge your proxy form through the facility no later than 10.00am (Sydney time) on Tuesday 17 May 2005.

> by fax

Australia:	1300 301 721
New Zealand:	09 488 8787
United Kingdom:	0870 703 6119
Other countries:	+612 8234 5002

> by delivery

to AMP's registered office	Level 24, 33 Alfred Street, Sydney NSW 2000, Australia
or to AMP Securities Registry	c/- AMP Securities Registry, Level 3, 60 Carrington Street, Sydney NSW 2000, Australia
AMP Securities Registry	Level 2, 159 Hurstmere Road, Takapuna, North Shore City, New Zealand
AMP Securities Registry	The Pavilions, Bridgwater Road, Bristol BS99 7NH United Kingdom

What is the due date for appointing a proxy?

Your completed proxy form (and any necessary supporting documents) must be received by AMP no later than 10.00am (Sydney time) on Tuesday 17 May 2005. If your proxy form (and any necessary supporting documents) is not received by then, your proxy appointment will not be effective.

What if a proxy is appointed under a 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 sighted by the AMP Securities Registry.

A proxy cannot be appointed electronically (through the AMP Securities Registry website) if they are appointed under a power of attorney or similar authority.

How does a shareholder that is a company execute the proxy form?
If the shareholder executing the proxy form is a company, then it must execute the proxy form in one of the following ways:
> by having two directors or a director and a secretary of the company sign the proxy form;
> if the company is a proprietary company with one director who is also the secretary of the company (or the company does not have a secretary), by having that director sign it in the 'individual or first shareholder' box on the proxy form;
> by having a duly authorised officer or attorney sign the proxy form (in which case the shareholder must send with the proxy form the original, or a certified copy, of the document authorising the attorney or representative); or
> if the company has a common seal, by affixing the common seal in accordance with the company's constitution together with a signature.

Does a proxy have to vote?
A proxy may decide whether or not to vote on any motion – unless the proxy is required by law or AMP's constitution to vote.

How should a proxy vote?
If the shareholder appointing the proxy:
> directs the proxy how to vote on an item of business, then the proxy may only vote on that item in the way the shareholder directed;
> does not direct the proxy how to vote on an item of business, then the proxy may vote as he or she thinks fit on that item.

How will the Chairman vote as proxy if the shareholder has not directed the Chairman how to vote?
If a shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, then when the Chairman votes as proxy for that shareholder on a poll, he will vote in favour of each of the proposed resolutions set out in the Notice of Annual General Meeting.

Explanatory Notes

The information below is a question and answer explanation of the business to be considered at the Meeting.

Item 1: Financial Statements and Reports

Full year results for year ended 31 December 2004

The full year results for AMP are available either in the annual report sent to those shareholders who elected to receive the annual report or online at www.amp.com.au. Any relevant announcements made by AMP after the date of the Financial Statements and Reports will be available on AMP's website at www.amp.com.au.

Why will this information be presented to the Meeting?

The Corporations Act and AMP's constitution require the following reports in respect of the financial year of AMP Limited ended on 31 December 2004 to be presented to the Meeting:

> the Financial Report (which includes the financial statements and Directors' declaration);

> the Directors' Report; and

> the Auditor's Report.

What can shareholders do in relation to these Reports?

In accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these Reports, and on the business, operations and management of AMP and the AMP Group.

There is no requirement either in the Corporations Act or AMP's constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report.

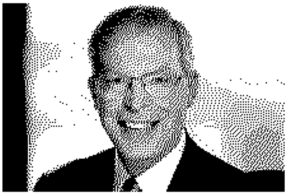
Item 2: Election of directors

Who are the current candidates for directorships?

Profiles of the two candidates offering themselves for election or re-election to the office of director follow.

To be elected, a candidate must receive more votes in favour of their election than against their election.

The board has conducted an assessment of the performance of both candidates and recommends to shareholders the election of Mr Astbury and the re-election of Mr Grellman.



Mr John Frederick Astbury, FAICD. Age 60.
Mr Astbury was appointed to the AMP Limited Board on 1 September 2004. Member of Audit Committee. Director of AMP Life Limited.

