

Notice of  
**SUPPLEMENTARY OR REPLACEMENT  
 OFFER DOCUMENT**



\*10057112138\*

Regulation 13 (3) (c), Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008

Issuer name

AMP Group Finance Services Limited (ABN 95 084 247 914)  
 Level 24, 33 Alfred Street  
 Sydney NSW 2000

NZ issuer number (if any)

2217041

Australian number (ARSN)

1. I hereby give notice that on

11 March 2009  
 Day Month Year

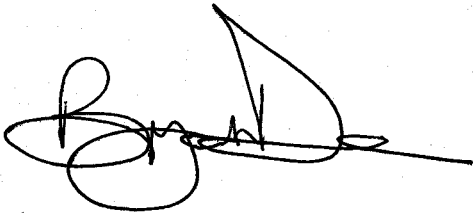
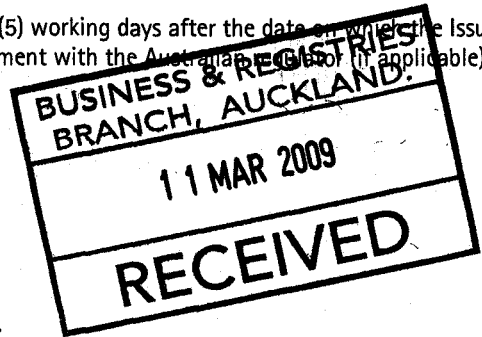
the Issuer did file (or should have filed) the attached supplementary or replacement offer document with the Australian regulator (if applicable).

2. Details of the supplementary or replacement offer document

A copy of the supplementary or replacement offer document is attached

**!** This notice must be filed as soon as is practicable and no later than five (5) working days after the date on which the Issuer filed (or should have filed) the supplementary or replacement offer document with the Australian Regulator (if applicable).

3. Signed by

Authorised signatory .....

Full name of signatory

Bryan David Dean

Date

11 March 2009

4. Notice completed by

Name

Nicholas Vesic

Address

Mallesons Stephen Jaques  
 Level 61, Governor Phillip Tower  
 1 Farrer Place  
 Sydney NSW 2000

Telephone

Email (optional)

5. Post your completed form to

National Processing Centre  
 Private Bag 92061  
 Victoria Street West  
 Auckland 1142  
 New Zealand

By hand to  
 The Registrar  
 of Companies  
 Securities and  
 Corporate Compliance  
 Division  
 Level 18  
 ASB Centre  
 135 Albert Street  
 Auckland

Facsimile (optional)



# AMP Notes

BUSINESS & REGISTRIES  
BRANCH, AUCKLAND.  
11 MAR 2009  
RECEIVED

## Prospectus

for the issue of unsecured subordinated AMP Notes in Australia and New Zealand

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

**Guarantor**  
AMP Group Holdings Limited  
(ABN 88 079 804 676)

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

### Joint Structuring Advisers, Joint Lead Managers & Joint Bookrunners



### Joint Lead Managers & Joint Bookrunners



### NZ Lead Managers



### Co-Managers



# Important notices

## About this Prospectus

This Replacement Prospectus relates to the offer by AMP Group Finance Services Limited (ABN 95 084 247 914) (**Issuer**) of AMP Notes in Australia and New Zealand (**Offer**). AMP Notes are to be issued in two separate series:

- Australian dollar denominated unsecured subordinated notes (**AS AMP Notes**); and
- New Zealand dollar denominated unsecured subordinated notes (**NZS AMP Notes**).

This Replacement Prospectus is dated 11 March 2009 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. It has been, or will be, lodged with the New Zealand Companies Office (**NZCO**) on or about that date. This Replacement Prospectus replaces the prospectus lodged with ASIC on 3 March 2009 and with NZCO on 4 March 2009 (**Original Prospectus**). References to Prospectus in this document are references to the Replacement Prospectus. ASIC, ASX Limited (**ASX**), NZCO and NZX Limited (**NZX**) take no responsibility for the contents of this Prospectus nor for the merits of the investment to which this Prospectus relates.

This Prospectus expires on the date which is 13 months after 3 March 2009, being the date of the Original Prospectus (**Expiry Date**) and no AMP Notes will be issued on the basis of this Prospectus after the Expiry Date.

AMP Notes are unsecured notes for the purposes of section 283BH of the Corporations Act.

You should read this entire Prospectus carefully before deciding whether to invest in AMP Notes and completing and lodging an Application Form.

## **THIS PROSPECTUS DOES NOT PROVIDE FINANCIAL PRODUCT OR INVESTMENT ADVICE – YOU SHOULD SEEK YOUR OWN PROFESSIONAL INVESTMENT ADVICE**

The Offer, and the information in this Prospectus, does not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor. It is important that you read the entire Prospectus before making any decision to apply for AMP Notes.

In particular, in considering whether to apply for AMP Notes, it is important that you:

- consider the risk factors, including those that could affect AMP Notes or the financial performance and position of the Issuer, the Guarantor, AMP Limited (ABN 49 079 354 519) (**AMP**) or any other controlled entity of AMP (collectively **AMP Group**) – see Section 5;
- carefully consider these risk factors and other information in this Prospectus in light of your particular investment objectives, financial situation and particular needs (including financial and tax issues); and
- seek professional investment advice from your financial adviser or other professional adviser.

This Prospectus is only relevant for investors or potential investors in the Notes and should not be used for any other purpose.

**AMP Notes are not liabilities of AMP Bank Limited or AMP Limited**  
AMP Notes are not liabilities of AMP Bank Limited (ABN 15 081 596 009) (**AMP Bank**), AMP or any other member of AMP Group other than the Issuer and the Guarantor.

AMP Notes are issued by the Issuer and guaranteed by the Guarantor under the Trust Deed and Holders have no direct right to claim against the Issuer or the Guarantor except as provided in the Trust Deed (which includes the terms of AMP Notes (**AMP Notes Terms**) and the terms of the Guarantee). There are risks associated in investing in AMP Notes – see Section 5.

## **The Issuer is not a bank or authorised deposit-taking institution (ADI)**

The Issuer is not an ADI in Australia under the Banking Act 1959 of Australia (**Banking Act**) nor a registered bank in New Zealand under the Reserve Bank of New Zealand Act 1989 of New Zealand (**RBNZ Act**).

AMP Notes are not deposit liabilities or a protected account of AMP Bank or any other member of the AMP Group for the purposes of the Banking Act. AMP Notes are not guaranteed by the Australian Government and do not have the benefit

of the New Zealand Retail Deposit Guarantee Scheme under the Public Finance Act 1989 of New Zealand. There is a risk that you may lose some or all of your principal investment.

## **Defined words and expressions**

Some capitalised words and expressions used in this Prospectus have defined meanings. The Glossary in Appendix C defines these words and expressions.

The definitions specific to AMP Notes are in clause 11 of AMP Notes Terms in Appendix A (as they relate to AS AMP Notes) and Appendix B (as they relate to NZS AMP Notes). If there is any inconsistency in definitions between the Prospectus and AMP Notes Terms, the definitions in AMP Notes Terms prevail.

Unless otherwise stated, a reference to time in this Prospectus is to Sydney time (other than in AMP Notes Terms).

A reference to \$, A\$, AUD or dollars is to Australian currency. A reference to NZ\$, NZD or New Zealand dollars is to New Zealand currency unless otherwise stated. Unless otherwise stated, all figures have been rounded to two decimal places with halves rounded up.

## **Special considerations for New Zealand investors**

The Offer of AMP Notes is being extended to New Zealand investors under the new mutual recognition regime applicable to public offers of securities in Australia and New Zealand. This Prospectus principally describes the matters relevant to investment in AMP Notes by a person resident in Australia. References to legislation in this Prospectus are generally references to Australian Commonwealth legislation and references to regulators are to Australian regulators, unless indicated otherwise. Any New Zealand investor considering this Prospectus should be aware that there are considerations particular to you. Some (but not all) of them are described throughout this Prospectus or referred to under this 'Important Notice' and under 'Information for New Zealand Investors'.

A copy of this Prospectus and other documents relating to the Issuer has been, or will be, lodged with the NZCO under the mutual recognition regime.

## **Exposure Period**

Under the Corporations Act, the Issuer is prohibited from processing Applications in the seven day period after 3 March 2009, being the date on which the Original Prospectus was lodged with ASIC. This period may be extended by ASIC by up to a further seven days.

This period is referred to as the Exposure Period. The purpose of the Exposure Period is to enable the Original Prospectus to be examined by market participants before the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

No offer of AMP Notes is made under this Prospectus to persons in New Zealand until after the expiry of the Exposure Period.

## **How to obtain a Prospectus and Application Form**

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at [www.ampnotesoffer.com.au](http://www.ampnotesoffer.com.au) for Australian residents only. Application Forms will not be made available until after the Exposure Period has expired. During the Offer Period, an electronic version of this Prospectus with an Application Form will be available at [www.ampnotesoffer.com.au](http://www.ampnotesoffer.com.au) for Australian and New Zealand residents only. If you access an electronic copy of this Prospectus, then you should read "Electronic access to Prospectus" below.

During the Offer Period, you can also request a free paper copy of this Prospectus and Application Form by calling the AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to or accompanied by a printed copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

### Electronic access to Prospectus

The following conditions apply if this Prospectus is accessed electronically:

- you must download the entire Prospectus;
- your Application will only be considered where you have applied on an Application Form that was attached to or accompanied by a copy of this Prospectus; and
- the Prospectus is available electronically to you only if you are accessing and downloading or printing the electronic copy of the Prospectus in Australia or New Zealand.

### Applications for AMP Notes

Applications for AMP Notes under this Prospectus may only be made during the Offer Period (although the Issuer reserves the right to accept late Applications), and pursuant to an Application Form attached to or accompanying this Prospectus.

For information on who is eligible to apply for AMP Notes under the Offer and how to make an Application – see Section 2.

### ASX quotation and Issue Date

The Issuer has applied for AS AMP Notes to be quoted on ASX. If ASX does not grant permission for AS AMP Notes to be quoted within three months after the date of the Original Prospectus, AS AMP Notes will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as practicable.

If AS AMP Notes are accepted for quotation on ASX, the Issuer will issue AS AMP Notes on or about 9 April 2009.

### NZDX quotation and Issue Date

The Issuer has applied for NZ\$ AMP Notes to be quoted on the debt security market of NZX (NZDX). If NZX does not grant permission for NZ\$ AMP Notes to be quoted within three months after the date of the Original Prospectus, NZ\$ AMP Notes will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as practicable.

If NZ\$ AMP Notes are accepted for quotation on NZDX, the Issuer will issue NZ\$ AMP Notes on or about 9 April 2009.

### Providing personal information

You will be asked to provide personal information to AMP Group (directly or via its agents) if you apply for AMP Notes. See Section 7.11 for information on how AMP Group (and its agents) collect, hold and use this personal information.

### Restrictions in foreign jurisdictions

For details of certain foreign selling restrictions that apply to AMP Notes in foreign jurisdictions – see Section 7.10.

### No representations other than in this Prospectus

You should rely only on information in this Prospectus.

No person is authorised to provide any information, or to make any representation in connection with the Offer, that is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied upon as having been authorised by the Issuer, the Guarantor or any other member of AMP Group in connection with the Offer.

The financial information provided in this Prospectus is for information purposes only and is not a forecast of operating results to be expected in future periods.

### About the Trustee

The Trustee has given and has not withdrawn its written consent to be named as trustee in this Prospectus. The Trustee has not authorised or caused the issue of this Prospectus. Neither the Trustee nor any member of the Trust Company Group makes any representations as to the truth or accuracy of the contents of this Prospectus other than the parts which refer directly to the Trustee. The Trustee does not make any representation regarding or accepting any responsibility for any statements or omissions in or from any other parts of this Prospectus. Other than the parts of this Prospectus which refer directly to the Trustee or provisions of the Trust Deed, the Trustee has relied upon the issuer for the accuracy of the contents of this Prospectus. Neither the Trustee nor any member of the Trust Company Group makes any representations as to the performance of AMP Notes, the maintenance of capital or any particular rate of return.

### Diagrams

The diagrams used in this Prospectus are illustrative only. They may not necessarily be shown to scale. The diagrams are based on information which is current as at the date of this Prospectus.

### Enquiries

If you have any questions in relation to the Offer, please call the AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday or contact your Syndicate Broker or other professional adviser.

## INFORMATION FOR NEW ZEALAND INVESTORS

### General

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations<sup>1</sup>.

In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the Offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

### As regards the offer of AS AMP Notes

The Offer may involve a currency exchange risk. The currency for AS AMP Notes is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

1 This is the Chapter of the Corporations Act providing for offers to Australian investors of securities issued in New Zealand under the Securities Act 1978 pursuant to the mutual recognition regime. This Prospectus is prepared under Chapter 6D of the Corporations Act.

## About AMP Group

# AMP Group is a leading wealth management company in Australia and New Zealand

- > Australia's leading superannuation provider and number two in the retirement incomes market in Australia<sup>1</sup>
- > one of the top four providers of individual risk insurance in Australia and number two in the New Zealand life insurance market<sup>2</sup>
- > one of the region's largest investment managers with A\$92 billion in assets under management as at 31 December 2008
- > one of the largest networks of financial planners in Australia and New Zealand
- > leading brand name in financial services
- > over 3.4 million customers
- > over 3,800 employees in Australia, New Zealand and Asia
- > AMP Group Holdings Limited has investment grade ratings of "A" from Standard & Poor's and "A2" from Moody's

1 Source: Plan for Life 30 September 2008 – QDS Retail & Wholesale Assets under Management

2 Source: Plan for Life 30 September 2008 – Detailed Risk Statistics and ISI Statistics September 2008

# Chairman's letter

**Dear investor,**

You are invited to apply to purchase AMP Notes, new subordinated, unsecured debt securities being issued by AMP Group Finance Services Limited (a company within the AMP Group).

AMP Notes are being issued as part of AMP Group's ongoing funding and capital management strategy. The funds raised by the issue will further strengthen AMP Group's capital base, meet general funding requirements and support the refinance of subordinated debt of AMP Group.

AMP is looking to raise approximately A\$300 million with the option to accept more or less. At the conclusion of the bookbuild, AMP allocated approximately A\$230 million to institutional investors and retail brokers. The remaining amount of approximately A\$70 million has been reserved for applicants under the shareholder offer, AMP customers and other general offer applicants. It is expected that the amount of A\$ AMP Notes issued will be at least A\$150 million and the amount of NZ\$ AMP Notes issued will be at least NZ\$110 million.

AMP Notes come in two types – Australian dollar AMP Notes to be listed on the Australian Securities Exchange, and New Zealand dollar AMP Notes to be listed on the New Zealand Debt Exchange. We expect AMP Notes to begin trading on 9 April 2009.

You can apply to buy AMP Notes with a minimum investment of A\$5,000 or NZ\$5,000. They are designed to pay quarterly interest above a market-based rate, and are backed by a guarantee from AMP Group Holdings Limited which is on an unsecured and subordinated basis.

To participate in this offer, please follow the instructions in Section 2. If you are applying directly we will need to receive your completed application by 2 April 2009. However, if you are applying through a broker you need to ask your broker what you need to do to apply. We recommend you read the key dates on page 5. Please be aware that we reserve the right to close the offer early and/or to scale it back. If this happens we will post information on [www.ampnotesoffer.com.au](http://www.ampnotesoffer.com.au).

You should carefully read this prospectus, including Section 5, which contains a summary of the key risks associated with an investment in AMP Notes, before you decide to apply.

I invite you to consider this opportunity to invest in AMP Notes.

Yours sincerely



Peter Mason  
Chairman  
AMP Limited

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# Key dates

EVENT	DATE
<b>KEY DATES FOR THE OFFER</b>	
LODGEMENT OF ORIGINAL PROSPECTUS WITH ASIC AND NZCO <sup>1</sup>	3 MARCH 2009
BOOKBUILD	10 MARCH 2009
ANNOUNCEMENT OF THE INITIAL MARGIN AND LODGEMENT OF THIS PROSPECTUS WITH ASIC AND NZCO <sup>2</sup>	11 MARCH 2009
OPENING DATE	11 MARCH 2009
CLOSING DATE FOR SHAREHOLDER OFFER AND GENERAL OFFER	2 APRIL 2009
CLOSING DATE FOR BROKER FIRM OFFER	7 APRIL 2009
ISSUE DATE	9 APRIL 2009
AMP NOTES COMMENCE TRADING	9 APRIL 2009
– AS AMP NOTES COMMENCE TRADING ON ASX (DEFERRED SETTLEMENT BASIS)	
– NZ\$ AMP NOTES COMMENCE TRADING ON NZDX (NORMAL SETTLEMENT BASIS)	
HOLDING STATEMENTS DESPATCHED BY	16 APRIL 2009
AS AMP NOTES COMMENCE TRADING ON ASX (NORMAL SETTLEMENT BASIS)	17 APRIL 2009

<b>KEY DATES FOR AMP NOTES</b>	
FIRST INTEREST PAYMENT DATE <sup>3</sup>	15 AUGUST 2009
STEP-UP DATE	15 MAY 2014
MATURITY DATE	1 APRIL 2019

- 1 Lodgement of the Original Prospectus with NZCO took place on 4 March 2009 due to time zone differences.
- 2 Lodgement of this Prospectus with NZCO will take place on or about 11 March 2009.
- 3 Interest is scheduled to be paid in arrear at the end of each quarterly Interest Period (being 15 February, 15 May, 15 August and 15 November in each year) and on the Maturity Date or any Redemption Date (each such date adjusted, if necessary, in accordance with the applicable AMP Notes Terms).

## Dates may change

The key dates for the Offer are indicative only and may change without notice.

The Issuer may, in consultation with the Joint Lead Managers, agree to accept late Applications (either generally or in particular cases), to extend any Closing Date, to close the Offer early without notice, or to withdraw either one or both series of the Offer at any time before AMP Notes are issued. If the Offer is withdrawn before the issue of AMP Notes, all Application Payments received by the Issuer will be refunded (without interest) to Applicants as soon as practicable after the withdrawal. Also, ASIC may extend the Exposure Period by up to seven days in which case the Opening Date and other dates may be varied accordingly without notice.

You are encouraged to apply as soon as possible after the Opening Date to allow sufficient postage time.

# Key features of A\$ AMP Notes

This Prospectus contains information about the Offer and you should read it in its entirety before deciding whether to apply for AMP Notes. The Offer is split into two separate series, an offer of A\$ AMP Notes and an offer of NZ\$ AMP Notes. AMP Notes issued under each series of the Offer are identical in all material respects, except as highlighted in the tables below and opposite and as set out in full detail in the Terms applicable to A\$ AMP Notes or NZ\$ AMP Notes.

A\$ AMP NOTES	
<b>ISSUER</b>	AMP Group Finance Services Limited, a wholly-owned Australian subsidiary of AMP Group Holdings Limited.
<b>GUARANTOR</b>	AMP Group Holdings Limited, the holding company for the non-banking activities of AMP Group and a wholly-owned Australian subsidiary of AMP Limited.
<b>A\$ AMP NOTES</b>	A\$ AMP Notes are interest-bearing unsecured subordinated obligations of the Issuer.
<b>GUARANTEE</b>	A\$ AMP Notes are guaranteed on an unsecured and subordinated basis by the Guarantor.
<b>ISSUE CREDIT RATINGS<sup>1</sup></b>	A\$ AMP Notes have received provisional investment grade Issue Credit Ratings from Standard & Poor's (A-) and Moody's (A3).
<b>CURRENCY</b>	Australian dollars.
<b>ISSUE PRICE AND FACE VALUE</b>	A\$100.00 per A\$ AMP Note.
<b>ISSUE DATE</b>	Expected to be 9 April 2009. If the Issuer closes the Offer early this date may change without notice.
<b>STEP-UP DATE</b>	15 May 2014.
<b>MATURITY DATE</b>	1 April 2019. The Issuer must Redeem all outstanding A\$ AMP Notes on the Maturity Date.
<b>INTEREST PAYMENTS (FLOATING RATE)</b>	<p>A\$ AMP Notes pay cumulative, quarterly, floating rate Interest until Redeemed or purchased by the Issuer and cancelled.</p> <p>Prior to the Step-Up Date, the Interest Rate for each Interest Period will be the sum of BBSW, as determined on the first Business Day of the relevant Interest Period, and the Initial Margin of 4.75% per annum.</p> <p>From the Step-Up Date, the Margin on any outstanding A\$ AMP Notes will be 150% of the Initial Margin.</p>
<b>INTEREST PAYMENT DATES</b>	The first Interest Payment Date is 15 August 2009 and quarterly thereafter on 15 November, 15 February, 15 May and 15 August in each year and on the Maturity Date and any Redemption Date (each such date adjusted, if necessary, in accordance with the applicable AMP Notes Terms).
<b>ISSUER EARLY REDEMPTION RIGHTS</b>	<p>Prior to the Maturity Date, the Issuer may, with the prior written approval of APRA, Redeem:</p> <ul style="list-style-type: none"> <li>- some or all A\$ AMP Notes on the Step-Up Date or any subsequent Interest Payment Date;</li> <li>- any affected A\$ AMP Notes on any Interest Payment Date if a Tax Event occurs; or</li> <li>- all A\$ AMP Notes at any time if a Regulatory Event or Change of Control Event occurs.</li> </ul>
<b>HOLDER EXIT RIGHTS</b>	Holders have no specific exit rights prior to the Maturity Date or a Redemption Date. However, Holders may seek to sell their A\$ AMP Notes on ASX at any time.
<b>SOLVENCY TEST</b>	No amount is payable on A\$ AMP Notes if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Issuer is Solvent. If the Issuer fails to make any payment on A\$ AMP Notes, the Guarantor is required to meet any such shortfall, subject to meeting a similar solvency test.
<b>SUBORDINATION</b>	In the event of a winding-up of the Issuer or the Guarantor, the claims of Holders in respect of A\$ AMP Notes will be subordinated in right of payment to the claims of all Senior Creditors.
<b>RANKING OF A\$ AMP NOTES</b>	A\$ AMP Notes rank equally amongst themselves (and equally with NZ\$ AMP Notes) and at least equally with all other unsecured subordinated obligations of the Issuer, other than those obligations mandatorily preferred by law.
<b>RANKING OF GUARANTEE</b>	The Guarantee ranks at least equally with all other unsecured subordinated obligations of the Guarantor, other than those obligations mandatorily preferred by law.
<b>ASX QUOTATION</b>	Application has been made for A\$ AMP Notes to be quoted on ASX under the code 'AQNH'.
<b>RISKS</b>	See Section 1.12 for a summary of some of the risks associated with the Offer and Section 5 for further details.

