

15 November 2018

Manager
ASX Market Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Client and Market Services Team
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PO Box 2959
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AMP Limited (ASX/NZX: AMP)

AMP Limited (“AMP”) – issue of subordinated, unsecured notes (“Subordinated Notes”) to raise A\$250,000,000

Notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth) (“Act”) as notionally inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71 (“Instrument”)

1. AMP will today issue the Subordinated Notes. Offers of the Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
2. The terms and conditions of the Subordinated Notes are described on pages 45 to 78 of the Schedule to this notice.
3. AMP intends to use all or a substantial portion of the proceeds of the Subordinated Notes to fund or support the funding of Tier 2 Capital (as described in the prudential standards issued by the Australian Prudential Regulation Authority (“APRA”)) of a Regulated Entity within the AMP Group.
4. Subordinated Notes may Convert into Ordinary Shares of AMP on the occurrence of a Non-Viability Trigger Event. The number of Ordinary Shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. The Maximum Conversion Number is 18,248.1752 Ordinary Shares per Subordinated Note, based on the Issue Date VWAP of 2.74.
5. In order to enable Ordinary Shares issued on Conversion to be sold without disclosure under Chapter 6D.2 of the Act, AMP has elected to give this notice (including the Schedule) under section 708A(12H)(e) of the Act as notionally inserted by the Instrument. The Schedule forms part of this notice.
6. AMP confirms that:
 - (a) Subordinated Notes will be issued without disclosure to investors under Part 6D.2 of the Act;

- (b) the information (including the Schedule) in this notice remains current as at today's date; and
 - (c) this notice (including the Schedule) complies with section 708A of the Act, as notionally modified by the Instrument.
7. Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Schedule.

This notice (including the Schedule) is not a prospectus under the Act. Subordinated Notes are only intended for wholesale investors.



Information Memorandum

**for the issue of Subordinated Notes to raise A\$250,000,000
(with the ability to raise a higher or lower amount)**

Issuer

AMP Limited

(ABN 49 079 354 519)

Joint Lead Managers

Australia and New Zealand Banking Group Limited

(ABN 11 005 357 522)

Commonwealth Bank of Australia

(ABN 48 123 123 124)

National Australia Bank Limited

(ABN 12 004 044 937)

UBS AG, Australia Branch

(ABN 47 088 129 613)

12 November 2018

Contents

	Page
Important Notice	3
Summary	9
Description of the Issuer	20
Risks	25
Terms of the Notes	45
Subscription and Sale	79
Australian Taxation	85
U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard	91
Additional Information	92
Directory	95

Important Notice

Introduction

This Information Memorandum relates to the offer by AMP Limited (ABN 49 079 354 519) (the “**Issuer**”) of subordinated, unsecured notes (“**Notes**”) described in this Information Memorandum, to raise A\$250,000,000 (with the ability to raise a higher or lower amount). The Issuer intends to use all or a substantial portion of the proceeds of the Notes issued under this Information Memorandum to fund or support the funding of Tier 2 Capital (as described in the prudential standards issued by the Australian Prudential Regulation Authority (“**APRA**”)) of a Regulated Entity within the AMP group.

Capitalised expressions which are not otherwise defined in this Information Memorandum have the meanings given in clause 15.2 of the terms of the Notes (“**Terms**”) which are set out in the section entitled “Terms of the Notes” below.

The Terms are complex and include features to comply with APRA’s requirements for instruments that fund regulatory capital of Regulated Entities within the AMP group. They may not be suitable for all investors and any potential investor should consider the suitability of the investment in its own circumstances. In particular, if a Non-Viability Trigger Event occurs, the Notes may be required to be Converted to Ordinary Shares or, if Conversion does not occur as required within 5 Business Days of the date of the Non-Viability Trigger Event, Written-off.

Notes are not:

- deposits or policy liabilities of the Issuer, AMP Bank Limited (“**AMP Bank**”), AMP Life Limited (“**AMP Life**”), The National Mutual Life Association of Australasia Limited (“**NMLA**”) or any other member of the AMP group;
- protected accounts for the purposes of the depositor protection provisions of the Banking Act or of the financial claims scheme established under the Banking Act;
- guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction; or
- investments in any superannuation or other fund managed by a member of the AMP group.

The Issuer’s responsibility

This Information Memorandum has been prepared by, and issued with the authority of, the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum, other than the information provided by the Joint Lead Managers and the Registrar (each as described in the section entitled “Summary” below) in relation to their respective contact details (if applicable) set out in the section entitled “Directory” below.

Terms

This Information Memorandum summarises information regarding the issue of Notes in uncertificated registered form in the wholesale debt capital markets in Australia. The Terms are included in this Information Memorandum in the section entitled “Terms of the Notes” below.

The liabilities which are preferred by law to the claim of a holder in respect of a Note may be substantial and the Terms do not limit the amount of such liabilities which may be incurred or assumed by the Issuer from time to time.

Documents incorporated by reference and ASX announcements

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so

incorporated and form part of this Information Memorandum. References to “**Information Memorandum**” are to this Information Memorandum and any other document incorporated by reference and to any of them individually.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- all amendments to this Information Memorandum prepared and issued by the Issuer from time to time;
- the published financial report of the Issuer for the period ended 31 December 2017, filed with the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (“**ASX**”) on 20 March 2018;
- the published half-year financial report of the Issuer for the period ended 30 June 2018, filed with the ASX on 8 August 2018;
- the “Investor report – Half year 2018” filed with the ASX on 8 August 2018 and available for downloading from www.amp.com.au/shareholdercentre under the “Financial results – 2018 half year results” section;
- the “2018 half year results” presentation filed with the ASX on 8 August 2018 and available for downloading from www.amp.com.au/shareholdercentre under the “Financial results – 2018 half year results” section;
- the following parts of the ASX announcement filed on 25 October 2018 and available for downloading from www.amp.com.au/shareholdercentre under the “ASX announcements” section entitled “AMP updates on portfolio review and Q3 cash flows”: “AMP agrees to sell wealth protection and mature businesses” and “AMP completes portfolio review”; and
- the ASX announcement filed on 31 October 2018 and available for downloading from www.amp.com.au/shareholdercentre under the “ASX announcements” section entitled “AMP updates position on capital and costs following portfolio review”.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Except as provided above, no other information, including information on www.amp.com.au or in any document incorporated by reference in any of the documents described above, is incorporated by reference into this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum may be obtained from the Issuer and the Registrar (each as defined in the section entitled “Summary” below) on request, including from their respective offices at the addresses set out in the section entitled “Directory” below.

When deciding whether or not to subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes, investors should:

- review, amongst other things, the documents which are incorporated by reference in this Information Memorandum; and
- have regard to the information lodged by the Issuer with ASX including in compliance with its continuous and periodic disclosure obligations (made available at www.asx.com.au), including announcements which may be made by the Issuer after release of this Information Memorandum.

No independent verification

The only role of the Joint Lead Managers in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective details in the sections entitled “Summary” and “Directory” below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Registrar or the Joint Lead Managers, nor their respective related bodies corporate, has independently verified the information contained in this Information Memorandum.

Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by any of them as to the accuracy, completeness or currency of this Information Memorandum (except for confirming their respective contact details in the section entitled “Directory” below) or any further information supplied by the Issuer in connection with the Notes. Each of them expressly disclaims any duty to potential investors in respect of such matters.

The Joint Lead Managers, and their respective related bodies corporate, expressly do not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any holder of a Note of any information coming to their attention with respect to the Issuer. Neither the Joint Lead Managers, nor any of their related bodies corporate, make any representation as to the performance of the Issuer, its maintenance of capital or any particular rate of return on the Notes, nor do the Joint Lead Managers or any of their related bodies corporate guarantee the repayment of capital invested in the Notes.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers to any person to subscribe for, purchase or otherwise deal in any Notes. Nor is this Information Memorandum intended to be used for the purpose of offers or invitations to subscribe for, purchase or otherwise deal in any Notes.

Restricted to professional and sophisticated investors

Notes may only be subscribed for, purchased by or otherwise dealt in by professional or sophisticated investors (see “Subscription and Sale” below). This Information Memorandum is not intended for and should not be distributed to any person other than such professional or sophisticated investors. Its contents may not be reproduced or used in whole or in part for any purpose other than in connection with the issue or sale of the Notes in accordance with this Information Memorandum, nor furnished to any other person without the express written permission of the Issuer.

Selling restrictions and no disclosure

Neither this Information Memorandum nor any other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Corporations Act**”)) in relation to the Notes has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”) or any other government agency. This Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act. The distribution and use of this Information Memorandum, including any advertisement or other offering material, and the offer or sale of Notes, may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about those laws and observe any such restrictions.

Persons into whose possession this Information Memorandum or any Notes come must inform themselves about, and observe, any such restrictions, including those set forth in the section captioned “Subscription and Sale”.

This Information Memorandum does not constitute an offer of Notes in any jurisdiction in which it would be unlawful. This Information Memorandum and any other offering materials may not be distributed to any person, and the Notes may not be offered or sold, in any jurisdiction except to the

extent contemplated in the section captioned "Subscription and Sale". In particular, no action has been taken by the Issuer or the Joint Lead Managers which would permit a public offering of any Notes in any jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for subscription or purchase, or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other offering material or advertisement relating to the Notes, except if the offer or invitation, or distribution or publication, complies with all applicable laws, regulations and directives.

No registration in the United States

Neither the Notes nor the Ordinary Shares have been, nor will they be, registered under the United States Securities Act of 1933 ("**U.S. Securities Act**"). The Notes may not be offered, sold, delivered or transferred, at any time, within the United States, its territories or possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act ("**Regulation S**")) except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Issuer and the Notes. The information contained in this Information Memorandum is not intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Notes and should not be considered or relied upon as a recommendation or a statement of opinion, or a report of either of those things, by any of the Issuer or the Joint Lead Managers, or their respective related bodies corporate, that any recipient of this Information Memorandum should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes. Furthermore, this Information Memorandum contains only general information and does not take into account the objectives, financial situation or needs of any potential investor.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the terms and conditions of the Notes and the rights and obligations attaching to the Notes and Ordinary Shares and of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer;
- determine for itself the relevance of the information contained in this Information Memorandum;
- consult its own tax advisers concerning the application of any tax laws applicable to its particular situation and consult other appropriate advisers in respect of any other matters upon which it requires advice; and
- base its investment decision solely upon its own independent assessment and such investigation and consultation with advisers and such other investigations as it considers appropriate or necessary.

No advice is given in respect of the legal or taxation treatment of investors or purchasers or any other matter in connection with an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer or the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

Distribution arrangements

The Issuer has agreed to pay each Joint Lead Manager a fee in respect of the Notes subscribed by it, and to reimburse and/or indemnify the Joint Lead Managers for certain expenses incurred in connection with the offer and sale of Notes and will reimburse and/or indemnify the Joint Lead Managers against certain losses and liabilities in connection with the offer and sale of Notes.

The Issuer and the Joint Lead Managers, and their respective related bodies corporate, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealings in the Notes.

The distribution of this Information Memorandum and documents which are deemed to be incorporated by reference in this Information Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer or the Joint Lead Managers, nor their respective related bodies corporate, represents that this Information Memorandum or any such document may be lawfully distributed, or that any Notes may be offered, in compliance with the laws of any applicable jurisdiction or other requirements in any such jurisdiction, or under an exemption available in that jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers nor their respective related bodies corporate, which would permit a public offering of any Notes or distribution of this Information Memorandum or any such document in any jurisdiction where action for that purpose is required.

References to credit ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, variation, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Currencies

In this Information Memorandum references to "**A\$**" or "**Australian dollars**" are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent to the Preparation Date or that there has been no change (adverse or otherwise) in the financial condition, affairs or creditworthiness of the Issuer at any time subsequent to the Preparation Date.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;

- in relation to financial reports incorporated by reference in this Information Memorandum, the date up to or as at the date on which such accounts relate; and
- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

References to website addresses

Any website addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum (unless as expressly provided in this Information Memorandum).

Summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to the Notes, in conjunction with the Deed Poll (as defined below) and the Terms. Capitalised expressions in this section which are not otherwise defined have the meanings given in clause 15.2 of the Terms.

Issuer:	AMP Limited (ABN 49 079 354 519)
Joint Lead Managers:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) Commonwealth Bank of Australia (ABN 48 123 123 124) National Australia Bank Limited (ABN 12 004 044 937) UBS AG, Australia Branch (ABN 47 088 129 613)
Registrar:	Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer to maintain the Register and perform any payment and other duties as specified in that agreement.
Form of Notes:	Notes will take the form of entries in a register. No certificate will be issued unless the Issuer determines that certificates should be available or are required by any applicable law.
Deed Poll:	Holders of Notes will have the benefit of a deed poll executed by the Issuer on or around the Issue Date (“ Deed Poll ”) in relation to the Notes held by them.
Title:	Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.
Maturity Date:	15 November 2028 or if that day is not a Business Day, the preceding Business Day.
Status and Ranking of the Notes:	<p>Notes are not secured over the assets of any member of the AMP group. They are not guaranteed and are not deposit liabilities of AMP Bank or any other member of the AMP group for the purposes of the Banking Act and are not policies with any member of the AMP group for the purposes of the Life Insurance Act 1995 (Cth) (“Life Insurance Act”). They are also not investments in any superannuation or other fund managed by a member of the AMP group.</p> <p>The Notes constitute direct and unsecured subordinated obligations of the Issuer, ranking:</p> <ul style="list-style-type: none">(a) ahead of the claims of all Junior Subordinated Creditors;(b) equally without any preference among themselves;(c) equally with the claims of all Pari Passu Subordinated Creditors; and(d) behind the claims of Senior Creditors. <p>If Notes are required to be Converted on account of a Non-Viability Trigger Event (see “Conversion to Ordinary Shares of the Issuer following a Non-Viability Trigger Event” below), the position of a Holder in respect of those Notes will be as follows:</p> <ul style="list-style-type: none">(a) if those Notes are Converted, the Holder will become a holder of the Conversion Number of Ordinary Shares, in which case the Ordinary

Shares received may be worth significantly less than the Face Value of Notes held, and the Holder will rank for payment on a winding-up of the Issuer equally with other holders of Ordinary Shares; and

- (b) if for any reason (including, without limitation, an Inability Event) Conversion of any Notes which are required to be Converted does not occur within 5 Business Days of the Conversion Date, then the relevant Holder's rights (including to Interest and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to such Notes will be immediately and irrevocably Written-off with effect on and from the Conversion Date.

Notes are claims on the Issuer. The Issuer is a non-operating holding company. A substantial majority of its assets are its investments in other members of the AMP group. Its claims in respect of those investments rank behind depositors, policyholders and other creditors in a winding-up of those companies.

Interest payments:

The Interest Payment Dates are 15 February, 15 May, 15 August and 15 November in each year and the Maturity Date or a Redemption Date with the first Interest Payment Date being 15 February 2019. If any of these dates is not a Business Day, the Interest Payment Date is the following Business Day, provided that the final Interest Payment Date falls on the Redemption Date or the Maturity Date (as adjusted if that day is not a Business Day). Payment of Interest is subject to the Solvency Condition (see below).

The Interest Rate will be calculated as follows:

Interest Rate = Market Rate + Margin

and expressed as a percentage per annum, where:

Market Rate means, for the Interest Period, the rate for prime bank eligible securities having a tenor of 3 months, which is designated as the "AVG MID" on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) on the first Business Day of the Interest Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any page that replaces that page) by 10:30am, Sydney time, on that day (or such other time at which such rate customarily appears on that page or if it does appear but the Issuer determines that there is an obvious error in that rate, "**BBSW Rate**" means the rate determined by the Issuer in good faith as at approximately 10:30am on that day, having regard to comparable indices then available; and

Margin means 2.75% per annum.

Solvency Condition:

When the Issuer is not in a winding-up:

- (a) no amount is due and payable by the Issuer in respect of the Notes unless, at the time of, and immediately after, the payment, the Issuer is Solvent ("**Solvency Condition**"). A certificate signed by two directors or a director and a secretary of the Issuer is sufficient evidence as to whether or not the Issuer is Solvent unless it is proved to be incorrect; and
- (b) if all or any part of an amount that otherwise would be due and payable under the Terms is not due and payable because at the time of, and immediately after, the payment the Issuer would not be Solvent then, subject to clause 3.3 of the Terms, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

If the Issuer does not make a payment because the Solvency Condition is not

satisfied, such non-payment does not constitute an Event of Default. However, any unpaid amounts of Interest will accumulate and accrue interest until the date of payment and will be payable on the first Interest Payment Date on which the Issuer satisfies the Solvency Condition.

Interest will cease to be payable if Notes have been Converted or Written-off on account of a Non-Viability Trigger Event. This includes any Interest that has not been paid because of the Solvency Condition.

Redemption of Notes on Maturity Date:

The Issuer shall Redeem each Note on the Maturity Date by payment of its Face Value (together with any Interest accrued to (but excluding) the Maturity Date) unless:

- (a) the Note has been previously Redeemed;
- (b) the Note has been purchased by the Issuer and cancelled; or
- (c) it has been Converted or Written-off.

Early Redemption of Notes:

Subject to certain conditions and requirements set out below, the Issuer may Redeem:

- (a) all or some of the Notes on 15 November 2023 or an Interest Payment Date occurring after that date (“**Optional Redemption Date**”); and
- (b) all (but not some only) Notes at any time if a Tax Event or Regulatory Event occurs,

by payment of their Face Value (together with any Interest accrued to (but excluding) the Redemption Date).

The Issuer must give at least 15 Business Days (and no more than 45 Business Days) notice to the Registrar and the Holders of any early Redemption of Notes in accordance with the Terms. Such notice must be given in accordance with the Terms and the Deed Poll and specify the Redemption Date, which must be a Business Day.

The Issuer may only Redeem Notes early if:

- (a) either:
 - (i) prior to or concurrently with Redemption, the Issuer replaces the Notes with Relevant Subordinated Instruments or Ordinary Shares and the replacement is done under conditions that are sustainable for the income capacity of the Issuer; or
 - (ii) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the AMP group, that the Issuer does not have to replace the Notes; and
- (b) APRA has given its prior written approval of the Redemption.

Holders should note that any approval is at APRA’s discretion and may not be given.

Notes will not be Redeemed if on the Redemption Date the Solvency Condition is not satisfied or if on or before that date Notes have been Converted or Written-off on account of a Non-Viability Trigger Event.

Tax and Regulatory Events:

Tax Event (as defined in the Terms) means broadly that the Directors receive an opinion that, as a result of a change in law or regulation in Australia on or after the Issue Date affecting taxation (which the Issuer did not expect on the Issue Date), there is more than an insubstantial risk which the Directors

determine to be unacceptable that:

- (a) the Issuer would be exposed to more than a de minimis adverse tax consequence in relation to the Notes
- (b) the Issuer would be required to pay Additional Amounts in respect of the Notes; or
- (c) any interest payable in respect of the Notes is not or may not be allowed as a deduction for Australian income tax purposes.

A **Regulatory Event** (as defined in the Terms) means broadly that:

- (a) the Directors receive an opinion that, as a result of a change in Australian law or regulation or any requirement of APRA on or after the Issue Date (which the Issuer did not expect on the Issue Date), additional requirements would be imposed on the Issuer in connection with the Notes, which the Directors determine, in their absolute discretion, to be unacceptable; or
- (b) following a notification from, or announcement or determination by, APRA, the Directors determine in their absolute discretion that APRA objects, or will object, to the AMP group using, or having used, the proceeds of issue of some or all of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group.

Holders have no right to request Redemption or Conversion:

A Holder cannot require the Issuer or any other person to Convert or Redeem (or otherwise purchase) a Note prior to the Maturity Date.

Conversion to Ordinary Shares of the Issuer following a Non-Viability Trigger Event:

The Issuer may be required to Convert Notes into Ordinary Shares if a Non-Viability Trigger Event occurs. This feature is required to be included so that the Issuer may use the proceeds of the issue of Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group.

A Non-Viability Trigger Event occurs upon:

- (a) the issuance of a notice, in writing, by APRA to the Issuer that the conversion to Ordinary Shares or write-off of Relevant Subordinated Instruments in accordance with their terms or by operation of law is necessary because, without it, APRA considers that the Issuer would become non-viable; or
- (b) a determination by APRA, notified in writing to the Issuer, that without a public sector injection of capital, or equivalent support, the Issuer would become non-viable.

If a Non-Viability Trigger Event occurs under paragraph (b) above, all Notes will be required to be Converted. If a Non-Viability Trigger Event occurs under paragraph (a) above, the Issuer must immediately determine in accordance with APRA's determination the amount of Notes that will be Converted and the amount of other Relevant Subordinated Instruments which will be converted or written-off and the identity of the Holders at the time that the Conversion is to take effect on that date. Relevant Perpetual Subordinated Instruments (if any) would be Converted ahead of the Notes and other Relevant Term Subordinated Instruments. The relevant amount of Notes must be Converted on the Conversion Date (being the date the Non-Viability Trigger Event occurs).

On Conversion, Holders will receive the Conversion Number of Ordinary Shares. The Conversion Number of Ordinary Shares may be worth

significantly less than the Face Value of Notes and a Holder may suffer a loss as a consequence of Conversion.

The Conversion Number will be calculated by the Issuer in accordance with the following formula:

$$\text{Conversion Number for each Note} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

subject to the Conversion Number being no greater than the Maximum Conversion Number,

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period; and

Maximum Conversion Number means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{0.20 \times \text{Issue Date VWAP}}$$

where:

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with the Terms.

From the Conversion Date, the Issuer shall treat the Holder in respect of the Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any of its registers, required to record the Conversion.

Write-off if Conversion does not occur when required:

If Notes which are required to be Converted following the occurrence of a Non-Viability Trigger Event are not Converted for any reason (including, without limitation, an Inability Event) within 5 Business Days of the Conversion Date, the Holders' rights (including to the Interest and the payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to such Notes will be immediately and irrevocably written-off and terminated.

Events of Default:

An Event of Default occurs in relation to the Notes if:

- (a) subject to clause 2.2 of the Terms relating to the Solvency Condition, the Issuer fails to pay any amount of principal or Interest within 14 days of the due date for payment; or
- (b) an:
 - (i) order is made by a court and the order is not successfully appealed or permanently stayed within 60 days of the making of the order, or
 - (ii) an effective resolution is passed,

for the winding-up of the Issuer, in each case other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by a Special Resolution of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Notes.

Non-payment because the Solvency Condition has not been satisfied does not

constitute an Event of Default.

At any time after the occurrence of an Event of Default under paragraph (a) above (i.e. non-payment of principal or Interest) which continues unremedied, the Holder of any Notes may without further notice bring proceedings:

- (a) to recover any amount then due and payable but unpaid on the Notes (subject to the Solvency Condition);
- (b) to obtain a court order for specific performance of any other obligation in respect of the Notes; or
- (c) for the winding-up of the Issuer.