Experience: Career began in the early 1970s in the UK, including a number of roles with London Multinational Bank, Chemical Bank and Charterhouse Bank. Moved to Australia in 1986 taking up the role of General Manager, Group Global Treasury with National Australia Bank (NAB) in Melbourne. Held a number of roles with NAB including Chief General Manager of Institutional Banking and Chief General Manager of Banking Relationships, North. Held the role of Director of Finance, Lend Lease Corporation Ltd.

Other directorships: Director of Woolworths Ltd since January 2004 and Insurance Australia Group Ltd (IAG) since 2000. Chairs IAG's Audit Committee and also serves on the IAG Nomination, Remuneration and Sustainability Committee.

Mr Richard John Grellman FCA. Age 55.
Mr Grellman was appointed to the AMP Limited Board in March 2000. Chairman of the Audit Committee and member of the Nomination Committee. Director of AMP Life Limited since November 2001 and Gordian RunOff Limited since May 2004.

Experience: 32 years experience in the accounting profession. Partner of KPMG from 1982 to 2000. Member of KPMG's National Board from 1995 to 1997 and National Executive from 1997 to 2000. Independent Financial Expert for AMP's demutualisation and Investigating Accountant for AMP's prospectus and listing in connection with the demutualisation.

Other directorships: Chairman of the Board and Council of the NSW Motor Accidents Authority since 1994. Chairman of Cryosite Limited since 2002 and director of Atlas Group Holdings Limited since 2003. Director of Mission Australia since 1984 and President and Chairman since 2000.

Item 3: Capital return

What are the terms of the proposal?
AMP proposes a return of capital to its shareholders of 40 cents per AMP share, equivalent to a total capital return of approximately $750 million.

Will there be tax implications?
AMP has applied for a class ruling from the Australian Taxation Office in relation to the tax treatment of the capital return for AMP and its Australian tax resident shareholders. More details on the expected tax implications of the capital return for AMP shareholders are set out on pages 18 to 19 of this document.

What are the timing and trading implications?
Subject to shareholder approval, the proposed capital return will take effect in accordance with the following timetable.

Event	Date
Annual General Meeting to approve the capital return	Thursday 19 May 2005
AMP shares trade without an entitlement to the capital return ('ex' entitlement)	Friday 20 May 2005
Record Date for determining entitlements to participate in the capital return	5.00pm Sydney time Thursday 26 May 2005
Despatch of payment of capital return	On (or around) Monday 20 June 2005

What are the payment methods?
If the proposed capital return is approved by shareholders, those shareholders (as at the Record Date) who have previously completed and returned to the AMP Securities Registry an instruction for direct crediting of dividend payments to a financial institution account will have the capital return credited to the same financial institution account.

AMP shareholders who would like the payment credited to another account, must give the new account details to the AMP Securities Registry by 26 May 2005.

AMP shareholders who participate in the dividend reinvestment plan, will receive a form to provide their financial institution account details with their final 2004 dividend statement (being issued at the end of April).

AMP shareholders who have not provided their financial institution account details by 26 May 2005 will be sent a cheque.

If you have questions about the payment methods, contact the AMP Securities Registry. (See contact details on the back cover of this booklet.)

What are the reasons for the proposal?
The capital return is part of the company's capital management strategy. AMP seeks to maintain an efficient capital structure to minimise the overall cost of capital and to ensure there is adequate flexibility to fund growth in its core business and to maintain financial strength, consistent with an 'A' credit rating (AMP's long term credit rating is currently 'A' minus).

In determining the capital amount to be returned to shareholders, the directors considered the following:
> the appropriate level of capital required for the AMP Group both for existing requirements and the capital necessary to invest in the AMP Group's core business and business development initiatives; and
> various ratios designed to measure the AMP Group's financial strength and flexibility to withstand various scenarios.

How will the capital return be funded?
The capital return will be funded from investments (cash, liquid assets and other). Accordingly, total investments will decrease by the total amount of the capital return.

Will there be tax implications for AMP?
No adverse income tax consequences should arise for AMP from the capital return. The income tax consequences for shareholders are set out on pages 18 to 19.

What is the Board's opinion of the proposal?
The directors have assessed various capital management methods and have determined that the proposed capital return is in the best interests of the company.