<sup>1</sup> Any Issue Credit Rating of 'BBB-' or higher from Standard & Poor's or 'Baa3' or higher from Moody's is currently considered to be investment grade – see Section 3.5.1 and 3.5.2 for further information about credit ratings associated with AMP Notes and Section 5.5.10 for risks associated with credit ratings.

# Key features of NZ\$ AMP Notes

NZ\$ AMP NOTES	
<b>ISSUER</b>	AMP Group Finance Services Limited, a wholly-owned Australian subsidiary of AMP Group Holdings Limited.
<b>GUARANTOR</b>	AMP Group Holdings Limited, the holding company for the non-banking activities of AMP Group and a wholly-owned Australian subsidiary of AMP Limited.
<b>NZ\$ AMP NOTES</b>	NZ\$ AMP Notes are interest-bearing unsecured subordinated obligations of the Issuer.
<b>GUARANTEE</b>	NZ\$ AMP Notes are guaranteed on an unsecured and subordinated basis by the Guarantor.
<b>ISSUE CREDIT RATINGS<sup>1</sup></b>	NZ\$ AMP Notes have received provisional investment grade Issue Credit Ratings from Standard & Poor's (A-) and Moody's (A3).
<b>CURRENCY</b>	New Zealand dollars.
<b>ISSUE PRICE AND FACE VALUE</b>	NZ\$1.00 per NZ\$ AMP Note.
<b>ISSUE DATE</b>	Expected to be 9 April 2009. If the Issuer closes the Offer early this date may change without notice.
<b>STEP-UP DATE</b>	15 May 2014.
<b>MATURITY DATE</b>	1 April 2019. The Issuer must Redeem all outstanding NZ\$ AMP Notes on the Maturity Date.
<b>INTEREST PAYMENTS (FIXED TO FLOATING RATE)</b>	<p>NZ\$ AMP Notes pay cumulative, quarterly Interest until Redeemed or purchased by the Issuer and cancelled.</p> <p>Prior to the Step-Up Date, the Interest Rate for each Interest Period will be fixed as the sum of the greater of the Swap Rate applying on the date the Bookbuild is concluded and the Swap Rate applying on the Issue Date, and the Initial Margin of 4.75% per annum.</p> <p>From the Step-Up Date, the Interest Rate will change to a floating rate as determined on the first Business Day of the relevant Interest Period and the Margin on any outstanding NZ\$ AMP Notes will be 150% of the Initial Margin.</p>
<b>INTEREST PAYMENT DATES</b>	The first Interest Payment Date is 15 August 2009 and quarterly thereafter on 15 November, 15 February, 15 May and 15 August in each year and on the Maturity Date and any Redemption Date (each such date adjusted, if necessary, in accordance with the applicable AMP Notes Terms).
<b>ISSUER EARLY REDEMPTION RIGHTS</b>	<p>Prior to the Maturity Date, the Issuer may, with the prior written approval of APRA, Redeem:</p> <ul style="list-style-type: none"> <li>– some or all NZ\$ AMP Notes on the Step-Up Date or any subsequent Interest Payment Date;</li> <li>– any affected NZ\$ AMP Notes on any Interest Payment Date if a Tax Event occurs; or</li> <li>– all NZ\$ AMP Notes at any time if a Regulatory Event or Change of Control Event occurs.</li> </ul>
<b>HOLDER EXIT RIGHTS</b>	<p>Holders have no specific exit rights prior to the Maturity Date or a Redemption Date.</p> <p>However, Holders may seek to sell their NZ\$ AMP Notes on NZDX at any time.</p>
<b>SOLVENCY TEST</b>	No amount is payable on NZ\$ AMP Notes if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Issuer is Solvent. If the Issuer fails to make any payment on NZ\$ AMP Notes, the Guarantor is required to meet any such shortfall, subject to meeting a similar solvency test.
<b>SUBORDINATION</b>	In the event of a winding-up of the Issuer or the Guarantor, the claims of Holders in respect of NZ\$ AMP Notes will be subordinated in right of payment to the claims of all Senior Creditors.
<b>RANKING OF NZ\$ AMP NOTES</b>	NZ\$ AMP Notes rank equally amongst themselves (and equally with A\$ AMP Notes) and at least equally with all other unsecured subordinated obligations of the Issuer, other than those obligations mandatorily preferred by law.
<b>RANKING OF GUARANTEE</b>	The Guarantee ranks at least equally with all other unsecured subordinated obligations of the Guarantor, other than those obligations mandatorily preferred by law.
<b>NZDX QUOTATION</b>	Application has been made for NZ\$ AMP Notes to be quoted on NZDX under the code 'AQN010'.
<b>RISKS</b>	See Section 1.12 for a summary of some of the risks associated with the Offer and Section 5 for further details.

1 Any Issue Credit Rating of 'BBB-' or higher from Standard & Poor's or 'Baa3' or higher from Moody's is currently considered to be investment grade – see Section 3.5.1 and 3.5.2 for further information about credit ratings associated with AMP Notes and Section 5.5.10 for risks associated with credit ratings.

# What you should do

## 1. Read this Prospectus

Read this Prospectus in full, paying particular attention to the:

- important notices on the inside front cover;
- key features of AMP Notes on pages 6 and 7 and in Section 1;
- summary financial information in Section 4;
- investment risks in Section 5; and
- Terms of AMP Notes in Appendices A and B.

## 2. Consider and consult

Consider all risks and other information about AMP Notes in light of your particular investment objectives and circumstances, including whether to apply for A\$ AMP Notes or NZ\$ AMP Notes. Consult your Syndicate Broker or other professional adviser if you are uncertain as to whether you should apply for either A\$ AMP Notes or NZ\$ AMP Notes.

## 3. Complete the Application Form

If you have decided to apply for AMP Notes, you need to complete and return the Application Form attached to or accompanying this Prospectus. The Application process varies depending on whether you are applying for A\$ AMP Notes or NZ\$ AMP Notes – see Section 2 for full details.

### If you are applying for A\$ AMP Notes

If you are applying for A\$ AMP Notes, complete the BLUE Application Form either online or attached to or accompanying this Prospectus. Your Application must be received by the Registry or your Syndicate Broker no later than the relevant Closing Date – see Section 2.2 for details.

### If you are applying for NZ\$ AMP Notes

If you are applying for NZ\$ AMP Notes, complete the GREEN Application Form either online or attached to or accompanying this Prospectus. Your Application must be received by the Registry or your Syndicate Broker no later than the relevant Closing Date – see Section 2.3 for details.

**The Offer may close early, so you are encouraged to submit your Application as soon as possible after the Opening Date.**

For more information on applying for AMP Notes – see Section 2. If you have any questions in relation to the Offer, please call the AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday or contact your Syndicate Broker or other professional adviser.

# Section 1. About AMP Notes

## Key questions about AMP Notes

- 1.1 GENERAL
- 1.2 OVERVIEW OF AMP NOTES
- 1.3 INTEREST ON A\$ AMP NOTES
- 1.4 INTEREST ON NZ\$ AMP NOTES
- 1.5 INTEREST ON A\$ AMP NOTES AND NZ\$ AMP NOTES
- 1.6 REDEMPTION
- 1.7 RANKING AND SUBORDINATION OF AMP NOTES
- 1.8 GUARANTEE
- 1.9 PARTICIPATION AND VOTING RIGHTS
- 1.10 KEY DIFFERENCES BETWEEN A\$ AMP NOTES AND NZ\$ AMP NOTES
- 1.11 TAXATION IMPLICATIONS
- 1.12 RISKS
- 1.13 MORE INFORMATION

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.1 GENERAL</b>		
<b>WHO IS AMP?</b>	<p>AMP Limited (ABN 49 079 354 519) (<b>AMP</b>) is the parent company of AMP Group, a leading wealth management group in Australia and New Zealand, with selected investment management activities in Asia. AMP is a company incorporated in Australia under the Corporations Act.</p> <p>AMP is one of the top 20 companies quoted on ASX (by market capitalisation) as at the date of this Prospectus. AMP is also quoted on NZX.</p> <p>AMP wholly owns and controls the Issuer and the Guarantor.</p>	Section 3
<b>WHO IS THE ISSUER?</b>	<p>AMP Group Finance Services Limited (ABN 95 084 247 914) (<b>Issuer</b>) is the financing company for the Guarantor and its subsidiaries and is a company incorporated in Australia under the Corporations Act.</p>	Section 3.2
<b>WHO IS THE GUARANTOR?</b>	<p>AMP Group Holdings Limited (ABN 88 079 804 676) (<b>Guarantor</b>) is the holding company for the non-banking activities of AMP Group and is a company incorporated in Australia under the Corporations Act.</p> <p>The Guarantor also guarantees certain other liabilities of the Issuer, AMP Bank and other companies in AMP Group.</p>	Section 3.3
<b>WHAT IS THE SIZE OF THE OFFER?</b>	<p>The Issuer intends to raise the equivalent of approximately A\$300 million of AMP Notes in Australia and New Zealand, with the ability to raise more or less (<b>Offer</b>).</p> <p>At the conclusion of the Bookbuild, the Issuer allocated the equivalent of approximately A\$230 million to Institutional Investors and Syndicate Brokers. The remaining amount of approximately A\$70 million has been reserved for Applicants under the Shareholder Offer, AMP customers and other General Offer Applicants. It is expected that the amount of A\$ AMP Notes issued will be at least A\$150 million and the amount of NZ\$ AMP Notes issued will be at least NZ\$110 million.</p>	Section 2.1
<b>WHAT IS THE PURPOSE OF THE OFFER?</b>	<p>The Offer is being made as part of AMP Group's ongoing funding and capital management strategy. The funds raised by the issue of AMP Notes will further strengthen AMP Group's capital base, meet general funding requirements and support the refinance of subordinated debt of AMP Group during 2009.</p>	Section 2.1
<b>WHO CAN APPLY UNDER THE OFFER?</b>	<p>The Offer of AMP Notes comprises:</p> <ul style="list-style-type: none"> <li>– a Shareholder Offer made to Shareholder Applicants;</li> <li>– a General Offer made to General Applicants;</li> <li>– a Broker Firm Offer made to Broker Firm Applicants; and</li> <li>– an Institutional Offer made to certain Institutional Investors.</li> </ul>	Section 2.1

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.2 OVERVIEW OF AMP NOTES</b>		
<b>WHAT ARE AMP NOTES?</b>	AMP Notes are interest-bearing unsecured subordinated debt obligations of the Issuer.	Terms
<b>WHAT ARE THE SERIES OF THE OFFER?</b>	AMP Notes are offered in two separate series: <ul style="list-style-type: none"> <li>– an offer of A\$ AMP Notes; and</li> <li>– an offer of NZ\$ AMP Notes.</li> </ul> The term “AMP Notes” includes both A\$ AMP Notes and NZ\$ AMP Notes.	Pages 6 and 7
<b>WHAT IS THE FACE VALUE AND ISSUE PRICE OF AMP NOTES?</b>	A\$100.00 per A\$ AMP Note. NZ\$1.00 per NZ\$ AMP Note.	Clause 1.3 of Terms
<b>WHAT IS THE TERM OF AMP NOTES?</b>	AMP Notes have a Maturity Date of 1 April 2019, unless Redeemed (or purchased by the Issuer and cancelled) earlier.	Clause 4 of Terms
<b>WHEN IS THE STEP-UP DATE?</b>	15 May 2014. If AMP Notes are not Redeemed on the Step-Up Date, the Initial Margin will be subject to a one-off increase (Step-Up Margin). The Step-Up Margin on AMP Notes will be 150% of the Initial Margin.	Clause 2.2 and 11.2 of Terms
<b>WHEN IS THE MATURITY DATE?</b>	1 April 2019. The Issuer must Redeem all outstanding AMP Notes on the Maturity Date.	
<b>WHEN WILL AMP NOTES BE ISSUED?</b>	AMP Notes are expected to be issued on 9 April 2009.	
<b>WHAT ARE THE ISSUE CREDIT RATINGS OF AMP NOTES?</b>	AMP Notes have received provisional investment grade credit Issue Credit Ratings from Standard & Poor's ('A-') and Moody's ('A3').	Section 3.5
<b>WILL AMP NOTES BE QUOTED?</b>	The Issuer has applied for A\$ AMP Notes to be quoted on ASX and are expected to trade under ASX code 'AQNHA'. The Issuer has applied for NZ\$ AMP Notes to be quoted on NZDX and are expected to trade under NZDX code 'AQN010'.	

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION						
<b>1.3 INTEREST ON A\$ AMP NOTES</b>								
<b>HOW WILL THE INTEREST RATE ON A\$ AMP NOTES BE CALCULATED?</b>	<p>A\$ AMP Notes will bear Interest at a floating rate plus the Margin until Redeemed or purchased by the Issuer and cancelled.</p> <p>The Interest Rate for each Interest Period will be calculated using the following formula:</p> $\text{Interest Rate} = \text{Market Rate} + \text{Margin}$ <p>and expressed as a percentage per annum, where:</p> <ul style="list-style-type: none"> <li>– <b>Market Rate</b> means BBSW on the first Business Day of the Interest Period; and</li> <li>– <b>Margin</b> means: <ul style="list-style-type: none"> <li>– prior to, but excluding, the Step-Up Date, the Initial Margin of 4.75% per annum; and</li> <li>– from, and including, the Step-Up Date, the Step-Up Margin.</li> </ul> </li> </ul> <p>As an example, assuming the Market Rate on the first Business Day of an Interest Period is 3.1630% per annum and given the Initial Margin of 4.75% per annum, the Interest Rate for that Interest Period would be calculated as follows:</p> <table border="1" data-bbox="445 1077 1075 1182"> <tbody> <tr> <td>Market Rate</td> <td>3.1630% p.a.</td> </tr> <tr> <td>Plus the Margin</td> <td>4.7500% p.a.</td> </tr> <tr> <td><b>Interest Rate</b></td> <td><b>7.9130% p.a.</b></td> </tr> </tbody> </table> <p>The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Rate for any Interest Period. The actual Interest Rate may be higher or lower than this example.</p> <p>The Interest Rate on A\$ AMP Notes for the first Interest Period will be set on the Issue Date and will include the Initial Margin of 4.75% per annum.</p>	Market Rate	3.1630% p.a.	Plus the Margin	4.7500% p.a.	<b>Interest Rate</b>	<b>7.9130% p.a.</b>	Clause 2 of Terms, (Appendix A only)
Market Rate	3.1630% p.a.							
Plus the Margin	4.7500% p.a.							
<b>Interest Rate</b>	<b>7.9130% p.a.</b>							

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
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**1.3 INTEREST ON A\$ AMP NOTES CONTINUED**

**WHAT IS BBSW?**

BBSW is a benchmark interest rate for the Australian money market, commonly used by major Australian financial institutions to lend short-term cash to each other. This rate changes to reflect supply and demand within the cash and currency markets.

The graph below illustrates the movement in BBSW over the last 15 years. BBSW has been as low as 3.0% and as high as 8.6% per annum during the last 15 years. The rate applying on 27 February 2009 was 3.2% per annum.

Source: Bloomberg

**HOW WILL THE AMOUNT OF THE INTEREST BE CALCULATED ON A\$ AMP NOTES FOR EACH INTEREST PERIOD?**

The amount of Interest scheduled to be paid in respect of each Interest Period will be calculated using the following formula:

$$\text{Interest payable} = \frac{\text{Interest Rate} \times \text{A\$100} \times \text{N}}{365}$$

where:

- **Interest Rate** means the rate (expressed as a percentage per annum) calculated as described above; and
- **N** means the number of days in the Interest Period calculated as set out in the Terms.

Continuing the example above, if the Interest Rate for an Interest Period was 7.9130% per annum, the amount of Interest payable on each A\$ AMP Note for that Interest Period (assuming the Interest Period was 90 days) would be calculated as follows:

Interest Rate	7.9130% p.a.
Multiplied by the Face Value	x A\$100.00
Multiplied by the number of days in the Interest Period	x 90
Divided by 365	÷ 365
<b>Interest payment per A\$ AMP Note</b>	<b>A\$1.95</b>

The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest payable for any Interest Period. The actual amount of Interest payable may be higher or lower than this example.

Clause 3 of Terms (Appendix A only)

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
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#### 1.4 INTEREST ON NZ\$ AMP NOTES

##### HOW WILL THE INTEREST RATE FOR NZ\$ AMP NOTES BE CALCULATED?

NZ\$ AMP Notes will bear Interest at a fixed rate until the Step-Up Date. If NZ\$ AMP Notes are not Redeemed on the Step-Up Date, they will continue to bear Interest but at a floating rate plus the Step-Up Margin from, and including, the Step-Up Date until Redeemed or purchased by the Issuer and cancelled.

The Interest Rate for each Interest Period will be calculated using the following formula:

$$\text{Interest Rate} = \text{Market Rate} + \text{Margin}$$

and expressed as a percentage per annum, where:

- **Market Rate** means:
  - prior to the Step-Up Date, the greater of the Swap Rate applying on the date the Bookbuild is concluded and the Swap Rate applying on the Issue Date; and
  - from, and including, the Step-Up Date, BKBM applying on the first Business Day of the relevant Interest Period; and
- **Margin** means:
  - prior to the Step-Up Date, the Initial Margin of 4.75% per annum; and
  - from, and including, the Step-Up Date, the Step-Up Margin.

As an example, assuming the Market Rate is 4.0850% per annum on the Issue Date and given the Initial Margin of 4.75% per annum, the Interest Rate for all Interest Periods until the Step-Up Date would be calculated as follows:

Market Rate	4.0850% p.a.
Plus the Margin	4.7500% p.a.
<b>Interest Rate</b>	<b>8.8350% p.a.</b>

The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest Rate for any Interest Period. The actual Interest Rate may be higher or lower than this example.

The Interest Rate on NZ\$ AMP Notes until the Step-Up Date will be set on the Issue Date and will include the Initial Margin of 4.75% per annum.

Clause 2 of Terms  
(Appendix B only)

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
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**1.4 INTEREST ON NZ\$ AMP NOTES CONTINUED**

**WHAT IS THE SWAP RATE?**

The Swap Rate is a benchmark interest rate for the New Zealand money market. This rate changes to reflect supply and demand within the cash and currency markets.

The graph below illustrates the movement in the 5 year Swap Rate over the last 15 years. The Swap Rate has been as low as 3.8% and as high as 9.7% per annum during the last 15 years. The intraday rate applying on 27 February 2009 was 4.1% per annum.

Source: Bloomberg

**WHAT IS BKBM?**

BKBM is a benchmark interest rate for the New Zealand money market, commonly used by major New Zealand financial institutions to lend short-term cash to each other. This rate changes to reflect supply and demand within the cash and currency markets.