At any time after the occurrence of an Event of Default under paragraph (b) above (i.e. where a court order is made or an effective resolution is passed for the winding-up of the Issuer) which continues unremedied, the Holder of any Notes may declare by notice to the Issuer that the Face Value of each Note (together with Interest accrued but unpaid to the date for payment) is payable on a date specified in the notice and, subject to clause 2.1 of the Terms, may prove in the winding-up of the Issuer for that amount but may take no further action to enforce the obligations of the Issuer for payment of any principal or Interest in respect of the Notes. For the avoidance of doubt, the Holder may not make such a declaration (or prove in any such winding-up) when Interest is not paid because the Solvency Condition has not been satisfied.

The Holder may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default or other default other than as specified in the Terms.

Issue of Ordinary Shares to a Sale and Transfer Agent:

If Notes are required to be Converted and:

- (a) the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date;
- (b) the Holder is an Ineligible Holder;
- (c) for any reason (whether or not due to the fault of the Holder), the Issuer has not received the information required for Conversion prior to the Conversion Date and the lack of such information would prevent the Issuer from issuing the Ordinary Shares to the Holder on the Conversion Date; or
- (d) FATCA Withholding is required to be made in respect of the Ordinary Shares to be issued upon Conversion,

then, on the Conversion Date, the Holder's rights (including to payments of Interest or Additional Amounts, or the repayment of principal) in relation to each such Note being Converted will be immediately and irrevocably terminated and the Issuer will issue the Conversion Number of Ordinary Shares to one or more Sale and Transfer Agents for no additional consideration and on terms that at the first opportunity the Sale and Transfer Agent will sell the Ordinary Shares at market value and pay the Proceeds to the relevant Holder or, in the case of a FATCA Withholding, will deal with the Ordinary Shares and any proceeds of sale as required by FATCA.

If the Conversion of Notes to which this applies does not occur within five Business Days of the Conversion Date, then Holders' rights will be immediately and irrevocably terminated in accordance with the Terms. The Issuer has no

liability to a Holder for the acts of any Sale and Transfer Agent appointed to sell the Ordinary Shares upon the occurrence of a Non-Viability Trigger Event and has no, nor owes any, duties in connection with any such sale and has no responsibility for any costs, losses, liabilities, expenses, demands or claims which arise as a result of such sale.

Regulatory treatment of Notes:

APRA has advised that it does not object to the AMP group using the proceeds from the issue of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group.

No set-off in relation to Notes:

Neither the Issuer nor any Holder has a right to set off any amounts, merge accounts or exercise any other rights the effect of which is or may be to reduce any amount payable by the Issuer in respect of Notes held by the Holder or by the Holder to the Issuer (as applicable).

Substitution of Approved Acquirer:

If an Acquisition Event occurs and the bidder (or its ultimate holding company) or the person having a relevant interest in the Ordinary Shares after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved Acquirer, the Issuer may without the consent of the Holders (but with the prior approval of APRA) amend the terms of the Notes such that, unless APRA otherwise agrees, on a Conversion Date:

- (a) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the Conversion Date;
- (b) each Holder of the Notes being Converted (or a Sale and Transfer Agent, if applicable, subject to necessary changes, to such Approved Acquirer Ordinary Shares) will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and
- (c) as between the Issuer and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note.

The Issuer may make such other amendments to the Terms as in the Issuer's reasonable opinion are necessary and appropriate in order to effect the substitution of an Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion in the manner contemplated by the Terms and consistent with the requirements of APRA in relation to Tier 2 Capital.

An "**Acquisition Event**" means:

- (a) a takeover bid (as defined in the Corporations Act) is made to acquire all, or some of, the Ordinary Shares and such offer is, or becomes, unconditional and either:
 - (i) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares in issue; or
 - (ii) the directors of the Issuer, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or

- (b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be in issue after the scheme is implemented and:
 - (i) all classes of members of the Issuer pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme;
 - (ii) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares; and
 - (iii) all conditions to the implementation of the scheme, including any necessary regulatory or shareholder approvals (but not including approval of the scheme by the court), have been satisfied or waived.

Amendments to the Terms or the Deed Poll:

At any time and from time to time, but subject to compliance with the Corporations Act and all other applicable laws, the Issuer may, without the consent of the Holders, amend the Terms or the Deed Poll if the Issuer is of the opinion that such amendment is:

- (a) of a formal or technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error;
- (c) necessary or expedient for the purpose of enabling the Notes to be offered for subscription or for sale under the laws for the time being in force in any place;
- (d) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- (e) in any other case, not materially prejudicial to the interests of the Holders as a whole,

provided that, in the case of an amendment pursuant to paragraph (c), (d) or (e), the Issuer has received an opinion of independent legal advisers of recognised standing in New South Wales that such amendment is otherwise not materially prejudicial to the interests of Holders as a whole.

For the purposes of determining whether an amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to a Holder (or any class of Holders) and other special consequences or circumstances which are personal to a Holder (or any class of Holders) do not need to be taken into account by the Issuer or its legal advisers.

Unless the Issuer may amend the Terms without consent of the Holders, the Issuer may amend the Terms with the approval of the Holders by Special Resolution in accordance with the Deed Poll.

Prior to any amendment under the Terms, the Issuer must obtain any consent needed to the amendment and, in particular, any amendment which may cause APRA to object to AMP group using, or having used, the proceeds of the issue of some or all of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group, is subject to the prior

written consent of APRA.

Austraclear: If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System (but without affecting any Term which may cause APRA to object to the AMP group using or having used the proceeds of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group).

Where Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and
- (b) the Holder does not rely on any fact, matter or circumstance contrary to (a) above.

Governing law: The Notes and all related documentation will be governed by the laws of New South Wales, Australia.

Use of proceeds: The Issuer expects to use all or a substantial portion of the net proceeds of the issue of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group.

Selling Restrictions: The offering, sale and delivery of Notes are subject to the rules, restrictions and operating procedures which may apply in connection with the offering and sale of the Notes. See also "Subscription and Sale" below.

It is the Issuer's expectation that any Ordinary Shares issued on Conversion of Notes will be freely tradeable.

Transfer: Notes may only be transferred in whole but not in part.

Where Notes are not lodged in the Austraclear System, subject to the transfer restriction described below, all applications to transfer Notes must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar signed by both the transferor and the transferee. Transfer and acceptance forms are available from any Registry Office.

Notes which are lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

Notes may only be transferred:

- (a) pursuant to offers received in Australia if:
 - (i) the aggregate consideration payable at the time of transfer is at least A\$500,000 (disregarding moneys lent by the transferor or its associates) or the Notes are otherwise transferred in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act;

and

- (ii) the transfer does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act; or
- (b) between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

Notes will not be transferable on the Register so long as Austraclear Services Limited is the Registrar and Notes are lodged in the Austraclear System, except:

- for the purposes of any Conversion, Write-Off, Redemption, repurchase or cancellation of a Note, a transfer of that Note from Austraclear to the Issuer may be entered in the Register; and
- if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or the Terms, to require a Note to be transferred on the Register to a member of the Austraclear System, that Note may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the Note will cease to be held in the Austraclear System.

Taxes: A general description of the Australian taxation consequences of investing in the Notes is set out in the section entitled “Australian Taxation” below. However, investors should obtain their own taxation advice regarding the taxation status of investing in Notes.

Stamp duty: Any stamp duty incurred at the time of issue of the Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors. As at the date of this Information Memorandum, no Australian stamp duty should be payable on the issue of the Notes or any transfer of Notes. See the section entitled “Australian taxation – Other Australian tax matters – stamp duty and other taxes” below.

Withholding tax: If a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes, the Issuer will deduct the amount for the Taxes. See the sections entitled “Australian Taxation” and “U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard” below.

Listing: The Notes will not be listed on any stock exchange. The Issuer will use all reasonable endeavours to list Ordinary Shares issued upon Conversion on the ASX.

Ratings: [•]

A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, variation, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of

whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Description of the Issuer

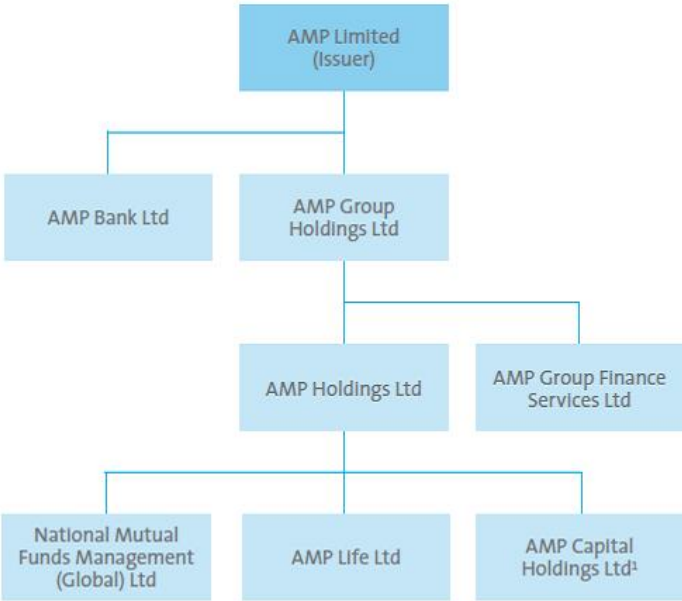
Introduction

The AMP group is Australia and New Zealand’s leading wealth management company, with an expanding international investment management business and a growing Australian retail banking business. The AMP group has helped people and organisations build financial security since 1849 by providing financial advice, products and services which are primarily distributed through self-employed financial advisers and investment opportunities through AMP Capital Holdings Limited (“**AMP Capital**”).

The principal regulators that supervise and regulate the activities of the AMP group and the activities of the businesses and funds that members of the AMP group manage are the Australian Prudential Regulation Authority, the Reserve Bank of Australia, the Reserve Bank of New Zealand, the Australian Securities and Investments Commission, ASX Limited, the Australian Tax Office, the Australian Competition and Consumer Commission, the Australian Transactions Report and Analysis Centre, the Office of the Australian Information Commissioner, the New Zealand Privacy Commissioner’s Office and the New Zealand Financial Markets Authority.

The Issuer is the non-operating holding company of the AMP group.

A simplified structure of the AMP group is as follows:



1 AMP Capital Holdings Limited is owned 85% by AMP Holdings Ltd and 15% by Mitsubishi UFJ Trust and Banking Corporation as part of the strategic business and capital alliance between AMP Capital and Mitsubishi UFJ Trust and Banking Corporation.

A number of intermediary holding companies and other companies not relevant to the issue of the Notes have been excluded from this simplified structure chart.

The Issuer’s ordinary shares are listed on the ASX and the New Zealand Stock Exchange. Further information about the Issuer is included in the documents described under the “Important Notice – Documents incorporated by reference” above. Announcements made by the Issuer in accordance with its continuous disclosure obligations under the ASX Listing Rules are available on ASX’s internet site www.asx.com.au (the Issuer’s ASX code is: AMP).

The AMP group comprises the following business units:

Australian wealth management

The Australian wealth management business provides customers with superannuation, retirement income, investment, SMSF software and administration and financial advice services (through aligned and owned advice businesses).

AMP Capital

AMP Capital is a diversified investment manager, managing investments across major asset classes including equities, fixed interest, infrastructure, real estate, diversified multi-manager and multi-asset funds. Mitsubishi UFJ Trust and Banking Corporation holds a 15% minority interest in AMP Capital.

AMP Capital holds a 15% stake in China Life AMP Asset Management Company Limited, a funds management company which offers retail and institutional investors in China access to leading investment solutions.

AMP Bank

AMP Bank is an Australian retail bank participating in residential mortgage lending and retail and platform deposits. AMP Bank's mission is to help customers with their goals for life, providing them with targeted retail banking solutions focused on wealth creation in support of their goals. AMP Bank also provides financing to AMP financial planning businesses. AMP Bank products and services enables AMP to be relevant over a wider set of financial goals, earlier in the customer's lifecycle and with higher customer interaction.

Australian wealth protection

Australian wealth protection comprises term life, disability and income protection insurance products sold on an individual and group basis. Insurance products can be bundled with a superannuation product or held independently.

New Zealand financial services

New Zealand financial services provides tailored financial products and solutions to New Zealanders both directly and through a network of financial advisers. New Zealand financial services has a leading market position in both wealth protection and wealth management, in addition to being a market advocate for quality financial advice.

Australian mature

The Australian mature business is the largest closed life insurance business in Australia. Australian mature assets under management comprise capital guaranteed products (77%) and market-linked products (23%).

Australian mature products include whole of life, endowment, investment linked, investment account, Retirement Savings Account, Eligible Rollover Fund, annuities, insurance bonds, personal superannuation and guaranteed savings accounts.

Business update

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, established on 14 December 2017 ("**Royal Commission**") is currently investigating conduct, practices, behaviour or business activities by financial services entities including the AMP group.

The Royal Commission may make findings that the AMP group (including persons or entities acting on its behalf) has engaged in misconduct (including breaches of law) or conduct that falls below community standards and expectations. The AMP group will continue to respond to those matters in its written submissions. Findings made by the Royal Commission may result in litigation, fines, penalties, revocation, suspension or variation of conditions of relevant regulatory licences or other

regulatory action.

On 27 July 2018, the AMP group outlined a series of actions to reset the business, prioritise customers and strengthen risk management systems and controls.

These actions include:

- *Accelerating advice remediation* – to ensure impacted advice customers are appropriately compensated. The Issuer's 2018 half year Financial Report includes a provision of \$290 million (after tax) for potential advice remediation in relation to ASIC reports 499 and 515, which require an industry wide "look-back" of advice provided from 1 July 2008 and 1 January 2009 respectively.
- *Delivering improved value for around 700,000 customers* – through fee reductions to AMP's flagship MySuper products in the third quarter of 2018.
- *Investing to strengthen risk management systems and controls* – increased investment of approximately \$35 million (after tax) per annum to upgrade risk management controls and strengthen compliance systems across the business over the next two years.
- *Reprioritising the portfolio review* – to realise capital from the "manage for value" businesses.

Shareholder class actions

During May and June 2018, the Issuer was served with five competing shareholder class actions (one in the Supreme Court of New South Wales and the others in the Federal Court of Australia). The actions follow the financial advice hearing block in the Royal Commission in April 2018 and allege breaches by the Issuer of its continuous disclosure obligations. Each action is on behalf of shareholders who acquired an interest in the Issuer's ordinary shares over a specified time period, the longest of which is between 10 May 2012 and 15 April 2018. The claims are yet to be quantified and the level of participation has not yet been determined. The Issuer has filed its defence in the action brought in the Supreme Court of New South Wales. On 29 August 2018, the full bench of the Federal Court of Australia delivered its unanimous judgement ordering the transfer of the four competing class actions currently before it to the Supreme Court of New South Wales. The Issuer intends to vigorously defend these actions.

ASIC civil penalty proceedings

AMP Financial Planning Pty Limited ("**AMPFP**"), a wholly-owned subsidiary of the Issuer, is the subject of proceedings brought by ASIC on 27 June 2018. The proceedings allege contraventions of the Corporations Act by AMPFP relating to the alleged conduct of certain of its authorised financial advisers in providing advice to customers in relation to the replacement of life insurance policies by cancellation and new application rather than by transfer. ASIC's claim is in respect of six advisers and 40 instances of advice. ASIC is seeking declarations that AMPFP contravened various sections of the Corporations Act and orders that AMPFP pay pecuniary penalties of an unspecified amount. AMPFP filed its defence on 18 September 2018 in which AMPFP makes certain admissions of breaches of its obligations to monitor and supervise the conduct of one adviser who has been terminated by AMPFP and banned by ASIC.

Issuer agrees to sell wealth protection and mature businesses

On 25 October 2018, the Issuer announced the successful completion of its portfolio review including an agreement to divest its Australian and New Zealand wealth protection and mature businesses (AMP Life) and to reinsure New Zealand retail wealth protection for total proceeds of A\$3.45 billion.

The outcomes of the portfolio review are as follows:

- The Issuer will exit its Australian and New Zealand wealth protection and mature businesses

via a sale to Resolution Life¹ for total cash and non-cash consideration of A\$3.3 billion; the transaction is expected to complete in 2H 2019; subject to regulatory approvals.

- Binding agreement with Swiss Re² to reinsure New Zealand retail wealth protection, releasing additional capital of up to A\$150 million to the Issuer prior to completion of the sale; subject to regulatory approvals.
- Intention to seek divestment of New Zealand wealth management and advice businesses via initial public offering (“IPO”) in 2019 subject to market conditions and regulatory approvals, unlocking further value.
- Significant capital release will strengthen the Issuer’s balance sheet and provide strategic flexibility; all options for use of proceeds to be evaluated and update to be provided following transaction completion.

Wealth protection and mature – Resolution Life transaction summary

Under the terms of the agreement dated 25 October 2018, the Issuer will sell its Australian and New Zealand wealth protection and mature businesses (AMP Life) to Resolution Life for a total consideration of A\$3.3 billion, which comprises:

- A\$1.9 billion in cash.
- A\$300 million in AT1 preference shares in AMP Life (issued on transaction completion).
- A\$1.1 billion in non-cash consideration:
 - Economic interest in future earnings from the mature business, equivalent to A\$600 million; expected to provide steady ongoing earnings to the Issuer of approximately A\$50 million after tax per annum, assuming an annual run-off at 5 per cent.
 - A\$515 million interest in Resolution Life, focused on the acquisition and management of in-force life insurance books globally.

The Issuer expects to monetise all non-cash consideration over time.

Together with the New Zealand reinsurance agreement, the total value equates to approximately 0.82x pro forma embedded value of the sold businesses at 30 June 2018, excluding franking credits.

Resolution Life assumes risk and profits of the wealth protection and mature businesses from 1 July 2018³, subject to Australian wealth protection risk-sharing arrangements.

A new Relationship Agreement has been established with Resolution Life and AMP Capital will continue to manage wealth protection and mature assets under management. AMP Capital will also join Resolution Life’s global panel of preferred asset managers.

The transaction is subject to regulatory approvals and other conditions precedent and is expected to complete in 2H 2019.

Partnering to ensure smooth transition for customers

Resolution Life is an international insurance and reinsurance group whose management has a 15-year track record in providing quality service to in-force insurance customers.

¹ Acquiring entity is Resolution Life Australia Pty Ltd, a wholly owned subsidiary of Resolution Life Group Holdings LP.

² Swiss Re Life & Health Australia Ltd, New Zealand Branch.

³ The Issuer is entitled to continue extracting dividends pre-completion, with an adjustment at transaction completion.

The transaction has been designed to ensure all existing terms and conditions will be retained. The teams supporting existing AMP customers will largely transfer on completion to maintain continuity of service.

The Issuer and Resolution Life will work closely together to ensure a smooth transition for customers.

New Zealand wealth protection reinsurance

The Issuer has entered into a binding reinsurance agreement with Swiss Re for the New Zealand retail wealth protection portfolio which is expected to release up to A\$150 million of capital to the Issuer, subject to regulatory approval. The agreement is expected to be effective from 31 December 2018, and will cover approximately 65 per cent of the New Zealand retail wealth protection portfolio for new claims incurred from that date.

The reinsurance agreement is expected to reduce New Zealand profit margins by A\$20 million on a full-year basis. The reinsurance outcomes are factored into the Resolution Life transaction.

New Zealand wealth management and advice businesses

On 25 October 2018, the Issuer also announced its intention to seek divestment of its New Zealand wealth management and advice businesses via an IPO in 2019. The decision to proceed with an IPO and its timing remain subject to market conditions and regulatory approvals.

These businesses have FY18 pro forma operating earnings of approximately A\$40 million on a standalone basis. The IPO would release capital to the Issuer and create a standalone New Zealand wealth management and advice business.⁴

Portfolio review outcomes will release capital, simplify portfolio and create strategic flexibility

The completion of the portfolio review will strengthen the Issuer's balance sheet and provide strategic flexibility. All options for use of proceeds will be considered including growth investments and/or capital management activity.

The exit from Australian and New Zealand wealth protection and mature will also significantly simplify the Issuer and its earnings profile, enabling it to focus on its higher growth businesses of Australian wealth management, AMP Capital and AMP Bank.

The simplification and separation costs related to the Resolution Life sale transaction are expected to be in the order of A\$320 million post-tax.

Additional capital from the transaction with Resolution Life will facilitate a reduction in the Issuer's corporate debt of up to A\$800 million.

⁴ The proposed IPO has not yet commenced and no offers of securities are currently being made, nor application monies sought. If the proposed IPO proceeds, it will be made under the Financial Markets Conduct Act 2013 (NZ) and a product disclosure statement will be made available by an AMP group entity that has not yet been determined. Anyone who wants to acquire securities under the proposed IPO will need to complete the application form that will be in or will accompany the product disclosure statement.

Risks

Investors must take or obtain their own advice with respect to investment and other risks.

This Information Memorandum describes only some of the risks of investing in the Notes. It does not describe all the risks of an investment in the Notes. If prospective investors are in any doubt about the risks associated with an investment in the Notes, they should consult their own professional, financial, legal and tax advisers about such risks and the suitability of investing in the Notes in light of their particular circumstances.

Risks associated with the Issuer and the AMP group

Financial Risk

Investment returns

A proportion of the AMP group's profits are derived from investment returns (both income and net realised and unrealised capital gains or losses) in the non investment-linked statutory funds of AMP Life, which is a wholly-owned life company of the Issuer.

Investment returns are shared between shareholders and policyholders in accordance with the Life Insurance Act and other legislation regarding the allocation and distribution of profits of statutory funds, as well as the terms and conditions of the life insurance policies. The underperformance of investments could have a material adverse impact on the financial performance and position of the AMP group and may result in the need for additional capital to support the AMP group's businesses.

Some products both within and outside of AMP Life have investment guarantees and whilst these are monitored and managed, significant market movements (including those related to interest rates) and on-going periods of high volatility, could have a material adverse impact on the financial performance and position of the AMP group.

Investment performance affects the level of investment return on shareholders' funds assets, including seed and sponsor capital. Funds, including shareholders' funds, are invested in a variety of asset classes, including, but not limited to, cash, Australian and international equities, fixed interest, property, infrastructure, infrastructure debt and private equity. The investment performance of these assets may have a material impact on the financial performance and position of the AMP group.

Changes in the value of, or returns from, these investments, including as a result of changes in valuations or the valuation methodology of unlisted assets, may have a material adverse impact on the financial performance and position of the AMP group and may affect the level of capital, liquidity and funding required to support the AMP group's businesses. In periods of extreme volatility the values of these assets are subject to greater change and uncertainty.

Investment management performance

If AMP Capital or other investment managers contracted by the AMP group underperform peer investment managers and/or the market more generally for a prolonged period, the demand for the AMP group's financial products and services may reduce materially. To the extent that this risk materialises, it may have a material adverse impact on the financial performance and position of the AMP group.

Fee income on the investment-linked business and investment-management business of the AMP group is primarily based on the level of assets under management and investment performance. A deterioration in investment performance or a decline in assets under management may have a material adverse impact on the financial performance and position of the AMP group.

Funding and liquidity risk

'Funding risk' relates to the risk of one or more of the AMP group's sources of funding being reduced or eliminated or a significant increase in the cost of funding through either a systemic or company-specific event. 'Liquidity risk' is the risk that the AMP group fails to meet its payment obligations, which may arise as a result of a mismatch between those payment obligations and the AMP group's access

to liquid assets, adequate funding on acceptable terms, or cash flows generated by its businesses.