> **Directors' recommendation**
The directors believe that the proposed capital return is fair and reasonable to shareholders as a whole and will not materially prejudice AMP's ability to pay its creditors. The directors unanimously recommend that shareholders vote 'for' the capital return resolution to be considered at the Meeting.

No director of the company will receive any payment or benefit of any kind as a consequence of the proposed capital return other than as a shareholder of the company or, in respect of Mr Mohl, as a holder of 410,409 Shares; 350,000 Options; 820,655 Performance Rights for 2003 and 2004; and being entitled to 164,109 Matching Shares. These entitlements will be treated in the same manner as other employees of AMP (see section about the impact on AMP's Employee and Executive Equity Plans on page 16).

What effect will the proposal have on AMP?

> **Capital management and share price impact**

On 18 August 2004 AMP announced that it intended to return capital to its shareholders in 2005. On 17 February 2005 in conjunction with its full year results announcement, AMP reaffirmed those intentions and provided more detail, stating that it would return $750 million to shareholders at 40 cents per share.

In that announcement, AMP also stated that it would continue to consider further additional capital returns of surplus capital in 2006, provided that they are consistent with AMP retaining its target credit rating level of 'A'.

The directors believe that the expectation of capital being returned to shareholders has (together with other factors such as rising equity markets and increased profitability) had a positive impact on the AMP share price, over the last eight months. From 17 August 2004 (the last day prior to the 2004 half year results announcement) to 16 March 2005 (the last day prior to finalisation of these Explanatory Notes) the AMP share price has risen by 13.6 per cent from $6.46 to $7.34.

> **Impact on capital structure of AMP**

After the proposed capital return, the share capital of the company will be reduced by approximately $750 million.

> **Impact on growth strategies and future acquisitions**

AMP's objective is to continue to grow its core businesses, capture its scale benefits, focus on costs and lower risk capital requirements. The capital return will not materially impact the company's capacity to fund new investment in its core business and other business development initiatives, given the profitability of its existing businesses, the financial position of the AMP Group and its capacity to raise debt and equity financing, if required.

> **Impact on financial position of AMP**

Proforma effect of the capital return

In addition to the capital return, on 17 February 2005 AMP announced that it intends to redeem all of the remaining Income Securities at face value for a total cost of approximately $265 million in May 2005 in accordance with the terms and conditions under which they were issued.

To enable an assessment of the effect of the capital return on AMP, set out below is:

- an abridged consolidated statement of AMP Group's regulatory capital based on the audited 31 December 2004 financial statement of AMP; and
- an abridged proforma consolidated statement of AMP Group's regulatory capital based on the audited 31 December 2004 financial statement of AMP which shows the effect of both the Income Securities redemption and the capital return as if they had taken place on 31 December 2004.

It should be noted that the abridged proforma financial statements do not constitute a representation of the future financial position of AMP, but are provided as a guide to assist shareholders to assess the effect of both the Income Securities redemption and the proposed capital return on the regulatory capital position of the AMP Group. The abridged proforma financial statements do not reflect the impact of the Australian Equivalents to International Financial Reporting Standards (AIFRS). The impact of AIFRS on the AMP Group's capital position and gearing is discussed further on page 16 under the heading 'Key financial impacts'.

Unaudited proforma statement of AMP Group's regulatory capital and gearing

Capital employed by regulatory class $M	Actual position as at 31 December 2004			Proforma 31 December 2004 position after adjustments (unaudited)[1]		
	Tangible capital resources	Intangibles[2]	Total capital	Tangible capital resources	Intangibles[2]	Total capital
Equity attributable to ordinary shareholders	3,391	764	4,155	2,641	764	3,405
Allowable hybrid tier 1 instruments	–	–	–	–	–	–
Tier 1 total	3,391	764	4,155	2,641	764	3,405
Allowable upper tier 2 instruments	–	–	–	–	–	–
Allowable lower tier 2 instruments[3]	616	–	616	351	–	351
Tier 2 total	616	–	616	351	–	351
Total regulatory capital (tier 1 + tier 2)	4,007	764	4,771	2,992	764	3,756
Non-allowable hybrid instruments	–	–	–	–	–	–
Senior debt	937	–	937	937	–	937
Total shareholder capital resources	4,944	764	5,708	3,929	764	4,693
Total AMP Group debt	1,553	–	1,553	1,288	–	1,288
Gearing – debt/(debt & equity)			27%			27%

Notes

1. Proforma adjustments comprise the proposed capital return of approximately $750 million and the Income Securities redemption of approximately $265 million. The statements do not reflect the impact (if any) of AIFRS.
2. Intangibles relate to goodwill and the excess of market value over net assets.
3. Limited to 50 per cent of tier 1 but only to the extent upper tier 2 has not been utilised. The Income Securities and subordinated debt currently both qualify as lower tier 2.