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION										
<b>1.4 INTEREST ON NZ\$ AMP NOTES CONTINUED</b>												
<b>HOW WILL THE AMOUNT OF THE INTEREST BE CALCULATED ON NZ\$ AMP NOTES FOR EACH INTEREST PERIOD UNTIL THE STEP-UP DATE?</b>	<p>The amount of interest scheduled to be paid in respect of each fixed Interest Period (other than in respect of those Interest Periods described below) until the Step-Up Date will be calculated using the following formula:</p> $\text{Interest payable} = \frac{\text{Interest Rate} \times \text{NZ\$1.00}}{4}$ <p>where <b>Interest Rate</b> means the rate (expressed as a percentage per annum) calculated as described above.</p> <p>Continuing the example above, if the Interest Rate until the Step-Up Date was 8.8350% per annum, the amount of Interest payable on 100 NZ\$ AMP Notes for each Interest Period until the Step-Up Date would be calculated as follows:</p>	Clause 3 of Terms (Appendix B only)										
	<table border="1"> <tbody> <tr> <td>Interest Rate</td> <td>8.8350% p.a.</td> </tr> <tr> <td>Multiplied by the Face Value</td> <td>x NZ\$1.00</td> </tr> <tr> <td>Multiplied by 100 NZ\$ AMP Notes</td> <td>x 100</td> </tr> <tr> <td>Divided by 4</td> <td>÷4</td> </tr> <tr> <td><b>Interest payment per 100 NZ\$ AMP Notes</b></td> <td><b>NZ\$2.21</b></td> </tr> </tbody> </table>	Interest Rate	8.8350% p.a.	Multiplied by the Face Value	x NZ\$1.00	Multiplied by 100 NZ\$ AMP Notes	x 100	Divided by 4	÷4	<b>Interest payment per 100 NZ\$ AMP Notes</b>	<b>NZ\$2.21</b>	
Interest Rate	8.8350% p.a.											
Multiplied by the Face Value	x NZ\$1.00											
Multiplied by 100 NZ\$ AMP Notes	x 100											
Divided by 4	÷4											
<b>Interest payment per 100 NZ\$ AMP Notes</b>	<b>NZ\$2.21</b>											
	<p>The above example is for illustrative purposes only and does not indicate, guarantee or forecast the actual Interest payable for any Interest Period. The actual amount of Interest payable may be higher or lower than these examples.</p>											
	<p>Interest payable on NZ\$ AMP Notes in respect of the first Interest Period will be calculated based on the actual number of days in that Interest Period in a similar manner to AS AMP Notes. This will also apply on any Interest Period that ends on a Maturity Date or a Redemption Date.</p>											

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.5 INTEREST ON AS AMP NOTES AND NZ\$ AMP NOTES</b>		
<b>WHAT IS THE INITIAL MARGIN AND WHEN WILL THE INTEREST RATE FOR THE FIRST INTEREST PERIOD BE DETERMINED?</b>	<p>The Initial Margin was determined through the Bookbuild and is 4.75% per annum.</p> <p>In respect of the AS AMP Notes, the Interest Rate for the first Interest Period will be determined on the Issue Date.</p> <p>In respect of the NZ\$ AMP Notes, the Interest Rate for all Interest Periods until the Step-Up Date will be determined on the Issue Date and is the greater of the Swap Rate applying on the date the Bookbuild is concluded and the Swap Rate applying on the Issue Date.</p>	Clauses 2.2 and 11.2 of Terms
<b>WHEN WILL INTEREST ON AMP NOTES BE PAYABLE?</b>	<p>Interest accrues on each AMP Note on a daily basis from (and including) its Issue Date to (but excluding) the date on which it is Redeemed or purchased by the Issuer and cancelled.</p> <p>The first Interest Payment Date is 15 August 2009.</p> <p>For subsequent Interest Periods, Interest will be payable quarterly in arrear on 15 November, 15 February, 15 May and 15 August of each year and on the Maturity Date and any Redemption Date (each such date adjusted, if necessary, in accordance with the Terms).</p>	Clauses 2.1, 8.3 and 11.2 of Terms
<b>WILL INTEREST ALWAYS BE PAID?</b>	<p>No Interest will be paid if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Issuer is Solvent.</p> <p>If the Issuer fails to make any payment under AMP Notes, the Guarantor is required to meet any shortfall of amounts due on AMP Notes. However, no payments under the Guarantee will be made if any amount is outstanding to a Senior Creditor of the Guarantor unless, at the time of and immediately after payment, the Guarantor is Solvent.</p>	Clauses 1.6 and 2.3(a) of Terms, Guarantee Section 7.3.3
<b>WILL INTEREST PAYMENTS BE FRANKED OR IMPUTED?</b>	No. Interest payments will not be franked with Australian franking credits nor will they be imputed with New Zealand imputation credits.	
<b>1.6 REDEMPTION</b>		
<b>WHEN MAY THE ISSUER REDEEM AMP NOTES?</b>	<p>The Issuer must Redeem all outstanding AMP Notes on the Maturity Date.</p> <p>Prior to the Maturity Date, the Issuer may, with the prior written approval of APRA, Redeem:</p> <ul style="list-style-type: none"> <li>– some or all AMP Notes on the Step-Up Date or any subsequent Interest Payment Date;</li> <li>– any affected AMP Notes on any Interest Payment Date if a Tax Event occurs; or</li> <li>– all AMP Notes at any time if a Regulatory Event or Change of Control Event occurs.</li> </ul>	Clause 4 of Terms
<b>DO HOLDERS HAVE A RIGHT TO REQUEST REDEMPTION?</b>	<p>No. Holders have no specific exit rights prior to the Maturity Date or a Redemption Date.</p> <p>However, Holders may seek to sell AMP Notes on the relevant market at any time.</p>	

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.7 RANKING AND SUBORDINATION OF AMP NOTES</b>		
<b>WHERE DO AMP NOTES RANK?</b>	<p>AMP Notes rank equally amongst themselves and at least equally with all other unsecured subordinated obligations of the Issuer, other than those obligations mandatorily preferred by law.</p> <p>Both AS AMP Notes and NZ\$ AMP Notes rank equally with each other and at least equally with other subordinated securities of the Issuer that are not expressed to rank behind AMP Notes.</p>	Clause 5.1 of Terms
<b>IN THE EVENT OF A WINDING-UP, WHAT WILL HOLDERS RECEIVE FROM THE ISSUER?</b>	AMP Notes are subordinated. This means that in the event of a winding-up of the Issuer, Holders will be entitled to receive a repayment of the Face Value and any Interest that has accrued but remains unpaid on AMP Notes only after all other debts of the Issuer, other than those which by their terms or at law rank equally with or behind AMP Notes, have been paid in full, but before any distribution is paid to the Issuer's shareholders and any creditors whose claims by their terms or at law rank behind those of Holders.	Clause 5 of Terms
<b>ARE INTEREST PAYMENTS ALSO SUBORDINATED?</b>	Yes. That is, no interest will be paid if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Issuer is Solvent.	Clause 2.3(a) of Terms
<b>WHEN WILL THE ISSUER BE SOLVENT?</b>	<p>The Issuer will be Solvent if:</p> <ul style="list-style-type: none"> <li>– it is able to pay its debts when they fall due; and</li> <li>– its total consolidated gross assets exceed its total consolidated gross liabilities.</li> </ul>	Clause 11.2 of Terms
<b>CAN HOLDERS ENFORCE A WINDING-UP OF THE ISSUER?</b>	If AMP Notes become due and are unpaid, the Trustee, at its discretion and on behalf of the Holder, may (and must if so directed by the Holders) institute proceedings for the winding-up of the Issuer or Guarantor, except when Interest is not paid by virtue of the solvency test described above.	Clause 6.4(a) of Terms

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.8 GUARANTEE</b>		
<b>ARE AMP NOTES GUARANTEED?</b>	Yes, on an unsecured and subordinated basis. If the Issuer fails to make any payment on AMP Notes, the Guarantor is required to meet any shortfall of amounts due on AMP Notes but unpaid by the Issuer. However, no payments can be made under the Guarantee if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Guarantor is Solvent.	Clause 1.6 of Terms, Guarantee, Section 7.3.3
<b>WHAT WILL I RECEIVE FROM THE GUARANTOR ON A WINDING-UP OF THE GUARANTOR?</b>	On a winding-up of the Guarantor, any payment due from the Guarantor to Holders under the Guarantee will be made only after all other debts of the Guarantor other than those which by their terms or at law rank equally with or behind the claims of the Holders have been paid in full, but before any distribution is made to the Guarantor's shareholders and any creditor whose claims by their terms or at law rank behind the claims of Holders.	Guarantee, Section 7.3.3
<b>WHEN WILL THE GUARANTOR BE SOLVENT?</b>	The Guarantor will be Solvent if: <ul style="list-style-type: none"> <li>– it is able to pay its debts when they fall due; and</li> <li>– its total consolidated gross assets exceed its total consolidated gross liabilities.</li> </ul>	Guarantee, Section 7.3.3
<b>WHAT IS GUARANTEED BY THE GUARANTOR?</b>	Under the Guarantee, the Guarantor guarantees (on an unsecured and subordinated basis) the payments of any amounts which become due and payable, or which are unpaid, on AMP Notes. This includes any interest not paid by the Issuer because the Issuer would not have been Solvent, at the time of, and immediately after, payment.	Clause 1.6 of Terms, Guarantee, Section 7.3.3
<b>WHERE DO CLAIMS UNDER THE GUARANTEE RANK?</b>	Claims under the Guarantee are subordinated to Senior Creditors of the Guarantor.  Claims under the Guarantee rank in priority to the claims of holders of shares in the Guarantor and any creditors whose claims by their terms or at law rank behind the claims of Holders.	Guarantee, Section 7.3.3
<b>1.9 PARTICIPATION AND VOTING RIGHTS</b>		
<b>DO HOLDERS OF AMP NOTES HAVE PARTICIPATION RIGHTS?</b>	No. AMP Notes do not carry a right to participate in any offering of new securities in the Issuer, Guarantor or AMP.	Clause 1.9 of Terms
<b>DO HOLDERS OF AMP NOTES HAVE VOTING RIGHTS?</b>	Holders are entitled to vote on certain matters affecting their rights under the Terms and Trust Deed.  Holders do not have rights to vote at general meetings of the Issuer, Guarantor or AMP.	Clause 1.9 of Terms, Section 7.3.8

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.10 KEY DIFFERENCES BETWEEN A\$ AMP NOTES AND NZ\$ AMP NOTES</b>		
	<b>A\$ AMP NOTES</b>	<b>NZ\$ AMP NOTES</b>
		Pages 6 and 7
<b>CURRENCY</b>	Australian dollars	New Zealand dollars
<b>FACE VALUE</b>	A\$100.00 per A\$ AMP Note	NZ\$1.00 per NZ\$ AMP Note
<b>INTEREST PAYMENTS</b>	<p>A\$ AMP Notes pay quarterly Interest until they have been Redeemed or purchased by the Issuer and cancelled.</p> <p>Prior to the Step-Up Date, the Interest Rate for each Interest Period will be the sum of BBSW, as determined on the first Business Day of the relevant Interest Period, and the Initial Margin of 4.75% per annum.</p> <p>From the Step-Up Date, the Margin on any outstanding A\$ AMP Notes will be 150% of the Initial Margin.</p>	<p>NZ\$ AMP Notes pay quarterly Interest until they have been Redeemed or purchased by the Issuer and cancelled.</p> <p>Prior to the Step-Up Date, the Interest Rate for each Interest Period will be fixed as the sum of the greater of the Swap Rate applying on the date the Bookbuild is concluded and the Swap Rate, applying on the Issue Date, and the Initial Margin of 4.75% per annum.</p> <p>From the Step-Up Date, the Market Rate will change to BKBM as determined on the first Business Day of the relevant Interest Period and the Margin on any outstanding NZ\$ AMP Notes will be 150% of the Initial Margin.</p>
<b>QUOTATION</b>	The Issuer has applied to ASX for quotation of A\$ AMP Notes on ASX.	The Issuer has applied to NZX for quotation of NZ\$ AMP Notes on NZDX.
<b>1.11 TAXATION IMPLICATIONS</b>		
<b>WHAT ARE THE TAXATION IMPLICATIONS OF INVESTING IN AMP NOTES?</b>	<p>The taxation implications of investing in AMP Notes will depend on the individual circumstances of the Holder, including in particular whether you are a resident of Australia, New Zealand or another country. A summary of some of the relevant Australian and New Zealand taxation consequences for Holders is provided in Section 6.</p> <p> Holders should obtain their own taxation advice based on their individual circumstances before investing in AMP Notes.</p>	Section 6

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.12 RISKS</b>		
<b>ARE THERE RISKS ASSOCIATED WITH INVESTING IN AMP NOTES?</b>	An investment in the Issuer and AMP Group involves risks. A summary of some of these risks is set out below including risks associated with AMP Group and an investment in AMP Notes. Further details of these and other risks are set out in Section 5.	Section 5
<b>AMP GROUP'S FINANCIAL PERFORMANCE AND POSITION</b>	<p>The market price of AMP Notes may be affected by the financial performance and position of the Issuer, Guarantor or AMP Group. Specific risks associated with the financial performance and position of the Issuer, Guarantor and AMP Group relate to (but are not limited to) the following:</p> <ul style="list-style-type: none"> <li>– global market and economic environment;</li> <li>– investment market conditions;</li> <li>– demand for AMP Group's financial products and services;</li> <li>– funding and liquidity;</li> <li>– AMP Group's brand;</li> <li>– loss of financial planners;</li> <li>– competition in the wealth management industry; and</li> <li>– changes in government policy, legislation or regulation.</li> </ul> <p>Further details of these risks and other risks are set out in Section 5.</p>	Section 5
<b>MARKET LIQUIDITY AND PRICE OF AMP NOTES</b>	<p>There may be no liquidity or an illiquid market for AMP Notes. The market for AMP Notes may be less liquid than the market for Ordinary Shares or other securities issued by AMP Group. Holders who wish to sell their AMP Notes may not be able to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for AMP Notes. The difference in quotation domicile between AS AMP Notes and NZ\$ AMP Notes (along with other differences) may mean that one series is less liquid than the other.</p> <p>The market price of AMP Notes may change due to various factors that affect financial market conditions. It is possible that AS AMP Notes may trade at a market price below their Issue Price of AS\$100.00, and NZ\$ AMP Notes may trade below their Issue Price of NZ\$1.00.</p>	Section 5.5.1 and 5.5.2
<b>AS AMP NOTES AND NZ\$ AMP NOTES ARE DIFFERENT</b>	AS AMP Notes and NZ\$ AMP Notes are identical in all material respects, other than in relation to currency, Face Value, Interest Rate, Interest payments, certain transfer mechanics and quotation. These differences may alter the relative risk profile, market liquidity and market price of AS AMP Notes and NZ\$ AMP Notes.	Section 5.5.3

TOPIC	SUMMARY	WHERE TO FIND MORE INFORMATION
<b>1.12 RISKS CONTINUED</b>		
<b>INTEREST RATES MAY CHANGE</b>	<p>The Interest Rate on A\$ AMP Notes will fluctuate (both increasing and decreasing) over time as a result of movements in BBSW. There is a risk that this rate may become less attractive when compared to the rates of return on other securities in the market.</p> <p>The Interest Rate on NZ\$ AMP Notes will be fixed until the Step-Up Date. If interest rates increase, there is a risk that this rate may become less attractive when compared to the rates of return on other securities in the market.</p> <p>From, and including, the Step-Up Date, the Interest Rate on NZ\$ AMP Notes will fluctuate (both increasing and decreasing) over time as a result of movements in BKBM. There is a risk that this rate may become less attractive when compared to the rates of return on other securities in the market.</p>	Section 5.5.4
<b>SOLVENCY</b>	<p>No amount is payable by the issuer on AMP Notes if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Issuer is Solvent.</p> <p>In the event of a winding-up of the Issuer, the claims of Holders against the Issuer in respect of AMP Notes will be subordinated in right of payment to the claims of all Senior Creditors.</p>	Section 5.5.5
<b>RANKING</b>	<p>AMP Notes are not deposit liabilities or protected accounts of AMP Bank or any other member of the AMP Group for the purposes of the Banking Act, are not guaranteed by the Australian Government and do not have the benefit of the New Zealand Retail Deposit Guarantee Scheme under the Public Finance Act 1989 of New Zealand.</p> <p>AMP Notes rank equally amongst themselves (A\$ AMP Notes rank equally with NZ\$ AMP Notes) and at least equally with all other unsecured subordinated obligations of the Issuer, other than those obligations mandatorily preferred by law.</p> <p>Claims under the Guarantee are subordinated to Senior Creditors of the Guarantor. Claims under the Guarantee rank in priority to the claims of holders of shares in the Guarantor and any creditors whose claims by their terms or at law rank behind the claims of Holders.</p>	Section 5.5.6
<b>HOLDER REDEMPTION</b>	<p>Holders have no specific exit rights prior to the Maturity Date or a Redemption Date.</p> <p>AMP Notes can only be realised by a sale on market or private sale by a Holder. There is a risk that the sale price will be less than the Issue Price.</p>	Section 5.5.7
<b>1.13 MORE INFORMATION</b>		
<b>WHERE CAN I GET MORE INFORMATION?</b>	<p>For more information on applying for AMP Notes – see Section 2. If you have any questions in relation to the Offer, please call the <b>AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday</b> or contact your Syndicate Broker or other professional adviser.</p>	Section 2

## Section 2. Applying for AMP Notes

This Section sets out:

- > an overview of the Offer;
- > information about applying for A\$ AMP Notes; and
- > information about applying for NZ\$ AMP Notes.

## 2.1 About the Offer

The Issuer intends to raise the equivalent of approximately A\$300 million of AMP Notes in Australia and New Zealand, with the ability to raise more or less (**Offer**). At the conclusion of the Bookbuild, the Issuer allocated the equivalent of approximately A\$230 million to Institutional Investors and Syndicate Brokers. The remaining amount of approximately A\$70 million has been reserved for Applicants under the Shareholder Offer, AMP customers and other General Offer Applicants. It is expected that the amount of A\$ AMP Notes issued will be at least A\$150 million and the amount of NZ\$ AMP Notes issued will be at least NZ\$110 million.

The Offer is split into two separate series – an offer of A\$ AMP Notes and an offer of NZ\$ AMP Notes. The Offer of AMP Notes is being extended to New Zealand investors under the new mutual recognition regime applicable to public offers of securities in Australia and New Zealand.

The Offer of both A\$ AMP Notes and NZ\$ AMP Notes is being made concurrently by the Issuer and is open to investors in both Australia and New Zealand on the terms set out in this Prospectus.

The Offer is being made as part of AMP Group's ongoing funding and capital management strategy. The funds raised by the issue of AMP Notes will further strengthen AMP Group's capital base, meet general funding requirements and support the refinance of subordinated debt of AMP Group during 2009.

There is no minimum amount to be raised by either A\$ AMP Notes or NZ\$ AMP Notes and the Issuer may accept any Applications.

The Offer comprises:

- a **Shareholder Offer** made to Shareholder Applicants;
- a **General Offer** made to General Applicants;
- a **Broker Firm Offer** made to Broker Firm Applicants; and
- an **Institutional Offer** made to certain Institutional Investors.

AMP Notes may be offered in a jurisdiction outside Australia and New Zealand under the Institutional Offer where such an offer is made in accordance with the laws of that jurisdiction – see Section 7.10.

The remainder of this Section 2.1 sets out general information relating to applying for A\$ AMP Notes and NZ\$ AMP Notes. For more specific information on applying for A\$ AMP Notes, see Section 2.2. For more specific information on applying for NZ\$ AMP Notes, see Section 2.3.

### 2.1.1 Obtaining a Prospectus and completing the Application Form

An electronic copy of this Prospectus will be available to persons in Australia online at [www.amppnotesoffer.com.au](http://www.amppnotesoffer.com.au) during the Exposure Period and the Offer Period. An electronic copy of this Prospectus will be available to persons in New Zealand online at [www.amppnotesoffer.com.au](http://www.amppnotesoffer.com.au) during the Offer Period. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

During the Offer Period, you may also request a free paper copy of this Prospectus either online by following the instructions at [www.amppnotesoffer.com.au](http://www.amppnotesoffer.com.au) or by contacting the **AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday.**

Application Forms (both electronic and paper) are available with this Prospectus during the Offer Period. Your Application will only be considered where you have applied pursuant to an Application Form (either electronic or paper) that was attached to or accompanied by a copy of this Prospectus, and your Application Payment has been received.

### 2.1.2 Application Payments held on trust

All Application Payments received before AMP Notes are issued will be held by the Issuer on trust in an account established solely for the purpose of depositing Application Payments received. Any interest that accrues in that account will be retained by the Issuer. After AMP Notes are issued to successful Applicants, the Application Payments held on trust will be payable to the Issuer.

### 2.1.3 Refunds

If you are a Shareholder Applicant or General Applicant and you are not allotted any AMP Notes or you are allotted fewer AMP Notes than the number that you applied for as a result of a scale back, all or some of your Application Payment (as applicable) will be refunded (without interest) as soon as possible after the Issue Date.

In addition, if the Offer does not proceed for any reason, Applicants will have their Application Payments refunded (without interest) as soon as possible after it has been determined that the Offer will not proceed.

### 2.1.4 Provision of personal information

The information about you included on an Application Form is used primarily for the purposes of processing the Application and, if the Application is successful, to administer your holding of AMP Notes. For information about the acknowledgements and privacy statement in relation to personal information that you provide AMP by completing an Application Form – see Section 7.11.

### 2.1.5 Allocation policy

#### 2.1.5.1 Overview

The Allocation of AMP Notes to Syndicate Brokers and Institutional Investors will be determined through the Bookbuild—see Section 2.1.5.2. The Joint Lead Managers and the Issuer, by mutual agreement, have the right to nominate the persons to whom AMP Notes will be allocated in the Bookbuild, including firm Allocations to Syndicate Brokers and Institutional Investors.

Allocations for the Shareholder Offer and General Offer will be determined by the Issuer (in consultation with the Joint Lead Managers) after the Closing Date – see Section 2.1.5.4. There is no specified proportion of the Offer that may be allocated to the Shareholder Offer and General Offer. If there is excess demand for AMP Notes after Allocations to Institutional Investors and Syndicate Brokers, Applicants under the Shareholder Offer and AMP customers will be given priority over other General Applicants.

The Issuer and the Joint Lead Managers reserve the right to scale back Applications from Shareholder Applicants and General Applicants and to treat Applications in excess of A\$100,000 and NZ\$100,000 as part of the Institutional Offer. Any scale back will be announced on ASX and NZX on the day AMP Notes commence trading – expected to be 9 April 2009. As a result of any scale back, Applicants under the Broker Firm Offer and Institutional Offer will be given priority and as such, Applicants under the General Offer may not be allocated any AMP Notes.

#### 2.1.5.2 Bookbuild

The Bookbuild was a process conducted by the Joint Lead Managers before the Opening Date to determine the Initial Margin and firm Allocations of AMP Notes to Syndicate Brokers and Institutional Investors. The Joint Lead Managers have conducted separate Bookbuilds for A\$ AMP Notes and NZ\$ AMP Notes.

In this process, the Syndicate Brokers (including the Joint Lead Managers, NZ Lead Managers, Co-Managers and Participating Brokers) and Institutional Investors were invited to lodge bids for a number of AMP Notes. On the basis of those bids, the Joint Lead Managers and the Issuer determined the Initial Margin and the Allocations to successful participants. At the conclusion of the Bookbuild, the Issuer allocated the equivalent of approximately A\$230 million to Institutional Investors and Syndicate Brokers. The Bookbuild was conducted under the terms and conditions agreed by the Issuer and the Joint Lead Managers in the Offer Management Agreement – see Section 7.4.