If the AMP group's current sources of funding prove insufficient, it may be forced to seek alternative funding. The availability of such funding, and the terms on which it may be made available, will depend on a number of factors, including market conditions, the availability of credit, the AMP group's credit ratings and credit market capacity.

An inability to manage the funding risks for the AMP group may result in forced asset sales or default, which could adversely impact the AMP group's reputation, brand, and banking and capital market relationships.

Business entities within the AMP group and/or owned as investments by AMP Life and/or funds managed by AMP Capital may breach or risk breaching their loan and other debt covenants. Some of these facilities may have recourse to the AMP group and in the event of a breach the financiers have the ability to demand immediate repayment of the debt and enforce other rights, which may give rise to the funding risks described above. To the extent the above circumstances arise, this may have a material adverse impact on the financial performance and position of the AMP group.

Interest rate risk

'Interest rate risk' is the risk of financial loss arising from adverse fluctuations in interest rates, and may have a material adverse impact on the financial performance and position of the AMP group.

Fluctuations in interest rates can impact:

- the rate at which certain liabilities are discounted, causing the value of liabilities in respect of certain products, including annuities, defined benefit obligations and other capital guaranteed and noninvestment-linked products to vary
- the investment returns on the AMP group's shareholders' funds and the AMP Life investment portfolios
- the fair value of investment guarantees the AMP group has issued in respect of its products, as well as the asset and financial instrument values backing these products
- AMP Bank's financial condition through the bank's net interest income and the level of other interest sensitive income and operating expenses, as well as the underlying value of the bank's assets, liabilities and off-balance sheet instruments
- the carrying value of implicit deferred acquisition costs, and
- the AMP group's funding costs.

Low interest rates may result in lower investment returns for the AMP group. To the extent the benefits payable to investors in non investment-linked products are greater than the return that the AMP group receives from the relevant underlying investments, the AMP group is exposed to loss and the need for increased capital requirements.

The AMP group currently manages interest rate risk through hedging arrangements. Disruptions in financial markets may affect the availability, cost and terms of hedging, which may have a material adverse impact on the financial performance and position of the AMP group.

Credit risk

'Credit risk' is the risk that default by a counterparty will result in a financial loss to the AMP group. Credit risk exists in most parts of the AMP group, including reinsurance and derivative contracts used to protect the AMP group's financial and capital position from investment market volatility. It is also a significant risk for AMP Bank and arises from AMP Bank's lending and investment activities. The risk arises from the likelihood that some customers and counterparties will be unable to honour their obligations to AMP Bank, including the repayment of loans and interest.

AMP Bank utilises Lenders' Mortgage Insurance ("LMI") to partially mitigate credit risk and minimise the capital requirements of its mortgage book. A default of an LMI provider will expose the AMP group to loss and increased capital requirements.

Credit risk is a significant risk in relation to the AMP group's extensive banking and trading relationships. Credit risk also arises in relation to exposures from deposits and debt securities, futures and options broker clearers, over-the-counter derivative counterparties, widening credit spreads and loans to non-wholly owned subsidiaries including AMP Capital and loans to joint ventures. While the AMP group utilises mechanisms to mitigate a number of those exposures, including collateral and netting agreements, there can be no assurance that these arrangements fully limit those exposures.

The annuity portfolio is managed with fixed interest assets closely matched to expected annuity cash outflows. The AMP group is exposed to credit risk, including the risk of widening credit spreads on the portfolio of fixed income assets.

To the extent that any of the above risks arise, this may have a material adverse impact on the financial performance and position of the AMP group.

Foreign exchange risk

'Foreign exchange risk' is the risk of the AMP group sustaining loss through adverse movements in exchange rates. Such losses can affect the AMP group's financial position and performance, and the level of capital supporting the AMP group's businesses. From an operational perspective, the AMP group faces exposure to foreign exchange risks through direct foreign income and expenses, the settlement of foreign currency denominated assets and liabilities, seed and sponsor investments within AMP Capital, and earnings and balance sheet movements from non-Australian subsidiaries. This may have a material adverse impact on the financial performance and position of the AMP group.

Defined benefit funds

While all of AMP's defined benefit superannuation funds are fully funded, some are presently reported in a deficit position in AMP's financial reports, as required by the relevant accounting standards. This deficit and the potential future funding requirements may be adversely impacted by investment returns, adverse movements in interest rates, or adverse member experience, including that related to longevity.

Accounting mismatches

Accounting mismatches arise because the recognition and measurement rules for certain policyholder assets differ from the recognition and measurement rules for the liability to policyholders in respect of the same assets. These mismatches result in policyholder asset movements, affecting the net profit after accounting mismatches and increased volatility of the reported profit that may reverse over time.

Accounting policies

The accounting policies and methods that the AMP group applies are fundamental to how it records and reports its financial position and the results of its operations. Management must exercise judgement in selecting and applying many of these accounting policies and methods so that they not only comply with generally accepted accounting policies and methods, but they also reflect the most appropriate manner in which to record and report on the financial position and results of operations. However, these accounting policies may be applied inaccurately, resulting in a misstatement of financial position and results of operations.

In some cases, management must select an accounting policy or method from two or more alternatives, any of which might comply with generally accepted accounting principles and be reasonable under the circumstances, yet might result in reporting materially different outcomes than would have been reported under another alternative.

The AMP group's accounting policies and methods may change from time to time with changes in accounting standards and regulation. Accounting policy changes that result in a reclassification of assets between tangible and intangible assets could have a material adverse impact on the AMP group's capital position.

The AMP group has adopted AASB 9 *Financial Instruments* (“**AASB 9**”) effective for periods beginning on 1 January 2018. AASB 9 makes changes to the classification and measurement of financial instruments, introduces a new expected loss model when recognising expected credit losses (ECL) on financial assets and also introduces new general hedge accounting requirements. Based on the impact assessment undertaken by the AMP group, there is no material impact to the AMP group upon adoption of AASB 9 classification and measurement and ECL requirements. As permitted by AASB 9, the AMP group has chosen to continue to apply the hedge accounting requirements of AASB 139 *Financial Instruments: Recognition and Measurement*.

AASB 15 Revenue from Contracts with Customers (“**AASB 15**”) is effective for periods beginning on 1 January 2018. AASB 15 defines principles for recognising revenue and introduces new disclosure requirements. Under AASB 15, revenue will be recognised at an amount that reflects the consideration which an entity expects to be entitled to in exchange for transferring goods or services to a customer.

From an AMP group perspective, AASB 15 applies primarily to fee revenue as life insurance contract related revenue falls outside the scope of AASB 15 and will be accounted for under other applicable standards. There is no material impact to the AMP group upon adoption of AASB 15.

Purchase of financial advisory books of business

Under arrangements currently in place, certain AMP group Australian financial services licensees can be required to buy a financial advisory business or register of clients from financial planners within the licensees’ network based on a pre-agreed formula, typically when the owner of the financial planning business leaves the industry and is unable to complete a trade sale on better terms to another buyer. The value of these businesses or registers could be affected by, amongst other things, changes to regulation, product commissions (for example the continued ability to receive grandfathered commissions), on-going fees and business operating models. These changes, and any others that may occur in future, could result in the AMP group licensees being required to buy a larger volume of businesses or registers than anticipated. There is also a risk of potential impairment to the carrying value of the businesses or registers whilst held by an AMP group licensee.

The AMP group is also exposed to the resale value of these businesses and registers through AMP Bank which provides practice loans to some AMP financial planners secured, typically, against their business or register of clients and any right that they may have to sell these to an AMP group licensee. There is a risk that a loss may arise to the AMP group if AMP Bank, on enforcing its security, is not able to sell the business or register for an amount sufficient to fully repay the debt owing to it. There is also a risk of loss if AMP Bank exercises the financial planner’s right to sell the business or register to the relevant AMP group licensee and the licensee, in turn, is unable to on-sell the business or register for the amount paid by it.

If any of the foregoing risks eventuate, this may have a material adverse impact on the financial performance and position of the AMP group.

Regulatory Risk

Changes in government policy, legislation or regulation

The financial services industry both globally and in Australia and New Zealand continues to undergo a significant level of regulatory change. The AMP group continues to respond and adjust its business model for these changes. However, failure to adequately anticipate and respond to future regulatory changes could have a material adverse impact on AMP’s business model and the performance of its businesses and strategic objectives.

The AMP group provides advice, products and services relating to financial planning, life insurance, superannuation, investments and retail banking, amongst other things. Providers and distributors of such advice, products and services in Australia are subject to various legislative and prudential requirements, including the Corporations Act 2001 (Cth), the Life Insurance Act 1995 (Cth), the Banking Act 1959 (Cth), the Superannuation Industry (Supervision) Act 1993 (Cth), the National Consumer Credit Protection Act 2009 (Cth), the Competition and Consumer Act 2010 (Cth), the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), the Financial Transaction Reports Act 1988 (Cth) and the Privacy Act 1988 (Cth) and related regulations. This regulatory regime

is complex and is presently undergoing significant change. Any failure to comply with regulatory and legislative requirements may result in breaches, fines, regulatory action or reputational impacts, which could have a material adverse impact on the financial performance and position of the AMP group.

The AMP group has the largest financial advice network in Australia and the AMP group offers its financial products and services to retail investors in Australia and New Zealand, and to institutional investors throughout the world. The AMP group has training, supervision and compliance processes in place designed to support its businesses, including its advice network operating within the legal and regulatory framework. There remains a risk that advisers and/or AMP group entities may not comply with the law or regulations when providing products or services to, or receiving fees from, clients or investors. In the event that clients or investors suffer losses as a consequence of any non-compliance with laws, compensation may be required. This could have a material adverse impact on the financial performance and position of the AMP group if such payments are not covered by the professional indemnity insurance the AMP group has in place.

There is also a greater focus on the financial planning industry by ASIC. ASIC has underway a number of reviews and enforcement investigations of the industry and major providers of financial advice, including AMP. If any of these reviews lead to legislative or other regulatory change, this could have an impact on the operating model and/or profitability of AMP's financial planning business. In addition, enforcement action may result in fines, other regulatory action or reputational impacts, which could have a material adverse impact on the financial performance and position of the AMP group.

As the AMP group has the largest financial planning network in Australia, any further significant changes in or application of government policy or legislation in relation to advice on and dealing in life insurance, superannuation, managed investments and bank deposits and mortgages may materially impact the AMP group's strategy and operating performance.

In addition, the potential impact of regulatory change may include a reduction in adviser productivity, a greater loss of advisers due to retirements from the industry, increased numbers of books of financial advisory businesses sold to, or for sale by, AMP, higher operating costs, declining new business volumes, higher cash outflows and greater capital requirements.

Providers and distributors of wealth management and wealth protection products are also subject to varying legislative and regulatory requirements in New Zealand. The New Zealand financial services industry has undergone significant legislative and regulatory reform, with some of this ongoing. The significant changes in the financial services regulatory reform has increased the compliance burden for the AMP group companies operating in New Zealand.

The AMP group also operates in a number of other jurisdictions in addition to Australia and New Zealand. Its businesses are affected by changes to the regulatory framework in those jurisdictions, as well as the cost of complying with regulations that have extra-territorial application.

The AMP group is subject to oversight by regulators regarding its compliance with legislative and regulatory requirements. The regulators include, among others, APRA, the Reserve Bank of Australia, the Reserve Bank of New Zealand, ASIC, the ASX, the Australian Tax Office ("ATO"), the Australian Competition and Consumer Commission, the Australian Transaction Report and Analysis Centre ("AUSTRAC"), the Office of the Australian Information Commissioner, the New Zealand Privacy Commissioner's Office and the New Zealand Financial Markets Authority. If the AMP group does not meet the requirements of regulators, it may be required to take remedial actions and also suffer penalties, such as fines or obligations to pay compensation, the cancellation or suspension of its authority to conduct business, or a requirement to hold a greater level of capital to support its businesses. Non-compliance with regulations may also give rise to adverse publicity for the AMP group. The AMP group cannot predict the impact of future legislation and regulatory change on its business. However, as the amount and complexity of regulation increases, so may the cost of compliance and the risk of non-compliance.

The AMP group is also a member of industry bodies that have self-regulatory codes and standards, including the Financial Services Council. If the AMP group does not meet the requirements of the self-regulatory codes and standards, it may be required to take remedial actions.

In August 2016, APRA released its final capital adequacy standards for conglomerate groups and in February 2018 APRA released a discussion paper outlining proposed revisions to the capital framework for authorised deposit-taking institutions (“ADIs”). It is possible that the new supervision framework for conglomerate groups and the revised capital framework for ADIs will increase the level and nature of the regulatory capital resources attributed to the AMP group and the level of capital required.

Any significant change in the standards prescribed by regulators may have a significant impact on the financial performance and position of AMP group, and the level of capital required to support the AMP group’s business units. In certain circumstances, APRA or other regulators may require AMP and other entities of the AMP group to hold a greater level of capital to support its business and/or require those entities not to pay dividends on their shares or restrict the amount of dividends that can be paid by them.

The results of any of the regulatory changes described in this section may require the AMP group to revise or withdraw its range of products and services, change its premiums, fees and/or charges, redesign its technology or other systems incurring significant expense, retrain its staff and planners, pay additional tax, hold more capital or incur other costs. They may also have a material adverse impact on the financial performance and position of the AMP group.

Federal government reform initiatives

The federal government has asked the Productivity Commission to conduct two significant reviews.

The first is examining the efficiency and effectiveness of the superannuation system. The Productivity Commission released a draft report on 29 May 2018 and is expected to finalise the report by the end of the year. The recommendations if legislated could have a significant impact on the AMP group’s superannuation businesses.

The second Productivity Commission report is examining competition in the banking and financial services sector, including vertical and horizontal integration. The final Inquiry report was handed to the government on 29 June 2018 and tabled in the Parliament on 3 August 2018. Its recommendations, if implemented could impact on AMP’s structure and businesses.

Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Bill 2018 (Cth)

The Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Bill 2018 (Cth) is a response to the Federal Government’s Financial System Inquiry (“FSI”) recommendations released in 2014. The objective of the proposed legislation is to promote the provision of suitable financial products to consumers and to help them understand and select suitable financial products by requiring issuers and distributors to appropriately market and distribute financial products to consumers. The FSI also recommended providing ASIC with a proactive intervention power that would enhance the regulatory toolkit available to it where there is risk of significant consumer detriment. The proposed legislation would increase ASIC’s powers by allowing ASIC to regulate, or if necessary, ban potentially harmful financial and credit products where there is a risk of significant consumer detriment. The power is intended to enable ASIC to take action before harm, or further harm, is done to consumers.

Tax laws

Tax law is frequently being changed, both prospectively and retrospectively. Of particular relevance to the AMP group are changes to tax law affecting the superannuation and financial services industries. Significant recent Australian tax law changes and current proposals for further reforms give rise to risks, as the status and precise scope of many new and proposed tax laws is not yet known.

There are risks that any changes to the tax law, including the current rate of company income tax and further changes to tax concessions such as research and development expenditure, may both impact on demand for financial products and services and also impact on shareholder returns and the level of dividend franking.

The ATO, as part of its ordinary processes in reviewing large business taxpayers, takes into account their size and complexity. The AMP group, as a large and complex group, can be expected to be

subject to a high level of review by the ATO in respect of ongoing taxation compliance. The Inland Revenue takes a similar approach in New Zealand

Senate Economics References Committee Inquiry into Financial Advice

On 4 September 2014, the Senate referred an Inquiry into the Scrutiny of Financial Advice to the Senate Economics References Committee. Submissions have been lodged and the committee held public hearings.

The Terms of Reference include an investigation into the current consumer protections and whether existing compensation arrangements are appropriate in the event of misleading financial advice or misconduct. AMP, the four major banks and other institutions appeared before the Committee.

The Committee reported on 30 June 2017. In its report it flagged that the Committee had completed its work, but expected that the work would continue as part of the Senate Economics References Committee's Inquiry in relation to consumer protection in the banking, insurance and financial sector. This Inquiry is now due to report by 15 November 2018. Any recommendations implemented could affect AMP's financial planning and other businesses.

Life Insurance Products and fees

Recent changes to the corporations legislation relating to commission payments in respect of the life risk insurance products will affect AMP's insurance and financial advice business and is likely to impact on its business models, particularly those relating to adviser and licensee remuneration.

The new law has the effect of limiting commission arrangements by capping the percentage payable in the first year and subsequent years of a policy. The law also imposes a two year clawback period during which intermediaries are required to pay back a percentage of first year commission if a policy lapses.

The specified cap for first year commissions during 2018 is 80% of premium and will phase down over three years to 60%, while ongoing commissions have been capped at 20% of the annual premium. The clawback requirements will require that a percentage of the first year commission be repaid if the policy lapses within the first two years (100% of the first year commission if it lapses in the first year and 60% of the first year commission if it lapses in the second year).

In addition to the foregoing, the life insurance industry in Australia is receiving increased regulator and media scrutiny.

In a report released by ASIC on 23 March 2017 on its investigation into the life insurance business of a third party, ASIC has foreshadowed that it may consider wider industry reforms to bolster the regulatory regime for life risk insurance products, including claims handling, and other financial services to improve consumer outcomes. ASIC has indicated that it will review:

- its enforcement regime (considering the adequacy of the penalties that ASIC can seek for misconduct);
- its constrained jurisdiction over claims handling under the corporations legislation;
- Australian Consumer Law, including an extension of unfair contract terms provisions to insurance contracts (which are currently exempt).

The Joint Parliamentary Committee on Corporations and Financial Services recently completed its review of the life insurance sector and reported its findings to parliament.

Crisis Management Powers

On 5 March 2018, the *Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018* (Cth) commenced. The intention of this Act is to extend the powers of APRA to address crises affecting the Issuer or other APRA-regulated members of the AMP group. The extension of APRA's powers may increase the risk of regulatory action that imposes losses on the

holders of regulatory capital securities such as the Notes.

Royal Commission into Misconduct in the the Banking, Superannuation and Financial Services Industry

On 14 December 2017 the government established a Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. The Commission has broad Terms of Reference. An interim report was issued on 28 September 2018 and the Royal Commission is due to produce its final report no later than 1 February 2019.

Recommendations flowing from the Royal Commission, if legislated, could affect many of AMPs businesses.

Stronger Super

The Stronger Super reforms included the introduction of a simple, cost effective default superannuation product called MySuper from 1 July 2013.

The government has asked the Productivity Commission to develop and release criteria to assess the efficiency and competitiveness of the superannuation system and develop alternative models for a formal competitive process for allocating default fund members to default superannuation products. A draft report was issued on 29 May 2018.

The draft report outlined the Productivity Commission's view that the superannuation system requires reform to better meet the needs of a growing pool of retirees and a modern workforce. The report included proposed measures to address structural flaws such as unintended multiple accounts and underperforming superannuation funds. These include that members should only ever be allocated to a default product once, upon entering the workforce, and they should also be empowered to choose their own super product by being provided a 'best in show' shortlist (up to ten funds), set by a competitive and independent process.

Submissions in response to the draft report were due in July and it is anticipated that the final report will be issued at the end of the year.

2018 Budget Measures

The government announced in the 2018 Budget a range of measures that could impact the Issuer in the event they are legislated. The measures were included in Treasury Laws Amendment (Protecting Your Superannuation Package) Bill 2018 (Cth) and are presently being considered by the Parliament.

Product Risk

Demand for the AMP group's financial products and services is affected by changes in economic conditions, investment markets, investor sentiment, customer preferences, adviser recommendations, regulation, tax law and legislation.

Adverse impact on product margins

Product margins across the AMP group may be adversely impacted by a number of factors, including:

- competitive pressures and margin squeeze: the introduction of lower-priced products in response to competitive dynamics leading to margin compression as customers transfer to lower margin products
- regulatory changes and investigations
- changing consumer and distribution channel behaviour
- portfolio experience: including increased lapse and claims experience and expense experience
- funding cost increases, particularly within the AMP Bank business
- economic outlook, including higher rates of inflation
- product offering and sales mix changes including changes in the mix of assets under management, particularly within the AMP Capital business where greater demand for passive

relative to active management, greater allocation to cash and fixed income assets and greater use of external fund managers may lead to margin compression, and

- strategic distribution channel changes including greater use of external distribution channels such as brokers and the failure to achieve product pull through.

These factors may have a material adverse impact on the financial performance and position of the AMP group.

Claims and persistency experience risk and policy liabilities

AMP Life issues risk insurance policies covering mortality, morbidity and longevity risk under which they are exposed to the risk of insurance claims by policyholders (claims risk) and the risk of policyholders cancelling or allowing their policies to lapse (persistency risk). Actual experience on claims and persistency may differ from the experience assumed when issuing policies. This may be due to (but not limited to) general deterioration in persistency or claims, impacts of pandemics, natural disasters, worsening in general economic conditions, worsening in insured customers' health, advances in medical science, changes in society's attitudes to claiming benefits and changes in state-based injury compensation schemes and other insurance arrangements, and the impacts of changes in financial services regulation.

Income protection and total and permanent disability claims typically increase in periods of higher unemployment and/or when small to medium enterprises are under stress.

External factors driving persistency and claims risks include cost of living pressures and unemployment levels, as well as customers changing policies more frequently.

Deferred acquisition costs represent the upfront cost associated with acquiring new risk insurance business (including adviser payments, controllable costs and stamp duty). If lapse rates on policies associated with deferred acquisition costs were to increase, the deferred acquisition costs may be written down.

To the extent that any of the above risks arise, this may result in a material adverse impact on the financial performance and position of the AMP group and may require the AMP group to hold more capital.

To partly mitigate these risks, the AMP group has entered into various reinsurance arrangements. This includes two significant tranches of reinsurance on the Australian retail insurance portfolio effective November 2016 and November 2017. As a result, the Australian retail insurance portfolio is effectively 65% reinsured for claims incurred from 1 November 2017, providing volatility protection and prudential capital benefits.

The AMP group maintains policy liabilities for future policy benefits and unpaid claims in its life insurance business. The calculation of policy liabilities depends on estimates of expected future revenue, expenses and claims. These estimates use assumptions of future mortality, morbidity, persistency, investment returns, expenses and inflation rates. The assumptions are based on actuarial and statistical information and consideration of the facts and circumstances known at a given point in time. Although the AMP group maintains assets in excess of policy liabilities based on best-estimate assumptions, actual results and conditions may be different from those assumed and may vary from period to period. Further, these estimates are subject to change from time to time, and as a result of any such variation, the AMP group may be required to hold more capital in respect of its previous estimate of policy liabilities.

In addition, insurance liabilities include an explicit allowance for the value of future profits which will be released gradually over the lifetime of the insurance business. Any deterioration in the outlook for future profits will be reflected in updated best estimate assumptions and will lead to a reduction in the future profit margins (and hence reduced future reported profits) and may require additional capital. If the future profit margins are insufficient then the change in best estimate assumptions will lead to future losses being recognised immediately which will negatively impact the financial performance and position of the AMP group and may require additional capital.