Key financial impacts

The impact of the capital return and Income Securities redemption on AMP's financial position is set out below[1].

> The Income Securities redemption has no effect on share capital and only a minimal impact on earnings per share and return on equity.

> The proforma gearing (based on total AMP Group debt divided by total AMP Group debt plus total equity attributable to ordinary shareholders) ratio at 31 December 2004, after taking into account the capital return and the Income Securities redemption as if these transactions had taken place at 31 December 2004, is 27 per cent. This is approximately equal to the gearing ratio before the capital return as at that date.

> AIFRS will apply to the AMP Group for reporting periods ending after 1 January 2005. Based upon the initial unaudited estimates available to date and under AMP's current interpretations of AIFRS, the AMP Group's total equity attributable to ordinary shareholders applicable to determining capital and gearing as at 31 December 2004, is expected to reduce by approximately $800 million, increasing the proforma gearing ratio from 27% to approximately 33%. These effects exclude the impact on equity attributable to ordinary shareholders from AIFRS' differing treatment of certain assets and liabilities where the asset is beneficially held by third parties. These effects also exclude the impact of AIFRS on corporate debt and associated derivatives. AMP does not believe these adjustments should form part of the capital and gearing calculations. The impact of AIFRS on the AMP Group's total equity attributable to ordinary shareholders and gearing ratio could change following the finalisation of the initial estimates, final accounting policy decisions or from potential amendments to AIFRS or interpretations thereof.

> Investment income will decrease as a result of the reduction in investments required to fund the capital return. The reduced investment income will be reflected in lower profit after income tax and is likely to result in earnings per share being lower for the financial year ending 31 December 2005 and for later years by about 2.5 cents per share (underlying, annualised basis) than it would otherwise have been if no capital return had been made.

> Return on equity (based on underlying contribution divided by monthly average shareholder equity for the period) is expected to increase. For example, for the year ended 31 December 2004, return on equity would have been three per cent higher if the capital return had taken place at the beginning of the year. The full year benefit of the expected higher return on equity will not be realised until the year ended 31 December 2006 as the capital return payment is planned for June 2005.

> Share capital will be reduced by approximately $750 million, being the total amount of the capital return.

> Interest cover (based on profit before income tax, other items, interest expense on total AMP Group debt divided by interest expense on total AMP Group debt for the same period) is expected to remain at levels commensurate with AMP's target of an 'A' credit rating.

> AMP will continue to target maintaining an 'A' credit rating (AMP's long term credit rating is currently 'A' minus).

The impact on AMP's Employee and Executive Equity Plans

Under the rules of AMP's option plans the exercise price of outstanding employee options will be reduced by 40 cents per option in accordance with the ASX Listing Rules.

Some employees, including senior executives, are entitled to Performance Rights as the long term incentive component of their remuneration. Those rights can be converted into AMP shares subject to performance hurdles being met after a period of three years or the Rights otherwise vesting.

1 All terms and ratios in this financial impact section use the same definitions as in the 2004 Investor Report.

To compensate for the diminution in the value of the Performance Rights issued in 2003 and 2004 (that would otherwise occur by reason of the 40 cents per share capital return), participating employees will be paid 40 cents per share as Performance Rights vest and are converted into AMP shares.

The potential payment will not apply to 2002 Performance Rights or future issues of Performance Rights. Payments will also not be made in respect of rights issued in 2003 or 2004 which do not vest (for example, because performance hurdles are not met or the employee resigns before the relevant vesting date).

Some employees acquired AMP shares on the basis that they would receive an entitlement to additional AMP shares, known as Matching Shares, if they continue to hold these shares for a specified period. To compensate them for the diminution in the value of the entitlement to additional shares (that would otherwise occur by reason of the 40 cents per share capital return), participating employees will be paid 40 cents per share after those entitlements vest and are converted into AMP shares.