AMP Notes allocated to Syndicate Brokers through the Bookbuild will be issued to Applicants through Applications made under this Prospectus.

#### 2.1.5.3 Settlement support

The Joint Lead Managers have agreed with the Issuer to provide settlement support for the number of AMP Notes that are Allocated to Syndicate Brokers and Institutional Investors through the Bookbuild. This means that if any of the Syndicate Brokers or Institutional Investors fail to deliver Applications including Application Payments to the Issuer by the Settlement Date (which is one Business Day before the Issue Date), the Joint Lead Managers will be issued with and pay for those AMP Notes.

Under the Offer Management Agreement, as part of this settlement support, the Joint Lead Managers will pay to the Issuer, or procure payment to the Issuer, the aggregate proceeds raised from Syndicate Brokers and Institutional Investors through the Bookbuild by the Settlement Date.

The Offer Management Agreement may be terminated by the Joint Lead Managers in certain circumstances – see Section 7.4. If the Offer Management Agreement is terminated the right of Syndicate Brokers and Institutional Investors who participated in the Bookbuild to receive their firm Allocations may also be terminated. For details of the fees payable under the Offer Management Agreement, see Section 7.4.

#### 2.1.5.4 Allocations

<b>Institutional Offer</b>	Allocations to Institutional Investors were determined by the Joint Lead Managers and the Issuer by mutual agreement.
<b>Broker Firm Offer</b>	Allocations to Syndicate Brokers were determined by the Joint Lead Managers and the Issuer by mutual agreement. Allocations to Broker Firm Applicants by a Syndicate Broker are at the discretion of that Syndicate Broker.
<b>Shareholder and General Offers</b>	<p>Shareholder Applicants and General Applicants who submit a valid <i>Application Form</i> and Application Payment may receive an Allocation, subject to the right of the Issuer and the Joint Lead Managers to determine the Allocations, when the Offer closes.</p> <p>If there is excess demand for AMP Notes after Allocations to Institutional Investors and Syndicate Brokers, Applicants under the Shareholder Offer and AMP customers will be given priority over other General Applicants. The Issuer has absolute discretion to determine the method and extent of the priority Allocation to Shareholder Applicants and AMP customers.</p> <p>In particular, the Issuer reserves the right (at its discretion) to:</p> <ul style="list-style-type: none"> <li>– allocate to any Shareholder Applicant all AMP Notes for which they have applied;</li> <li>– reject any Application by a Shareholder Applicant or General Applicant; or</li> <li>– allocate to any Shareholder Applicant or General Applicant a lesser number of AMP Notes than that applied for, including less than the minimum application number of AMP Notes or none at all.</li> </ul> <p>No assurance is given that any Shareholder Applicant or General Applicant will receive an Allocation.</p>

#### 2.1.6 Provision of Tax File Number or Australian Business Number for Australian Tax Residents

The Issuer may contact you to obtain your TFN, ABN or both.

The collection and quotation of TFNs and ABNs is authorised, and their use and disclosure is strictly regulated, by tax laws and the Privacy Act.

You do not have to provide your TFN or ABN and it is not an offence if you fail to do so. However, in respect of Holders who have a registered address in Australia, the Issuer may be required to withhold Australian tax at the maximum marginal tax rate (currently 46.5% including the Medicare levy) on the amount of any Interest unless you provide one of the following:

- TFN;
- TFN exemption number (if applicable); or
- ABN (if AMP Notes are held in the course of an enterprise carried on by you).

## 2.2 Applying for A\$ AMP Notes

This Section 2.2 sets out information on applying for A\$ AMP Notes. For more information on applying for NZ\$ AMP Notes, see Section 2.3.

### 2.2.1 Shareholder Applicants and General Applicants

If you apply online, you will be required to complete the online Application Form for A\$ AMP Notes and pay using BPAY® – see Section 2.2.5 for BPAY® payment instructions. BPAY® is an electronic payment service that enables you to pay for your A\$ AMP Notes directly from your cheque or savings account online through participating Australian banks, credit unions or building societies. Cash payments will not be accepted.

Please note that your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY® and payment cut-off times may vary between bank, credit union or building society. For more information, please see [www.bpay.com.au](http://www.bpay.com.au) or your own financial institution. You cannot pay by BPAY® if you apply using a paper Application Form and cash payments will not be accepted.

To apply using the blue personalised paper Shareholder Application Form, or under the General Offer using the blue paper Application Form, Application Payments must be in the form of cheque(s) drawn on an Australian dollar account of an Australian financial institution.

#### 2.2.1.1 Delivering paper Application Forms for A\$ AMP Notes

If you are a Shareholder Applicant or General Applicant and applying for A\$ AMP Notes using a paper Application Form, you should return your completed blue Application Form and Application Payment to the address below before the Closing Date, which is expected to be 5:00pm (Sydney time) on 2 April 2009. Application Forms may not be processed if received after the Closing Date.

**General Offer**  
by mail to the Registry:

AMP Notes Offer  
Computershare Investor Services Pty Limited  
GPO Box 2115  
Melbourne VIC 3001  
AUSTRALIA

**Shareholder Offer**  
by mail to the Registry:

AMP Notes Offer  
Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001  
AUSTRALIA

Ensure you allow enough time for Australia Post or New Zealand Post to deliver your Application Form and Application Payment to the address above. Check with Australia Post or New Zealand Post for delivery times if you are unsure. If any Applications are not processed, the Application Form and Application Payment will be returned.

Blue paper Application Forms and Application Payments will not be accepted at any other address (including the Issuer's registered office or any other AMP Group office or AMP financial planner's office).

#### 2.2.1.2 Submitting online Application Forms

If you are a Shareholder Applicant or General Applicant and applying for A\$ AMP Notes using an online Application Form, you should submit your completed online Application Form and ensure your applicable Application Payment is made before the Closing Date, which is expected to be 5:00pm (Sydney time) on 2 April 2009.

### 2.2.2 Broker Firm Applicants

Broker Firm Applicants for A\$ AMP Notes apply using the blue Application Forms in the back of this Prospectus.

You should contact your Syndicate Broker for information on how to submit the blue Application Form and your Application Payment to your Syndicate Broker. If you are a Broker Firm Applicant you must NOT return your blue Application Form to the Registry.

### 2.2.3 Overview for A\$ AMP Notes Applications

WHO CAN APPLY FOR A\$ AMP NOTES?	HOW MANY A\$ AMP NOTES CAN YOU APPLY FOR?	WHEN TO APPLY <sup>1</sup>
<p><b>SHAREHOLDER APPLICANT</b> – that is, a registered holder of Ordinary Shares shown on the Register with an address in Australia or New Zealand through the Shareholder Offer.</p>	<p>Your Application must be for a minimum of 50 A\$ AMP Notes (A\$5,000).</p> <p>If your Application is for more than 50 A\$ AMP Notes, then you must apply in incremental multiples of 10 A\$ AMP Notes – that is, for incremental multiples of at least A\$1,000.</p> <p>The Issuer, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any Shareholder Applicant or General Applicant a lesser number of A\$ AMP Notes than applied for.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 11 March 2009.</p> <p>The Closing Date<sup>2</sup> for the Shareholder Offer and General Offer is expected to be <b>5.00pm (Sydney time) on 2 April 2009</b>.</p> <p>Your completed blue Application Form (either electronic or paper) and Application Payments must be received by the Registry by this time.</p>
<p><b>GENERAL APPLICANT</b> – that is, an Australian or New Zealand resident who is not a Shareholder Applicant, Broker Firm Applicant or an Institutional Investor – through the General Offer.</p>	<p>Your Application must be for a minimum of 50 A\$ AMP Notes (A\$5,000).</p> <p>If your Application is for more than 50 A\$ AMP Notes, then you must apply in incremental multiples of 10 A\$ AMP Notes – that is, for incremental multiples of at least A\$1,000.</p> <p>The Issuer, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any Shareholder Applicant or General Applicant a lesser number of A\$ AMP Notes than applied for.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 11 March 2009.</p> <p>The Closing Date<sup>2</sup> for the Shareholder Offer and General Offer is expected to be <b>5.00pm (Sydney time) on 2 April 2009</b>.</p> <p>Your completed blue Application Form (either electronic or paper) and Application Payments must be received by the Registry by this time.</p>
<p><b>BROKER FIRM APPLICANT</b> – that is, an Australian or New Zealand resident client of a Syndicate Broker – through the Broker Firm Offer.</p>	<p>Your Application must be for a minimum of 50 A\$ AMP Notes (A\$5,000).</p> <p>If your Application is for more than 50 A\$ AMP Notes, then you must apply in incremental multiples of 10 A\$ AMP Notes – that is, for incremental multiples of at least A\$1,000.</p> <p>Your Syndicate Broker will inform you of your Allocation.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 11 March 2009.</p> <p>The Closing Date for the Broker Firm Offer is expected to be <b>10.00am (Sydney time) on 7 April 2009</b>.</p> <p>Your completed blue Application Form and Application Payment must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker.</p>
<p><b>INSTITUTIONAL INVESTOR</b> – that is, an investor (whether an Australian or New Zealand resident or not) who is invited by the Joint Lead Managers to bid for A\$ AMP Notes in the Bookbuild and who is not a Broker Firm Applicant – through the Institutional Offer.<sup>3</sup></p>	<p>Applications by Institutional Investors are subject to the terms and conditions of the Bookbuild and this Prospectus.</p>	<p>The Bookbuild date was 10 March 2009.</p>

- 1 The key dates for the Offer are indicative only and may change without notice. The Issuer, in consultation with the Joint Lead Managers, may agree to accept late Applications (either generally or in particular cases), to extend any Closing Date, to close the Offer early without notice, or to withdraw the Offer at any time before A\$ AMP Notes are issued.
- 2 The Shareholder Offer and General Offer have a different Closing Date to the Broker Firm Offer to allow sufficient time for the processing of cheques received with Applications made under the Shareholder Offer and General Offer.
- 3 A\$ AMP Notes may be offered in a jurisdiction outside Australia under the Institutional Offer or Broker Firm Offer where such offer is made in accordance with the laws of that jurisdiction – see Section 7.10.

## 2.2.4 How to apply for A\$ AMP Notes Applications

ONLINE	USING A PAPER APPLICATION FORM
<p><b>SHAREHOLDER APPLICANT</b> Access <a href="http://www.ampnotesoffer.com.au">www.ampnotesoffer.com.au</a> for instructions on how to complete your Application. You will be asked to provide your HIN or SRN shown on the Offer postcard you may have received. You will be required to pay for A\$ AMP Notes using BPAY® – see Section 2.2.5.</p>	<p>You can request a paper copy of your personalised blue Shareholder Application Form to apply for A\$ AMP Notes either:</p> <ul style="list-style-type: none"> <li>– online by following the instructions at <a href="http://www.ampnotesoffer.com.au">www.ampnotesoffer.com.au</a>; or</li> <li>– by calling the <b>AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday.</b></li> </ul> <p>To pay for A\$ AMP Notes using cheque(s) – see Section 2.2.5. BPAY® is NOT available for Shareholder Applications made on paper Application Forms.</p> <p>Mail your completed personalised blue Shareholder Application Form to the Registry – see Section 2.2.1.1.</p>
<p><b>GENERAL APPLICANT</b> You can apply online at <a href="http://www.ampnotesoffer.com.au">www.ampnotesoffer.com.au</a> Instructions on how to complete your Application are provided online. You will be required to pay for A\$ AMP Notes using BPAY® – see Section 2.2.5.</p>	<p>There will be blue Application Forms contained in the back of paper copies of this Prospectus that should be used by General Applicants to apply for A\$ AMP Notes. You can request a paper copy of this Prospectus and Application Form either:</p> <ul style="list-style-type: none"> <li>– online by following the instructions at <a href="http://www.ampnotesoffer.com.au">www.ampnotesoffer.com.au</a>; or</li> <li>– by calling the <b>AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday.</b></li> </ul> <p>To pay for A\$ AMP Notes using cheque(s) – see Section 2.2.5. BPAY® is NOT available for General Applications made on paper Application Forms.</p> <p>Mail your completed blue Application Form to the Registry – see Section 2.2.1.1.</p>
<p><b>BROKER FIRM APPLICANT</b> There will be blue Application Forms in the back of paper copies of this Prospectus that should be used by Broker Firm Applicants to apply for A\$ AMP Notes. You should contact your Syndicate Broker for information on how to submit the blue Application Form and your Application Payment to your Syndicate Broker. You must NOT return your blue Application Form to the Registry. Your Syndicate Broker:</p>	<p>– may provide a facility for you to apply for A\$ AMP Notes online;</p> <p>– must have received your completed blue Broker Firm Application Form and Application Payment in time to arrange settlement on your behalf by the Closing Date for the Broker Firm Offer – expected to be 10.00am (Sydney time) on 7 April 2009; and</p> <p>– will act as your agent in processing your Broker Firm Application Form and providing your Application details and Application Payment to the Issuer.</p>
<p><b>INSTITUTIONAL INVESTOR</b> If you have any further questions about the Offer or your Application, you should contact the Joint Lead Managers.</p>	

## 2.2.5 How to pay for A\$ AMP Notes

	ONLINE	PAPER APPLICATION FORM
<p><b>SHAREHOLDER OFFER</b></p>	<p>If you are a Shareholder Applicant and apply for A\$ AMP Notes using an online blue Application Form, follow the instructions provided at <a href="http://www.amppnotesoffer.com.au">www.amppnotesoffer.com.au</a>. You must complete your Application by making a BPAY® payment. Once you have completed your online blue Application Form, you will be provided with a BPAY® biller code and customer reference number, which you must use to complete a BPAY® payment following the instructions below. If you do not make a BPAY® payment your Application will be incomplete and can not be accepted by the Issuer.</p> <p>Before making a BPAY® payment you should confirm your daily BPAY® limit with your financial institution to ensure your Application Payments does not exceed this daily limit.</p> <p><b>Making a BPAY® payment</b> Using the provided BPAY® details, you need to:</p> <ul style="list-style-type: none"> <li>- access your participating BPAY® Australian financial institution either through telephone banking or internet banking;</li> <li>- select BPAY® and follow the prompts:               <ul style="list-style-type: none"> <li>- enter the biller code supplied;</li> <li>- enter the customer reference number supplied;</li> <li>- enter the amount to be paid which corresponds to the number of A\$ AMP Notes you wish to apply for (that is, a minimum of A\$5,000 A\$ AMP Notes and incremental multiples of A\$1,000 A\$ AMP Notes);</li> <li>- select the account you wish your payment to be made from;</li> <li>- schedule your payment for the same day processing since Applications without payment cannot be accepted; and</li> </ul> </li> <li>- record your BPAY® receipt number and date paid. Retain these details for your records.</li> </ul> <p>Applicants should be aware that their own financial institution may implement earlier cut off times for electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure payment is submitted with sufficient time to be received by the Closing Date.</p>	<p>If you apply for A\$ AMP Notes under the Shareholder Offer using a blue paper Application Form, your Application Form must be accompanied by an Application Payment in the form of cheque(s) in Australian dollars drawn on an Australian branch of a financial institution and made payable to 'AMP Notes Offer'.</p> <p>Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted.</p> <p>We are unable to accept payment by BPAY® if you apply using a blue paper Application Form.</p>
<p><b>GENERAL OFFER</b></p>	<p>If you apply for A\$ AMP Notes using an online blue Application Form at <a href="http://www.amppnotesoffer.com.au">www.amppnotesoffer.com.au</a>, you must complete your Application by making a BPAY® payment.</p> <p>Once you have completed your online blue Application Form, you will be given a BPAY® biller code and customer reference number. Follow the BPAY® instructions above to complete your Application. If you do not make a BPAY® payment your Application will be incomplete and can not be accepted by the Issuer.</p>	<p>If you apply for A\$ AMP Notes under the General Offer using a paper Application Form, your blue Application Form must be accompanied by an Application Payment in the form of cheque(s) in Australian dollars drawn on an Australian branch of a financial institution and made payable to 'AMP Notes Offer'.</p> <p>Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted.</p> <p>We are unable to accept payment by BPAY® if you apply using a blue paper Application Form.</p>
<p><b>BROKER FIRM OFFER</b></p>	<p>You should contact your Syndicate Broker for information on how to submit the blue Application Form for A\$ AMP Notes and your Application Payment to your Syndicate Broker.</p>	

## 2.2.6 Brokerage and stamp duty

No brokerage or stamp duty is payable on your Application. However, you may have to pay brokerage on any later sale of your A\$ AMP Notes on ASX after A\$ AMP Notes have been quoted on ASX.

## 2.2.7 Provision of payment instructions for Interest payments

The Issuer's current policy is that Interest on A\$ AMP Notes will only be paid in Australian dollars by direct credit into nominated Australian dollar financial institution accounts (excluding credit card accounts), for Holders with a registered address in Australia or New Zealand. The Issuer may, at its discretion, charge or pass on any fees incurred by it in relation to the reissue of payments to Holders.

If your application is successful and you are issued A\$ AMP Notes, you may be asked to provide your Australian dollar financial institution account details in order to receive your Interest by direct credit, when you receive your Holding Statement.

## 2.2.8 ASX quotation, Holding Statements and other information

### 2.2.8.1 ASX quotation

The Issuer has applied to ASX for A\$ AMP Notes to be quoted on ASX. If ASX does not grant permission for A\$ AMP Notes to be quoted within three months after the date of the Original Prospectus, A\$ AMP Notes will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as practicable.

It is expected that A\$ AMP Notes will begin trading on ASX on a deferred settlement basis on 9 April 2009 under ASX code 'AQNHA'. Trading is expected to continue on that basis until 17 April 2009, when it is anticipated that trading of A\$ AMP Notes will begin on a normal settlement basis. Deferred settlement will occur as a consequence of trading which takes place before Holding Statements are despatched to successful Applicants. If the Issuer closes the offer early this date may change without notice.

You are responsible for confirming your holding before trading in A\$ AMP Notes. If you are a successful Applicant and you sell your A\$ AMP Notes before you receive your Holding Statement, you do so at your own risk.

You may call the **AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday** or your Syndicate Broker after the Issue Date to enquire about your Allocation.

### 2.2.8.2 Holding Statements

The Issuer will apply for A\$ AMP Notes to participate in CHESS. No certificates will be issued for A\$ AMP Notes. The Issuer expects that Holding Statements will be despatched to successful Applicants by 16 April 2009.

## 2.3 Applying for NZ\$ AMP Notes

This Section 2.3 sets out information on applying for NZ\$ AMP Notes. For more information on applying for A\$ AMP Notes, see Section 2.2.

### 2.3.1 Shareholder Applicants and General Applicants

To apply using the green personalised paper Shareholder Application Form, or under the General Offer using the green paper Application Form, Application Payments must be in the form of cheque(s) drawn on a New Zealand dollar account of a New Zealand financial institution.

If you apply online, you will be required to complete the online Application Form for NZ\$ AMP Notes and pay using cheque(s) drawn on a New Zealand dollar account of a New Zealand financial institution. You are required to print a copy of the Remittance Slip that is emailed to you upon submission of the online Application Form. You should return your printed Remittance Slip and Application Payment to the address below before the Closing Date (see Section 2.3.1.2).

Cash payments or other payment methods will not be accepted.

#### 2.3.1.1 Delivering paper Application Forms for NZ\$ AMP Notes

If you are a Shareholder Applicant or General Applicant and applying for NZ\$ AMP Notes using a green paper Application Form, you should return your completed green paper Application Form and Application Payment to the address below before the Closing Date, which is expected to be 5:00pm (Sydney time) on 2 April 2009. Application Forms may not be processed if received after the Closing Date.

by mail to the Registry:

AMP Notes Offer  
Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
NEW ZEALAND

Ensure you allow enough time for Australia Post or New Zealand Post to deliver your Application Form and Application Payment to the address above. Check with Australia Post or New Zealand Post for delivery times if you are unsure. If any Applications are not processed, the Application Form and Application Payment will be returned.

Green paper Application Forms and Application Payments will not be accepted at any other address (including the Issuer's registered office or any other AMP Group office or AMP financial planner's office).

#### 2.3.1.2 Delivering Remittance Slip and Payment for online applications for NZ\$ AMP Notes

If you are a Shareholder Applicant or General Applicant and applying for NZ\$ AMP Notes using the online Application Form, you should return your printed Remittance Slip and Application Payment to the address below before the Closing Date, which is expected to be 5:00pm (Sydney time) on 2 April 2009. Online Applications may not be processed if Remittance Slips are received after the Closing Date.

by mail to the Registry:

AMP Notes Offer  
Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
NEW ZEALAND

Remittance Slips and Application Payments will not be accepted at any other address (including the Issuer's registered office or any other AMP Group office or AMP financial planner's office).

### 2.3.2 Broker Firm Applicants

Broker Firm Applicants apply for NZ\$ AMP Notes using the green Application Forms in the back of this Prospectus.

You should contact your Syndicate Broker for information on how to submit the green Application Form and your Application Payment to your Syndicate Broker. If you are a Broker Firm Applicant you must NOT return your green Application Form to the Registry.