As a result of the inherent uncertainties in predicting claims experience and policy liabilities, there can be no certainty that the ultimate costs will not materially exceed the AMP group's estimate of those liabilities (which is in turn used to make provision for future liabilities).

In recent years, AMP has experienced elevated insurance claims and lapse rates. There are many factors that have impacted claims and lapse experience including slower economic activity, the impact of Future of Financial Advice (FoFA) reforms, changes in society's attitudes to claiming benefits, changes in state-based injury compensation schemes as well as changes in AMP's business mix over time.

There is a risk that continued adverse wealth protection experience, after allowing for reinsurance, may have a materially adverse impact on the financial performance and position of the AMP group.

Redemption and rebalancing risks

'Redemption risks' are the risks associated with the AMP group's ability to meet customer requests for redemption from investments, retail deposits, superannuation or pension funds or from the claim, payment or surrender of life insurance policies. The impact of these risks varies depending upon the nature and governing terms of the relevant investment, the arrangements with the customer and the assets in which the fund is invested or which back the policy liability.

Non investment-linked products

Holders of certain policies within the AMP group may surrender their policy in return for a lump sum payment. The AMP group holds assets to meet the policy liabilities as they are expected to fall due. To surrender a policy, generally the policyholder is required to have held that policy for a specified minimum period of time and may have to accept a lower value than the maturity value. In some instances, the AMP group has the right to amend surrender values, subject to meeting minimum statutory requirements.

For certain investments, capital guarantees will apply, and surrender values may at times exceed the value of the assets backing these investments, which could result in a material adverse impact on the financial performance and position and level of capital of the AMP group. The extent of this adverse impact may be greater if, in order to meet redemption requests, the AMP group is forced to dispose of assets, particularly illiquid assets, in a short timeframe, resulting in assets being sold below their fair value under normal market conditions.

Investment-linked products

Policyholders or investors in investment-linked products may seek to redeem some or all of their investments.

In order to satisfy these redemptions, the AMP group, as the manager of the investments, may be required to sell assets underlying the policyholder's or investor's investment.

During certain periods, as was the case in the global financial crisis, some asset classes may be subject to a higher level of redemptions than historically had been the case.

For funds and assets in highly liquid markets, the redemption requests can usually be met through asset sales. For funds and assets in illiquid markets, asset sales can be more difficult to achieve, particularly at short notice, and may result in the asset being sold below its fair value under normal market conditions. In extreme circumstances, it may not be possible to sell certain assets at short notice. Such outcomes could have a material adverse impact on the investment returns of the relevant policyholders or investors. This, in turn, may have a material adverse impact on the financial position and performance of the AMP group.

To the extent that the AMP group believes it cannot meet redemption requests through asset sales, it will usually suspend or defer redemptions (where it has the right to do so) to allow sufficient time to complete the asset sales necessary to meet the requests.

The suspension or deferral of redemptions and subsequent sale of assets, especially below their fair

value, may have a material adverse impact on the financial performance and position of the AMP group.

Economic Risk

Global markets and economic environment

The financial performance of the AMP group is significantly affected by changes in investment markets, market volatility and economic conditions globally. These changes may materially influence aspects of the AMP group including the demand for its products, product margins, investment performance, consumer demand, liquidity, capital resources, reduced cash flows, the value of investments supporting shareholders' funds and investments held on behalf of clients, the availability and the cost of credit and the debt funding requirements of the AMP group and the level of capital required within the AMP group. These risks may have a material adverse impact on the overall financial performance and position of the AMP group.

Systemic shocks in relation to Australian, New Zealand or other financial systems

A major systemic shock could occur which causes an adverse impact on the Australian, New Zealand or other financial systems. The financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility and global economic conditions. Given this, there can be no certainty that any specific market disruptions will not spread, nor can there be any assurance that any future assistance packages or government intervention will be available, or sufficiently robust to address market contagion.

Any such market disruptions could have a material adverse impact on the overall financial performance and position of the AMP group.

Contagion risk

Contagion risk is the risk that concerns about, or default by, one or more financial institution could lead to market-wide liquidity problems, losses or defaults by other institutions. This risk arises in part because of the inter-relationships between many financial institutions (including the AMP group) and is heightened in times of significant volatility in the finance sector and financial markets, more broadly. Contagion risk may have a material adverse impact on the financial performance and position of the AMP group.

Strategic Risk

Strategic risk

'Strategic risk' is the risk associated with the competitive positioning of the business, and the AMP group's ability to respond in a timely manner to changes in its competitive landscape and protect the value of the AMP brand. Examples of strategic risks include competitor disruption, changing customer preferences, and changing political and regulatory environments. The board of AMP sets the overall strategic direction of AMP as part of the strategic planning process, and execution risks are explicitly considered. The Board also sets the risk appetite and establishes an appropriate risk culture to ensure strategic decisions and actions are appropriately governed, controlled and executed.

Failure to adequately anticipate and respond to regulatory change

Failure to adequately anticipate and respond to regulatory change may result in higher costs, sub-optimal processes and an inefficient business response. This in turn could have a material adverse impact on the financial position, performance and reputation of the AMP group.

Brand and reputation

The AMP brand is highly recognised in Australia and New Zealand and has achieved leading brand awareness in its primary markets. Although difficult to measure, a diminution in corporate reputation can contribute to lower new business sales, reduced inflows of investment funds, greater outflows and, ultimately, reduced financial performance and position.

Loss of financial advisers

The AMP group has a large financial advice network across Australia and New Zealand. Failure to attract or retain planners could potentially have a material adverse impact on the financial performance and position of the AMP group.

Inability of the business to adapt to competitor-driven change

The financial services industry in which the AMP group operates is becoming increasingly competitive. Factors contributing to this include the entry of new participants, advances in technology, the development of new business models and alternative distribution methods and broader, better integrated product offerings by major competitors. Responses to increased competition may include product development, lower prices, increased marketing and retention activity, more aggressive risk taking (such as higher benefit levels in risk products) or a combination of these, which may have a material adverse impact on the financial performance and position of the AMP group.

Inability of the business model to adjust to changing customer preferences

Customer preferences continue to evolve in the current financial services environment, driven in particular by advances in technology and competitive dynamics. The failure of the AMP group to adapt its capabilities and operating model in order to remain relevant to customers may impact new business and retention of existing business. This could have a material adverse impact on the financial performance and position of the AMP group.

Corporate transactions

The AMP group at times evaluates and may undertake a range of corporate transactions, including acquisitions, divestments, mergers, joint ventures and strategic alliances. These transactions can be complex and costly and may require AMP to comply with additional local or foreign regulatory requirements which may carry additional risks. These decisions may, for a variety of reasons, not deliver the anticipated positive business results impacting AMP's business, prospects and engagement with regulators. This could have a material adverse impact on the financial performance or position of the AMP group.

At the full year 2017 results, AMP group announced it had commenced a portfolio review of the manage for value businesses (Australian wealth protection, New Zealand and Mature). In its 2018 half year results, AMP group announced that it had re-prioritised the portfolio review after de-prioritising it earlier in 2018.

Contingent liability for disposed businesses

The AMP group may provide for warranties and indemnification for specified periods in relation to the disposal of businesses and portfolios to third parties. While the AMP group has no knowledge that it has any liability under these warranty and indemnity arrangements which is not appropriately provided for, a liability may arise in future. This may have a material adverse impact on the financial performance and position of the AMP group.

Industry and regulatory compliance investigations

AMP is subject to review from time to time by regulators, both in Australia and offshore. In Australia, AMP's principal regulators are APRA, ASIC and AUSTRAC, though, other government agencies may have jurisdiction depending on the circumstances. The reviews conducted by regulators may be industry wide or specific to AMP and the outcomes of those reviews can vary and may lead, for example, to the imposition of penalties, the compensation of customers, enforceable undertakings or recommendations and directions for AMP to enhance its control framework, governance and systems.

Please also refer to the sections "Description of the Issuer – Resetting the business" and "Risks – Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry". There are currently a number of investigations being undertaken by ASIC, some of which are industry wide. These investigations cover a range of matters, including adviser conduct, customer fees, the quality of advice and the monitoring and supervision by AMP of its advisers. AMP is also undertaking reviews concurrently with these regulatory investigations to determine, amongst other things, where customers may have been disadvantaged. In some instances compensation has been paid and,

where the results of our reviews have reached the point that customer compensation is likely, and can be reliably estimated then a provision has been raised.

Advice remediation

Inappropriate advice

The Issuer continues to progress with a customer review and remediation program to identify and compensate customers who have suffered loss or detriment as a result of receiving inappropriate advice from their adviser. The scope of the review includes the period from 1 January 2009 to 30 June 2015 specified by ASIC in Report 515 *Financial advice: Review of how large institutions oversee their advisers* and extended to 31 December 2017, as well as including any instances of inappropriate advice identified through ongoing supervision and monitoring activities.

In some instances compensation has been paid and a provision exists for further compensation payable as the review progresses and client reviews are completed. The Issuer has adjusted its provision estimate for future compensation and this has resulted in an increase in the provision at 30 June 2018. The provision includes a component for advisers for which a remediation review has not yet commenced and the determination of compensation for any given client is not known with certainty until immediately prior to payment.

Advice service fee (fees for no service)

The Issuer has established a program in response to the ASIC project to review the extent of failure to deliver ongoing advice services to financial advice customers who were paying fees to receive those services. This issue, also known as fee for no service, is industry-wide and for the Issuer covers:

- fees charged by advisers without the provision of service; and
- fees charged by licensees without the provision of service when customers were without an advisor.

The program is focussed on the identification and compensation of customers of advisers who have been charged an ongoing service fee without the provision of service. This involves a large-scale review of fee arrangements from 1 July 2008 as specified by ASIC in Report 499 *Financial advice: Fees for no service*. Sampling of customer files has been conducted across AMP group licensees and has identified instances in the review period where customers have paid fees and there is insufficient evidence to support that the associated service had been performed.

The Issuer is developing a process for customer review and remediation within a reasonable timeframe, which on current estimates is three years. The Issuer has been engaging with ASIC on this process and will seek to reach agreement on principles to be applied when remediating customers but agreement is outstanding at the date of this report. The principles to be applied could have a considerable impact on the amount of compensation payable and the variability in outcomes could be significant.

A provision of \$460m for advice customer compensation exists as at 30 June 2018. This provision is judgmental and has been estimated using multiple assumptions derived from the sampling conducted to date. Assumptions used include evidence failure incidence rates, average fees to be refunded and compensation for lost interest or earnings. The actual compensation to customers could be significantly higher or lower than the amount provided.

The final agreement on program and remediation principles with ASIC and the pattern and timing of individual customer compensation could also have a significant impact on the final expenditure.

Provisions for advice remediation do not include amounts for the future costs of executing the program or for potential recoveries from advisers and insurers.

Buy-back arrangements

The Issuer has a number of contractual arrangements with financial advice businesses in the AMP group's advice network to purchase their client registers at agreed values subject to certain conditions being met. These buy-back arrangements include arrangements known as Buyer of Last Resort (BOLR). Advice businesses must register their intention to invoke buy-back arrangements, which have six to twelve month lead times and are subject to audit prior to finalising the purchase price. The

pipeline of buy-back arrangements over the twelve months to 30 September 2019, where notice of intent has been submitted, is \$110 million. Client registers are either acquired outright by the Issuer or the Issuer facilitates a sale to an existing business within its advice network. The Issuer's experience and expectation is that the value of the client registers to the Issuer is greater than the potential purchase price. Accordingly, these arrangements are not considered onerous under current regulatory settings and the Issuer has not recognised any liability related to the notified and potential acquisitions of client registers.

Operational, Legal & Compliance Risk

Operational risk

'Operational risk' is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal and compliance risk, including adherence to regulatory requirements, internal best practice policies and procedures as well as industry standards.

Operational exposures relevant to the industry in which the AMP group operates relate to information technology, human resources, internal and external fraud, anti-money laundering and counter-terrorism financing, anti-bribery and corruption, project management, outsourcing, business resilience and security risk including business continuity and travel safety documentation and record keeping, product administration, unit pricing, business processes, and the introduction of new products. The AMP group operational risk profile reflects these exposures, as well as including exposures related to the quality of financial planning advice and the management of change. Further detail on outsourcing risk, technology risk, cyber-security and loss of personnel are provided separately below.

The financial statements of the AMP group contain provisions for some of these risks and generally disclose certain contingent liabilities in accordance with applicable accounting standards. Given the inherent uncertainty in predicting the outcome of events that may occur in the future, there can be no assurance that such provisions or disclosure adequately address all outcomes that may arise in the future.

Structural subordination

The Issuer is a non-operating holding company whose assets consist primarily of ownership interests in subsidiaries. The Issuer is reliant on the financial performance of, and the continued receipt of dividends or other funding from, its subsidiaries. There is a risk that these subsidiaries may not be in a position to make funds available to the Issuer to enable it to meet its obligations.

Failure of risk management strategies

AMP has implemented risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks. These risks include, but are not limited to, strategic, liquidity, market, credit, counterparty, compliance, market conduct, insurance and operational risk which are all important to the AMP group's reputation. However, there are inherent limitations with any risk management framework as there may exist, or emerge in the future, risks that the AMP group has not anticipated or identified. If any of the AMP group's risk management processes and procedures prove ineffective or inadequate, or are otherwise not appropriately implemented, this could have a material adverse impact on the financial performance and position of the AMP group.

Changes to business operations

AMP has embarked on a portfolio review of the manage for value business to enable it to respond to changing customer and competitor demands and pressures. The program may result in some changes to the business over the short term. These changes could have a material impact on the financial performance and position of the AMP group.

Legal and regulatory proceedings

In the course of its operations, the AMP group is involved in disputes and litigation from time to time.

Similarly, with various business units currently being subject to increased regulatory and media scrutiny (such as its financial advice and life insurance businesses), the AMP group may in the future be the subject of regulatory investigations which, if adverse findings are made, may expose the AMP group to fines, other regulatory sanctions and/or a requirement to pay compensation. The same is true of the Royal Commission which has focused on insurance, financial advice and superannuation. It is scheduled to deliver its final report in February 2019.

Any material or costly dispute, litigation, investigation or compensation programme involving the AMP group could have a material adverse impact on the financial performance and position of the AMP group.

Outsourcing risk

'Outsourcing' involves an organisation entering into an agreement with another party (including a related company) to perform, on a continuing basis, a business activity that currently is, or could be, undertaken within that organisation. 'Offshoring' is the practice of outsourcing business activities to a service provider located in another country or where material elements of the service are provided from another country.

While AMP requires that all material outsourcing arrangements are structured, managed and controlled in such a manner that its market reputation, service to customers, financial performance and obligations to regulators are enhanced or preserved, there remains a risk that these arrangements might fail.

Technology risk

Technology plays an increasingly important role in the delivery of financial services to customers in a cost effective manner. AMP's ability to compete effectively in the future will, in part, be driven by the group's ability to maintain an appropriate technology platform (including execution of new developments), for the efficient delivery of its products and services. Consequently, there is a risk that these, or the services the AMP group uses or is dependent upon, might fail.

Most of AMP group's daily operations rely on information technology (IT) systems that are essential to maintaining business systems including effective communications with customers. The exposure to IT systems risks include the complete or partial failure of information technology systems or data centre infrastructure, the inadequacy of internal and third-party information technology systems due to, among other things, failure to keep pace with industry developments and the capacity of the existing systems to effectively accommodate growth and integrate existing and future acquisitions and alliances.

AMP updates and builds new information technology systems to assist it to satisfy regulatory demands, ensure information security, enhance services for its customers and integrate the various segments of its business. Failure of these IT systems could result in business interruption, loss of customers, financial compensation, loss of reputation and/or a weakening of AMP's competitive position. A failure to implement IT projects effectively or execute them efficiently could lead to increased project costs, delays in the ability to comply with regulatory requirements or failure of information security controls.

There is also a risk that competitors introduce new technologies which challenge, or render redundant, the technology used by AMP. Together with these factors, a failure to respond to new technologies may result in an actual or comparative decrease in AMP's ability to service its customers.

The Issuer has a dedicated information technology group that manages IT risks. There is an overarching IT operating model that describes the organisational structure, key services, and governance model. Focus areas are IT security, IT risk management, disaster recovery, resilience, service experience, change management, IT architecture & strategy and IT delivery teams.

Cyber-risk

The ongoing evolution of technologies has led to a rapidly changing threat landscape that cybercriminal networks seek to exploit. There is an increase in cybercriminal activity on a global level. By exploiting system vulnerabilities, successful cyberattacks on AMP systems can result in

unavailability or loss of critical systems or third parties obtaining customer and corporate data.

AMP's network and assets are protected through the use of detective, preventative and responsive controls. A dedicated onshore Cyber Security function exists for the AMP group to reduce the impacts of cybercrime activity, measure the effectiveness of AMP's mitigation activities and take appropriate action to maintain defences.

Staff retention and key person risk

The AMP group's future success will depend on its continued ability to attract and retain highly skilled and qualified personnel. There can be no assurance that key personnel will continue to be employed by, or contracted to, the AMP group. Failure to retain or attract key personnel could have a material adverse impact on the financial performance and position of the AMP group.

Risks associated with the Notes

Market price and liquidity of Notes

The market price of the Notes may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, changes in interest rates, credit margins, foreign exchange rates, credit ratings and capital markets, and other factors that may affect the AMP group's financial performance and capital position. There is a risk that one or more of these factors will cause the market value of the Notes to decline and trade at a market price below the Face Value. The occurrence of a Non-Viability Trigger Event is also likely to cause the market price of the Notes to decline.

If credit spreads on debt securities widen, the Margin payable on the Notes (as determined in the Bookbuild) will be less attractive to purchasers of the Notes than at the Issue Date. Accordingly, the market price of the Notes may reduce to reflect the lower price new investors are willing to pay for the Notes given the below-market margin.

The market price of the Notes may be more sensitive to changes in interest rates and credit spreads than the price of Ordinary Shares or comparable securities issued by members of the AMP group or other entities.

As a result, Holders who wish to sell their Notes before the Maturity Date may incur loss if the Notes trade at a market price below the amount at which the Notes were acquired. The Issuer is unable to forecast or guarantee the market price of the Notes. Unlike Ordinary Shares, the Notes do not provide a material exposure to growth in the AMP group's business.

Any market for the Notes may also be less liquid than the market for Ordinary Shares or comparable securities issued by members of the AMP group or other entities and may be volatile.

Notes are unsecured and subordinated obligations

The Notes are unsecured and subordinated notes to be issued by the Issuer.

The Notes are not secured over any of the AMP group's assets. They are not deposit liabilities of AMP Bank or any other member of the AMP group and are not policies with any member of the AMP group for the purposes of the Life Insurance Act. They are also not investments in any superannuation or other fund managed by a member of the AMP group.

The Notes are claims on the Issuer. The Issuer is a non-operating holding company. A substantial majority of its assets are its investments in other members of the AMP group. Its claims in respect of those investments rank behind depositors, policyholders and other creditors in a winding-up of those companies. Holders have no claim on any other members of the AMP group for payment of any amount in respect of the Notes.

On a winding-up of the Issuer (if a Non-Viability Trigger Event has not occurred), the Notes rank for

payment behind Senior Creditors. Holders will lose the money invested in the Notes, and any Interest due and unpaid at that time, if there are insufficient assets to satisfy Senior Creditors in a winding-up of the Issuer.

If a Non-Viability Trigger Event occurs and the Notes are Converted, Holders will rank equally with other holders of the Ordinary Shares for the return of any surplus assets in a winding-up of the Issuer after payment of all creditors and holders of any preference shares. If the Ordinary Shares to which certain Holders would have been entitled upon Conversion are issued to a Sale and Transfer Agent, because the Holders are either Ineligible Holders or they elected not to receive Ordinary Shares (and other reasons set out in the Terms), such Holders will have the right to receive the cash proceeds of the sale of the Ordinary Shares on market, and will have no claim against the Issuer or any other member of the AMP group in respect of their Notes. If the Notes are unable to be Converted for any reason within 5 Business Days of the Non-Viability Trigger Event, they will be immediately and irrevocably Written-off and the rights of Holders under the Notes will be terminated and Holders will have no claim on the assets of the Issuer or any other member of the AMP group.

All payments on the Notes are subject to satisfaction of the Solvency Condition

All of the Issuer's obligations to make payments in respect of the Notes are subject to the Solvency Condition being satisfied.

If the Solvency Condition is not satisfied, that is, if the Issuer is not able to pay its debts as they become due and payable and the Issuer's assets do not exceed its liabilities, both at the time of making the payment and immediately after making the payment, no payment will be made. The Issuer's failure to pay will not be an Event of Default and any unpaid amount will accrue interest until it is paid and will be payable on the first Interest Payment Date (in the case of Interest) or the first date (in the case of any other amount) on which the Issuer may pay the amount in compliance with the Solvency Condition. However, if a Non-Viability Trigger Event occurs and the Issuer is required to Convert the Notes, the Issuer's accrued and future obligations to make payments in respect of the the Notes which are required to be Converted will cease, in which case, Holders will have no rights to recover any unpaid amounts.

Changes in the Interest Rate

The Interest Rate is calculated for each Interest Period by reference to the Market Rate, which is a benchmark floating interest rate for the Australian money market. The Market Rate is influenced by a number of factors and varies over time. The Interest Rate will fluctuate and may increase or decrease over time as a result of movements in the Market Rate. The Issuer does not control the Market Rate nor the means by which it is determined, which may change.

As the Interest Rate fluctuates, there is a risk that it may become less attractive when compared to the rates of return available on comparable securities issued by the Issuer, other members of the AMP group or other entities.

Conversion may not result in the issue of Ordinary Shares with a market value equivalent to the principal amount of Notes

If a Non-Viability Trigger Event occurs and Notes are required to be Converted, Holders will receive a number of Ordinary Shares based on a volume-weighted average price calculation over a period of days, subject to a Maximum Conversion Number. The Ordinary Shares issued on Conversion may not be able to be sold at the same price as the VWAP basis on which the Conversion Number has been calculated, or at all. Further, there are no conditions to Conversion and the number of Ordinary Shares received may be limited to the Maximum Conversion Number, the market value of which may be much less than the amount of the Holder's investment – see "Conversion following a Non-Viability Trigger Event" below.

Conversion following a Non-Viability Trigger Event

If a Non-Viability Trigger Event occurs, the Issuer may be required to Convert some or all Notes into Ordinary Shares. Relevant Perpetual Subordinated Instruments would be required to be Converted

ahead of the Notes. If Conversion of Relevant Perpetual Subordinated Instruments is not sufficient to satisfy APRA that the Issuer would not become non-viable, then some or all of the Notes and any other Relevant Term Subordinated Instruments would be required to be Converted. As at the date of this Information Memorandum, the Issuer does have Relevant Perpetual Subordinated Instruments on issue, but it has no obligation to keep them on issue while the Notes are outstanding. If there are no Relevant Perpetual Subordinated Instruments on issue and a Non-Viability Trigger Event occurs, the Notes would be required to be Converted (along with some or all of any other Relevant Term Subordinated Instruments).