Subject to vesting, overall payments may be made to approximately:

(a) 900 employees who are holders of unvested Matching Shares (under the employee share acquisition plan) with a potential total cost of $25,673; and

(b) 70 senior executives (including Mr Mohl) and other employees, including holders of unvested Matching Shares (under the executive short term incentive plan) with a potential total cost of $282,994 and holders of unvested 2003 and 2004 Performance Rights (comprising selected executives' long term incentive) with a potential total cost of $1,904,836.

For an explanation of AMP's Employee and Executive Equity Plans refer to note 10 in the financial statement of AMP's 2004 Concise Annual Report and note 35 in the financial statement of AMP's 2004 Full Annual Report.

These reports are also available online at www.amp.com.au/shareholdercentre

Forward looking statements

Certain statements contained in the Explanatory Notes may constitute 'forward looking statements' for the purposes of applicable securities laws. These forward looking statements are not guarantees or representations of future performance. AMP's actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward looking statements. Factors that could cause or contribute to such differences include the general trading and economic conditions affecting AMP.

Further information about AMP, its business and factors affecting its operations is contained in the annual report and other reports which can be accessed on the website at www.amp.com.au. AMP undertakes no obligation to revise the forward looking statements included in these Explanatory Notes to reflect any future events or circumstances.

Tax implications for AMP shareholders

The tax implications of the capital return will vary depending upon your particular circumstances. The information set out in the following section should not be viewed as tax advice in relation to the specific circumstances of AMP shareholders. The summaries below are intended as a general guide only. They do not represent a complete analysis of all potential tax implications associated with the capital return. You should consult your own tax adviser as to the tax consequences for you, including tax return reporting requirements, applicable tax laws and the effect of any proposed changes in the tax laws.

Capital return
AMP has applied for a class ruling from the Australian Taxation Office in relation to the capital return. AMP expects that the class ruling will be issued in accordance with its application. The following contains a general description of the Australian tax consequences that will arise for AMP shareholders as a consequence of the capital return if the class ruling is issued in accordance with AMP's ruling application. AMP will place the class ruling on its website (www.amp.com.au/shareholdercentre) when it is obtained.

This general description is only relevant in relation to the Australian taxation position of AMP shareholders who hold AMP shares on capital account. This general description does not apply to shareholders who hold AMP shares on revenue account or as trading stock. Shareholders should seek their own advice in relation to the Australian tax consequences arising for their particular circumstances.

AMP shareholders who are not residents of Australia for tax purposes should seek their own advice in relation to the taxation consequences arising from the capital return under the laws of their country of residence.

A general description of the New Zealand income tax consequences for shareholders who are tax resident in New Zealand also follows.

Australia

(a) Dividend
The capital return should not be treated as a dividend for Australian income tax purposes.

(b) Capital gains tax (CGT)
1 Tax resident shareholders
(i) *Capital return less than cost base*
Where the capital return is less than the cost base of your AMP shares for CGT purposes, you will not realise a capital gain from the capital return. The cost base of your AMP shares will be reduced by the amount of the capital return.
(ii) *Capital return exceeds cost base*
As the amount of the capital return is 40 cents per AMP share, it is unlikely that the amount of the capital return will exceed the cost base of your AMP shares. Where the capital return is greater than the cost base of your AMP shares for CGT purposes, you will realise a capital gain. This gain will be to the extent that the capital return exceeds the cost base of your AMP shares for CGT purposes. In this case, you should obtain your own advice on the amount of any capital gain to be included in your taxable income.
2 Tax non-resident shareholders
Non-resident shareholders will not be liable to CGT in respect of the capital return provided that they and their associates have not, at any time during the five years preceding the capital return, beneficially owned at least 10 per cent (by value) of the shares in AMP. AMP shareholders who are not residents of Australia for tax purposes should seek their own advice in relation to the taxation consequences arising from the capital return under the laws of their country of residence.