### 2.3.3 Overview for NZ\$ AMP Notes Applications

WHO CAN APPLY FOR NZ\$ AMP NOTES?	HOW MANY NZ\$ AMP NOTES CAN YOU APPLY FOR?	WHEN TO APPLY <sup>1</sup>
<p><b>SHAREHOLDER APPLICANT</b> – that is, a registered holder of Ordinary Shares shown on the Register with an address in Australia or New Zealand – through the Shareholder Offer.</p>	<p>Your Application must be for a minimum of 5,000 NZ\$ AMP Notes (NZ\$5,000).</p> <p>If your Application is for more than 5,000 NZ\$ AMP Notes, then you must apply in incremental multiples of 1,000 NZ\$ AMP Notes – that is, for incremental multiples of at least NZ\$1,000.</p> <p>The Issuer, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any Shareholder Applicant or General Applicant a lesser number of NZ\$ AMP Notes than applied for.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 11 March 2009.</p> <p>The Closing Date<sup>2</sup> for the Shareholder Offer and General Offer is expected to be <b>5.00pm (Sydney time) on 2 April 2009</b>.</p> <p>Your completed green Application Form or Remittance Slip and Application Payments must be received by the Registry by this time.</p>
<p><b>GENERAL APPLICANT</b> – that is, an Australian or New Zealand resident who is not a Shareholder Applicant, Broker Firm Applicant or an Institutional Investor – through the General Offer.</p>	<p>Your Application must be for a minimum of 5,000 NZ\$ AMP Notes (NZ\$5,000).</p> <p>If your Application is for more than 5,000 NZ\$ AMP Notes, then you must apply in incremental multiples of 1,000 NZ\$ AMP Notes – that is, for incremental multiples of at least NZ\$1,000.</p> <p>The Issuer, in consultation with the Joint Lead Managers, reserves the right to reject any Application, or to allocate any Shareholder Applicant or General Applicant a lesser number of NZ\$ AMP Notes than applied for.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 11 March 2009.</p> <p>The Closing Date<sup>2</sup> for the Shareholder Offer and General Offer is expected to be <b>5.00pm (Sydney time) on 2 April 2009</b>.</p> <p>Your completed green Application Form or Remittance Slip and Application Payments must be received by the Registry by this time.</p>
<p><b>BROKER FIRM APPLICANT</b> – that is, an Australian or New Zealand resident client of a Syndicate Broker – through the Broker Firm Offer.</p>	<p>Your Application must be for a minimum of 5,000 NZ\$ AMP Notes (NZ\$5,000).</p> <p>If your Application is for more than 5,000 NZ\$ AMP Notes, then you must apply in incremental multiples of 1,000 NZ\$ AMP Notes – that is, for incremental multiples of at least NZ\$1,000.</p> <p>Your Syndicate Broker will inform you of your Allocation.</p>	<p>Applications will only be accepted during the Offer Period, which is expected to open on 11 March 2009.</p> <p>The Closing Date for the Broker Firm Offer is expected to be <b>10.00am (Sydney time) on 7 April 2009</b>.</p> <p>Your completed green Application Form and Application Payment must be received by your Syndicate Broker in accordance with arrangements made between you and your Syndicate Broker.</p>
<p><b>INSTITUTIONAL INVESTOR</b> – that is, an investor (whether an Australian or New Zealand resident or not) who is invited by the Joint Lead Managers to bid for NZ\$ AMP Notes in the Bookbuild and who is not a Broker Firm Applicant – through the Institutional Offer.<sup>3</sup></p>	<p>Applications by Institutional Investors are subject to the terms and conditions of the Bookbuild and this Prospectus.</p>	<p>The Bookbuild date was 10 March 2009.</p>

- 1 The key dates for the Offer are indicative only and may change without notice. The Issuer, in consultation with the Joint Lead Managers, may agree to accept late Applications (either generally or in particular cases), to extend any Closing Date, to close the Offer early without notice, or to withdraw the Offer at any time before NZ\$ AMP Notes are issued.
- 2 The Shareholder Offer and General Offer have a different Closing Date to the Broker Firm Offer to allow sufficient time for the processing of cheques received with Applications made under the Shareholder Offer and General Offer. Note the Broker Firm Offer in New Zealand is settling via cheque.
- 3 NZ\$ AMP Notes may be offered in a jurisdiction outside Australia under the Institutional Offer or Broker Firm Offer where such offer is made in accordance with the laws of that jurisdiction – see Section 7.10.

### 2.3.4 How to apply for NZ\$ AMP Notes Application

ONLINE	USING A PAPER APPLICATION FORM
<p><b>SHAREHOLDER APPLICANT</b> Access <a href="http://www.amnnotesoffer.com.au">www.amnnotesoffer.com.au</a> for instructions on how to complete your Application.</p> <p>You will be asked to provide your SRN or HIN (also known as your CSN) shown on the Offer postcard you may have received.</p> <p>You will be required to pay for NZ\$ AMP Notes by cheque(s) – see Section 2.3.5.</p>	<p>You can request a paper copy of your personalised green Shareholder Application Form to apply for NZ\$ AMP Notes either:</p> <ul style="list-style-type: none"> <li>– online by following the instructions at <a href="http://www.amnnotesoffer.com.au">www.amnnotesoffer.com.au</a>; or</li> <li>– by calling the <b>AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday.</b></li> </ul> <p>To pay for NZ\$ AMP Notes using cheque(s) – see Section 2.3.5. Cash payments will not be accepted.</p> <p>Mail your completed personalised green Shareholder Application Form to the Registry – see Section 2.3.1.1.</p>
<p><b>GENERAL APPLICANT</b> You can apply online at <a href="http://www.amnnotesoffer.com.au">www.amnnotesoffer.com.au</a></p> <p>Instructions on how to complete your Application are provided online.</p> <p>You will be required to pay for NZ\$ AMP Notes using cheque(s) – see Section 2.3.5.</p>	<p>There are green Application Forms contained in the back of paper copies of this Prospectus that should be used by General Applicants to apply for NZ\$ AMP Notes. You can request a paper copy of this Prospectus and Application Form either:</p> <ul style="list-style-type: none"> <li>– online by following the instructions at <a href="http://www.amnnotesoffer.com.au">www.amnnotesoffer.com.au</a>; or</li> <li>– by calling the <b>AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday.</b></li> </ul> <p>To pay for NZ\$ AMP Notes using cheque(s) – see Section 2.3.5.</p> <p>Mail your completed green Application Form to the Registry – see Section 2.3.1.1.</p>
<p><b>BROKER FIRM APPLICANT</b> There are green Application Forms in the back of paper copies of this Prospectus that should be used by Broker Firm Applicants to apply for NZ\$ AMP Notes.</p> <p>You should contact your Syndicate Broker for information on how to submit the green Application Form and your Application Payment to your Syndicate Broker.</p> <p>You must NOT return your green Application Form to the Registry.</p> <p>Your Syndicate Broker:</p> <ul style="list-style-type: none"> <li>– may provide a facility for you to apply for NZ\$ AMP Notes online;</li> <li>– must have received your completed Broker Firm Application Form and Application Payment in time to arrange settlement on your behalf by the Closing Date for the Broker Firm Offer – expected to be 10.00am (Sydney time) on 7 April 2009; and</li> <li>– will act as your agent in processing your Broker Firm Application Form and providing your Application details and Application Payment to the issuer.</li> </ul>	
<p><b>INSTITUTIONAL INVESTOR</b> If you have any further questions about the Offer or your Application, you should contact the Joint Lead Managers.</p>	

### 2.3.5 How to pay for NZ\$ AMP Notes

	ONLINE	PAPER APPLICATION FORM
<b>SHAREHOLDER OFFER</b>	<p>If you are a Shareholder Applicant and apply for NZ\$ AMP Notes using an online green Application Form, follow the instructions provided at <a href="http://www.ampnotesoffer.com.au">www.ampnotesoffer.com.au</a>. You must complete your Application by submitting your Application payment by cheque(s) along with the Remittance Slip sent to you via email upon the submission of your online application.</p> <p>Once you have completed your online Application Form, you will be provided with a Remittance Slip, which you must use to attach your Application Payment cheque(s) and post. If you do not submit your payment your Application will be incomplete and can not be accepted by the Issuer.</p> <p>Your Remittance Slip must be accompanied by an Application Payment in the form of cheque(s) in New Zealand dollars drawn on a New Zealand dollars account of New Zealand financial institution and made payable to 'AMP Notes Offer'.</p> <p>Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted</p>	<p>If you apply for NZ\$ AMP Notes under the Shareholder Offer using a green paper Application Form, your Application Form must be accompanied by an Application Payment in the form of cheque(s) in New Zealand dollars drawn on a New Zealand financial institution and made payable to 'AMP Notes Offer'.</p> <p>Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted.</p>
<b>GENERAL OFFER</b>	<p>If you are a General Application and apply for NZ\$ AMP Notes using an online Application Form follow the instructions provided at <a href="http://www.ampnotesoffer.com.au">www.ampnotesoffer.com.au</a>. You must complete your Application by submitting your Application Payment by cheque(s) along with the Remittance Slip sent to you via email upon the submission of your online application.</p> <p>Once you have completed your online Application Form, you will be provided with a Remittance Slip, which you must use to attach your Application Payment cheque(s) and post. If you do not submit your payment your Application will be incomplete and can not be accepted by the Issuer.</p> <p>Your Remittance Slip must be accompanied by an Application Payment in the form of cheque(s) in New Zealand dollars drawn on a New Zealand dollars account of New Zealand financial institution and made payable to 'AMP Notes Offer'.</p> <p>Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted</p>	<p>If you apply for NZ\$ AMP Notes under the General Offer using a paper Application Form, your green Application Form must be accompanied by an Application Payment in the form of cheque(s) or money order(s) in New Zealand dollars drawn on a New Zealand branch of a financial institution and made payable to 'AMP Notes Offer'.</p> <p>Cheque(s) should be crossed 'Not Negotiable'. Cash payments will not be accepted.</p>
<b>BROKER FIRM OFFER</b>	<p>You should contact your Syndicate Broker for information on how to submit the green Application Form for NZ\$ AMP Notes and your Application Payment to your Syndicate Broker.</p>	

### 2.3.6 Brokerage and stamp duty

No brokerage or stamp duty is payable on your Application. However, you may have to pay brokerage on any later sale of your NZ\$ AMP Notes on NZDX after NZ\$ AMP Notes have been quoted on NZDX.

### 2.3.7 Provision of payment instructions for Interest payments

The Issuer's current policy is that Interest on NZ\$ AMP Notes will only be paid in New Zealand dollars. It is currently the Issuer's preference to make these payments by direct credit into nominated New Zealand dollar financial institution accounts (excluding credit card accounts), for Holders with a registered address in Australia or New Zealand. The Issuer may, at its discretion, charge or pass on any fees incurred by it in relation to the reissue of payments to Holders.

If your application is successful and you are issued NZ\$ AMP Notes, you may be asked to provide your New Zealand dollar financial institution account details in order to receive your Interest by direct credit, when you receive your Holding Statement.

### 2.3.8 NZDX quotation, Holding Statements and other information

#### 2.3.8.1 NZDX quotation

The Issuer has applied to NZX for NZ\$ AMP Notes to be quoted on NZDX. If NZX does not grant permission for NZ\$ AMP Notes to be quoted within three months after the date of the Original Prospectus, NZ\$ AMP Notes will not be issued and all Application Payments will be refunded (without interest) to Applicants as soon as practicable.

It is expected that NZ\$ AMP Notes will begin trading on NZDX on a normal settlement basis on 9 April 2009 under NZDX code 'AQN010'. If the Issuer closes the offer early this date may change without notice.

You are responsible for confirming your holding before trading in NZ\$ AMP Notes. If you are a successful Applicant and you sell your NZ\$ AMP Notes before you receive your Holding Statement, you do so at your own risk.

You may call the **AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday** or your Syndicate Broker after the Issue Date to enquire about your Allocation.

#### 2.3.8.2 Holding Statements

The Issuer will apply for NZ\$ AMP Notes to participate in FASTER. No certificates will be issued for NZ\$ AMP Notes. The Issuer expects that Holding Statements will be despatched to successful Applicants by 16 April 2009.

## 2.4 Enquiries

### 2.4.1 Shareholder Applicants and General Applicants

You can call the **AMP Notes Information Line on 1300 750 485 (within Australia), 0800 444 229 (within New Zealand) or +61 3 9415 4332 (international), 8:30am to 5:00pm (Sydney time), Monday to Friday** if you:

- have further questions on how to apply for AMP Notes;
- require assistance to complete your Application Form;
- require additional copies of this Prospectus and/or Application Forms; or
- have any other questions about the Offer.

### 2.4.2 Broker Firm Applicants

If you have further questions about the Offer or your Application, you should contact your Syndicate Broker or other professional adviser.

If you are unclear in relation to any matter or are uncertain if AMP Notes are a suitable investment for you, you should consult your financial adviser or other professional adviser. If you are a Broker Firm Applicant and you are in doubt, you should immediately contact your Syndicate Broker or other professional adviser.

## Section 3. About AMP Group

This Section sets out:

- › A description of AMP Group, the Issuer and the Guarantor;
- › Information on the credit ratings relevant to the Offer; and
- › AMP's approach to capital management.

### 3.1 About AMP Group

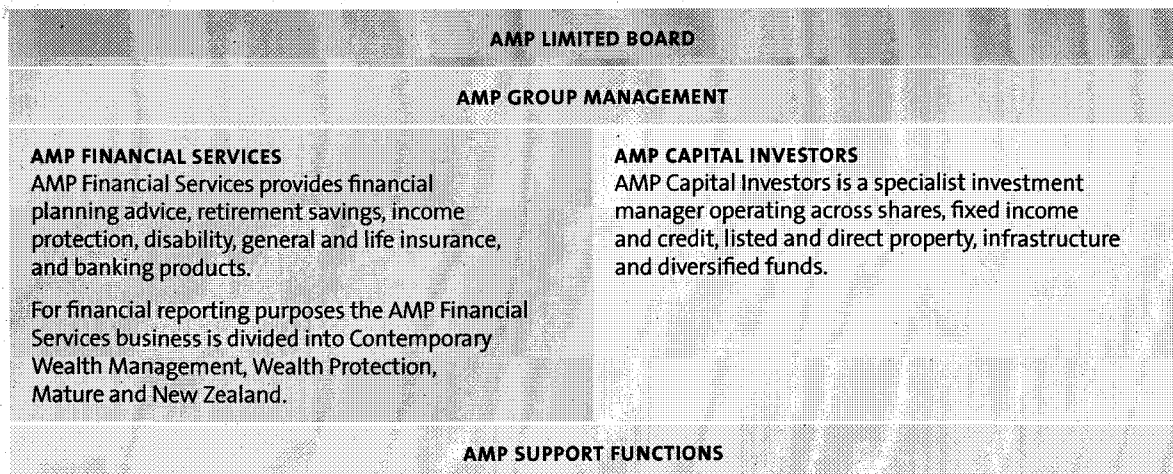
AMP Group is a leading wealth management group operating in Australia and New Zealand, with selected investment management activities in Asia through AMP Capital Investors. AMP Group's 2,000 plus financial planners, together with more than 3,800 employees, serve the financial needs of 3.4 million customers in Australia and New Zealand.

As of the date of this Prospectus, AMP Group:

- is Australia's leading superannuation provider and the number two in the retirement incomes market in Australia<sup>1</sup>;
- is one of the top four providers of individual risk insurance in Australia and number two in the New Zealand life insurance market<sup>2</sup>;
- is one of the region's largest investment managers, with A\$92 billion in assets under management as at 31 December 2008;
- has one of the largest networks of financial planners in Australia and New Zealand;
- is a leading brand name in financial services; and
- has over 3,800 employees in Australia, New Zealand and Asia.

#### 3.1.1 AMP's business divisions

AMP Group is structured around two businesses: AMP Financial Services and AMP Capital Investors. Each business operates in Australia and New Zealand and AMP Capital Investors conducts selected investment management activities in Asia. AMP Group's operating divisions are set out below:



##### 3.1.1.1 AMP Financial Services

AMP Financial Services is made up of four business areas:

- Financial Planning, Advice & Services;
- Product Manufacturing;
- Customer Value; and
- New Zealand Financial Services.

##### Financial Planning, Advice & Services

Financial Planning, Advice & Services includes AMP Financial Services' financial planning and general insurance distribution channels, and AMP Financial Services' planner support business teams in Australia.

- **AMP Financial Planning** provides comprehensive support services to over 1,300 self-employed, aligned planners, through field specialists and support staff, including para-planning, marketing, research and technical services, back-office processing, call centre and IT services.
- **Hillross** provides research, infrastructure and strategic support to over 300 planners across Australia.
- **AMP General Insurance Distribution** operates through business managers who work with advisers and brokers to underwrite business, seek new sales opportunities and answer product and technical queries as required.

Note:

- 1 Source: Plan for Life 30 September 2008 – QDS Retail & Wholesale Assets under Management.
- 2 Source: Plan for Life 30 September 2008 – Detailed Risk Statistics and ISI Statistics September 2008.

### Product Manufacturing

Product Manufacturing includes the business lines that develop and manage AMP Financial Services' corporate and retail product lines, as well as product support services in Australia. It includes:

- **Personal Wealth Management** develops and manages superannuation, retirement income and investment products for retail and small business customers, distributed primarily through financial planners. It also manages AMP Financial Services' traditional product range.
- **Personal Wealth Protection** develops and manages life insurance products for retail customers, distributed primarily through financial planners.
- **Corporate Superannuation** develops and manages superannuation products and group life insurance products for corporate customers, distributed through financial planners and directly.
- **AMP Banking** develops and manages mortgage and deposit products for retail and small business customers, distributed through financial planners, brokers and directly.
- **Strategic Development and Design** undertakes strategic developments and designs new products and services for the next generation of AMP Financial Services' products.
- **Pricing and Value Analytics** provide analytical and technical services for product pricing and packaged offers.
- **Customer Service** provides record keeping and customer contact centre support functions to customers and distributors on behalf of product business lines. It also provides limited advice and product fulfilment services for investors who do not have a relationship with financial planners.
- **Operations** is responsible for manufacturing principals, risk management, change management and process excellence.

### Customer Value

Customer Value develops and delivers targeted customer offers for AMP Financial Services' chosen segments through a range of distribution channels. The primary customer segments are defined as: retirement, property biased investors, high net worth and small business builders.

Customer Value supports the Product Manufacturing Business Division with product marketing. It provides member education, planner and employer support for the Corporate Superannuation business line. Customer Value also provides planner product training and capability development to support the retail business lines.

Customer Value delivers practice and customer marketing capability to AMP Financial Planning practices and supports all Financial Planning, Advice & Services channels with a customer care service for lower value customers (Low Touch).

Customer Value manages the relationship of AMP's non-intermediated retail customer base through direct marketing and client management. Customer Value also designs and delivers AMP Financial Services' digital strategy including current online capability in amp.com.au and My portfolio.

### New Zealand Financial Services

In New Zealand:

- **Distribution** provides support services to around 400 advisers. Advice in New Zealand Financial Services is currently built around insurance, investments and mortgage sales. Through their relationship with AMP, advisers benefit from marketing support, training and professional development.
- **Distribution Services and Operations** administers life insurance and retail investment products and supports their delivery through AMP's comprehensive national network of advisers and brokers.
- **Marketing** develops and manufactures life insurance and retail and workplace investment products (including KiwiSaver). Marketing also manages the Connect programme - strategic alliances with other providers in order to provide a wide range of products to AMP customers. Marketing is also responsible for New Zealand Financial Services' brand and marketing programme, community and corporate sponsorships and customer segmentation and experience.

### 3.1.1.2 AMP Capital Investors

AMP Capital Investors is made up of nine business teams (including support functions) which are responsible for investing the funds of members of AMP Group and funds managed by members of AMP Group, and external clients.

The nine business teams are:

- **Listed Assets** is responsible for the investment management of shares and bonds, property securities, private debt, private equity, hedge funds and diversified and multi-manager funds.
- **Property** is responsible for managing AMP Capital Investors' substantial property business. This includes:
  - the investment management of AMP Capital Investors' various property portfolios;
  - the day-to-day management of office, industrial and shopping centre properties owned by AMP Capital Investors managed funds; and
  - researching new property opportunities.
- **Infrastructure** is responsible for sourcing and managing infrastructure investments with varying levels of capital growth and yield, through listed and unlisted trusts and customised client portfolios.
- **Client, Product and Marketing** is responsible for developing new business opportunities in the institutional, retail and high net worth markets in Australia, developing products, servicing clients and the AMP Capital Investors brand.
- **International** is responsible for AMP Capital Investors' international businesses in Asia, New Zealand, the United Kingdom and Europe.
- **Strategic Alliances and Partnerships** is responsible for building and maintaining relationships with AMP Capital Investors' key partners (including AMP Capital Investors' biggest partner AMP Financial Services), while also building AMP Capital Investors' business-wide capability in partnership management.
- **Finance and Investment Services** is responsible for:
  - maintaining the integrity of AMP Capital Investors' financial information;
  - helping the business make better decisions by providing accurate and quality financial advice; and
  - AMP Capital Investors' investment operations.
- **People and Change** is responsible for human resources and the Managing Director's office, including the strategy function.
- **Legal and Risk and Compliance** is responsible for providing AMP Capital Investors business units with quality and commercially focused legal advice and services, and ensuring AMP Capital Investors complies with government legislation, regulations and policies.

## 3.2 About the Issuer

The principal activity of the Issuer is to raise finance for use by AMP Group. The Issuer is a company incorporated in Australia under the Corporations Act.

The Board of the Issuer is comprised of members of senior management of AMP Group being Paul Leaming (CFO), Bryan Dean (Director, Treasury and Mergers & Acquisitions) and Simon Hoole (Group Finance Director).

