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Mr Tim Sheehy
Chief Executive
Chartered Secretaries Australia
Level 10
5 Hunter Street
SYDNEY NSW 2000

Dear Mr Sheehy

RETHINKING THE AGM

We are writing to provide feedback to Chartered Secretaries Australia on the discussion paper "Rethinking the AGM".

Part 4 of the discussion paper includes a proposal for separating the deliberative and decision-making functions of an AGM. It is argued that this will improve shareholder engagement at AGMs. For the reasons expressed below, AMP does not support this proposal.

➤ Assumptions underpinning the suggested reform

The discussion paper states on page 9:

"Decoupling the ... functions of the AGM would enable shareholders, particularly retail shareholders, to have the opportunity ... to reflect on the questions posed at the AGM, the directors' responses to those questions and any other issues that were raised on the day, prior to voting.

Keeping the polls open would provide shareholders with the opportunity to consider the information raised at the meeting.....provide the opportunity for a lively exchange of information without the pressure to bring proceedings to a vote during or by the end of the meeting" ..

The fundamental assumption underpinning the suggested reform is that a lively exchange of relevant information in fact occurs at AGMs. This is not AMP's recent experience.

To illustrate the point, we set out below a summary of the questions and issues raised at AMP's recent 2008 AGM:

- in relation to AMP's Financial Statements/Reports and the Remuneration report, Mr Jack Tilburn had several questions (most of which he had foreshadowed to the Company Secretary in the lead up to the AGM), ranging from matters relating to the "font size" of the footnotes in the annual report to the quantum of the demerger reserve maintained by AMP;
- there was also a question from a shareholder about the performance of his personal managed fund portfolio; and
- the ASA asked one question on each of the following - the non-executive directors' fee pool, stock-lending practices and Mr John Palmer's (AMP Director) workload, all of which had been foreshadowed at an earlier private meeting.

At the AGM there were no questions from shareholders on the substantive items of business. These were an increase in the non-executive directors' fee pool, the approval of the CEO's Long Term Incentive grants and the election/re-election of 5 directors.

Consequently, we do not consider that following the conclusion of AMP's 2008 AGM shareholders would have had the benefit of any additional material information to assist them with voting at a later point in time on the resolutions. We believe that this would have also been the case for AMP's 2007 AGM.

Given the limited number of speakers at our 2007 and 2008 AGMs, we are also not clear on how and why the suggested regime would promote any greater shareholder participation at AGMs.

We should, however, add that it is also AMP's experience that when more significant issues arise shareholders do in fact question and debate these at the AGM. The AMP demerger in 2004 is illustrative of this where there was quite a lively debate about AMP's UK investments and performance generally. Ultimately, we believe that the issues faced by a company at any given time drive shareholder participation in any debates at an AGM.

➤ ***Institutional Investors***

Institutional investors hold 53% of AMP's issued capital and, typically, it is their votes that determine the outcome of resolutions put to our AGMs.

As the discussion paper notes, institutional investors prefer to vote in advance by proxy. Once again, the discussion paper assumes that these investors will delay voting to take advantage of the benefit of being able to reflect on the issues raised at the AGM. However, we do not consider that this assumption is correct. Institutional investors prefer to interact with their investee companies other than through the AGM and to discuss in advance any issues to be raised at an AGM. We are not clear why the suggested reform will, or why it ought to, induce this category of investors into modifying their behaviour.

➤ ***Other Comments***

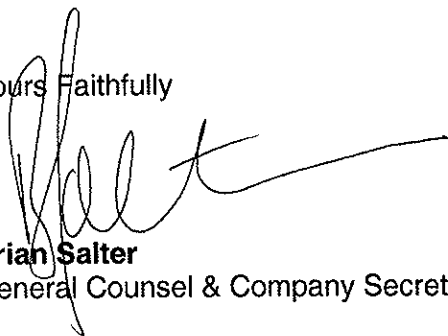
- The AGM is a feature of the modern company and is entrenched in both statute law and in company constitutions. It traces its origins to the very beginning of company law and practice. We therefore consider that caution should be taken when developing any proposals to alter the basic structure of the AGM.
- The combination of the deliberative and decision-making roles for a meeting of company shareholders is quite typical and can be found in many other instances, such as for clubs, political parties, creditor meetings, court ordered meetings and so forth. It does not seem to us that there is any widespread concern regarding the efficacy of such meetings. Accordingly, we do not feel that issues such as shareholder engagements are as a product of or related to the structure of company AGMs.
- At the time the AGM was introduced into company law, it was the primary opportunity for shareholders to interact with directors and senior management. Since then, other channels have developed for shareholders to be informed of the latest initiatives affecting their company. These include the following in AMP's case: analyst and institutional investor briefings (these are also posted on AMP's website and the ASX), the shareholder and media release sections of AMP's website, ASX market announcements through AMP's continuous disclosure obligations and private meetings with shareholder representative bodies such as the ASA. Also, AMP web-casts its AGM so it is not necessary for shareholders to physically attend. In addition, AMP responds to all shareholder correspondence and aims to do so within 7 days of receipt. The significance to shareholders of these newer alternative channels for interaction with their company should not be underestimated. When considering any reforms, we believe

that an all-inclusive approach should be taken to assessing shareholder engagement and that it is not appropriate to focus solely on the AGM as this is not the only means by which this process occurs.

For the reasons expressed above, AMP does not support the suggested AGM reform. Having said this, AMP, with the 3rd largest shareholder register in Australia, is committed to strengthening its relationship with its shareholders. We are, for example, at present considering the merits of implementing direct voting at our AGMs.

We are more than happy to discuss this matter with you. We are also willing to participate in future deliberations of the Roundtable if you would like us to do so.

Yours Faithfully

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

Brian Salter
General Counsel & Company Secretary