New Zealand

The capital return will constitute foreign dividend income for New Zealand tax purposes. In the case of a shareholder who is an individual or who derives such a dividend as a trustee of a trust, the amount of the dividend (converted into NZ$ at an appropriate exchange rate) should be included in calculating the shareholder's income subject to tax. In the case of a shareholder who is a company, the dividend will constitute exempt income. A company is, however, liable to pay a foreign dividend withholding payment at a rate of 33 per cent on a foreign dividend it derives (again, converted into NZ$ at an appropriate exchange rate) subject to any applicable relief.

Other material information
There is no other information material to the making of a decision by shareholders whether or not to vote in favour of the proposal (being information that is known to the directors which has not previously been disclosed to holders of AMP shares) other than as set out in these Explanatory Notes.

Item 4: Amendments to constitution

What do the constitution amendments relate to?
The directors are proposing that certain amendments be made to AMP's constitution in relation to:

- > the closing date, before each annual general meeting, for receipt of shareholder nominations of candidates for election as directors at the meeting;
- > the methods for payment of dividends (and other amounts) by way of direct credit into an account nominated by shareholders or other electronic means;
- > the service of notices of meeting using a wider range of electronic media; and
- > certain terminology.

Information about the material proposed amendments in these areas is set out below.

Closing date for nominations of candidates for election as a director
AMP has adopted a closing date to receive nominations of candidates for election as a director that is not less than 45 business days before each annual general meeting. As AMP has more than 950,000 shareholders worldwide, AMP adopts this practice to ensure there is sufficient time for printing and mailing election documents to shareholders in or with the relevant notice of meeting. The directors are proposing amendments to the constitution so that AMP may continue to adopt this practice despite proposed amendments to the Listing Rules of the Australian Stock Exchange Limited (ASX).

Under clause 65.2 of the existing AMP constitution, AMP is permitted to adopt a closing date for the nomination of directors which is not less than the maximum number of business days applicable to AMP under the ASX Listing Rules or 30 business days (whichever is the greater). For the purposes of the Meeting and past annual general meetings, AMP has been able to adopt its usual closing date as a result of waivers granted by ASX from ASX Listing Rule 14.3 (which would otherwise require AMP to adopt a closing date that is not less than 35 business days prior to the relevant meeting).

ASX has announced a proposal to delete Listing Rule 14.3 on the basis that it considers that the closing date for lodging director nominations is a matter that should be dealt with in an entity's constitution and as a matter of general corporate governance. As at the date of this document, ASX had not yet confirmed whether or, if so, when the proposed deletion of ASX Listing Rule 14.3 will become effective.

If the proposed deletion of ASX Listing Rule 14.3 becomes effective, clause 65.2 of the existing AMP constitution would need to be amended to enable AMP to continue to adopt its usual closing date. Otherwise, AMP would be required to accept nominations for election as a director until the date that is 30 business days before the relevant annual general meeting. If AMP did not receive a candidate's nomination until this time, it would need to incur substantial additional costs in separately circulating information about the candidate to shareholders.

Methods for payment of dividends

As advised by the Chairman in a letter sent to shareholders in April 2004, AMP is seeking to phase out the payment of dividends by cheque and move towards payment by direct credit into bank, building society or credit union accounts nominated by shareholders. The directors consider that direct credit provides a more secure, convenient and cost effective payment method for AMP and its shareholders. This practice is becoming increasingly common among listed companies.

As a result of this initiative, the directors are proposing to introduce specific provisions into the constitution concerning the payment of dividends (and other amounts payable to shareholders) by direct credit or other electronic means.

In line with constitution provisions adopted by some other listed companies, the proposed amendments to AMP's constitution would:

- confirm that dividends and other amounts payable to a shareholder may be paid by electronic funds transfer (or other electronic means) to an account with a bank, building society, credit union or other financial institution nominated by the relevant shareholder (or a joint holder) and acceptable to AMP; and
- include provisions to cater for circumstances where shareholders have not provided AMP with their account details. In these circumstances, AMP would have the ability (but is not currently intending) to hold the dividends and other amounts payable in respect of their shares in a separate account of the company (without any obligation to pay interest) until the relevant shareholder nominates an account for payment. The dividend (or other amount) would be taken to have been paid when the amount is paid to that separate account and a personal tax liability may arise at that time.

Service of notices using electronic media

As a result of amendments to the Corporations Act introduced by the CLERP 9 reforms, companies are now able to give notices and reports to shareholders using a wider range of electronic facilities than previously permitted. For example, shareholders who have elected to receive electronic communications can be sent an email advising that the notice of meeting is available for viewing or downloading from AMP's website.