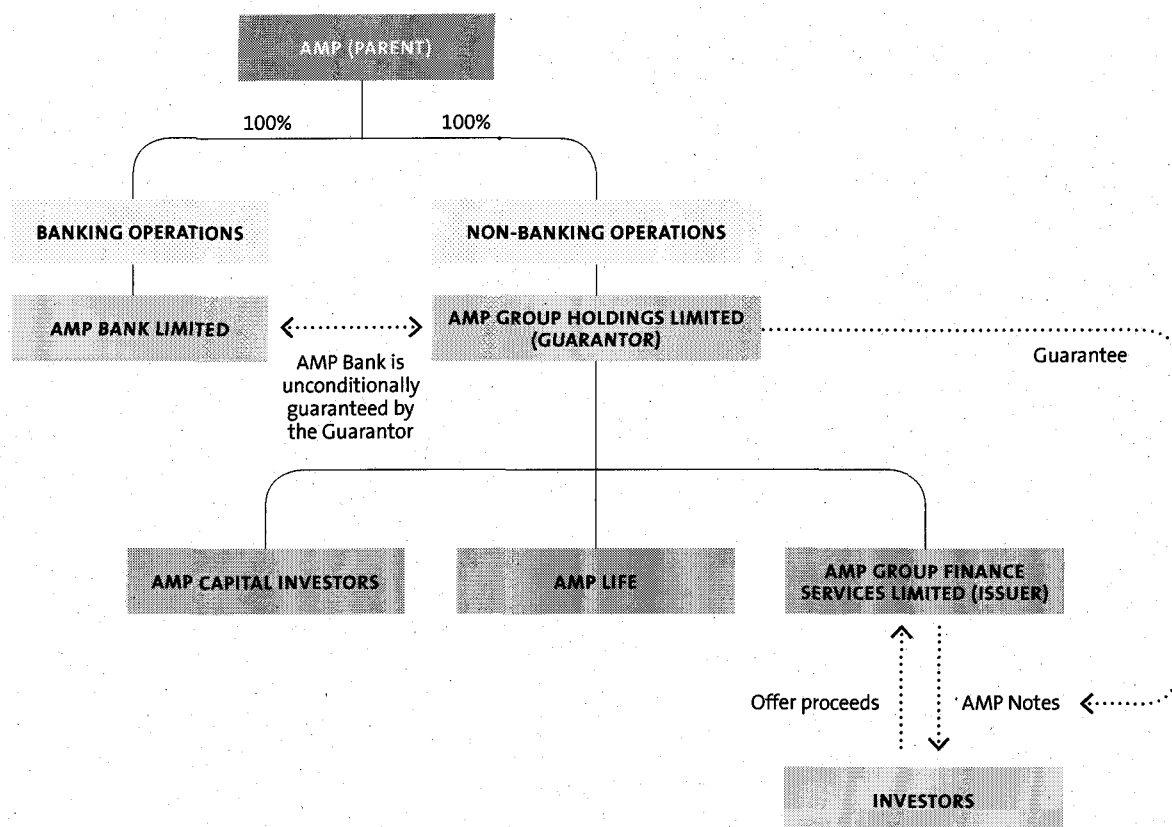
For information about the financial position of the Issuer, see Section 4.2.

## 3.3 About the Guarantor

The principal activity of the Guarantor is to act as the holding company for the non-banking activities of AMP Group (being all the businesses and operations of AMP Group, other than those activities undertaken by AMP Bank and its controlled entities). The Guarantor also guarantees certain other liabilities of the Issuer, AMP Bank and other companies in AMP Group. The Guarantor is a company incorporated in Australia under the Corporations Act.

For information about the credit ratings of the Guarantor, see Section 3.5.2. For information about the financial position of the Guarantor, see Section 4.3.

A simplified structure of AMP Group (including the Issuer and Guarantor) and the Offer is set out over the page:



### 3.4 Capital management

AMP holds a level of capital above its minimum regulatory requirements (MRR). Given the challenging market conditions, AMP will continue to take a prudent approach to capital management. AMP's capital strategy remains focused on enhancing its already strong capital position in the current climate, maintaining business flexibility to grow and further optimising the capital mix. For information about AMP Group's regulatory capital resources, – see Section 4.4.2.

### 3.5 Credit ratings

Several subsidiaries of AMP have been rated by Standard & Poor's and Moody's. Those ratings that are current at the date of this Prospectus and are relevant to the Offer are as follows:

Credit rating type	Standard & Poor's	Moody's
AMP Notes – provisional Issue Credit Ratings	'A-'	'A3'
Guarantor – long-term credit ratings	'A'	'A2'

The provisional Issue Credit Ratings in respect of AMP Notes were issued by Standard & Poor's and Moody's on 24 February 2009 and 17 February 2009 respectively. These ratings are provisional and Standard & Poor's and Moody's have indicated that they will be assigned to AMP Notes upon their issue subject to no material changes occurring to the Offer structure or documentation.

The Guarantor's long-term credit ratings were issued by Standard & Poor's on 13 July 2005 and by Moody's on 8 November 2006.

These credit rating references are current but may be revised, withdrawn or suspended by the relevant credit rating agency at any time. These credit rating references are not a recommendation by the relevant credit rating agency to apply for AMP Notes offered under this Prospectus. Neither Standard & Poor's nor Moody's have consented to the use of their credit rating references in this Prospectus and they are not liable for any statements in this Prospectus under section 729(1) of the Corporations Act.

For a description of what each of these ratings mean, see Sections 3.5.1 and 3.5.2 opposite.

**Ratings are statements of opinion, not statements of fact or recommendations to buy, hold or sell any securities (including AMP Notes). In as much as they do not comment as to market price or suitability for a particular investor, ratings may be changed, withdrawn or suspended at any time. In Australia, credit ratings are assigned by Standard & Poor's and Moody's, neither of which hold an AFSL under the Corporations Act.**

**As at the date of this Prospectus, the Issuer has not approached any rating agency other than Standard & Poor's and Moody's for a rating of AMP Notes.**

### 3.5.1 AMP Notes – Provisional Issue Credit Ratings

An Issue Credit Rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program.

#### **Standard & Poor's**

AMP Notes have been assigned a provisional Issue Credit Rating of 'A-' by Standard & Poor's. An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. Issues rated 'BBB-' or higher by Standard & Poor's are generally considered in capital markets to be investment grade. AMP Notes are therefore expected to be investment grade once issued.

Standard & Poor's ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories, with (+) indicating the obligation ranks in the higher end of the category and (-) indicating the obligation ranks in the lower end of the category.

#### **Moody's**

AMP Notes have been assigned a provisional Issue Credit Rating of 'A3' by Moody's. Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk. Issues rated 'Baa3' or higher by Moody's are generally considered in capital markets to be investment grade. AMP Notes are therefore expected to be investment grade once issued.

Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic category; the modifier 2 indicates mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic category.

### 3.5.2 Long-term credit ratings of the Guarantor

A long-term credit rating is a current opinion of an obligor's overall financial capacity to pay its financial obligations (that is, its creditworthiness).

#### **Standard & Poor's**

The Standard & Poor's long-term credit rating for the Guarantor is 'A'. An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

The outlook applied to the Guarantor's long-term credit rating above is 'Outlook Stable' which indicates that the rating is not likely to change in the near term.

#### **Moody's**

The Moody's long-term credit rating for the Guarantor is 'A2'. Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk.

The outlook applied to the Guarantor's long-term credit rating above is 'Outlook Stable' which indicates that the rating is not likely to change in the near term.

## 3.6 Further information on AMP Group

As an Australian company listed on ASX and NZX, AMP is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These include preparation of yearly and half-yearly financial statements and a report on the operations of AMP during the relevant period together with an audit or review report by AMP's auditor.

Under ASX Listing Rule 3.1, AMP is under an obligation (subject to certain exceptions) to immediately notify ASX and NZX of any information concerning AMP of which it is or becomes aware and which a reasonable person would expect would have a material effect on the price or value of securities of AMP. You can obtain copies of information released by AMP pursuant to its reporting and disclosure requirements under the Corporations Act and ASX Listing Rules on ASX's website, NZX's website and also on AMP's website at [www.amp.com.au](http://www.amp.com.au). You should consult this information before making a decision to invest in AMP Notes.

## Section 4. Summary financial information

This Section includes selected financial information of the Issuer, the Guarantor and AMP

## 4.1 Introduction

The financial information in this Section 4 is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual or interim report prepared in accordance with the Corporations Act.

## 4.2 Selected financial information for the Issuer

### 4.2.1 Income statement

The table below shows the Income Statement of the Issuer for the year ended 31 December 2007 (audited) and the year ended 31 December 2008 (audited).

	31 December 2008 A\$m	31 December 2007 A\$m
Interest income	71.1	52.0
Interest expense and similar charges	(75.8)	(50.9)
<b>Net interest</b>	<b>(4.7)</b>	<b>1.1</b>
Other net income / (expenses)	(0.9)	1.1
<b>Profit / (loss) before income tax</b>	<b>(5.6)</b>	<b>2.2</b>
Income tax credit / (expense)	1.7	(0.7)
<b>Net profit / (loss) after income tax</b>	<b>(3.9)</b>	<b>1.5</b>

The Issuer made a net interest loss of \$4.7 million compared to a \$1.1 million net interest profit in the prior year. This is because the Issuer borrows funds externally at both fixed and variable rates but lends these funds to other AMP Group companies at the RBA cash rate or invests in cash and other short-term securities to provide liquidity for the AMP Group and may not recover the full amount of its borrowing costs.

The Issuer also enters into external and internal interest rate swaps as part of AMP Group's management of interest rate risk. Under accounting standards, all derivatives are recognised in the balance sheet at fair value. The movements in fair value of derivatives are recognised in the income statement each reporting period. The Issuer recognised a net loss on the fair value of derivatives of \$1.1 million for the year ended 31 December 2008, compared to a \$1.1 million net gain in the prior year.

If the Issuer fails to make any payment under AMP Notes, the Guarantor is required to meet any shortfall of amounts due on AMP Notes. However, no payments under the Guarantee will be made if any amount is outstanding to a Senior Creditor of the Guarantor unless at the time of and immediately after payment, the Guarantor is Solvent.

## 4.2.2 Historical and pro forma balance sheet

The table below shows the balance sheets of the Issuer as at 31 December 2007 (audited) and 31 December 2008 (audited). The table also shows, for illustrative purposes only, the pro forma balance sheet as at 31 December 2008 reflecting the impact of the issue of AMP Notes on the balance sheet of the Issuer as though the Offer was completed and A\$300 million of AMP Notes were issued on 31 December 2008.

	31 December 2008 A\$m	Adjustments for the Offer <sup>1,2</sup> A\$m	Pro forma 31 December 2008 A\$m	31 December 2007 A\$m
<b>Assets</b>				
Cash and cash equivalents	256.0	291.5	547.5	132.7
Debt securities	—	—	—	145.1
Loans to related parties	1,115.7	—	1,115.7	757.9
Derivative financial assets	5.9	—	5.9	1.7
Other assets	2.1	—	2.1	2.8
Tax funding assets	—	2.6	2.6	—
Deferred tax assets	38.0	—	38.0	9.3
<b>Total assets</b>	<b>1,417.7</b>	<b>294.1</b>	<b>1,711.8</b>	<b>1,049.5</b>
<b>Liabilities</b>				
Deposits from related parties	8.1	—	8.1	194.8
Derivative financial liabilities	6.0	—	6.0	0.6
Borrowings	1,041.8	—	1,041.8	495.8
Subordinated debt	289.4	291.5	580.9	314.9
Tax funding liabilities	—	—	—	0.2
Deferred tax liabilities	38.9	2.6	41.5	10.1
Other liabilities	22.1	—	22.1	17.8
<b>Total liabilities</b>	<b>1,406.3</b>	<b>294.1</b>	<b>1,700.4</b>	<b>1,034.2</b>
<b>Net assets</b>	<b>11.4</b>	<b>—</b>	<b>11.4</b>	<b>15.3</b>
<b>Equity</b>				
Contributed equity	—	—	—	—
Retained earnings	11.4	—	11.4	15.3
<b>Total equity</b>	<b>11.4</b>	<b>—</b>	<b>11.4</b>	<b>15.3</b>

1 Assumed Offer size of \$300 million less assumed Offer costs of \$8.5 million.

2 Tax impact of estimated Offer costs.

## 4.3 Selected financial information for the Guarantor

### 4.3.1 Consolidated income statement

The table below shows the Consolidated Income Statement of the Guarantor for the year ended 31 December 2007 (audited) and the year ended 31 December 2008 (audited).

	31 December 2008 A\$m	31 December 2007 A\$m
<b>Income and expenses of policyholders, shareholders and external unitholders<sup>1</sup></b>		
Life insurance premium and related revenue	994	930
Fee and other revenue	1,895	1,956
Investment gains and (losses)	(14,646)	7,546
Life insurance claims and related expenses	(1,337)	(1,349)
Operating expenses	(2,549)	(2,330)
Finance costs	(494)	(274)
Movement in external unitholders' liabilities	2,513	(815)
Change in policyholder liabilities	12,401	(4,421)
Profit / (loss) before income tax	(1,223)	1,243
Income tax (expense) / credit <sup>2</sup>	1,598	(526)
<b>Profit attributable to shareholders of the Guarantor from continuing operations</b>	<b>375</b>	<b>717</b>
Profit from discontinued operations after income tax	6	193
<b>Net profit attributable to shareholders of the Guarantor</b>	<b>381</b>	<b>910</b>

- 1 Income and expenses include amounts attributable to shareholder interests and also policyholder interests in the life statutory funds. Amounts included in respect of the life statutory funds have a substantial impact on most of the consolidated income statement lines, especially investment gains and losses and income tax. In general, policyholders' interests in the transactions for the period are attributed to them in the two lines under 'Change in policyholder liabilities'.
- 2 Predominantly the tax effect of policyholder investment losses.

### 4.3.2 Analysis of shareholder profit

The table below shows a detailed analysis of the source of net profit after income tax attributable to the AMP Group and to the Guarantor.

	AMP Group 2008 A\$m	Adjustments 2008 A\$m <sup>1</sup>	Guarantor 2008 A\$m	Guarantor 2007 A\$m
<b>All amounts are after income tax</b>				
<b>Total operating earnings</b>	<b>737</b>	<b>(18)</b>	<b>719</b>	<b>773</b>
Underlying investment income	140	–	140	158
Interest expense on Group debt	(82)	–	(82)	(59)
AMP Limited tax loss recognition	15	(15)	–	–
<b>Underlying profit</b>	<b>810</b>	<b>(33)</b>	<b>777</b>	<b>872</b>
Market adjustment – investment income	(260)	(6)	(266)	11
Discontinued business – Cobalt Gordian	–	–	–	171
Other items	73	(79)	(6)	(85)
Seed pool valuation adjustments	(42)	–	(42)	–
<b>Profit after income tax before timing differences</b>	<b>581</b>	<b>(118)</b>	<b>463</b>	<b>969</b>
Market adjustment – annuity fair value <sup>2</sup>	(117)	–	(117)	(13)
Loan hedge revaluations <sup>2</sup>	(41)	(8)	(49)	(5)
Accounting mismatches <sup>2</sup>	157	(73)	84	(41)
<b>Net profit attributable to shareholders</b>	<b>580</b>	<b>(199)</b>	<b>381</b>	<b>910</b>

- 1 Adjustments relate to exclusion of AMP Limited and AMP Bank that are not controlled by the Guarantor.
- 2 Timing differences relate to accounting gains/losses that do not reflect the underlying profitability of the group and should reverse over time. For further details regarding Accounting mismatches, see Note 1(d) of AMP's Preliminary Final Report and page 42 of the AMP Investor Report Full Year 2008.

### 4.3.3 Consolidated balance sheet

The table below shows the Consolidated balance sheets of the Guarantor as at 31 December 2007 (audited) and 31 December 2008 (audited).

	31 December 2008 A\$m	31 December 2007 A\$m
<b>Assets</b>		
Cash and cash equivalents	3,696	2,210
Receivables	1,180	1,242
Equity securities	26,940	44,092
Debt securities	22,444	24,556
Property securities	3,450	5,300
Other financial assets	8,354	7,477
Investment property	9,227	9,333
Property, plant and equipment	592	586
Deferred tax assets	1,049	313
Inventories and other assets	173	191
Intangibles	907	975
Assets of discontinued operations	—	747
<b>Total assets of policyholders, external unitholders, shareholders and minority interests</b>	<b>78,012</b>	<b>97,022</b>
<b>Liabilities</b>		
Payables	1,884	1,214
Current tax liabilities	134	595
Provisions	304	397
Borrowings	3,613	3,289
Deferred tax liabilities	480	1,784
Subordinated debt	288	303
Other financial liabilities	1,917	122
Defined benefit fund obligations	120	1
Life insurance contract liabilities	19,250	20,635
Investment contract liabilities	41,510	52,357
External unitholders' liabilities	7,252	13,904
Liabilities of discontinued operations	—	672
<b>Total liabilities of policyholders, external unitholders, shareholders and minority interests</b>	<b>76,752</b>	<b>95,273</b>
<b>Net assets of shareholders and minority interests</b>	<b>1,260</b>	<b>1,749</b>
<b>Equity</b>		
Contributed equity	3,226	3,226
Reserves	(2,507)	(2,487)
Retained earnings	461	923
<b>Total equity attributable to shareholders</b>	<b>1,180</b>	<b>1,662</b>
Minority interests	80	87
<b>Total equity of shareholders and minority interests</b>	<b>1,260</b>	<b>1,749</b>

## 4.4 Selected financial information for AMP Group

### 4.4.1 Historical financial information

The actual historical financial information in this Section 4.4 has been extracted from the AMP Investor Report Full Year 2008, which is available on AMP's website at [www.amp.com.au](http://www.amp.com.au).

AMP Group announced its results for the full year ended 31 December 2008 on 19 February 2009. In considering the financial performance and position of AMP, you should have regard to the full range of financial information that has been released by AMP. As noted in Section 3.6, that information can be obtained from ASX's website, NZX's website and on AMP's website at [www.amp.com.au](http://www.amp.com.au). You should consult this information before making a decision to invest in AMP Notes.

### 4.4.2 Pro-forma consolidated capital adequacy position

The table below shows the regulatory capital resources of AMP Group as at 31 December 2007 and 31 December 2008. The table also shows, for illustrative purposes only, the pro forma regulatory capital resources as at 31 December 2008 reflecting the impact of the issue of AMP Notes on these regulatory capital resources as though the Offer was completed and A\$300 million of AMP Notes were issued on 31 December 2008.

Regulatory capital resources	31 December 2008 A\$m	Adjustments for the Offer <sup>1,3</sup> A\$m	Pro forma 31 December 2008 A\$m	31 December 2007 A\$m
AMP shareholder equity <sup>2</sup>	2,241	—	2,241	2,236
Allowable hybrid Tier 1 instruments	—	—	—	—
Less: goodwill and other intangibles	(650)	—	(650)	(699)
Less: other deductions	—	—	—	(9)
<b>Tier 1</b>	<b>1,591</b>	<b>—</b>	<b>1,591</b>	<b>1,528</b>
Allowable Upper Tier 2 instruments	—	—	—	—
Allowable Lower Tier 2 instruments	136	291	427	190
<b>Tier 2</b>	<b>136</b>	<b>291</b>	<b>427</b>	<b>190</b>
<b>Total regulatory capital (Tier 1 + Tier 2)</b>	<b>1,727</b>	<b>291</b>	<b>2,018</b>	<b>1,718</b>
Shareholder minimum regulatory capital requirements (MRR)	829	—	829	823
<b>Regulatory capital coverage ratio</b>	<b>2.1x</b>	<b>0.3x</b>	<b>2.4x</b>	<b>2.1x</b>

1 Assumed Offer size of A\$300 million less assumed Offer costs of A\$8.5 million.

2 This amount is after excluding the cumulative impact of accounting mismatches on the equity attributable to shareholders of AMP. An explanation of accounting mismatches can be found in Note 1(d) of AMP's Preliminary Final Report for the year ended 31 December 2008. The 31 December 2008 amount also includes the impact of cashflow hedge reserve on AMP shareholders' equity.

3 The Issuer has A\$267 million equivalent subordinated debt outstanding (which currently contribute A\$53 million to Lower Tier 2 regulatory capital) which may be redeemed at the Issuer's option during 2009. While the Offer proceeds are intended to be used to support the refinancing of this debt, the table above does not include any pro-forma adjustment for this.

#### 4.4.3 Pro-forma corporate gearing ratios as at 31 December 2008

The table below shows the corporate gearing ratios of AMP Group as at 31 December 2007 and 31 December 2008. The table also shows, for illustrative purposes only, the pro forma corporate gearing ratios as at 31 December 2008 reflecting the impact of the issue of AMP Notes on these ratios as though the Offer was completed and A\$300 million of AMP Notes were issued on 31 December 2008. The table below shows interest cover ratios for AMP Group as at 31 December 2007 and 31 December 2008. The table also shows, for illustrative purposes only, the pro forma interest cover as at 31 December 2008 reflecting the impact of the issue of AMP Notes on these ratios as though the Offer was completed and the AMP Notes were issued on 1 January 2008.