Holders should be aware that a Non-Viability Trigger Event could occur at any time. It could occur on dates not previously contemplated by them or which may be unfavourable in light of then prevailing market conditions or Holders' individual circumstances. Whether or not a Non-Viability Trigger Event will occur is at the discretion of APRA and the Issuer has no obligation to take steps to avoid non-viability.

The number of Ordinary Shares a Holder will receive is limited to the Maximum Conversion Number. The Maximum Conversion Number is the number of Ordinary Shares into which the Note would Convert assuming a price for Ordinary Shares which is the VWAP over a period of approximately 20 ASX trading days before the Issue Date multiplied by 0.2. If the market price of Ordinary Shares is less than that amount at the point of Conversion, the number of Ordinary Shares issued will be only the Maximum Conversion Number. The number of Ordinary Shares is likely to have a market value less than the principal amount of a Note, and Holders will suffer loss as a result. The Maximum Conversion Number may be adjusted to reflect a consolidation, division or reclassification, or pro rata bonus issue, of Ordinary Shares. However, no adjustment will be made to it on account of other transactions which may affect the price of Ordinary Shares, including for example rights issues, returns of capital, buy-backs or special dividends. The terms of the Notes do not limit the transactions that the Issuer may undertake with respect to its share capital and any such action may increase the risk that Holders receive only the Maximum Conversion Number and so may adversely affect the position of Holders.

Ordinary Shares issued on account of a Non-Viability Trigger Event may not be quoted on ASX.

If for any reason Conversion does not occur within 5 Business Days of the Conversion Date, they will be Written-Off and all rights of Holders in respect of Notes are immediately and irrevocably terminated on and from the Conversion Date. Holders will suffer loss as a result. The circumstances where the Issuer fails to Convert Notes would include where the Issuer is prevented by applicable law (e.g. insolvency laws) from issuing Ordinary Shares but are not limited to those circumstances.

Ordinary Shares issued on Conversion may be issued to a Sale and Transfer Agent

In certain circumstances, the Ordinary Shares that an investor would receive on Conversion will be issued to a Sale and Transfer Agent to sell the shares issued in respect of that investor and pay the cash amount of the net proceeds of sale to the investor. The Sale and Transfer Agent will have no duty in relation to the price or terms of such a sale.

Risks with acquiring Ordinary Shares on Conversion

There are provisions of Australian law that are relevant to the ability of any person to acquire interests in the Issuer beyond the limits prescribed by those laws. The sale of Ordinary Shares in the Issuer may be restricted by such provisions and as a result investors may suffer loss. Holders of Notes should take care to ensure that by acquiring any Notes which may be Converted to Ordinary Shares, they do not breach any applicable restrictions on the ownership of interests in the Issuer. If the acquisition or Conversion of such Notes by the Holder or a Sale and Transfer Agent would breach those restrictions then, in addition to other sanctions for these breaches under applicable law, the Issuer may be prevented from Converting such Notes and where Conversion is required such Notes may be required to be Written-Off.

For a summary of the rights attached to Ordinary Shares, see below under "Additional Information – Rights and liabilities attaching to the Ordinary Shares".

Market price and liquidity of Ordinary Shares

Any Ordinary Shares issued on Conversion will rank equally with existing and future Ordinary Shares, so the ongoing value of Ordinary Shares received will depend on the market price of Ordinary Shares after a Conversion. The market price of Ordinary Shares may fluctuate due to various factors, including investor perceptions, Australian and international economic conditions, credit ratings and AMP group's financial performance and position. Investors should carefully evaluate the investment risks associated with an investment in the Issuer and the AMP group (see "Risks associated with the Issuer and the AMP group" below).

If Notes are Converted into Ordinary Shares, there may be no liquid market for Ordinary Shares at the time of Conversion, or the market at the time of Conversion may be less liquid than that for comparable securities issued by other entities. As a result, Holders of Notes who wish to sell Ordinary Shares on Conversion may be unable to do so at a price acceptable to them, or at all. There is also no guarantee that Ordinary Shares will remain continuously quoted on ASX, or that Ordinary Shares issued on Conversion will be quoted on ASX at all. Trading in ASX-listed securities may be suspended in certain circumstances, or may cease altogether.

The Issuer may redeem the Notes early in certain circumstances

The Issuer may (subject to APRA's prior written approval, which is in its discretion and may not be given) elect to redeem:

- some or all of the Notes on 15 November 2023 or any subsequent Interest Payment Date; or
- all (but not some) of the Notes upon the occurrence of a Tax Event or a Regulatory Event (if AMP did not expect on the Issue Date that the event would occur).

Notes will be redeemed at their Face Value of \$10,000 per Note (plus any accrued and unpaid Interest). There is a risk that the amount received on redemption may be less than the then current market value of Notes. The timing of any redemption may not accord with a Holder's individual financial circumstances or tax position.

No rights for Holders to request or require redemption or acceleration of repayment

Holders have no right to request or require redemption or to accelerate repayment of their Notes prior to the Maturity Date (except where an order has been made or an effective resolution passed for the winding-up of the Issuer). Therefore, prior to the Maturity Date, unless the Issuer elects to redeem the Notes (subject to APRA's prior written approval, which is in its discretion and may not be given), Holders can only realise their investment in the Notes by selling them at the prevailing market price. There is a risk that the prevailing market price will be less than the Face Value of the Notes and/or that the market for the Notes may not be liquid. The Issuer does not guarantee that the Notes may be sold at an acceptable price, or at all. Brokerage fees may be incurred if the Notes are sold through a broker. Losses may be suffered as a result.

The Issuer may fail to pay Face Value, Interest or other amounts

There is a risk that the Issuer may not pay when scheduled or default on payment of some or all of the Face Value, Interest or other amounts payable on the Notes. If the Notes does not pay the amount owing, Holders may lose some or all of the money invested in the Notes.

The remedies of the Holders in the event of non-payment are limited. Failure to pay because the Solvency Condition is not satisfied is not an Event of Default.

If an amount is not paid when the Solvency Condition is satisfied, that is an Event of Default and if that occurs and continues unremedied, the Holder may institute proceedings:

- (a) to recover any amount then due and payable but unpaid on the Notes;

- (b) to obtain a court order for specific performance of any other obligation in respect of the Notes;
or
- (c) institute proceedings for the winding-up of the Issuer.

The Holders are not entitled to accelerate payment on account of such non-payment or other breach by the Issuer of its obligations.

There is a risk that the entire amount owed may not be recovered even if the Holder institutes proceedings against the Issuer. Further, although the Terms may specify certain remedies (for example, seeking an order for the winding-up of the Issuer), the grant of those remedies may be in the discretion of the court, and as such may not be granted.

No restriction on issue of further securities

The Notes do not in any way restrict the Issuer and other members of the AMP group from issuing further securities, or incurring further indebtedness, including indebtedness ranking ahead of or equally with the Notes; or from buying back or redeeming other securities whether issued now or in the future, or from reducing its capital.

Regulatory classification and prudential supervision

APRA's current treatment of the Notes may change and that may give rise to a Regulatory Event entitling the Issuer, with APRA's approval, to Convert the Notes.

APRA has power under applicable law to direct the Issuer or members of the AMP group which it may exercise in a manner adverse to Holders. The power includes power to direct the Issuer not to make payments to Holders.

Australian taxation

The summary of the taxation treatment for certain Holders may not apply in the circumstances of particular Holders, and the tax laws on which it is based may change. Changes in tax law may be unfavourable for Holders. In particular, they may affect the taxation of Interest, the return of the amount invested or Ordinary Shares issued on Conversion. They may affect the Issuer so as to give rise to a Tax Event, entitling the Issuer, with APRA's approval, to redeem the Notes.

Amendments to the Terms

The Terms may be amended as described in "Summary – Amendments to Terms" above. Holders are bound by amendments made in accordance with the Terms even if the Holder does not agree to the changes.

Changes to credit ratings

The Issuer and AMP group's cost of funds, margins, access to capital markets and competitive position and other aspects of its performance may be affected by their credit ratings (including any long-term credit ratings or the ratings assigned to any class of the Issuer's securities). Credit rating agencies may withdraw, revise or suspend credit ratings or change the methodology by which securities are rated. Such changes could adversely affect the market price, liquidity and performance of the Notes.

Terms of the Notes

The following are the Terms of the Notes. Each Holder, and any person claiming through or under a Holder, is deemed to have notice of and is bound by these Terms, the Deed Poll (as defined in these Terms) and this Information Memorandum. Copies of each of these documents are available for inspection by the holder of any Note at the offices of the Issuer and the Registrar at each of their respective addresses set out in the section entitled "Directory" below.

1 Form of Notes

1.1 Constitution under Deed Poll

AMP Subordinated Notes (the **Notes**) are unsecured, subordinated debt obligations of the Issuer constituted by, and owing under, the Deed Poll.

1.2 Form

The Notes are issued in registered form by entry in the Register.

1.3 Face Value

- (a) The Notes have a Face Value of A\$10,000 and are issued fully paid.
- (b) No person shall subscribe for the Notes in Australia unless:
 - (i) the aggregate consideration payable to the Issuer by the subscriber is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates) or the Notes are otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and
 - (ii) the offer or invitation from which the issue results does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act.

1.4 Currency

The Notes are denominated in Australian dollars.

1.5 No certificates

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

1.6 No other rights

The Notes confer no rights on a Holder:

- (a) to vote at any meeting of shareholders of the Issuer;
 - (b) to subscribe for new securities or to participate in any bonus issues of securities of the Issuer; or
 - (c) to otherwise participate in the profits or property of the Issuer,
- except as set out in these Terms or the Deed Poll.

2 Status and subordination

2.1 Subordination

- (a) The Notes constitute direct and unsecured subordinated obligations of the Issuer, ranking:
 - (i) ahead of the claims of all Junior Subordinated Creditors;
 - (ii) equally without any preference among themselves;
 - (iii) equally with the claims of all Pari Passu Subordinated Creditors; and
 - (iv) behind the claims of Senior Creditors.
- (b) The claims of Holders against the Issuer in respect of Notes will, in a winding-up of the Issuer, be subordinated in right of payment to the claims of all Senior Creditors.
- (c) Each Holder must not, and is taken to have waived, to the fullest extent permitted by law, any right to, prove in a winding-up of the Issuer as a creditor in respect of the Notes so as to diminish any distribution, dividend or payment that any Senior Creditor would otherwise receive.
- (d) No Holder may exercise its voting rights (as a creditor in respect of the Notes) in a winding-up of the Issuer so as to defeat the subordination in this clause 2.
- (e) Neither the Issuer nor any Holder shall be entitled to set-off any amounts, merge accounts or exercise any other rights the effect of which is or may be to reduce any amount payable by the Issuer in respect of the Notes held by the Holder or by the Holder to the Issuer (as applicable).
- (f) For the avoidance of doubt, all amounts payable under these Terms are subject to clause 2.2.

2.2 Solvency test

When the Issuer is not in a winding-up:

- (a) no amount is due and payable by the Issuer in respect of the Notes unless, at the time of, and immediately after, the payment, the Issuer is Solvent (**Solvency Condition**). A certificate signed by two directors or a director and a secretary of the Issuer is sufficient evidence as to whether or not the Issuer is Solvent unless it is proved to be incorrect; and
- (b) if all or any part of an amount that otherwise would be due and payable under these Terms is not due and payable because at the time of, and immediately after, the payment the Issuer would not be Solvent then, subject to clause 3.3, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an Event of Default.

2.3 No consent of Senior Creditors

Nothing in this clause 2 shall be taken to require the consent of any Senior Creditor to any amendment of these Terms.

2.4 Not liabilities of AMP Bank Limited; not policies under Life Insurance Act

The Notes are not:

- (a) deposits with, nor deposit liabilities of, AMP Bank Limited (ABN 15 079 804 676) or any other member of the AMP group for the purposes of the Banking Act;

- (b) protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act;
- (c) policies with any member of the AMP group for the purposes of the Life Insurance Act;
- (d) guaranteed or insured by the Australian Government or under any compensation scheme of the Australian Government, or by any other government, under any other compensation scheme or by any government agency or any other party; nor
- (e) investments in any superannuation or other fund managed by a member of the AMP group.

3 Interest

3.1 Interest

Each Note bears interest (**Interest**) on its Face Value from (and including) its Issue Date to (but excluding) its Maturity Date or any Redemption Date at the Interest Rate.

Interest is payable in arrear on each Interest Payment Date.

3.2 Interest Rate determination

The Interest Rate payable in respect of a Note must be calculated by the Issuer in accordance with these Terms.

The Interest Rate applicable to a Note for each Interest Period is calculated according to the following formula:

Interest Rate = Market Rate + Margin

and expressed as a percentage per annum, where:

Market Rate means, for the Interest Period, the rate for prime bank eligible securities having a tenor of 3 months, which is designated as the “AVG MID” on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) on the first Business Day of the Interest Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any page that replaces that page) by 10:30am, Sydney time, on that day (or such other time at which such rate customarily appears on that page), or if it does appear but the Issuer determines that there is an obvious error in that rate, “**BBSW Rate**” means the rate determined by the Issuer in good faith as at approximately 10:30am on that day, having regard to comparable indices then available; and

Margin means 2.75% per annum.

3.3 Cumulative Interest

Provided that a Note has not been Redeemed, Converted or Written-off:

- (a) Interest shall accrue at the Interest Rate in the manner provided in this clause 3 on:
 - (i) any amount of principal which is not paid by virtue of clause 2.2(a); and
 - (ii) any amount of principal, the payment of which is improperly withheld or refused when due and payable;
- (b) any amount of Interest which is not paid by virtue of clause 2.2(a), or payment of which is improperly withheld or refused when due and payable, accumulates and

accrues Interest at the Interest Rate (as if it were an amount of Face Value) as provided in this clause 3; and

- (c) any amounts not paid by virtue of clause 2.2(a) and any amount accumulating under this clause 3.3 remains a debt owing and is due and payable:
 - (i) in the case of Interest, on the first Interest Payment Date; and
 - (ii) in the case of any other amount, on the first date,

on which amounts may be paid in compliance with the Solvency Condition.

4 General provisions applicable to Interest

4.1 Calculation of Interest amount

The Issuer must, as soon as practicable after calculating the Interest Rate in relation to each Interest Period for each Note, calculate the amount of Interest payable for the Interest Period in respect of the Face Value of each Note.

The amount of Interest payable on each Note for an Interest Period is calculated according to the following formula:

$$\text{Interest payable} = \frac{\text{Interest Rate} \times \text{Face Value} \times \text{N}}{365}$$

where:

N means, in respect of:

- (a) the first Interest Payment Date in respect of a Note, the number of days from, and including, its Issue Date to, but excluding, that first Interest Payment Date; and
- (b) each subsequent Interest Payment Date, the number of days from, and including, the preceding Interest Payment Date to, but excluding, that Interest Payment Date or, in the case of the last Interest Period, the Maturity Date or Redemption Date.

4.2 Notification of Interest Rate, Interest payable and other items

- (a) In relation to each Interest Period, the Issuer must procure that the Calculation Agent notifies the Registrar (where the Calculation Agent is not the Registrar) and the Holders of the Interest Rate and the amount of Interest payable on each Note.
- (b) The Issuer must give notice under this clause 4.2 as soon as practicable after it makes its calculations and, in any event, by no later than the fourth day of the relevant Interest Period.
- (c) The Issuer may amend its calculation of any amount (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of an Interest Period without prior notice, but must notify the Holders and the Registrar promptly after so doing.

4.3 Determination final

The determination by the Issuer of all amounts and rates to be calculated or determined by it under these Terms is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar and each Holder.

4.4 Calculations

For the purposes of any calculations required under these Terms:

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with 0.00005% being rounded up to 0.0001%);
- (b) all figures must be rounded to four decimal places (with 0.00005 being rounded up to 0.0001); and
- (c) all amounts that are due and payable to a Holder in respect of the Holder's aggregate holding of Notes must be rounded to the nearest one Australian cent (with 0.5 of a cent being rounded up to one cent).

5 Redemption and purchase

5.1 Scheduled Redemption

The Issuer shall Redeem each Note on the Maturity Date by payment of its Face Value (together with, pursuant to clause 4, any Interest accrued to (but excluding) the Maturity Date) unless:

- (a) the Note has been previously Redeemed;
- (b) the Note has been purchased by the Issuer and cancelled; or
- (c) it has been Converted or Written-off.

5.2 Early Redemption: Tax Event or Regulatory Event

If a Tax Event or Regulatory Event occurs, the Issuer may, subject to clause 5.5, Redeem all (but not some) Notes by payment of their Face Value (together with, pursuant to clause 4, any Interest accrued to (but excluding) the Redemption Date).

5.3 Early Redemption of a Note at the option of the Issuer

Subject to clause 5.5, the Issuer may Redeem all or some of the Notes on 15 November 2023 or an Interest Payment Date occurring after that date by payment of their Face Value (together with, pursuant to clause 4, any Interest accrued on those Notes to (but excluding) the Redemption Date).

5.4 Partial Redemptions

If only some of the Notes are to be Redeemed under clause 5.3, the proportion of the Notes that are to be Redeemed will be specified in the notice given under clause 5.5(a) and the Issuer will endeavour to treat Holders on an approximately proportionate basis (although it may discriminate to take account of the effect on marketable parcels and other logistical considerations).

5.5 Notice of early Redemption; supporting opinions; consent of APRA

- (a) The Issuer must give at least 15 Business Days (and no more than 45 Business Days) notice to the Registrar and the Holders of any early Redemption of Notes in accordance with this clause 5. Such notice must be given in accordance with clause 14 and the Deed Poll and specify the Redemption Date, which must be a Business Day.
- (b) The Issuer may only Redeem Notes under clause 5.2 if the Issuer did not expect the Tax Event or Regulatory Event to occur as at the Issue Date.

- (c) The Issuer may only Redeem Notes under clause 5.2 or 5.3 if:
- (i) either:
 - (A) prior to or concurrently with Redemption, the Issuer replaces the Notes with Relevant Subordinated Instruments or Ordinary Shares and the replacement is done under conditions that are sustainable for the income capacity of the Issuer; or
 - (B) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of the AMP group, that the Issuer does not have to replace the Notes; and
 - (ii) APRA has given its prior written approval of the Redemption.

Holders should note that any approval is at APRA's discretion and may not be given.

- (d) Any Redemption under this clause 5 is subject to clause 2.2.

5.6 Effect of notice of Redemption

Any notice of Redemption given under this clause 5 is irrevocable unless a Non-Viability Trigger Event occurs after the giving of such notice, in which case, such notice will be taken to be revoked immediately and automatically and clause 6 shall apply.

5.7 No Holder option for early Redemption

A Holder cannot require the Issuer or any other person to Redeem (or otherwise purchase) a Note prior to the Maturity Date.

5.8 Late payment

If an amount is not paid under this clause 5 when due, then Interest continues to accrue on the unpaid amount (both before and after any demand or judgment) in accordance with clause 3.3.

5.9 Purchase

Subject to APRA's prior written approval, the Issuer or any member of the AMP group may purchase Notes at any time and at any price. Any Note purchased by or on behalf of the Issuer shall be cancelled.

6 Conversion on Non-Viability Trigger Event

6.1 Non-Viability Trigger Event

- (a) A **Non-Viability Trigger Event** occurs upon:
- (i) the issuance of a notice, in writing, by APRA to the Issuer that the conversion to Ordinary Shares or write-off of Relevant Subordinated Instruments in accordance with their terms or by operation of law is necessary because, without it, APRA considers that the Issuer would become non-viable; or
 - (ii) a determination by APRA, notified in writing to the Issuer, that without a public sector injection of capital, or equivalent support, the Issuer would become non-viable.

A notice given or determination made by APRA under this clause 6.1(a) is a **Non-Viability Determination**.

- (b) If a Non-Viability Trigger Event occurs, the Issuer must convert or write-off:
 - (i) unless paragraph (ii) applies, all Relevant Subordinated Instruments; or
 - (ii) where clause 6.1(a)(i) applies, such amount of Relevant Subordinated Instruments which is required to enable APRA to conclude that the Issuer is viable without further conversion or write-off.

6.2 Consequences of a Non-Viability Trigger Event

- (a) If a Non-Viability Trigger Event occurs:
 - (i) on that date, whether or not that day is a Business Day (the **Conversion Date**), the Issuer must immediately determine in accordance with APRA's determination under clause 6.1:
 - (A) the amount of Notes that will be Converted and the amount of other Relevant Subordinated Instruments which will be converted or written-off; and
 - (B) the identity of the Holders at the time that the Conversion is to take effect on that date (and in making that determination, the Issuer may make any decisions with respect to the identity of the Holders at that time as may be necessary or desirable to ensure Conversion occurs in an orderly manner, including disregarding any transfers of Notes that have not been settled or registered at that time);
 - (ii) subject only to clause 6.3 and despite any other provision in these Terms, on the Conversion Date the relevant amount of Notes will be Converted, and the relevant amount of other Relevant Subordinated Instruments will be converted or written-off, in each case immediately and irrevocably; and
 - (iii) the Issuer must give notice to the Holders of the occurrence of a Non-Viability Trigger Event (a **Non-Viability Trigger Event Notice**) as soon as practicable stating that Conversion has occurred together with the Conversion Date, the amount of Notes which were Converted and the relevant amount of Relevant Subordinated Instruments which were converted or written-off.
- (b) If in accordance with clause 6.1(b)(ii) the Issuer is required to convert or write-off only an amount of Relevant Subordinated Instruments, the Issuer will determine the amount of Notes which will be Converted and other Relevant Subordinated Instruments which will be converted or written-off as follows:
 - (i) first, the Issuer will convert or write-off all Relevant Perpetual Subordinated Instruments before Converting the Notes;
 - (ii) second, if conversion or write-off of Relevant Perpetual Subordinated Instruments is less than the amount sufficient to satisfy APRA that the Issuer would be viable (and provided that APRA has not withdrawn the Non-Viability Determination as a result of the conversion or write-off of the Relevant Perpetual Subordinated Instruments), the Issuer will Convert some or all of the Notes and the Issuer will convert or write-off other Relevant Term Subordinated Instruments in an aggregate amount which when added to the amount of Relevant Perpetual Subordinated Instruments converted or written-off will satisfy APRA that the Issuer would be viable; and
 - (iii) in Converting the relevant Notes or converting or writing-off other Relevant Term Subordinated Instruments the Issuer will endeavour to treat Holders and holders of other Relevant Term Subordinated Instruments on an approximately proportionate basis, but may discriminate to take account of

the effect on marketable parcels and other logistical considerations and the need to effect the Conversion immediately.

- (c) None of the following shall prevent, impede or delay the Conversion of Notes as required by this clause 6.2:
- (i) any failure or delay in the conversion or write-off of any other Relevant Subordinated Instruments;
 - (ii) any failure or delay in giving a Non-Viability Trigger Event Notice;
 - (iii) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;
 - (iv) any decision as to the identity of Holders whose Notes are to be Converted in accordance with clause 6.2(a)(i)(B); or
 - (v) any requirement to select or adjust the amount of Notes to be Converted in accordance with clause 6.2(b)(iii).
- (d) From the Conversion Date, but subject to clause 6.3 and clause 14.3(b), the Issuer shall treat the Holder in respect of the Notes as the holder of the Conversion Number of Ordinary Shares and will take all such steps, including updating any of its registers, required to record the Conversion.