The directors are proposing that clause 101.1 of the AMP constitution (which deals with the way in which AMP may give notices and other documents to shareholders) be amended so that it is consistent with the provisions of the Corporations Act that deal with the methods by which notice may be served.

In addition, consequential amendments are proposed to clause 101 to:

- make it clear that a notice sent by email notification (or other electronic means) under the revised clause 101.1 will be taken to have been served on the day of transmission of the notification or notice (as applicable); and
- permit the company to serve notice on joint holders by giving the notice, using any of the means permitted under the revised clause 101.1, to the joint holder whose name appears first in AMP's register of members.

Amendments to terminology

The directors are proposing that the AMP constitution be updated by replacing references to the 'SCH Business Rules' with references to the 'ASTC Settlement Rules'. These proposed amendments are not material and simply reflect the fact that the former SCH Business Rules were replaced by the ASTC Settlement Rules in 2004.

Annexure A

The proposed amended constitution

It is proposed that AMP's constitution be amended in the manner set out below:

1. By deleting the definition of 'SCH Business Rules' in clause 1.1 and inserting the following new definition in clause 1.1:

   "'ASTC Settlement Rules' means the Operating Rules of ASTC in force from time to time;".

2. By replacing each reference to the 'SCH Business Rules' with a reference to the 'ASTC Settlement Rules'.

3. By deleting clause 65.2 and replacing it with the following new clause 65.2:

   "65.2 Subject to the Listing Rules, a notice given in accordance with clause 65.1 must be left at the Office not less than 45 Business Days before the relevant general meeting.".

4. By deleting clause 96.1 and replacing it with the following new clause 96.1:

   "96.1 Any Dividend or other money payable in respect of Shares held by a Member or joint holders may be paid:

   (a) by electronic funds transfer or other electronic means to an account with a bank, building society, credit union or other financial institution nominated by the Member, or any of the joint holders, and acceptable to the Company in its discretion or, where no account has been nominated, to a separate account of the Company under clause 96.5;

   (b) by cheque sent through the mail directed to:

      (i) the address of the Member shown in the Register or to the address of the joint holder of Shares shown first in the Register; or

      (ii) an address which the Member has or any of the joint holders have in writing notified the Company as the address to which Dividends should be sent; or

   (c) by any other means determined by the Directors.

   A payment made under this clause 96.1 is made at the risk of the Member or joint holders.".

5. By inserting a new clause 96.5:

   "96.5 If the Directors decide to pay any Dividend or other money payable in respect of Shares by electronic funds transfer or other electronic means under clause 96.1(a) and an account is not nominated by the Member or a joint holder for that purpose, the Company may hold the amount payable in a separate account of the Company, without any obligation to pay interest, until the Member or a joint holder nominates an account and the amount so held is to be treated as having been paid to the Member or joint holders at the time it is credited to the separate account of the Company.".

6. By deleting clause 101.1 and replacing it with the following new clause 101.1:

   "101.1 Subject to clause 96.1, a notice of meeting or other document may be given or delivered by the Company to any person who is entitled to receive the notice or other document by:

   (a) serving it on the person;

   (b) sending it by post to the person at the person's address shown in the Register or the address supplied by the person to the Company for sending notices to the person;

   (c) sending it by facsimile transmission to the fax number (if any) nominated by the person;

   (d) sending it by electronic transmission to the electronic address (if any) nominated by the person;

   (e) sending it to the person by other electronic means (if any) nominated by the person; or

   (f) notifying the person (using an electronic notification means (if any) nominated by the person and by which the person may be notified that notices of meeting or other documents are available):

(i) that the notice or other document is available; and
(ii) how the person may use an electronic means (if any) nominated by the person to access notices of meeting or other documents.".

7. By replacing each reference to 'electronic notification' in clause 101.3 with a reference to 'electronic transmission'.

8. By inserting the following clause as a new clause 101.3A:
"101.3A A notice sent by electronic means under clause 101.1(e) is taken to be served on the day it is sent.".

9. By inserting the following clause as a new clause 101.3B:
"101.3B A notice notified under clause 101.1(f) is taken to be served:
(a) by properly addressing the electronic notification that the notice is available and transmitting it; and
(b) on the day of transmission of the electronic notification.".