	31 December 2008	Adjustments for the Offer <sup>1,3</sup>	Pro forma 31 December 2008	31 December 2007
Standard & Poor's gearing (%) <sup>2</sup>	14%	3%	17%	10%
Interest cover – underlying (times)	10.9	(1.8)	9.1	17.3
Interest cover – actual (times)	8.1	(1.3)	6.8	17.6

- 1 Assumed Offer size of A\$300 million less assumed Offer costs of A\$8.5 million. The interest cover adjustments are based on the Initial Margin of 4.75%.
- 2 Standard & Poor's gearing is equal to senior debt plus non-allowable hybrids divided by Economic Capital Available plus hybrids plus senior debt. Economic Capital Available is as defined by Standard & Poor's and includes AMP shareholders' equity less non-goodwill intangibles and proposed dividends plus 100% of the value of future life insurance and wealth management shareholder profits. Standard & Poor's definition of debt for gearing purposes differs from the debt (borrowings and subordinated debt) of A\$3,901 million set out on page 48. The majority of the difference relates to debt in entities controlled by AMP Life policyholder funds (A\$2,012m), which has limited recourse to the assets of the borrowing entity or fund and no recourse to AMP, and as a result is not included in AMP Group's gearing and interest cover ratios.
- 3 The Issuer has A\$267 million equivalent subordinated debt outstanding which may be redeemed at the Issuer's option during 2009. While the Offer proceeds are intended to be used to support the refinancing of this debt, the table does not include any pro-forma adjustment for this.

## Section 5. Investment risks

This Section describes some of the potential risks associated with an investment in AMP Notes, the Issuer, the Guarantor, AMP Group and the wealth management and banking industries more generally.

Before applying for AMP Notes, you should consider whether AMP Notes are a suitable investment for you. There are risks associated with an investment in AMP Notes, many of which are outside the control of the Issuer, the Guarantor, AMP Group and their respective Directors. These risks include those in this Section 5 and other matters referred to in this Prospectus.

## 5.1 Introduction

Risks associated with AMP Group's businesses are relevant to investors because they may adversely affect the value of AMP Notes and the ability of the Issuer and Guarantor to fulfil their respective obligations under, or in respect of, AMP Notes.

Both the Issuer and Guarantor are wholly-owned subsidiaries of AMP, an Australian corporation, which is the ultimate holding company for AMP Group. The business activities of the Issuer, Guarantor and AMP Group are dependent on the demand for products and services by AMP Group customers.

You should carefully consider the risk factors set out in this Section 5, as well as the other information in this Prospectus, and consult your financial adviser or other professional adviser before deciding whether to invest in AMP Notes.

## 5.2 Risks relating to AMP

Set out below are risks associated with the Issuer, Guarantor, AMP Group and the wealth management and banking industries generally.

### 5.2.1 Global market and economic environment

Markets are subject to periods of volatility which can have the effect of reducing activity in a range of industry sectors. This can then adversely impact the financial performance and position of each of the Issuer, Guarantor and AMP Group. Market volatility may also impact their ability to continue to fund their respective businesses in a similar manner, at similar costs and from similar sources.

Since the second half of 2007 global markets, particularly markets in the United States and Europe, have experienced difficult and volatile conditions. These challenging market conditions have resulted in significantly reduced availability of funds, increased volatility, a significant widening of credit spreads, the unavailability of funds in certain markets or for certain industry sectors or specific companies, forced sales of assets and a lack of price transparency in many markets. These conditions have affected the global economy contributing to slower or negative economic growth, increasing unemployment, increasing credit defaults and a generally worsening economic climate.

The financial performance of the Issuer, Guarantor and AMP Group is significantly affected by changes in investment markets and economic conditions both globally and in Australia and New Zealand, being the primary countries in which they conduct business. These changes may influence the performance of those businesses and the various investment funds operated or managed within those businesses; the value of investments supporting shareholders' funds and investments held on behalf of clients; the availability of credit and the debt funding needs of AMP Group, its businesses and the various funds operated by its businesses; the level of capital of specific AMP Group regulated entities and AMP itself; the operating margins of AMP Group businesses and the demand for AMP Group's financial products and services.

The financial performance and position of each of the Issuer, Guarantor and AMP Group has been and continues to be adversely affected by the worsening of general economic conditions in the markets in which each of them operates, as well as by the worsening of Australian, New Zealand and international market conditions and/or related factors. It is also possible that new risks might emerge as a result of markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.

### 5.2.2 Investment market conditions

The financial performance and position of the Issuer, Guarantor and AMP Group are substantially affected by investment market conditions in a number of ways. In particular, it affects the ability of the Issuer, Guarantor and AMP Group to pay interest on, or repay the principal of, debt securities issued or guaranteed by it (including, without limitation AMP Notes), AMP Group's ability to pay dividends and the level of capital required to support AMP Group's business units. This is due to the matters outlined below.

#### Changes in interest rates

Interest rate fluctuations could have a material adverse effect on the financial performance and position of the Issuer, Guarantor and AMP Group. The rate at which future actuarial liabilities can be discounted is based on the level of long term interest rates, while asset values and financial instrument values are impacted additionally by other factors including liquidity and credit margins. The liabilities in respect of certain products, including annuities and other capital guaranteed and non-investment linked products, vary as interest rates fluctuate. The annuity portfolio is managed with fixed interest assets matched to expected annuity cash outflows. In other product portfolios there may be a duration mismatch between asset and liability maturities. If the market value of assets backing policy holder liabilities, including annuities, moves differently to the value of the liabilities there will be fluctuations in the difference between assets and liabilities exposing AMP Group to loss and the need for additional capital to support its business units. Interest rate fluctuations may also have a material adverse effect on AMP Group's funding costs.

**Changes in asset values and income**

Funds, including shareholders' funds, are invested in a variety of investments which are linked to the performance of a number of asset classes, including Australian and international equities, fixed interest, property, infrastructure, private equity and derivative contracts. Changes in the value of, or income received from, these investments could impact the financial performance and position of the Issuer, Guarantor and AMP Group or the level of capital, liquidity and funding required to support AMP Group's businesses. In periods of extreme volatility or reduced liquidity in the markets for these assets, which has been the case recently, the values of these assets are subject to greater, more rapid change and uncertainty than could be expected in periods of greater stability and stronger liquidity.

**Unlisted asset valuations**

Funds, including shareholders' funds, may be invested in unlisted assets (including seed pool assets acquired to "seed" new funds or opportunities) for which valuations may not be readily available. Determining the valuations of these assets may be subjective in nature and in the current market environment is difficult due to extreme volatility and reduced liquidity. Recent independent property valuations indicate a declining trend in the AMP Group property portfolio, caused primarily by changing valuation parameters common to the property sector more generally (for example, rising capitalisation rates). Declining asset values, including as a result of changes in valuations or the valuation methodology of unlisted assets may have a material adverse effect on the financial performance and position of the Issuer, Guarantor and AMP Group and the level of capital to support AMP Group's business units.

**Non-investment linked products**

Some AMP Group products are non-investment linked. To the extent the benefits payable to holders of non-investment linked products (or policies) are greater than the return that AMP Group receives from the relevant underlying investments, AMP Group is exposed to loss and the need for increased capital requirements.

**Defined benefit superannuation fund**

AMP Group's defined benefit superannuation fund is required to pay certain benefits even if the return that the fund receives from the relevant investments is less than the benefit fund is required to pay, exposing AMP Group to loss and reducing the level of capital available to support AMP Group's business units. Defined benefit liabilities must be discounted at the risk-free interest rate and may expose AMP Group to losses which are recognised against retained earnings and reduce the level of capital to support AMP Group businesses.

**Investment returns of statutory funds**

A significant proportion of AMP Group's profits is derived from the investment returns (both income and net realised and unrealised capital gains or losses) of the statutory funds of AMP Life (a wholly-owned subsidiary of the Guarantor). The 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. The underperformance of investments could impact the financial performance and position of AMP Group and may result in the need for additional capital to support the AMP Group's businesses.

**Levels of assets under management**

Fee income on AMP Group's investment linked business and investment management business is primarily based on the level of assets under management. Fee income may also be based upon performance of the assets under management. A deterioration in investment market conditions or the performance of the assets managed by AMP Group may lead to a decline in AMP Group's assets under management and a decline in fee income including performance and transaction fees and other fees that by law cannot be charged on customer balances of certain products that fall below a specified amount.

**Derivative instruments**

Interest rate and currency fluctuations could have a material adverse effect on the values of derivative instruments used to hedge AMP Group's debt. AMP Group is required to recognise certain movements in the market value of corporate debt and associated derivatives, which can give rise to accounting gains or losses which in the absence of default will, in the ordinary course of events, reverse over time.

**Accounting mismatches**

Investment performance may have a material adverse effect on the level of accounting mismatches and the financial performance and position of AMP Group. Accounting mismatches arise because the recognition and measurement rules for certain policyholder assets differ from the recognition and measurement rules for the actual liability to policyholders in respect of the same assets. These mismatches result in policyholder asset movements impacting the net profit after accounting mismatches and increased volatility of the reported profit.

**Claims**

Investment performance affects on the level of claims by investors in relation to the performance of, or advice in relation to, their investments.

**Investment returns**

Investment performance affects the level of investment return on shareholders' funds and seed pool assets and in turn the financial performance and position of the Issuer, Guarantor and AMP Group and the level of capital available to support AMP Group's businesses.

### 5.2.3 Demand for financial products and services

Demand for AMP Group's financial products and services is affected by changes in investment markets and economic conditions. For example, weak equity markets can discourage customers from investing. Recently, developments in global capital markets have seen a deterioration in market values across most asset classes as well as a slowdown in growth of the global economy. In turn, this has led and can lead to further reductions in new business sales as well as increased outflows, which can reduce revenue margins and increase costs. This may reduce the overall financial performance and position and creditworthiness of the Issuer, Guarantor and AMP Group. The effect of increased requests for redemption on AMP Group is discussed in Section 5.2.10.

Demand for AMP Group's financial products and services is also affected by the past investment performance of a number of AMP Group entities, including AMP Capital Investors, relative to the past investment performance of its peer investment managers or market returns more generally. If AMP Capital Investors or other investment managers contracted by AMP Group underperform peer investment managers and/or the market more generally for a prolonged period, the demand for AMP Group's financial products and services, particularly financial products where the investments are managed by AMP Capital Investors, may be materially adversely affected, which in turn may adversely affect the financial performance and position of the Issuer, Guarantor and AMP Group.

### 5.2.4 Funding and liquidity risk

Funding risk is the risk of one or more of AMP Group's sources of funding being reduced or eliminated or the cost of funding being significantly increased by either a systemic or a company specific event. Recent developments in global financial markets have adversely affected the liquidity of global credit markets resulting in an increase in the cost of funding and in some cases significantly reducing the availability of credit and funding in certain markets or for specific industry sectors or companies and reducing the availability of some funding sources throughout global markets. The duration and ramifications of, and likelihood of a further deterioration in, current conditions in global capital markets are unknown, but current conditions are expected to continue for at least the short to medium term. Continuation or further deterioration of these conditions will adversely affect the financial performance and position of the Issuer, Guarantor and AMP Group.

AMP Group manages funding risks in relation to the funding of assets or funds managed by AMP Capital Investors. These funding risks may arise due to the increased cost of funding, reduced availability of credit and capital described above, falling asset values or reduced financial performance of these assets or funds. Although the lenders in relation to this debt have limited recourse to the fund or assets and no recourse to AMP Group (other than in some cases the entity which owes the debt), an inability to manage the funding risks for these assets or funds may result in forced asset sales or default which could affect AMP Group's reputation, brand, banking and debt market relationships, which could adversely affect the financial position and performance of the Issuer, Guarantor and AMP Group. While not material to AMP Group, a small number of business entities owned as investments by AMP Life and/or funds managed by AMP Capital Investors are currently in breach or at risk of breaching their loan covenants. To date, the financiers to the relevant entities have waived (either formally or informally) the payment defaults whilst the renegotiations of the loans payable are taking place.

AMP Group has subordinated debt outstanding which may be redeemed at the Issuer's option during 2009. This subordinated debt forms part of AMP Group's regulatory capital and AMP Group may be required to replace it with regulatory capital of an equivalent or better standard in order to redeem the subordinated debt. The proceeds of the issue of AMP Notes will further strengthen AMP Group's capital base, meet general funding requirements and support the refinance of subordinated debt of AMP Group during 2009.

Liquidity risk is the potential inability to meet AMP Group's payment obligations which could potentially arise as a result of a mismatch between those obligations and access to liquid assets, adequate funding on acceptable terms or cash flows generated by AMP Group.

The senior long-term debt of the Guarantor has a credit rating of "A" by Standard & Poor's and "A2" by Moody's. AMP Life's financial strength rating is "AA-" by Standard & Poor's and "Aa2" by Moody's. The ratings assigned to the Guarantor's long-term senior debt are different from the provisional Issue Credit Ratings of AMP Notes from Standard & Poor's ("A-") and Moody's ("A3") because AMP Notes are guaranteed by the Guarantor on a subordinated basis.

The credit and financial strength ratings of the Guarantor and AMP Life respectively have a significant impact on AMP Group's access to and cost of funding. A downgrade of the Guarantor's or AMP Life's rating could adversely impact AMP Group's access to funds and funding costs.

For further details in relation to AMP Bank Guarantee and AMP Bank funding and liquidity risk see Sections 5.3.1 and 5.3.2.

### 5.2.5 Brand

The AMP Group brand is highly recognisable in Australia and New Zealand and has achieved leading brand awareness in both countries over many years.

Although difficult to measure, a decline in corporate reputation can contribute to lower new business sales, greater outflows and, ultimately, reduced financial performance and position.

### 5.2.6 Loss of financial planners

AMP Group has one of the largest financial planning groups in the Australian and New Zealand markets. Failure to attract or retain planners could have a material adverse impact on AMP's business, financial performance and position.

### 5.2.7 Competition

The wealth management industry in which AMP Group operates in Australia and New Zealand is becoming increasingly competitive. Factors contributing to this include industry deregulation, mergers, changes in customers' needs and preferences, entry of new participants, development of distribution methods and increased diversification of product mix by major competitors. Responses to increased competition may include lower prices, increased costs (such as marketing), reduced new business flows, higher outflows, more aggressive risk taking (such as higher benefit levels in risk products) or a combination of these, which may reduce the overall financial performance and position and creditworthiness of the Issuer, Guarantor and AMP Group.

### 5.2.8 Changes in government policy, legislation or regulation

AMP Group provides life insurance, investment, risk insurance, banking and superannuation products. Providers of these products in Australia are subject to various legislative and prudential requirements, including the Corporations Act, the Life Insurance Act, the Banking Act and the Superannuation Industry (Supervision) Act. This regulatory regime is complex and is subject to change.

Providers and distributors of these products are subject to varying legislative and regulatory requirements in New Zealand. The New Zealand financial services industry is undergoing significant legislative and regulatory reform. The Financial Advisers Act 2008, Financial Service Providers (Registration and Dispute Resolution) Act 2008 and the Reserve Bank Amendment Act 2008 have been enacted and (over the coming months and years) will impose an increased regulatory and compliance burden on financial service providers, including AMP. Anti-money laundering legislation is also expected to be introduced in the near term. The full detail of these pieces of legislation is currently being developed and the extent to which these reforms will affect AMP is not yet known.

AMP Group is subject to ongoing review and enquiries by regulators regarding its compliance with legislative and regulatory requirements. If AMP Group does not meet these requirements, it may suffer penalties, such as fines or obligations to pay compensation or the cancellation or suspension of its authority to conduct business or be required to hold a greater level of capital to support its business. Non-compliance with regulations may also give rise to adverse publicity for AMP Group. AMP Group cannot predict the impact of future legislation and regulatory change on its business. However, as the amount and complexity of the regulation increases, so may the cost of compliance and the risk of non-compliance.

AMP Group may be adversely affected by changes in government policy or legislation applying to companies in the wealth management industry. These include changes in relation to the taxation treatment of financial products and services, retirement incomes policy, fee caps, elimination of trail commissions, disclosure of commissions, the potential for conflicts of interest in financial advice, remuneration models, compliance and licensing requirements and solvency standards. The changes may affect AMP Group's existing and future business by, for example, causing customers to cancel existing policies or reduce superannuation contributions or requiring AMP Group to change its range of products and services, lower 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. It is possible that such a change in government policy or legislation may arise as a result of a number of reviews currently announced or underway, including for example the Henry Review of taxation which includes a review of Australia's retirement income system and the Inquiry into Financial Products and Services by the Parliamentary Joint Committee on Corporations and Financial Services.

Based on the public statements of the Commonwealth Minister for Superannuation and Corporate Law, it is likely that the Government will, also review the fees and charges associated with the provision of superannuation products, conflicts of interest within organisations that have integrated product manufacturing and distribution business models (such as AMP Group) and trail commissions.

Certain entities within AMP Group are required to meet the solvency, liquidity and capital adequacy standards prescribed by APRA and other regulators. APRA has announced an intention to develop a prudential framework for conglomerate groups, such as AMP Group. As yet no discussion papers or draft Prudential Standards have been issued regarding conglomerate groups. Any significant change, whether or not related to the prudential framework for conglomerate groups, 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 AMP Group's business units. It is possible that recent global events could result in changes to standards prescribed by regulators. In certain circumstances, APRA may require regulated entities of AMP Group to hold a greater level of capital to support its business and/or require those entities not to pay dividends or restrict the amount of dividends that can be paid, by them, including dividends paid by AMP (see also Section 5.3.3).

As AMP Group has one of the largest financial planning groups in Australia, significant changes in government policy or legislation in relation to the sale and ongoing servicing of life insurance, superannuation, managed investments and bank deposits and mortgages may fundamentally impact AMP Group's strategy and operating performance.

### 5.2.9 Contagion risk

Contagion risk is the risk that concerns about, or default by, one or more financial institutions could lead to market-wide liquidity problems, losses or defaults by other institutions. This risk arises in part because of the varied interrelationships of many financial institutions (including AMP) and is heightened by the recent significant volatility in the financial sector and capital markets.

### 5.2.10 Redemption and rebalancing risk

Redemption risks are the risks associated with AMP Group's ability to meet customer requests for redemption from investments, superannuation or pension funds or from the surrender of life insurance policies. The impact of these risks varies depending upon the nature and governing terms of the relevant fund or policy, 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 AMP Group policies may surrender their policy to AMP in return for a lump sum payment. AMP Group holds assets to meet the actuarial determined policyholder liabilities as they are expected to fall due.

In order to surrender a policy, generally the policyholder must 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, AMP has the right to amend surrender values, subject to meeting minimum statutory requirements.

For certain policies, capital guarantees will apply and surrender values may at times exceed the value of the assets backing these policies, which could result in a material adverse impact on the financial performance and position and level of capital of the Issuer, Guarantor and AMP Group. The extent of this adverse impact may be greater if in order to meet redemption requests, AMP Group is forced to dispose of assets, particularly illiquid assets, in a short time frame, resulting in assets being sold at below their fair value. AMP Group's past experience suggests that typically, redemption requests for capital guaranteed products do not increase during periods of falling and volatile investment markets.

#### **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 AMP Group, as the manager of the investments, may be required to sell assets underlying the policyholder's or investor's investment.

In the current market environment certain asset classes have been subject to a higher level of redemptions than historically (for example, high yield debt and property). Further asset classes could be affected over time in response to various market and economic conditions outside the control of AMP Group.

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 (for example high yield debt and property), asset sales can be more difficult to achieve, particularly at short notice, and may result in the asset being sold at below fair value. 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. In turn, this may have an adverse impact on AMP Group's reputation, management fee income, other asset values, financial performance and position.

To the extent that AMP Group believes it cannot meet redemption requests through asset sales, it will usually suspend or defer redemptions to allow sufficient time to complete the asset sales necessary to meet the requests. In 2008, AMP Group took action to defer redemptions for certain high yield debt and property funds. The suspension or deferral of redemptions and subsequent sale of assets may have an impact on AMP Group's reputation, management fee income, other asset values, financial performance and position.

For some products, a relatively illiquid asset class is a component of a broader investment product. For example, diversified investment options comprise a wide range of investment classes with different liquidity profiles. A withdrawal from a diversified investment option does not necessarily involve a disposal of assets from all asset classes. If an asset class is illiquid the withdrawal can still be met from liquid assets. However, proportional investment exposure to the illiquid asset class will increase. This may affect AMP Group's ability to manage the asset exposure of the diversified investment option to achieve the preferred investment mix. This may have an adverse impact on investment performance and AMP Group's reputation, management fee income, financial performance and position. As values in the asset categories supporting various investments classes change, AMP Group may be required to rebalance the respective categories to meet the published ranges by selling such assets. Depending on the timing of such rebalances the sale value of these assets may be at below their fair value. While the impact of sales at below fair value will largely be borne by policyholders and investors, there may also be an adverse impact on AMP Group's reputation, management fee income, other asset values, financial performance and position.

In some instances the terms of the investment linked life insurance policy do not permit the suspension or deferral of redemption requests beyond an agreed period of time. These insurance policies can be owned by retail and/or institutional investors (such as group superannuation policies comprising real estate and property investments). The period over which redemption payments must be made vary depending on the policy. Most large policies have a 12 month to 24 month period to meet redemption requests. Due to the current environment, AMP Group is experiencing a lower level of inflows, and greater redemption requests, for investment linked policies backed by illiquid assets such as property and high yield debt. Experience has also shown redemption requests will typically increase in market conditions similar to the current environment and may do so over a relatively short time frame. In these cases, the risk that AMP Group may be forced to sell assets at below their fair value is greater. While the financial impact of a forced sale at less than the fair value will largely be borne by policyholders or investors, there may also be an adverse impact on AMP Group's reputation, management fee income, other asset values, financial performance and position.

If AMP Group is unable to sell assets to meet redemption requests, it may elect to fund the redemptions from borrowings (which may be with or without recourse to AMP Group depending on the circumstances) or from its own capital resources. This could result in a material adverse impact on the financial performance and position and level of capital of the Issuer, Guarantor and AMP Group.

### 5.2.11 Operational risk

Exposure to unexpected financial and reputational losses arising from the way in which AMP Group conducts its business operations, including its computer systems, people, planners (including the provision of advice by planners), manual processes, service providers, unit pricing methodologies and processes, the content of and omissions from disclosure documents and statements, advices, reports and other materials, compliance with investment mandates and other product commitments, the equitable treatment of policyholders and investors, outsourcing arrangements, major information technology projects, product and corporate tax compliance and any material litigation or regulatory action determined against AMP Group, may have an adverse effect on the financial performance and position of AMP Group.