6.3 Write-off where Conversion does not occur

- (a) Notwithstanding any other provisions of these Terms, if for any reason (including, without limitation, an Inability Event) Conversion of any Notes which are required to be Converted does not occur within 5 Business Days of the Conversion Date, then the relevant Holder's rights (including to Interest and payment of Face Value and to be issued with the Conversion Number of Ordinary Shares) in relation to such Notes are immediately and irrevocably written-off and terminated (**Written-off**) with effect on and from the Conversion Date.
- (b) The Issuer may, but is not required to, seek advice from reputable legal counsel as to whether an Inability Event has occurred and is subsisting. An Inability Event is taken to have occurred and subsist if the Issuer receives advice to that effect from such counsel. The seeking of advice by the Issuer under this clause 6.3(b) shall not delay or impede the Write-off of the Notes when required under clause 6.3(a).
- (c) The Issuer must give notice to Holders if Conversion has not occurred by operation of this clause 6.3 but failure to give that notice shall not affect the operation of this clause 6.3.

6.4 Consent to receive Ordinary Shares and other acknowledgements

Subject to clause 6.3, each Holder irrevocably:

- (a) upon receipt of the Conversion Number of Ordinary Shares following Conversion of Notes in accordance with this clause 6 and clause 7, consents to becoming a member of the Issuer and agrees to be bound by the constitution of the Issuer, in each case in respect of Ordinary Shares issued on Conversion;
- (b) acknowledges and agrees that, unless it has given notice in accordance with clause 7.11 that it does not wish to receive Ordinary Shares as a result of Conversion, it is obliged to accept Ordinary Shares on Conversion notwithstanding anything that might otherwise affect a Conversion of Notes including:
- (i) any change in the financial position of the Issuer or the AMP group since the Issue Date;

- (ii) it being impossible or impracticable to list the Ordinary Shares on the ASX;
 - (iii) it being impossible or impracticable to sell or otherwise dispose of the Ordinary Shares;
 - (iv) any disruption to the market or potential market for Ordinary Shares or capital markets generally;
 - (v) any breach by the Issuer of any obligation in connection with the Notes; or
 - (vi) the occurrence of a Regulatory Event or a Tax Event;
- (c) acknowledges and agrees that:
- (i) Conversion is not subject to any conditions other than those expressly provided for in this clause 6 and clause 7;
 - (ii) Conversion must occur immediately on the Conversion Date and that may result in disruption or failures in trading or dealings in the Notes;
 - (iii) it will not have any rights to vote in respect of any Conversion; and
 - (iv) notwithstanding clause 7.9, Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;
- (d) acknowledges and agrees that where clause 6.3 applies, no other conditions or events will affect the operation of that clause and it will not have any rights to vote in respect of any termination under that clause;
- (e) acknowledges and agrees that it has no right to determine whether Notes are Converted; and
- (f) acknowledges and agrees that it has no remedies on account of the failure of the Issuer to issue Ordinary Shares in accordance with this clause 6 other than, subject to clause 6.3, to seek specific performance of the Issuer's obligation to issue Ordinary Shares.

6.5 No Conversion at the option of Holders

Holders do not have a right to request Conversion of their Notes at any time.

7 Conversion Mechanics

7.1 Conversion

On the Conversion Date, subject to clauses 6.3 and 7.11, the following shall occur:

- (a) The Issuer shall allot and issue the Conversion Number of Ordinary Shares to the Holders for each such Note held by the Holder.

The Conversion Number will be calculated by the Issuer in accordance with the following formula:

$$\text{Conversion Number for each Note} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

subject to the Conversion Number being no greater than the Maximum Conversion Number.

where:

VWAP (expressed in dollars and cents) means the VWAP during the VWAP Period; and

Maximum Conversion Number means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{0.20 \times \text{Issue Date VWAP}}$$

- (b) Each Holder's rights in relation to each Note that is being Converted as determined in accordance with clauses 6.1 and 6.2(b) will be immediately and irrevocably terminated for an amount equal to the Face Value and the Issuer will apply the Face Value of each Note by way of payment for the subscription for the Ordinary Shares to be allotted and issued under clause 7.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this clause 7.1 is to be applied as provided for in this clause 7.1 and Holders do not have any right to payment in any other way.
- (c) If the total number of Ordinary Shares to be allotted and issued in respect of a Holder's aggregate holding of Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.
- (d) Subject to clause 7.11, where Notes are Converted, the Issuer will allot and issue the Ordinary Shares to the Holder on the basis of the Holder's name and address provided to the Issuer for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares issued on Conversion unless:
 - (i) a Holder has notified the Issuer of a different name and address; and
 - (ii) a Holder has provided such other information as is reasonably requested by the Issuer (including, without limitation, details of the Holder's account to which the Ordinary Shares issued on Conversion are to be credited),

which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date.

7.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under clause 7.1:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Notes will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount (**Cum Value**) equal to:
 - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution including, if the dividend or distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or distribution who is a natural person resident in Australia under the Tax Legislation;
 - (ii) in the case of any entitlement that is not a dividend or other distribution for which adjustment is made under clause 7.2(a)(i) which is traded on ASX on

any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or

- (iii) in the case of other entitlements for which adjustment is not made under clause 7.2(a)(i) or clause 7.2(a)(ii), the value of the entitlement as reasonably determined by the Issuer; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Notes will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

7.3 Adjustments to VWAP for capital reconstruction

- (a) Where during the relevant VWAP Period there is a change to the number of Ordinary Shares on issue because the Ordinary Shares are reconstructed, consolidated, divided or reclassified (in a manner not involving any cash payment to or by holders of Ordinary Shares) (**Reclassification**) into a lesser or greater number, the daily VWAP for each day in the VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reclassification basis will be adjusted by multiplying the VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares immediately after the Reclassification.

- (b) Any adjustment made by the Calculation Agent in accordance with clause 7.3(a) will be effective and binding on Holders under these Terms and these Terms will be construed accordingly. Any such adjustment must be promptly notified to all Holders.

7.4 Adjustments to Issue Date VWAP generally

For the purposes of determining the Issue Date VWAP under clause 7.1, adjustments to the VWAP will be made by the Calculation Agent in accordance with clauses 7.2 and 7.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date, adjustments to the Issue Date VWAP:

- (a) may be made by the Calculation Agent in accordance with clauses 7.5, 7.6 and 7.7; and
- (b) if so made, will be effective and binding on Holders under these Terms and these Terms will be construed accordingly. Any such adjustment must be promptly notified to all Holders.

7.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to clauses 7.5(b) and 7.5(c), if the Issuer makes a pro-rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally (in a manner not involving

any cash payment to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_o \times RD / (RD + RN)$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V_o means the Issue Date VWAP applying immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

- (b) Clause 7.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purposes of this clause 7.5, an issue will be regarded as a bonus issue notwithstanding that the Issuer does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, where the issue on such terms is in compliance with the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this clause 7.5 for any offer of Ordinary Shares not covered by clause 7.5(a), including a rights issue or other essentially pro rata issue. The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 7.5(a) shall not in any way restrict the Issuer from issuing Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence of the Holders.

7.6 Adjustments to Issue Date VWAP for capital reconstruction

- (a) If at any time after the Issue Date there is a change to the number of Ordinary Shares on issue because of a Reclassification (in a manner not involving any cash payment to or by holders of Ordinary Shares) into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares on issue immediately before the Reclassification; and

B means the aggregate number of Ordinary Shares on issue immediately after the Reclassification.

- (b) Each Holder acknowledges that the Issuer may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of Holders or otherwise requiring any consent or concurrence.

7.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 7.5 and 7.6, no adjustment will be made to the Issue Date VWAP where any such adjustment (rounded if applicable) would be less than one per cent of the Issue Date VWAP then in effect.

7.8 Announcement of adjustments to Issue Date VWAP

The Issuer may determine an adjustment to the Issue Date VWAP under clauses 7.5 and 7.6. Such an adjustment will be notified to the Holders (an **Adjustment Notice**) within 10 Business Days of the Issuer determining the adjustment. The adjustment set out in the Adjustment Notice will be final and binding.

7.9 Status and listing of Ordinary Shares

- (a) The Issuer agrees that Ordinary Shares issued on Conversion will rank equally with all other fully paid Ordinary Shares.
- (b) The Issuer agrees to use all reasonable endeavours to list the Ordinary Shares issued on Conversion on ASX.

7.10 Information for Conversion

Where a Note is required to be Converted under these Terms, a Holder wishing to receive Ordinary Shares must in a Holder Details Notice to be given no later than the Conversion Date have provided to the Issuer:

- (a) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;
- (b) the security account details in CHESS or such other account to which the Ordinary Shares may be credited; and
- (c) such other information as is reasonably requested by the Issuer for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to such Holder.

The Issuer has no duty to seek or obtain such information.

7.11 Conversion where the Holder does not wish to receive Ordinary Shares or is an Ineligible Holder

- (a) If Notes are required to be Converted and:
 - (i) the Holder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of Conversion, which notice may be given at any time on or after the Issue Date and no less than 15 Business Days prior to the Conversion Date; or
 - (ii) the Holder is an Ineligible Holder; or
 - (iii) for any reason (whether or not due to the fault of the Holder), the Issuer has not received the information required by clause 7.10 prior to the Conversion Date and the lack of such information would prevent the Issuer from issuing the Ordinary Shares to the Holder on the Conversion Date; or
 - (iv) FATCA Withholding is required to be made in respect of the Ordinary Shares to be issued upon Conversion,

then, on the Conversion Date, the Holder's rights (including to payments of Interest or Additional Amounts, and the repayment of principal) in relation to each such Note being Converted are immediately and irrevocably terminated and the Issuer will issue

the Conversion Number of Ordinary Shares to one or more Sale and Transfer Agents for no additional consideration and on terms that at the first opportunity the Sale and Transfer Agent will sell the Ordinary Shares at market value and pay the Proceeds to the relevant Holder or, in the case of a FATCA Withholding, will deal with the Ordinary Shares and any proceeds of sale as required by FATCA.

- (b) If the Conversion of Notes to which this clause 7.11 applies fails to take effect within five Business Days of the Conversion Date, then Holders' rights will be immediately and irrevocably terminated in accordance with clause 6.3.
- (c) The Issuer has no liability to a Holder for the acts of any Sale and Transfer Agent appointed to sell the Ordinary Shares upon the occurrence of a Non-Viability Trigger Event and has no, nor owes any, duties in connection with any such sale and has no responsibility for any costs, losses, liabilities, expenses, demands or claims which arise as a result of such sale.

7.12 No right of Holders to require Conversion

No Notes can, or will, be Converted at the option of a Holder.

7.13 Conversion if amounts not paid

For the avoidance of doubt, Conversion may occur even if an amount is not paid to a Holder as a consequence of clause 2.2.

7.14 Conversion after winding-up commences

If a Non-Viability Trigger Event occurs, then Conversion shall occur (subject to clause 6.3) in accordance with clauses 6 and 7 notwithstanding that an order is made by a court, or an effective resolution is passed, for the winding-up of the Issuer.

8 Events of Default

8.1 Events of Default

An **Event of Default** occurs in relation to the Notes if:

- (a) subject to clause 2.2, the Issuer fails to pay any amount of principal or Interest within 14 days of the due date for payment; or
- (b) an:
 - (i) order is made by a court and the order is not successfully appealed or permanently stayed within 60 days of the making of the order, or
 - (ii) an effective resolution is passed,

for the winding-up of the Issuer, in each case other than for the purposes of a consolidation, amalgamation, merger or reconstruction which has been approved by a Special Resolution of the Holders or in which the surviving entity has assumed or will assume expressly or by law all obligations of the Issuer in respect of the Notes.

8.2 Notification

If an Event of Default occurs, the Issuer must, promptly after becoming aware of it, notify the Holders and the Registrar of the occurrence of that Event of Default (specifying details of it) and use its reasonable endeavours to promptly notify the Holders of the occurrence of that Event of Default.

8.3 Enforcement

- (a) At any time after an Event of Default under clause 8.1(a) occurs and continues unremedied, then the Holder of any Notes may without further notice bring proceedings:
 - (i) to recover any amount then due and payable but unpaid on the Notes (subject to clause 2.2);
 - (ii) to obtain a court order for specific performance of any other obligation in respect of the Notes;
 - (iii) for the winding-up of the Issuer; or
- (b) At any time after an Event of Default under clause 8.1(b) occurs and continues unremedied, then the Holder of any Notes may declare by notice to the Issuer that the Face Value of each Note (together with all Interest accrued but unpaid to the date for payment) is payable on a date specified in the notice and, subject to clause 2.1, may prove in the winding-up of the Issuer for that amount, but may take no further action to enforce the obligations of the Issuer for payment of any principal or Interest in respect of the Notes. For the avoidance of doubt, the Holder may not make such a declaration (or prove in any such winding-up) when Interest is not paid by virtue of the circumstances set out in clause 2.2.
- (c) The Holder may not exercise any other remedies (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default or other default other than as specified in this clause 8.3.

9 Title and transfer of Notes

9.1 Title

Title to Notes passes when details of the transfer are entered in the Register.

9.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, Interest and any other amount subject to, and in accordance with, these Terms; and
- (b) an entitlement to the other benefits given to Holders under these Terms and the Deed Poll in respect of the Note.

9.3 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

9.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This clause 9.4 applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

9.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of any Note.

9.6 Austraclear

- (a) If Notes are lodged in the Austraclear System, the Registrar will enter Austraclear in the Register as the Holder of those Notes. While those Notes remain in the Austraclear System, all dealings (including transfers and payments) in relation to those Notes within the Austraclear System will be governed by the regulations for the Austraclear System (but without affecting any Term which may cause APRA to object to the AMP group using or having used the proceeds of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group).
- (b) Where Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded is deemed to acknowledge in favour of the Registrar and Austraclear that:
 - (i) the Registrar's decision to act as the Registrar of the Note does not constitute a recommendation or endorsement by the Registrar or Austraclear in relation to the Note but only indicates that such Note is considered by the Registrar to be compatible with the performance by it of its obligations as Registrar under its agreement with the Issuer to act as Registrar of the Note; and
 - (ii) the Holder does not rely on any fact, matter or circumstance contrary to clause 9.6(b)(i).

9.7 Transfers in whole

Notes may be transferred in whole but not in part.

9.8 Transfer

- (a) Where Notes are not lodged in the Austraclear System, subject to clause 9.9, all applications to transfer Notes must be made by lodging with the Registrar a properly completed transfer and acceptance form in the form approved by the Issuer and the Registrar signed by both the transferor and the transferee. Transfer and acceptance forms are available from any Registry Office.
- (c) Notes lodged in the Austraclear System will be transferable only in accordance with the Austraclear Regulations.

9.9 Limit on Transfer

- (a) The Notes may only be transferred pursuant to offers received in Australia if:
 - (i) the aggregate consideration payable at the time of transfer is at least A\$500,000 (disregarding moneys lent by the transferor or its associates) or the Notes are otherwise transferred in a manner which does not require disclosure in accordance with Part 6D.2 or Part 7 of the Corporations Act; and
 - (ii) the transfer does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act.
- (b) Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place and the transfer of the Notes otherwise does not require disclosure to investors in accordance with the laws of the jurisdiction in which the transfer takes place.

9.10 Austraclear Services Limited as Registrar

If Austraclear Services Limited is the Registrar and Notes are lodged in the Austraclear System, despite any other provision of these Terms, those Notes are not transferable on the Register, and the Issuer may not, and must procure that the Registrar does not, register any

transfer of those Notes issued by it and no member of the Austraclear System has the right to request any registration of any transfer of the relevant Notes, except:

- (a) for the purposes of any Conversion, Redemption, repurchase or cancellation of the relevant Note, a transfer of the relevant Note from Austraclear to the Issuer may be entered in the Register; and
- (b) if Austraclear exercises or purports to exercise any power it may have under the Austraclear Regulations from time to time for the Austraclear System or these Terms, to require the relevant Note to be transferred on the Register to a member of the Austraclear System, the relevant Note may be transferred on the Register from Austraclear to the member of the Austraclear System.

In any of these cases, the relevant Note will cease to be held in the Austraclear System.

9.11 Delivery of instrument

If an instrument is used to transfer Notes according to clause 9.8, it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Notes.

9.12 Refusal to register

The Issuer may only refuse to register a transfer of any Notes if such registration would contravene or is forbidden by Austraclear Regulations or the Terms.

If the Issuer refuses to register a transfer, the Issuer must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.

9.13 Transferor to remain Holder until registration

A transferor of a Note remains the Holder in respect of that Note until the transfer is registered and the name of the transferee is entered in the Register.

9.14 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under the Deed Poll in respect of the transferred Notes and the transferee becomes so entitled in accordance with clause 9.2.

9.15 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

9.16 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate of the Face Value of all the Notes registered as having been transferred equals the aggregate of the Face Value of all the Notes expressed to be transferred in the transfer.

10 Payments

10.1 Summary of payment provisions

Payments in respect of Notes will be made in accordance with this clause 10.

10.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of clause 11.

10.3 Payments on Business Days

If a payment:

- (a) is due on a Note on a day which is not a Business Day then the due date for payment will be postponed to the first following day that is a Business Day; or
- (b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay.

Nothing in this clause applies to any payment referred to in clause 7.1(b), which occurs on the Conversion Date as provided in clause 7.1.

10.4 Payment of principal

Payments of principal will be made to each person registered at the close of business on the payment date as the holder of a Note.

10.5 Payment of Interest

Payments of Interest in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note.

10.6 Payments to accounts

Monies payable by the Issuer to a Holder may be paid in any manner in which cash may be paid as the Issuer decides, including by any method of direct credit determined by the Issuer to the Holder or Holders shown on the Register or to such person or place directed by them.

10.7 Payments by cheque

The Issuer may decide that payments in respect of the Note will be made by cheque sent by prepaid post on the payment date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the Note) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the payment date and, no further amount will be payable by the Issuer in respect of the Notes as a result of the Holder not receiving payment on the due date.

10.8 Unsuccessful attempts to pay

Subject to applicable law, where the Issuer:

- (a) decides that an amount is to be paid to a Holder by a method of direct credit and the Holder has not given a direction as to where amounts are to be paid by that method;
- (b) attempts to pay an amount to a Holder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful;
- (c) has made reasonable efforts to locate a Holder but is unable to do so; or
- (d) has issued a cheque which has not been presented within six months of its date, then the Issuer may cancel such cheque,

then, in each case, the amount is to be held by the Issuer for the Holder in a non-interest bearing deposit with a bank selected by the Issuer until the Holder or any legal personal representative of the Holder claims the amount or the amount is paid by the Issuer according to the legislation relating to unclaimed moneys.

10.9 Payment to joint Holders

A payment to any one of joint Holders will discharge the Issuer's liability in respect of the payment.

11 Taxation

11.1 No set-off, counterclaim or deductions

All payments in respect of the Notes must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless required by law.

11.2 Withholding tax

Subject to clause 11.3, if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Holder would not actually receive on the due date the full amount provided for under the Notes, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed within Australia, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause 11.2, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

11.3 Withholding tax exemptions

No Additional Amounts are payable under clause 11.2(b) in respect of any Note:

- (a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of the person having some connection with Australia other than the mere holding of such Note or receipt of payment in respect of the Note provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Tax Legislation where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Tax Legislation;
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;
- (c) to, or to a third party on behalf of, a Holder who is an Offshore Associate of the Issuer and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act; or
- (d) to, or to a third party on behalf of an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if the Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details.

11.4 FATCA

The Issuer may withhold or make deductions from payments or from the issue of Ordinary Shares to a Holder where it is required to do so under or in connection with FATCA, or where it has reasonable grounds to suspect that the Holder or a beneficial owner of Notes may be subject to FATCA, and may deal with such payment, and any Ordinary Shares in accordance with FATCA. If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any further amounts and the Issuer will not be required to issue any further Ordinary Shares on account of such withholding or deduction or otherwise reimburse or compensate, or make any payment to, a Holder or a beneficial owner of Notes for or in respect of any such withholding or deduction. A dealing with such payment and any Ordinary Shares in accordance with FATCA satisfies the Issuer's obligations to that Holder to the extent of the amount of that payment or issue of Ordinary Shares.

12 Amendment

12.1 Amendments without consent

At any time and from time to time, but subject to compliance with the Corporations Act and all other applicable laws, the Issuer may, without the consent of the Holders, amend these Terms or the Deed Poll if the Issuer is of the opinion that such amendment is:

- (a) of a formal or technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error;
- (c) necessary or expedient for the purpose of enabling the Notes to be offered for subscription or for sale under the laws for the time being in force in any place;
- (d) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- (e) in any other case, not materially prejudicial to the interests of the Holders as a whole,

provided that, in the case of an amendment pursuant to paragraph (c), (d) or (e), the Issuer has received an opinion of independent legal advisers of recognised standing in New South Wales that such amendment is otherwise not materially prejudicial to the interests of Holders as a whole.

For the purposes of determining whether an amendment is not materially prejudicial to the interests of Holders as a whole, the taxation and regulatory capital consequences to a Holder (or any class of Holders) and other special consequences or circumstances which are personal to a Holder (or any class of Holders) do not need to be taken into account by the Issuer or its legal advisers.

12.2 Amendment or Substitution of Approved Acquirer

At any time and from time to time, the Issuer may, without the consent of the Holders, amend these Terms as contemplated by clause 13.

12.3 Amendment with consent

Where clause 12.1 or clause 12.2 does not apply, the Issuer may amend these Terms with the approval of the Holders by Special Resolution in accordance with the Deed Poll.

12.4 Consents

Prior to any amendment under this clause 12, the Issuer must obtain any consent needed to the amendment and, in particular, any amendment which may cause APRA to object to AMP group using, or having used, the proceeds of the issue of some or all of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group, is subject to the prior written consent of APRA.

12.5 Notification of amendments

The Issuer must notify the Holders of any amendments made in accordance with this clause 12.

12.6 Interpretation

In this clause 12, “**amend**” includes modify, cancel, amend, waive or add to, and “**amendment**” has a corresponding meaning.