10. By deleting clause 101.4 and replacing it with the following new clause 101.4:
"101.4 A notice may be served by the Company on joint holders by giving the notice to the joint holder whose name appears first in the Register by a means permitted under clause 101.1.".

How can I get a copy of the proposed amended constitution?
A copy of the proposed amended AMP constitution can be obtained prior to the Meeting from AMP's website www.amp.com.au, or by telephoning the AMP Securities Registry which will arrange for a copy to be sent to shareholders free of charge.

More information?
If you need further information call the AMP Securities Registry on:

Australia:	1300 654 442	**New Zealand:**	0800 448 062
United Kingdom:	0800 783 3315	**Other countries:**	+613 9415 4051

Or visit our website www.amp.com.au/agm

Questions from shareholders
There are three ways to ask AMP or the auditor a question(s). Questions should relate to matters that are relevant to the AGM, including matters arising from the financial reports, general questions regarding the performance of AMP, and questions of the auditor.

1 Online at www.amp.com.au/agm then click on *ask a question*. You will need your Shareholder Reference Number or Holder Identification Number.

2 Post or fax your question to the AMP Securities Registry. You can use the envelope enclosed. Registry contact details are on the back cover of this booklet.

3 Attend the AGM.

Please note: Your questions must be received no later than 10.00am (Sydney time) on Tuesday 17 May 2005.

The Chairman of the Meeting will answer as many of the frequently asked questions as possible at the AGM. Due to the volume of questions we will not be sending individual replies. The AGM will be webcast live at www.amp.com.au/agm

Definitions and interpretation

AMP
means AMP Limited (ABN 49 079 354 519)

AMP Group
means AMP and its controlled entities

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

AMP shares
means fully paid ordinary shares in the capital of AMP

Corporations Act
means the Corporations Act 2001 (Cth)

Income Security
means a direct, unsecured and subordinated obligation of AMP Group Finance Services Limited (ABN 95 084 247 914) from time to time owing under the Global Income Security (as defined in the Income Security Trust Deed) and the Income Security Trust Deed, having a principal amount and denomination of $100 and no fixed maturity date

Income Security Trust Deed
means the AMP Income Security Trust Deed between AMP Group Finance Services Limited, AMP Group Holdings Limited, Perpetual Trustee Company Limited and AMP Finance Services Limited dated 7 October 1999 as amended on 18 October 1999, 16 December 1999 and 16 March 2004

2004 Investor Report
means the report comprising the AMP Group's financial results for the year ended 31 December 2004, called Investor Report Full Year 2004 and released to the Australian Stock Exchange Limited on 17 February 2005

You or holder
means a holder of AMP shares

Interpretation
In these Explanatory Notes, unless the context otherwise requires:

- headings are for convenience only and do not affect interpretation;
- the singular includes the plural, and vice versa; words importing one gender include other genders;
- where a word or phrase is defined, other grammatical forms have a corresponding meaning;
- a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation (as the case may be) jointly and severally;
- a reference to currency is to Australian dollars; and
- a reference to time is to Sydney time.

Please recycle

Need help?
Contact the AMP Securities Registry

Australia
AMP Securities Registry
Reply Paid 2980, Melbourne Vic 8060
Phone 1300 654 442
Fax 1300 301 721

New Zealand
AMP Securities Registry
P O Box 91543, Auckland Mail Centre
Phone 0800 448 062
Fax 09 488 8787

United Kingdom
AMP Securities Registry
PO Box 82, The Pavilions
Bridgwater Road, Bristol BS99 7NH
Phone 0800 783 3315
Fax 0870 703 6119

Other countries
AMP Securities Registry
GPO Box 2980, Melbourne Vic 3001 Australia
Phone +613 9415 4051
Fax +612 8234 5002

Email
ampservices@computershare.com.au

Internet
www.amp.com.au/shareholdercentre

Registered Office of AMP Limited
Level 24, 33 Alfred Street
Sydney NSW 2000 Australia
Phone +612 9257 5000
Fax +612 9257 7178
AMP is incorporated and domiciled in Australia

Board Executive and Company Secretary
Prue Milne

AMP

NS1434