13 Substitution of Approved Acquirer

13.1 Acquisition Event

Each Holder by acquiring a Note agrees that:

- (a) where either of the following occurs:
 - (i) a takeover bid (as defined in the Corporations Act) is made to acquire all, or some of, the Ordinary Shares and such offer is, or becomes, unconditional and either:
 - (A) the bidder has at any time during the offer period, a relevant interest in more than 50% of the Ordinary Shares in issue; or
 - (B) the directors of the Issuer, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or
 - (ii) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be in issue after the scheme is implemented and:
 - (A) all classes of members of the Issuer pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme;
 - (B) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares; and
 - (C) all conditions to the implementation of the scheme, including any necessary regulatory or shareholder approvals (but not including approval of the scheme by the court), have been satisfied or waived,(each an **Acquisition Event**); and
- (b) the bidder (or its ultimate holding company) or the person having a relevant interest in the Ordinary Shares in the Issuer after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved Acquirer,

without the consent of the Holders (but with the prior written approval of APRA):

- (c) the Issuer may amend the terms of the Notes such that, unless APRA otherwise agrees, on any Conversion Date:

- (i) each Note that is being Converted in whole will be automatically transferred by each Holder free from encumbrance to the Approved Acquirer on the Conversion Date;
 - (ii) each Holder (or a Sale and Transfer Agent in accordance with Clause 7.11, which provisions shall apply, subject to necessary changes, to such Approved Acquirer Ordinary Shares) of the Note being Converted will be issued a number of Approved Acquirer Ordinary Shares equal to the Conversion Number and the Conversion mechanics that would have otherwise been applicable to the determination of the number of Ordinary Shares shall apply (with any necessary changes) to the determination of the number of such Approved Acquirer Ordinary Shares; and
 - (iii) as between the Issuer and the Approved Acquirer, each Note held by the Approved Acquirer as a result of the transfer will be automatically Converted into a number of Ordinary Shares the aggregate market value of which equals the prevailing principal amount of that Note (determined on the basis as set out in Clause 7 using a VWAP calculated on the basis of the last period of 5 Business Days on which trading in Ordinary Shares took place preceding, but not including, the Conversion Date (whether such period occurred before or after the Acquisition Event occurred) and subject in all cases to the Maximum Conversion Number); and
- (d) the Issuer may make such other amendments as in the Issuer's reasonable opinion are necessary and appropriate in order to effect the substitution of an Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion in the manner contemplated by these Terms and consistent with the requirements of APRA in relation to Tier 2 Capital, including, without limitation:
- (i) to any one or more of the definitions of "Conversion," "Inability Event," "Ordinary Shares," "Relevant Subordinated Instruments" and "Non-Viability Trigger Event" and to the procedures relating to Conversion and Write Off as contemplated in these Terms to reflect the identity of the Approved Acquirer as the issuer of the ordinary shares to be delivered upon Conversion;
 - (ii) to cause any necessary adjustment to be made to the Maximum Conversion Number and to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in clause 7; and
 - (iii) to these Terms such that any right of Holders to require delivery of ordinary shares of the Approved Acquirer is consistent with the limited right of Holders to require delivery of Ordinary Shares following a Conversion as set out in these Terms.

After a substitution, as described herein, the Approved Acquirer may without the authority, approval or assent of the Holder of Notes, effect a further substitution as described herein (with necessary changes).

13.2 Further substitution

After a substitution, as described in this clause 13, the Approved Acquirer may without the authority, approval or assent of the Holder of Notes, effect a further substitution as described in this clause (with necessary changes).

13.3 No further rights

A Holder has no right:

- (a) to require the Issuer to make any such amendment or to effect any such substitution; or

- (b) to vote upon, or otherwise require that its approval is obtained prior to the occurrence of, any Acquisition Event,

and acknowledges and agrees that there is no provision for any automatic adjustment to these Terms or the Deed Poll on account of an Acquisition Event other than by an Approved Acquirer in this clause 13.

13.4 No right or remedy against the Issuer

If an Acquisition Event occurs and the Issuer does not make any such amendment or substitution prior to the occurrence of a Trigger Event, Holders will remain entitled to Ordinary Shares in the Issuer upon Conversion, calculated on the basis of the VWAP for the five Business Days on which trading in Ordinary Shares last took place (subject to clause 6.3) and Holders shall have no right or remedy against the Issuer on account of such Acquisition Event occurring or as a result of any subsequent inability to further adjust the VWAP in the manner and at the times set out below.

14 General

14.1 Notices

(a) **Notices to Holders**

All notices and other communications by the Issuer to a Holder must be in writing and sent by fax or prepaid post (airmail if appropriate) to or left at the address of the Holder (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication) or sent by email or electronic message to the electronic address (if any) nominated by that person and may also be given:

- (i) by an advertisement published in *The Australian Financial Review*, *The Australian* or any other newspaper of national circulation in Australia; or
- (ii) where Notes are lodged in the Austraclear System, by delivery to the Austraclear System for communication by the Austraclear System to the persons shown in its records as having interests therein.

(b) **Delivery of certain notices**

Notwithstanding clause 14.1(a), a notice under clause 4.2 ("Notification of Interest Rate, Interest payable and other items"), a Non-Viability Trigger Event Notice or a notice of change of Specified Office may each be given to Holders by the Issuer publishing the notice on the Issuer's website.

(c) **Notices**

All notices and other communications to the Issuer, the Registrar or any other person (other than Holders) must be in writing and may be sent by fax or electronic messages to the electronic address (if any) of the addressee or by prepaid post (airmail if appropriate) to or may be left at the Specified Office of the Issuer, the Registrar or such other person.

(d) **When effective**

Notices and other communications the subject of this clause 14.1 take effect from the time they are taken to be received unless a later time is specified in them.

(e) **Receipt – publication in newspaper or via Austraclear System**

If published in a newspaper, a notice or other communication is taken to be received

on the first date that publication has been made in all the required newspapers or, where Notes are lodged in the Austraclear System, on the fourth Business Day after delivery to the Austraclear System.

(f) Deemed receipt – postal, fax or email

- (i) If sent by post, notices or other communications the subject of this clause 14.1 are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).
- (ii) If sent by fax, notices or other communications the subject of this clause 14.1 are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.
- (iii) If sent by email, notices or other communications the subject of this clause 14.1 are taken to be received when:
 - (A) the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the sender sent the email), provided that the sender does not receive an automated message within those four hours that the email has not been delivered.

(g) Deemed receipt - general

Despite clause 14.1(f), if notices or other communications the subject of this clause 14.1 are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day in the place of receipt.

(h) Copies of notices

If these Terms or the Deed Poll requires a notice or other communication to be copied to another person, a failure to so deliver the copy will not invalidate the notice or other communication.

14.2 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of Interest and other amounts) from the date on which payment first became due.

14.3 Voting

- (a) The Deed Poll contains provisions for convening meetings of the Holders to consider any matter affecting their interests including certain variations of these Terms which require the consent of the Holders.
- (b) A Holder has no right to attend or vote at any general meeting of the shareholders of the Issuer.

14.4 Further issues

The Issuer may from time to time, without the consent of any Holder, issue any securities ranking equally with the Notes (on the same terms or otherwise) or ranking in priority or junior to the Notes, or incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion.

14.5 Governing law

These Terms and the Notes are governed by the laws in force in New South Wales.

15 Interpretation and definitions

15.1 Interpretation

In these Terms, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a document includes all schedules or annexes to it;
- (d) a reference to a clause or paragraph is to a clause or paragraph of these Terms;
- (e) a reference to a document or instrument includes the document or instrument as novated, amended, supplemented or replaced from time to time;
- (f) a reference to “Australia” includes any political sub-division or territory in the Commonwealth of Australia;
- (g) a reference to “Australian dollars”, “A\$” or “Australian cent” is a reference to the lawful currency of Australia;
- (h) a reference to time is to Sydney, Australia time;
- (i) other than in relation to a Non-Viability Trigger Event and a Conversion on a Conversion Date and as provided in the definition of Maturity Date, if these Terms require an event to occur on a Business Day, and the date specified by these Terms for the occurrence of that event is not a Business Day, then that event is taken to occur on the next Business Day following that date;
- (j) a reference to a person includes a reference to the person’s executors, administrators, successors and permitted assigns and substitutes;
- (k) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (l) a reference to a statute, ordinance, code, rule, directive or law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (m) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (n) any agreement, representation or warranty by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (o) an Event of Default is subsisting if it has not been remedied or waived in writing;
- (p) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms;
- (q) if the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires, a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Settlement Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be);

- (r) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity subject to regulation and supervision by APRA at the relevant time;
- (s) any provisions which require APRA's consent or approval (written or otherwise) will apply unless APRA has notified the Issuer in writing that it no longer requires that such consent or approval be given at the relevant time;
- (t) a reference to "Tier 1 Capital", "Tier 2 Capital" or "Related Entity" shall, if either term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term;
- (u) any provisions in these Terms requiring the prior approval of APRA for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as of the Issue Date or that it will at any time give its consent or approval to the particular action; and
- (v) a reference to the 'conversion' of a Relevant Subordinated Instrument includes an exchange or other method by which holders come to be issued with Ordinary Shares in place of the Relevant Subordinated Instrument.

15.2 Definitions

In these Terms, these meanings apply unless the contrary intention appears:

Additional Amount means an additional amount payable by the Issuer under clause 11.2(b);

Additional Tier 1 Capital means Additional Tier 1 capital as defined by APRA in accordance with the Prudential Standards from time to time;

AMP group means the Issuer and its Controlled Entities;

APRA means the Australian Prudential Regulation Authority;

Approved Acquirer means the ultimate holding company of the Issuer (whether incorporated in Australia or elsewhere) arising as a result of an Approved Acquisition Event;

Approved Acquisition Event means an Acquisition Event in respect of which each of the following conditions is satisfied:

- (a) the entity which has or is to become the Approved Acquirer has assumed all of the Issuer's obligations to Convert the Notes into Ordinary Shares by undertaking to convert such Notes into Approved Acquirer Ordinary Shares on a Non-Viability Trigger Event in respect of the Approved Acquirer;
- (b) the Approved Acquirer Ordinary Shares are listed on ASX or another recognised exchange; and
- (c) the Issuer, in its sole and absolute discretion, has determined that the arrangements for the issuance of Approved Acquirer Ordinary Shares to Holders following a Non-Viability Trigger Event are in the best interests of the Issuer having regard also to the interests of the Holders and are consistent with applicable law and regulation (including, but not limited to, the guidance of APRA or any other applicable regulatory authority);

Approved Acquirer Ordinary Share means a fully paid ordinary share in the capital of the Approved Acquirer;

ASX means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the

context requires;

ASX Listing Rules means the listing rules of ASX;

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of the Issuer or generally) from time to time;

Austraclear means Austraclear Limited (ABN 94 002 060 773);

Austraclear Participant means a Participant as defined in the Austraclear Regulations;

Austraclear Regulations means the regulations known as the 'Regulations and Operating Manual' established by Austraclear (as amended from time to time) to govern the use of the Austraclear System;

Austraclear System means the system operated by Austraclear for holding the Notes and the electronic recording and settling of transactions in those Notes between members of that system;

Banking Act means the Banking Act 1959 of Australia;

Business Day means for the purposes of calculation or payment of Interest or any other amount, a day on which banks are open for business in Sydney, New South Wales;

Calculation Agent means the Issuer or such other person as the Issuer may appoint to act as calculation agent for the purposes of a provision of these Terms;

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement Pty Limited (ABN 49 008 504 532);

Control has the meaning given in the Corporations Act;

Controlled Entity means, in respect of the Issuer, an entity the Issuer Controls;

Conversion means the conversion of all or some Notes into the Conversion Number of Ordinary Shares in accordance with and subject to clauses 6 and 7. "**Convert**", "**Converting**" and "**Converted**" bear the corresponding meanings;

Conversion Date has the meaning specified in clause 6.2;

Conversion Number has the meaning specified in clause 7.1(a) ;

Corporations Act means the Corporations Act 2001 of Australia;

Costs includes costs, charges and expenses;

Cum Value has the meaning specified in clause 7.2(a);

Deed Poll means the deed entitled "AMP Subordinated Notes Deed Poll" dated on or around the Issue Date;

Directors means some of all of the directors of the Issuer acting as a board;

Event of Default means the happening of any event set out in clause 8.1;

Face Value means the principal amount of each Note, being A\$10,000;

FATCA means the *Foreign Account Tax Compliance Act* provisions, sections 1471 through 1474 of the United States Internal Revenue Code (including any regulations or official

interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions);

FATCA Withholding means any deduction or withholding made for or on account of FATCA;

Foreign Holder means a Holder:

- (a) whose address in the Register is a place outside Australia; or
- (b) who the Issuer otherwise believes may not be a resident of Australia and the Issuer is not satisfied that the laws of the Holder's country of residence would permit the offer to, or the holding or acquisition of Ordinary Shares by, the Holder (but the Issuer will not be bound to enquire into those laws), either unconditionally or after compliance with conditions which the Issuer, in its absolute discretion, regards as acceptable and not unduly onerous;

Holder means, in respect of a Note:

- (a) for the purposes of determining the person entitled to be treated as the holder of Ordinary Shares or to be allotted and issued Ordinary Shares under these Terms and purposes incidental thereto (including, without limitation, for the purposes of clauses 6.2(d), 6.4, 7.1, 7.10 and 7.11), or where Ordinary Shares are to be issued to a Sale and Transfer Agent, the Proceeds of sale of Ordinary Shares and the amount of their entitlements, for so long as a Note is held in the Austraclear System and Ordinary Shares are not able to be lodged in the Austraclear System, a person who is the relevant Austraclear Participant; and
- (d) for all other purposes, the person whose name is entered on the Register as the holder of that Note;

Holder Details Notice means a notice in the form available from the Registrar;

Inability Event means the Issuer is prevented by applicable law, or order of any court, or action of any government authority (including regarding the insolvency, winding-up or other external administration of the Issuer) or any other reason from Converting the Notes;

Ineligible Holder means:

- (a) a Holder who is prohibited or restricted by any applicable law or regulation in force in Australia (including but not limited to Chapter 6 of the Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia, Part IV of the Competition and Consumer Act 2010 of Australia and the Insurance Acquisitions and Takeovers Act 1991 of Australia) from being offered, holding or acquiring Ordinary Shares (provided that if the relevant prohibition or restriction only applies to the Holder in respect of some of its Notes, it shall only be treated as an Ineligible Holder in respect of those Notes and not in respect of the balance of its Notes). The Issuer shall be entitled to treat a Holder as not being an Ineligible Holder unless the Holder has otherwise notified it after the Issue Date and prior to the Conversion Date; or
- (b) a Foreign Holder;

Information Memorandum means the Information Memorandum relating to the offering and issuance of the Notes dated on or about 12 November 2018;

Insurance Act means the Insurance Act 1973 of Australia;

Interest has the meaning given in clause 3.1;

Interest Payment Date means, in respect of a Note, 15 February, 15 May, 15 August and 15 November in each year and the Maturity Date or a Redemption Date with the first Interest Payment Date being 15 February 2019. If any of these dates is not a Business Day, the Interest Payment Date is the following Business Day, provided that the final Interest Payment Date falls on the Redemption Date or the Maturity Date (as adjusted if that day is not a Business Day) (as the case may be);

Interest Period means, for a Note, each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Issue Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date or the Redemption Date;

Interest Rate means, in respect of an Interest Period, for a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note calculated or determined in accordance with clause 3.2;

Issue Date means, in respect of a Note, the date on which that Note is issued;

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clause 7;

Issuer means AMP Limited (ABN 49 079 354 519);

Junior Subordinated Creditors means in respect of the Notes, creditors of the Issuer whose claims against the Issuer arise under instruments issued by the Issuer as Relevant Perpetual Subordinated Instruments or whose claims are in respect of a shareholding including the claims described in section 563AA and in section 563A of the Corporations Act;

Life Insurance Act means the Life Insurance Act 1995 of Australia;

Margin means the margin determined in accordance with clause 3.2;

Market Rate has the meaning given in clause 3.2;

Maturity Date means 15 November 2028 or if that day is not a Business Day, the preceding Business Day;

Maximum Conversion Number has the meaning given in clause 7.1(a);

Meeting Provisions means the provisions for meetings of the Holders set out in schedule 2 to the Deed Poll;

Non-Viability Determination has the meaning given in clause 6.1(a);

Non-Viability Trigger Event has the meaning specified in clause 6.1(a);

Non-Viability Trigger Event Notice has the meaning specified in clause 6.2(a)(iii);

Note has the meaning given in clause 1.1;

Offshore Associate means an associate (as defined in section 128F of the Tax Legislation) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or

- (b) a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia;

Ordinary Share means a fully paid ordinary share in the capital of the Issuer;

Pari Passu Subordinated Creditors means creditors of the Issuer (other than Holders) whose claims against the Issuer arise under instruments issued by the Issuer as Relevant Term Subordinated Instruments;

Proceeds means the net proceeds of a sale of Ordinary Shares actually received by the Sale and Transfer Agent calculated after deduction of any applicable brokerage, stamp duty and other taxes (including, without limitation, FATCA Withholding) and charges, including the Sale and Transfer Agent's reasonable out of pocket Costs properly incurred by or on its behalf in connection with such sale from the sale price of the Ordinary Shares;

Prudential Standards means the prudential standards and guidelines of APRA applicable to a Regulated Entity within the AMP group from time to time;

Reclassification has the meaning given in clause 7.3(a);

Record Date means, for payment of Interest, the date which is eight calendar days before the applicable Interest Payment Date;

Redemption means the redemption of a Note in accordance with clause 5 and the words **Redeem** and **Redeemed** bear their corresponding meanings;

Redemption Date means, in respect of a Note, the date, other than the Maturity Date, on which the Note is Redeemed in whole;

Register means the register of Holders (established and maintained under clause 2.3(a) of the Deed Poll);

Registrar means Austraclear Services Limited (ABN 28 003 284 419) or any other person appointed by the Issuer to maintain the Register and perform any payment and other duties as specified in that agreement;

Registry Agreement means the agreement entitled "ASX Austraclear Registry and IPA Services Agreement" dated on or about 12 March 2015 between AMP Limited and Austraclear Services Limited (ABN 28 003 284 419);

Registry Office means the office of the Registrar as specified in the Registry Agreement or such other office which is notified by the Issuer to Holders from time to time;

Regulated Entity means an authorised deposit-taking institution under the Banking Act, a registered life insurance company under the Life Insurance Act or other prudentially regulated entity;

Regulatory Event means:

- (a) the receipt by the Directors of an opinion from a reputable legal counsel that, as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in any law or regulation applicable in the Commonwealth of Australia or any State or Territory of Australia or any directive, order, standard, requirement, guideline or statement of APRA (whether or not having the force of law), which applies to the Issuer (a **Regulation**) or any official administrative pronouncement or action or judicial decision interpreting or applying such Regulation which amendment, clarification or change is effective, or pronouncement, action or decision is announced, on or after the Issue Date (and which the Issuer does not expect, as at the Issue Date, may come into effect), additional requirements would be imposed on the Issuer in relation to or in connection

with Notes which the Directors determine, in their absolute discretion, to be unacceptable; or

- (b) following a notification from, or announcement or determination by, APRA, the Directors determine in their absolute discretion that APRA objects, or will object, to the AMP group using, or having used, the proceeds of issue of some or all of the Notes to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group;

Related Entity means in respect of the Issuer, any parent entity of the Issuer or any entity over which the Issuer or any parent entity of the Issuer exercises control or significant influence, as determined by APRA from time to time;

Relevant Perpetual Subordinated Instrument means:

- (a) a perpetual subordinated instrument (whether in the form of a note, preference share or other security or obligation) issued by the Issuer or another member of the AMP group not being a Regulated Entity which:
 - (i) in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off where APRA makes a determination as referred to in clause 6.1(a); and
 - (ii) has been confirmed in writing by APRA to the Issuer as constituting as at the date of its issue an instrument the proceeds of which APRA does not object to the AMP group using to fund Additional Tier 1 Capital of a Regulated Entity within the AMP group; and
- (b) an instrument constituting Additional Tier 1 Capital of a Regulated Entity which in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off where APRA makes a determination as referred to in clause 6.1(a),

and includes:

- (c) the AMP Wholesale Capital Notes issued by the Issuer on 27 March 2015; and
- (d) the AMP Capital Notes issued by the Issuer on 26 October 2015;

Relevant Subordinated Instruments means Relevant Perpetual Subordinated Instruments and Relevant Term Subordinated Instruments;

Relevant Term Subordinated Instrument means:

- (a) a term subordinated instrument (whether in the form of a note, preference share or other security or obligation) issued by the Issuer or another member of the AMP group not being a Regulated Entity which:
 - (i) in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off where APRA makes a determination as referred to in clause 6.1(a); and
 - (ii) has been confirmed in writing by APRA to the Issuer as constituting as at the date of its issue an instrument the proceeds of which APRA does not object to the AMP group using to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group; and
- (b) an instrument constituting Tier 2 Capital of a Regulated Entity which in accordance with its terms or by operation of law, is capable of being converted into Ordinary

Shares or written-off where APRA makes a determination as referred to in clause 6.1(a),

and includes:

- (c) the AMP Subordinated Notes 2 issued by the Issuer on 6 November 2013;
- (d) the \$250,000,000 Subordinated Notes issued by the Issuer on 1 September 2017; and
- (e) the Notes;

Sale and Transfer Agent means each nominee (who cannot be a member of the AMP group or a Related Entity of the Issuer) appointed by the Issuer under a facility established for the sale or transfer of Ordinary Shares issued on Conversion on behalf of:

- (a) Holders who do not wish to receive Ordinary Shares on Conversion; or
- (b) Holders who are Ineligible Holders,

in accordance with clause 7.11. For the avoidance of doubt the Issuer may appoint more than one Sale and Transfer Agent in respect of the Conversion of Notes;

Senior Creditors means all creditors of the Issuer other than:

- (a) Holders;
- (b) Pari Passu Subordinated Creditors; and
- (c) Junior Subordinated Creditors;

Solvency Condition has the meaning given in clause 2.2;

a person is **Solvent** if:

- (a) it is able to pay its debts when they fall due; and
- (b) its assets exceed its liabilities,

in each case, determined on an unconsolidated stand-alone basis;

Special Resolution means:

- (a) a resolution passed at a meeting of the Holders duly called and held under the Meeting Provisions:
 - (i) by at least 75% of the persons voting on a show of hands (unless paragraph (b) below applies); or
 - (ii) if a poll is duly demanded, then by a majority consisting of at least 75% of the votes cast; or
- (b) a resolution passed by postal ballot or written resolution under the Meeting Provisions, then by Holders representing (in aggregate) at least 75% of the principal amount outstanding of all of the Notes;

Specified Office means, for a person, that person's office specified in the Information Memorandum or any other address notified to Holders from time to time;

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Holder;

Tax Event means the receipt by the Directors of an opinion from a reputable legal counsel or other tax adviser in Australia, experienced in such matters to the effect that, as a result of:

- (a) any amendment to, clarification of, or change (including any announcement of a change that will be introduced), in the laws or treaties or any regulations of Australia or any political subdivision or taxing authority of Australia affecting taxation;
- (b) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation (**Administrative Action**); or
- (c) any amendment to, clarification of, or change in an Administrative Action that provides for a position that differs from the current generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective, or which pronouncement or decision is announced, on or after the Issue Date and which is not expected by the Issuer on the Issue Date, there is more than an insubstantial risk which the Directors determine (having received all approvals they consider in their absolute discretion to be necessary (including from APRA)) at their absolute discretion to be unacceptable that:

- (a) the Issuer would be exposed to more than a de minimis adverse tax consequence in relation to the Notes;
- (b) the Issuer would be required to pay Additional Amounts in respect of the Notes; or
- (c) any interest payable in respect of the Notes is not or may not be allowed as a deduction for Australian income tax purposes;

Tax Legislation means:

- (a) the Income Tax Assessment Act 1936 of Australia, the Income Tax Assessment Act 1997 of Australia or the Taxation Administration Act 1953 of Australia (and a reference to any section of the Income Tax Assessment Act 1936 includes a reference to that section as rewritten in the Income Tax Assessment 1997);
- (b) any other law setting the rate of income tax payable; and
- (c) any regulation made under such laws,

Terms means these terms and conditions;

Tier 1 Capital means Tier 1 capital as defined by APRA in accordance with the Prudential Standards from time to time;

Tier 2 Capital means Tier 2 capital as defined by APRA in accordance with the Prudential Standards from time to time;

VWAP means the average of the daily volume weighted average prices of Ordinary Shares traded on ASX during the relevant VWAP Period, subject to any adjustments made under clause 7 (such average being rounded to the nearest full cent) but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted

at any time, each as defined in the ASX Operating Rules, or any overseas trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means:

- (a) in the case of the Issue Date VWAP, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Issue Date; or
- (b) otherwise, the period of five Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Conversion Date; and

Written-off has the meaning given in clause 6.3.

Subscription and Sale

Pursuant to the Subscription Agreement dated 8 November 2018 (“**Subscription Agreement**”), Notes will be offered by the Issuer through the Joint Lead Managers. The Issuer will have the sole right to accept any such offers to purchase Notes and may reject any such offer in whole or (subject to the terms of such offer) in part. A Joint Lead Manager will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part.

Each Joint Lead Manager has acknowledged that no action has been or will be taken in any country or jurisdiction by the Issuer or the Joint Lead Manager that would permit a public offering of Notes, or possession or distribution of any offering material in a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

By its purchase and acceptance of Notes issued under the Subscription Agreement, each Joint Lead Manager will be required to agree that it will observe all applicable laws, regulations and directives in any jurisdiction in which it may offer, sell, or deliver Notes and that it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes in any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and directives.

1 General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish this Information Memorandum or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under the applicable law, directive or regulation in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither the Issuer nor any Joint Lead Manager has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer or any Joint Lead Manager being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, the United Kingdom, the United States of America, the European Economic Area, Hong Kong, Singapore, Switzerland, Taiwan, Japan and New Zealand as set out below.

2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the issue and sale of Notes has been, or will be, lodged with ASIC. Each Joint Lead Manager has represented and agreed that it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

- (b) has not distributed or published and will not distribute or publish, this Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is a minimum of A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “**retail client**” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws and directives (including, without limitation, the licensing requirements of Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC.

3 The United Kingdom

In addition to the requirements of paragraph 5 below (“European Economic Area – Prohibition of Sales to EEA Retail Investors”), each Joint Lead Manager has represented and agreed that:

- (a) it has complied, and will comply, with all applicable provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom;
- (b) it has only communicated, or caused to be communicated, and will only communicate, or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer.

4 The United States of America

Regulation S; Category 2

Neither the Notes nor the Ordinary Shares have been, nor will they be, registered under the U.S. Securities Act, the securities laws of any state of the United States or the securities laws of any other jurisdiction and the Notes may not be offered, sold, pledged, delivered, transferred or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. Terms used in the preceding sentence and the following paragraph, have the meaning given to them by Regulation S under the U.S. Securities Act.

Each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver any Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date of the Notes (“**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons. Each Joint Lead Manager has agreed that it will send to each further joint lead manager to which it sells any Notes during the Distribution Compliance Period a confirmation

or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, during the Distribution Compliance Period, an offer or sale of any Notes within the United States by a joint lead manager that is not participating in the offering may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in reliance upon an applicable exemption from the registration requirements under the U.S. Securities Act.

5 European Economic Area

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

6 Hong Kong

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered, sold, delivered or transferred, and will not offer, sell, deliver or transfer in Hong Kong, by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (“**SFO**”)) other than:
 - (i) to “professional investors” within the meaning of the SFO and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) (as amended) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purpose of issue, (in each case, whether in Hong Kong or elsewhere) any advertisement, invitation or other offering material or other document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are,

or are intended to be, disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

7 Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”).

Accordingly, each Joint Lead Manager has represented, warranted and agreed that Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined under Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act;
- (b) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the Securities and Futures Act, the Notes shall not be sold within the period of 6 months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (a) an institutional investor;
- (b) a relevant person; or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act,

unless expressly specified otherwise in Section 276(7) of the Securities and Futures Act.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the Securities and Futures Act) or securities-based derivatives contracts (as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person (as defined in Section 275(2) of the Securities and Futures Act);
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the Securities and Futures Act or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the Securities and Futures Act;
- (iii) where no consideration is or will be given for the transfer;
- (iv) where the transfer by operation of law; or
- (v) as specified in Section 276(7) of the Securities and Futures Act.

8 Japan

Each Joint Lead Manager has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and that disclosure under the FIEA has not been and will not be made with respect to the Notes.

Each Joint Lead Manager has agreed that it has not, directly or indirectly, offered, sold, resold, or otherwise transferred and will not, directly or indirectly, offer, sell, resell or otherwise transfer any Notes or any interest therein, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering, resale or otherwise transferring, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities.

9 New Zealand

Each Joint Lead Manager has acknowledged that this Information Memorandum has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act").

Each Joint Lead Manager has represented and agreed that it has not offered or sold and agrees it will not, directly or indirectly, offer, sell or deliver any Notes in New Zealand or distribute any information memorandum (including this Information Memorandum) or other offering memorandum or any advertisement in relation to any offer of Notes in New Zealand other than to a "wholesale investor" within the meaning of clause 3(2) of Schedule 1 to the FMC Act, being:

- (a) a person who is:
 - (i) an "investment business";
 - (ii) "large"; or
 - (iii) a "government agency",in each case as defined in Schedule 1 to the FMC Act; or
- (b) a person who meets the "investment criteria" in clause 38 of Schedule 1 of the FMC Act.

10 Taiwan

Each Joint Lead Manager has represented and agreed that the Notes have not been registered in Taiwan nor approved by the Financial Supervisory Commission of the Republic of China (Taiwan). Holders of the Notes and any underlying ordinary shares may not resell them in Taiwan nor solicit any other purchasers in Taiwan for this offering.

11 Switzerland

Each Joint Lead Manager has represented and agreed that:

- (a) it will only offer or sell Notes in, into or from Switzerland in compliance with all applicable laws and regulations in force in Switzerland and it will, to the extent necessary, obtain any consent, approval or permission required, for the offer or sale by it of Notes under the laws and regulations in force in Switzerland;
- (b) it will not publicly (as such term is defined or interpreted under the Swiss Code of Obligations) offer, sell or advertise the Notes, directly or indirectly, in, into or from Switzerland; and
- (c) this Information Memorandum and any other offering or marketing materials in relation to the Notes may not be publicly distributed (as such term is defined or interpreted under the Swiss Code of Obligations) or otherwise made publicly available (as such term is defined or interpreted under the Swiss Code of Obligations) in, into or from Switzerland.

This Information Memorandum is not intended to constitute an offer or solicitation to purchase or invest in any Notes. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland (as such term is defined or interpreted under the Swiss Code of Obligations) and will not be listed on the SIX Swiss Exchange or on any other exchange or trading venue in Switzerland, and neither this Information Memorandum nor any other offering or marketing material relating to the Notes constitute a prospectus or similar notice as such term is defined or interpreted pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other trading venue in Switzerland, and neither this Information Memorandum nor any other offering or marketing material relating to the Notes may be distributed or otherwise made available in, into or from Switzerland in a way that would constitute a public offering of the Notes, as such term is defined or interpreted under the Swiss Code of Obligations.

12 Malaysia

Each Joint Lead Manager has represented and agreed that this Information Memorandum may not be distributed or made available in Malaysia. Each Joint Lead Manager has represented and agreed that the Notes are not being offered or made available for purchase in Malaysia.

Any offer of Notes may not be accepted from any investor in Malaysia.

Australian Taxation

1 Introduction

This summary of the Australian tax consequences is based on the Income Tax Assessment Acts of 1936 and 1997 (together, “**Australian Tax Act**”), the Taxation Administration Act 1953, the A New Tax System (Goods and Services Tax) Act 1999 (“**GST Act**”) and any relevant regulations, rulings or judicial or administrative pronouncements, at the date of this document.

This summary applies to Holders that are:

- (a) residents of Australia for tax purposes that do not hold their Notes in the course of carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Notes in the course of carrying on a business at or through a permanent establishment in Australia (“**Australian Holders**”), and
- (b) non-residents of Australia for tax purposes that do not hold their Notes in the course of carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that hold their Notes in the course of carrying on a business at or through a permanent establishment outside of Australia (“**Non-Australian Holders**”).

This summary is not exhaustive and, in particular, does not deal with the position of certain classes of Holders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Austraclear.

This summary is not intended to be, nor should it be construed as legal or tax advice to any particular holder of Notes. Each Holder should seek professional tax advice in relation to their particular circumstances.

2 Australian income tax

Interest payments

Australian Holders will be required to include any Interest in respect of their Notes in their Australian assessable income.

Whether the Interest should be recognised as assessable income on a realisation or accruals basis will depend on the individual circumstances of the Australian Holder (see also the “*taxation of financial arrangements*” summary below).

Non-Australian Holders should not be subject to Australian income tax in respect of Interest payments received on their Notes. This is on the basis that AMP intends to satisfy the requirements of section 128F of the Australian Tax Act in respect of Interest paid on Notes (see summary below).

Gain on disposal or redemption of the Notes

Australian Holders will be required to include any gain or loss on disposal or redemption of Notes in their assessable income. Depending on the circumstances of the Australian Holder, either the rules relating to “traditional securities” (in sections 26BB and 70B of the Australian Tax Act) or “taxation of financial arrangements” (see summary below) should apply.

For the purpose of calculating an Australian Holder's gain or loss on disposal or redemption of Notes:

- the cost of a Note should generally be its Face Value for Holders who acquire Notes under this document;
- the proceeds from a disposal will generally be the gross amount received by the Holder in respect of the disposal of Notes; and
- if the Notes are redeemed by AMP, the proceeds from the redemption may be taken to exclude any parts of the redemption amount paid to Holders that are referable to any accrued and unpaid Interest on Notes. Those Interest amounts may be treated in the same manner as Interest payments received during the term of Notes. Again, Holders should seek their own taxation advice in relation to the application of the Australian Tax Act to their particular circumstances.

Non-Australian Holders that are non-residents of Australia should not be subject to Australian income tax on gains made on the disposal or redemption of Notes, provided:

- if the Non-Australian Holder is not a resident of a country with which Australia has entered into a comprehensive double tax treaty – such gains do not have an Australian source; or
- if the Non-Australian Holder is a resident of a country with which Australia has entered into a comprehensive double tax treaty – the Non-Australian Holder is fully entitled to the benefits of the double tax treaty to exclude Australia's jurisdiction to tax the income.

A gain arising on the sale of Notes by a Non-Australian Holder that is a non-resident of Australia to another non-resident of Australia where Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source.

If a gain realised by a Non-Australian Holder is subject to Australian income tax, depending on the circumstances of the Holder, either the rules relating to "traditional securities" or "taxation of financial arrangements" should apply.

No gain on Conversion of the Notes

Holders (whether an Australian Holder or a Non-Australian Holder) should not make any taxable gain or loss if Notes are Converted into Ordinary Shares. This is because any gain or loss on the Conversion should be disregarded under the Australian Tax Act.

Ordinary Shares acquired as a consequence of the Conversion should generally be treated as having a cost base and reduced cost base for Australian capital gains tax ("**CGT**") purposes equal to the cost base of the relevant Notes at the time of Conversion. For Australian CGT purposes, the acquisition date of the Ordinary Shares should generally be the time of Conversion. This will be relevant in the event that an Australian Holder subsequently disposes of the Ordinary Shares.

In the case of a Non-Australian Holder that is a non-resident of Australia, any capital gain or loss made by that Holder from any subsequent disposal of Ordinary Shares is likely to be disregarded for Australian CGT purposes. This is because the Ordinary Shares are not likely to be "taxable Australian property" (as defined under the Australian Tax Act) at the time of disposal.

Holders should seek their own taxation advice if their Notes are converted into Ordinary Shares.

3 Australian interest withholding tax

Interest Withholding Tax

For Australian interest withholding tax (“IWT”) purposes, “interest” is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Interest paid on Notes should be “interest” as defined in the Australian Tax Act.

Australian Holders should not be subject to Australian IWT in respect of Interest payments on Notes.

Non-Australian Holders may be subject to Australian IWT at a rate of 10 per cent of the gross amount of Interest paid by AMP to the Non-Australian Holder unless an exemption is available.

Section 128F exemption from IWT

An exemption from IWT is available in respect of Interest paid on Notes if the requirements of section 128F of the Australian Tax Act are satisfied.

AMP intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

In broad terms, the requirements are as follows:

- (a) AMP is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the Notes and when interest is paid; and
- (b) the Notes are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act.

In relation to the Notes, there are five principal methods of satisfying the public offer test. In summary, the five methods are:

- (i) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
 - (ii) offers to 100 or more investors of a certain type;
 - (iii) offers of listed Notes;
 - (iv) offers via publicly available information sources; or
 - (v) offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods;
- (c) AMP does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes (or interests in those Notes) were being, or would later be, acquired, directly or indirectly, by an “associate” of AMP, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
 - (d) at the time of the payment of Interest, AMP does not know, or have reasonable grounds to suspect, that the payee is an “associate” of AMP, except as permitted by section 128F(6) of the Australian Tax Act (see below).

An “associate” of AMP for the purposes of section 128F of the Australian Tax Act includes, when AMP is not a trustee:

- a person or entity which holds more than 50 per cent of the voting shares of, or otherwise controls, AMP;
- an entity in which more than 50 per cent of the voting shares are held by, or which is otherwise controlled by, AMP;
- a trustee of a trust where AMP is capable of benefiting (whether directly or indirectly) under that trust; and
- a person or entity who is an “associate” of another person or company which is an “associate” of AMP under the first bullet point above.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above) an “associate” of AMP does not include a Non-Australian Holder that is acting in the capacity of:

- in the case of section 128F(5) only, a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act), or
- in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act).

Exemptions under certain double tax conventions

Exemptions from IWT are also available for certain non-residents of Australia under double tax conventions.

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”).

Broadly, the New Treaties effectively prevent IWT applying to interest derived by:

- the governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- a “financial institution” resident in a Specified Country which is unrelated to and dealing wholly independently with AMP. The term “financial institution” refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public at the Federal Treasury Department website.

Payment of additional amounts

As set out in more detail in clause 11 of the Terms, if AMP is at any time required by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied

by the Australian Government in respect of Notes, AMP must, subject to certain exemptions contained in clause 11.3 of the Terms, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Holders of those Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required.

4 Other Australian tax matters

Under Australian laws as presently in effect:

- (a) **taxation of financial arrangements** – Division 230 of the Australian Tax Act contains tax timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

A number of elective tax timing methods are available under Division 230. If none of the tax timing elections are made, the default accruals/realisation methods should apply to the taxpayer. Under the default methods, if the gains or losses from a financial arrangement are sufficiently certain, they should be brought to account for tax on an accruals basis. Otherwise, they should be brought to account for tax when they are realised.

Division 230 does not apply to certain taxpayers or in respect of certain short term “financial arrangements”. Division 230 should not, for example, generally apply to Holders of Notes which are individuals and certain other entities (eg certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential Holders should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made;

- (b) **stamp duty and other taxes** – no ad valorem stamp, issue, registration or similar taxes are payable in Australia on:

- (i) the issue, transfer or redemption of any Notes; or
- (ii) the issue or transfer of Ordinary Shares (including an issue of Ordinary Shares as a result of a Conversion) provided that:
 - (i) if all the shares in the Issuer are quoted on ASX at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 90% or more; or
 - (ii) if not all the shares in the Issuer are quoted on ASX at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in the Issuer of 50% or more.

The stamp duty legislation generally requires the interests of associates to be added in working out whether the relevant threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the relevant threshold is reached;

- (c) **TFN/ABN withholding** – withholding tax is imposed on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“TFN”), (in certain circumstances) an Australian Business Number

("ABN") or proof of some other exception (as appropriate). A withholding rate of 47 per cent currently applies. Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then withholding will not apply to payments to a Non-Australian Holder that is a non-resident for Australian tax purposes. Payments to other Holders in respect of Notes may be subject to a withholding where the Holder does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate);

- (d) **dividend withholding tax** — Non-Australian Holders may be subject to dividend withholding tax ("DWT") on certain distributions paid on equity interests in Australian resident entities (such as Ordinary Shares). Non-Australian Holders should consider the application of DWT in the event the Holder's Notes are converted into Ordinary Shares. DWT is generally imposed to the extent "franking credits" do not attach to the relevant distribution or the distribution is not declared to be "conduit foreign income". Australian DWT is imposed at a general rate of 30 per cent but the rate may be reduced under an applicable double tax treaty. The Issuer does not "gross-up" distributions on its Ordinary Shares to account for the imposition of DWT;
- (e) **additional withholdings from certain payments to non-residents** – the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of Notes will need to be monitored by Holders;
- (f) **garnishee directions by the Commissioner of Taxation** – the Commissioner may give a direction requiring AMP to deduct from any payment to a Holder of Notes or the holder of an Ordinary Share any amount in respect of Australian tax payable by the Holder. If AMP is served with such a direction, then AMP will comply with that direction and will make any deduction required by that direction;
- (g) **supply withholding tax** – payments in respect of the Notes can generally be made free and clear of any "supply withholding tax"; and
- (h) **goods and services tax** – neither the issue nor receipt of Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident) a GST-free supply. Furthermore, neither the payment of Face Value or Interest by AMP, nor the disposal of Notes, would give rise to any GST liability in Australia.

U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

FATCA

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”), a 30% withholding (“**FATCA withholding**”) may be required if (i)(A) an investor does not provide information sufficient for the Issuer or any other non-U.S. financial institution (“**FFI**”) through which payments on the Notes are made to determine the Holder’s status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a “non-participating FFI”; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes, whenever issued.

Reporting Australian Financial Institutions (“**RAFI**s”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (“**Australian IGA**”) must comply with specific due diligence procedures to identify their account holders and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Holders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Holders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

Additional Information

Effect on the Issuer of the offer of the Notes:	<p>All or a substantial portion of the proceeds of the issuance of the Notes will be used to fund or support the funding of Tier 2 Capital of a Regulated Entity within the AMP group. This will satisfy the regulatory capital requirements of such Regulated Entity and maintain the diversity of their sources and types of capital funding.</p> <p>The proceeds, less the costs of the issue, will be classified as debt in the financial reports of the Issuer. The issue of the Notes will not have a material impact on the Issuer's financial position, affairs or creditworthiness.</p>
Rights and liabilities attaching to the Notes:	<p>See "Terms of Notes" from pages 45 to 78 of this Information Memorandum.</p>
Effect on the Issuer of the issue of the Ordinary Shares when the Notes are Converted:	<p>The issuance of Ordinary Shares on Conversion of the Notes will result in an increase in the Issuer's shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number.</p>
Rights and liabilities attaching to the Ordinary Shares:	<p>Holders will receive Ordinary Shares on Conversion of the Notes, unless Conversion does not occur for any reason (including without limitation an Inability Event). The rights and liabilities attaching to the Ordinary Shares are set out in the constitution of the Issuer and are also regulated by the Corporations Act, ASX Listing Rules and the general law.</p> <p>This section summarises the key rights attaching to the Ordinary Shares. It is not intended to be an exhaustive summary of the rights and obligations of holders of Ordinary Shares. Investors who wish to inspect the Issuer's constitution may do so in accordance with the instructions set out below.</p> <p>Dividends</p> <p>Holders of Ordinary Shares are entitled to receive such dividends on Ordinary Shares as may be determined by the directors of the Issuer in their discretion. Dividends are payable to holders of Ordinary Shares in proportion to the amount paid on the Ordinary Shares that they hold.</p> <p>Dividends must only be paid in accordance with applicable laws and the Issuer's constitution. Under the Corporations Act, as at the date of this Information Memorandum, the Issuer is restricted from paying dividends unless:</p> <ul style="list-style-type: none">• the Issuer's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;• the payment of the dividend is fair and reasonable to the Issuer's shareholders as a whole; and• the payment of the dividend does not materially prejudice the Issuer's ability to pay its creditors. <p>The Issuer may also be restricted from paying dividends on Ordinary Shares by prudential standards of APRA, or potentially in particular circumstances by the terms of certain of its regulatory capital instruments.</p>

Meetings and voting rights

Holders of Ordinary Shares are entitled to receive notice of, attend and vote at general meetings of the Issuer. Each holder of an Ordinary Share present at a general meeting (whether in person or by proxy or representative) is entitled to one vote on a show of hands or one vote for each Ordinary Share held (or a fraction of a vote in proportion to the amount paid up on that Ordinary Share) on a poll.

Winding-up of the Issuer

Subject to the preferential entitlement (if any) of preference shareholders, on a winding-up of the Issuer, holders of Ordinary Shares are entitled to participate equally in the distribution of assets of the Issuer (both capital and surplus), subject to the Issuer's constitution and any amounts unpaid on the Ordinary Share.

Transfers

Transfers of Ordinary Shares are not effective until registered. Subject to the ASX Listing Rules, the Issuer may refuse to register a transfer of Ordinary Shares without giving any reasons. However, the ASX Listing Rules substantially restrict when the Issuer may refuse to register a transfer.

Unless otherwise required by law, the Issuer is not required to recognise any interest in Ordinary Shares other than the interest of registered holders of Ordinary Shares.

Issue of further Ordinary Shares

The directors control the issue of Ordinary Shares. Subject to the Corporations Act, the directors of the Issuer may issue further Ordinary Shares, redeemable preference shares and bonus shares for no consideration, and grant options over Ordinary Shares, on terms as they think fit.

Other information:

The Issuer is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. The Issuer must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about the Issuer that a reasonable person would expect to have a material effect on the price or value of its listed securities, including the Ordinary Shares.

Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office and the Issuer's ASX announcements may be viewed on www.asx.com.au.

Copies of the following documents are available at www.amp.com.au/shareholdercentre and/or www.asx.com.au and the Issuer will provide a copy of any of the following documents free of charge to any person who requests a copy:

- the Issuer's half-yearly and annual financial reports;
- any continuous disclosure notices given by the Issuer after the lodgement of the AMP group's 2017 Annual Report, but before the date of this notice; and
- the Issuer's constitution,

in person from, or by request made in writing to, the Issuer at:

Address: 33 Alfred Street, Sydney NSW 2000

Attention: Investor Relations

E-mail: amp_investor_relations@amp.com.au

ASX confirmation

ASX has provided a waiver from ASX Listing Rule 7.1 in relation to the issue of Ordinary Shares on Conversion of the Notes on the basis that the only circumstance in which the Notes may Convert into Ordinary Shares under the Terms is on the occurrence of a Non-Viability Trigger Event, which is solely determined by APRA, and on condition that the Issuer releases to the market the material terms and conditions of the Notes when the issue is announced.

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