The financial statements of 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.

### 5.2.12 Interest rate risk

Interest rate risk is the risk of loss arising from the mismatch of interest repricing events relating to interest bearing before hedging liabilities and interest bearing assets held as part of the AMP Group funding and liquidity portfolio. Interest rate risk is inherently greatest, for example, in AMP Bank (see Section 5.3.5), AMP Life and liquidity portfolios. This is explained further under investment market conditions above (see Section 5.2.2).

### 5.2.13 Counterparty credit risk

Counterparty credit risk is the risk that default by a counterparty will result in a financial loss to AMP Group. Although counterparty credit risk will exist in most parts of AMP Group, including for derivative contracts used to protect AMP Group's capital position from investment market volatility, the risk before hedging is inherently likely to be greatest in AMP Bank and the AMP Life investment portfolios managed by AMP Capital Investors. A default by a counterparty can impact AMP Group's financial position and performance and the level of capital supporting AMP Group's businesses and can also impact investments of AMP Life and funds managed by AMP Capital Investors, which in turn can affect AMP Group's reputation, management fee income, other asset values, financial performance and position.

### 5.2.14 Foreign exchange risk

Foreign exchange risk is the risk of AMP Group sustaining loss through adverse movements in exchange rates. Such losses can impact AMP Group's financial position and performance and the level of capital supporting AMP Group's businesses. From an operational perspective, AMP Group faces exposure to foreign exchange risks through direct foreign income and expenses, the settlement of foreign currency denominated assets and liabilities and the earnings of non-Australian subsidiaries. Foreign exchange losses can also impact investments of AMP Life and funds managed by AMP Capital Investors, which in turn can affect AMP Group's reputation, management fee income, other asset values, financial performance and position.

### 5.2.15 Loss of personnel

AMP Group has a large base of qualified and experienced management personnel. 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, AMP Group or that AMP Group will be able to attract and retain qualified personnel in the future. Failure to retain or attract key personnel could have a material adverse impact on AMP Group's business, reputation, financial performance and position.

### 5.2.16 Uncertainty in future experience

AMP Group maintains 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 and expenses. These estimates are based on actuarial and statistical projections made on the basis of the facts and circumstances known at a given time, estimates of likely future trends such as mortality, morbidity and persistency, and assumptions about future investment returns, expenses and inflation rates. Although AMP Group maintains assets in excess of policy liabilities based on best estimate assumptions, actual results and conditions may be different from those assumed, due to deterioration in persistency or claims, impacts of pandemics, natural disasters or worsening general economic conditions.

As a result of the inherent uncertainties in assessing policy liabilities, there can be no certainty that the ultimate costs will not materially exceed those supported by the amounts of AMP Group's calculated liabilities. Any differences may result in a material adverse impact on the financial performance and position and level of capital of the Issuer, Guarantor and AMP Group.

### 5.2.17 Contingent liability for disposed businesses

Over several years, AMP Group has disposed of a number of businesses and portfolios to third parties. Typically, the sale agreements for these disposals provide for warranties and indemnification for specified periods in relation to certain matters concerning the businesses and portfolios disposed. While AMP Group has no knowledge that it has any liability under these warranty and indemnification arrangements (which is not appropriately provided for), the possibility of liability may arise and any such liability may be material and may have an adverse impact on the financial performance and position of the Issuer, Guarantor and AMP Group.

### 5.2.18 Acquisition risk

AMP Group regularly examines a range of corporate opportunities, including acquisitions. Any of these opportunities which are pursued could, for a variety of reasons, have a material impact on the financial performance and position of the Issuer, Guarantor and AMP Group.

### 5.3 Additional risks relating to the Guarantor

The assets of the Guarantor are limited. The Guarantor is a holding company whose major assets are shares in non-banking companies within AMP Group. The ability of those members of AMP Group to pay dividends to the Guarantor may be limited by various regulatory, contractual, legal and tax constraints or AMP Group's existing debt agreements. If as a result of these restrictions, the Guarantor is unable to receive dividends from the relevant members of AMP Group, this may materially and adversely impair the Guarantor's ability to meet its obligations, including in respect of AMP Notes.

Set out below are additional risks associated with AMP Bank which have the potential to affect the Guarantor.

#### 5.3.1 Guarantee of AMP Bank liabilities

Separate to the Guarantee (i.e. the guarantee by the Guarantor of the obligations of the Issuer to make payment in respect of AMP Notes), the Guarantor has also provided a guarantee of the liabilities of AMP Bank subject to certain exclusions which include tax liabilities and liabilities owed to other members of AMP Group (excluding deposits of AMP Life) (**AMP Bank Guarantee**).

The guarantee by the Guarantor of the obligations of the Issuer to make payment in respect of AMP Notes is subordinated to the claims of all senior creditors of the Guarantor (which will include claims made under the AMP Bank Guarantee unless such claims by their terms or at law rank equally with or behind the claims of Holders).

Consequently, on a winding-up of the Guarantor, any payment due to Holders under the Guarantee will be made only after all other debts of the Guarantor other than those which by their terms or at law rank equally with or behind the claims of the Holders have been paid in full, but before any distribution is made to shareholders of the Guarantor and any creditor whose claims by their terms or at law rank behind the claims of Holders.

#### 5.3.2 AMP Bank funding and liquidity risk

Funding risk is the risk of one or more of AMP Bank's sources of funding being effectively closed or the cost of funding being significantly increased by either a systemic or a company specific event. AMP Bank's funding structure relies on a mix of short and long term wholesale funding, retail deposits, superannuation-related wholesale deposits, internally sourced funds (including funds borrowed from AMP Life on standard commercial terms), externally funded warehouse funds and the securitisation of loans. However, there can be no assurance that AMP Bank will be able to maintain its current sources of, or levels of, funding and may incur higher funding costs as its existing sources fall due. An additional funding risk is if a major source of funding were to fall due on short notice or at a time when replacement sources of funding were not available to AMP Bank.

Liquidity risk is the risk that AMP Bank may be unable to meet payment obligations which could potentially arise as a result of a mismatch between those obligations and cash flows generated by its business and/or realisation of its liquid asset portfolio.

AMP Bank has a credit rating of "A" (long-term) and "A1" (short-term) by Standard & Poor's and "A2" (long-term) and "P-1" (short-term) by Moody's. AMP Bank's credit ratings have a significant impact on AMP Bank's access to and cost of funding. A downgrade of the credit ratings of the Guarantor, AMP Life (see Section 5.2.4) or AMP Bank could adversely impact AMP Bank's access to funds and lead to increased funding costs.

In the event that AMP Bank is unable to maintain its funding or manage its liquidity risk, this could have a material adverse effect on AMP Bank's financial performance and position and the Guarantor may be required under the terms of the AMP Bank Guarantee to meet the liabilities of AMP Bank, including those of depositors.

#### 5.3.3 Effect on AMP Bank of a downturn in the Australian economy

As an ADI whose core businesses are mortgage banking and deposit raising, the performance of AMP Bank is dependent on the state of the Australian economy, customer and investor confidence and prevailing market conditions. The financial performance and position of AMP Bank in recent years have benefited from historically high rates of growth of the Australian economy, low unemployment and historically low rates of inflation. No assurance can be given as to the likely future state of the Australian economy, which can be influenced by many factors within and outside Australia, which are outside AMP Bank's control. A material downturn in the Australian economy could adversely impact AMP Bank's financial performance and position and could potentially result in, and to some extent has already resulted in, an increase in the amount of loan arrears, an increase in the number of non performing loans and an increase in credit losses including in relation to loans and other obligations owed by other financial institutions (including mortgage insurers) and banks.

Recessive economic cycles can have a negative influence on overall financial performance and position, credit defaults of corporations and other borrowers to which AMP Bank may have a secondary exposure. AMP Bank's business is affected by market conditions in that there may be less demand for loan products and/or certain customers may face difficulty in meeting their obligations. In particular, a significant decrease in the value of Australian housing or individual property valuations could adversely affect the value of AMP Bank's home mortgage portfolio. Furthermore, weaknesses in global securities markets due to credit, liquidity or other problems could result in secondary impacts on the Australian financial system at wholesale and retail levels.

#### 5.3.4 Regulation of AMP Bank

AMP Bank's activities are subject to extensive regulation, mainly relating to liquidity, funding, solvency, capital, provisioning and customer interaction. In particular, AMP Bank is subject to prudential supervision by APRA. AMP Bank's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian government. The requirement to maintain certain levels of Tier 1 and Tier 2 eligible capital affects the level of lending activity, or alternatively, requires the issue of additional equity capital or subordinated debt, which would also serve as additional sources of funds for AMP Bank. Any change in regulation, or in its interpretation, including changes that increase the requirements of regulatory capital or impact the regulatory capital resources, could have an adverse impact on AMP Bank's financial performance and position.

AMP Bank's securitisation programmes involve it entering hedging arrangements that for regulatory capital purposes are currently the subject of discussion with APRA. The outcome of those discussions will not affect AMP Group's capital position. AMP Bank's securitisation programmes are also subject to grandfathering provisions relieving them of certain obligations to comply with Australian Prudential Standard 120. These grandfathering provisions expire in June 2010. In order to continue to comply with the requirements of Prudential Standard 120 after that date AMP Bank must amend the terms of its securitisation programmes, which may in some instances require trustee or unitholder consent. Obtaining this consent cannot be guaranteed. If this consent is not obtained and APRA is not prepared to extend its relief, AMP Bank may be required to hold additional capital in relation to these securitisation programmes.

#### 5.3.5 Interest rate risk in AMP Bank

Interest rate risk is the risk of loss arising from the mismatch of interest repricing events relating to interest bearing liabilities and interest bearing assets held within AMP Bank. AMP Bank manages this risk using hedging arrangements to keep interest rate risk within Board approved limits. The disruptions in financial markets have affected the availability and cost of hedging. Inefficient hedging arrangements in conjunction with changes in interest rates may affect AMP Bank's net interest margin and value. The impact of interest rates is explained further under risks related to investment market conditions above (see Section 5.2.2).

### 5.4 Additional risks relating to the Issuer

The assets of the Issuer are limited. The Issuer is a financing company whose major assets are the right to repayment of loans made by the Issuer to other members of AMP Group and a liquidity portfolio. The ability of those members of AMP Group to repay to the Issuer the amounts outstanding under the inter-company loans may be limited by various regulatory, contractual, legal and tax constraints or AMP Group's existing debt agreements. If as a result of these restrictions, the Issuer is unable to receive the continued transfer of income or funding to it from the relevant members of AMP Group or the repayment of loans, this may materially and adversely impair the Issuer's ability to pay dividends, and to service and repay its debt obligations, including the payment of interest on, and the repayment of, AMP Notes.

### 5.5 Risks associated with investing in AMP Notes

#### 5.5.1 Holders may not be able to sell AMP Notes on market

There may be no liquid market for AMP Notes. The market for AMP Notes may be less liquid than the market for Ordinary Shares or comparable securities issued by AMP or other entities. Holders who wish to sell their AMP Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for AMP Notes.

It is not currently intended that A\$ AMP Notes be quoted on NZDX or any stock market other than ASX. There is no guarantee that A\$ AMP Notes will remain continuously quoted on ASX. It is also not currently intended that NZ\$ AMP Notes be quoted on ASX or any stock market or debt market other than NZDX. There is no guarantee that NZ\$ AMP Notes will remain continuously quoted on NZDX. This difference in quotation domicile between A\$ AMP Notes and NZ\$ AMP Notes (along with other differences) may mean that one series will be less liquid than the other.

### 5.5.2 Market price may fluctuate

The market price of AMP Notes may fluctuate due to various factors, including investor perceptions, Australian, New Zealand and worldwide economic conditions, movements in interest rates, movements in foreign exchange rates, movements in the market price of Ordinary Shares or existing senior or subordinated debt issued by AMP Group, and other factors that may affect the financial performance, position or creditworthiness of the Issuer, Guarantor and AMP Group as a whole. These factors may adversely affect the market price of AMP Notes and AMP Notes could trade at a price below their Issue Price.

The market price of AMP Notes may be more sensitive than that of Ordinary Shares to changes in interest rates and other market prices.

### 5.5.3 A\$ AMP Notes and NZ\$ AMP Notes are different

A\$ AMP Notes and NZ\$ AMP Notes to be issued under the Offer are identical in all material respects, other than in relation to currency, Face Value, Interest Rate, Interest payments, and quotation (see Section 1.10). These differences may alter the relative risk profile of A\$ AMP Notes and NZ\$ AMP Notes, notwithstanding that both series of AMP Notes have been assigned the same investment grade provisional credit ratings from Standard & Poor's (A-) and Moody's (A3) (see Section 3.5).

These differences may adversely affect the market liquidity and market price of one series relative to the other.

### 5.5.4 Interest rates may change

The Interest Rate on A\$ AMP Notes for each Interest Period until the Maturity Date will be calculated by reference to BBSW, which is influenced by a number of factors and varies over time. The Interest Rate will fluctuate (both increasing and decreasing) over time with movements in BBSW. As the Interest Rate on A\$ AMP Notes fluctuates, there is a risk that the rate may become less attractive when compared to the rates of return available on other securities in the market.

The Interest Rate on NZ\$ AMP Notes for each Interest Period until the Step-Up Date will be calculated by reference to the greater of the Swap Rate applying on the date the Bookbuild is concluded and the Swap Rate applying on the Issue Date in either case, which will be fixed on the Issue Date. If interest rates rise during the period after the Issue Date until the Step-Up Date, there is a risk that the initial Interest Rate on NZ\$ AMP Notes may become less attractive when compared to the rates of return available on other securities in the market.

From the Step-Up Date, the Interest Rate on any outstanding NZ\$ AMP Notes for each Interest Period will be calculated by reference to BKBM, which is influenced by a number of factors and varies over time. The Interest Rate will fluctuate (both increasing and decreasing) over time with movements in BKBM. As the Interest Rate fluctuates, there is a risk that the rate may become less attractive when compared to the rates of return available on other securities in the market.

### 5.5.5 Interest may not be paid

Interest on AMP Notes may not be paid by the Issuer or by the Guarantor if the Issuer or the Guarantor (as the case may be) is not Solvent at the time of, and immediately after, payment. In the event of a winding-up of the Issuer, the claims of Holders against the Issuer in respect of AMP Notes will be subordinated in right of payment to the claims of all Senior Creditors. However, the Guarantee can be called upon to meet any shortfall of amounts due under AMP Notes but unpaid by the Issuer (provided that no amount is payable by the Guarantor if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Guarantor is Solvent).

### 5.5.6 Restriction on Holder rights and ranking in a winding-up

AMP Notes are not deposit liabilities or a protected account of AMP Bank or any other member of the AMP Group for the purposes of the Banking Act and the payment of Interest and Redemption Amounts is not guaranteed by AMP Bank, or any other members of AMP Group other than the Guarantor. AMP Notes are not guaranteed by the Australian Government. AMP Notes do not have the benefit of the New Zealand Retail Deposit Guarantee Scheme under the Public Finance Act 1989 of New Zealand.

A Holder has no direct right of claim against the Issuer or Guarantor in respect of AMP Notes except as provided in the Trust Deed (which includes the Terms). Holders have no claim whatsoever on any other member of AMP Group for payment of any amount in respect of AMP Notes. AMP Notes are unsecured.

In the event of a winding-up of the Issuer or Guarantor, and assuming AMP Notes have not been previously Redeemed or purchased by the Issuer and cancelled, the claims of Holders against the Issuer or Guarantor in respect of AMP Notes will be subordinated in right of payment to the claims of all Senior Creditors of the Issuer or Guarantor (as the case may be).

Holders will be entitled to claim the Redemption Amount for each outstanding AMP Note and any Interest due and payable but unpaid at the commencement of the relevant winding-up. The claim for this amount ranks ahead of ordinary shares in the Issuer or Guarantor (as the case may be) and obligations which by their terms or at law rank behind AMP Notes, and equally with other AMP Notes and any other obligations of the Issuer or Guarantor which by their terms or at law rank equally with AMP Notes, but behind all Senior Creditors of the Issuer or Guarantor (as the case may be).

If there is a shortfall of funds on a winding-up to pay amounts owing on AMP Notes, there is a risk that Holders will not receive the full payment (or any part thereof) to which they are otherwise entitled.

### 5.5.7 Redemption by the Issuer may be disadvantageous to Holders

In certain circumstances, the Issuer has the right to Redeem all or some of AMP Notes held by a Holder on the Step-Up Date and other dates as determined in accordance with the Terms and subject to APRA approval. The timing or occurrence of a Redemption may not accord with the preference of a Holder and may also be disadvantageous in light of market conditions or individual circumstances. In some cases not all of AMP Notes have to be redeemed which could leave the investor holding a small amount of AMP Notes in a relatively illiquid trading parcel.

### 5.5.8 Holders have no rights to require Redemption

Holders have no rights to compel the Issuer to Redeem their AMP Notes. In particular, the Issuer is not obliged to Redeem AMP Notes on the Step-Up Date. If AMP Notes are not redeemed on the Step-Up Date, the Initial Margin will be subject to a one-off increase and the new Margin will be the Step-Up Margin.

Prior to the Maturity Date, AMP Notes can only be realised by a sale on market or a private sale by a Holder. There is a risk that the sale price on market or under private sale will be less than the Issue Price. Brokerage may be payable if AMP Notes are sold through a broker.

### 5.5.9 Holders have no rights to participate in future transactions or fundraisings

The Terms do not restrict the Issuer, Guarantor or other members of AMP Group from entering into any future transaction, including acquiring and disposing of assets, entering into any borrowing, guarantee or indemnity and creating and issuing further AMP Notes, or other equity, hybrid or debt securities including securities or other indebtedness ranking ahead of the claims of Holders. Any such transactions may impact over time, either positively or negatively, on a Holder's position in the event of a winding-up of the Issuer or the Guarantor and on the Issuer's ability to pay Interest on, and repay the Redemption Amount of, AMP Notes. Holder approval is not required for the Issuer, Guarantor or any other member of AMP Group to enter into these types of transactions.

An investment in AMP Notes carries no right to participate in any future issue of securities (whether equity, hybrid, debt or otherwise) by the Issuer, Guarantor or any other member of AMP Group. No prediction can be made as to the effect, if any, such future issues of securities by the Issuer, Guarantor or any other member of AMP Group may have on the market price or liquidity of AMP Notes.

### 5.5.10 Credit ratings may change

The senior long-term debt of the Guarantor has been assigned a credit rating of 'A' by Standard & Poor's and 'A2' by Moody's. AMP Notes have been provisionally assigned an Issue Credit Rating of 'A-' by Standard & Poor's and 'A3' by Moody's – see Section 3.5. The ratings assigned to the Guarantor's long-term senior debt are different from the provisional Issue Credit Ratings of AMP Notes because AMP Notes are guaranteed by the Guarantor on a subordinated basis.

There is a risk that:

- any of the senior long-term credit ratings assigned to the Guarantor could be withdrawn, reviewed or downgraded;
- or
- any of the provisional Issue Credit Ratings assigned to AMP Notes could be withdrawn, reviewed or downgraded, either of which may impact the market price and liquidity of AMP Notes.

Credit ratings are not 'market' ratings, nor are they a recommendation to buy, hold or sell securities and are subject to revision or withdrawal at any time.

The credit ratings may not reflect the potential impact of all risks related to the structure under which AMP Notes are issued, market and additional factors discussed in Section 5, and other factors that may affect the value of AMP Notes or the Guarantor's financial performance or position.

#### 5.5.11 Australian investors' currency risk

The denomination and currency for payment for NZ\$ AMP Notes is New Zealand dollars and not Australian dollars. The Offer may involve a currency exchange risk. The value of NZ\$ AMP Notes will go up or down according to changes in the exchange rate between New Zealand dollars and Australian dollars. These changes may be significant. Payments will be made in New Zealand dollars and you may incur fees in having the funds credited to a bank account in Australia in Australian dollars.

#### 5.5.12 New Zealand investors' currency risk

The denomination and currency for payment for A\$ AMP Notes is Australian dollars and not New Zealand dollars. The Offer may involve a currency exchange risk. The value of A\$ AMP Notes will go up or down according to changes in the exchange rate between Australian dollars and New Zealand dollars. These changes may be significant. Payments will be made in Australian dollars and you may incur fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

#### 5.5.13 Australian and New Zealand taxation consequences

A summary of potential Australian and New Zealand taxation implications for Holders is set out in Section 6. This is a general summary and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, Holders should seek independent advice in relation to their own individual taxation circumstances.

Holders should be aware that future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect the taxation treatment of an investment in AMP Notes, or the holding and disposal of AMP Notes. An adverse change in law may constitute a Tax Event under the Terms, which would allow the Issuer to Redeem the affected AMP Notes without Holder consent.

#### 5.5.14 Regulatory classification

APRA has provided confirmation that AMP Notes will, once issued, qualify for Lower Tier 2 Capital treatment under current Prudential Standards at the date of this Prospectus. However, if APRA subsequently determines that AMP Notes are not or will not qualify for Lower Tier 2 Capital treatment, the Issuer may decide that a Regulatory Event has occurred. This would allow Redemption of all (but not some only) AMP Notes on issue at the option of the Issuer (subject to APRA's written approval).

#### 5.5.15 No minimum subscription

The Issuer intends to raise the equivalent of approximately A\$300 million of AMP Notes in Australia and New Zealand, with the ability to raise more or less. At the conclusion of the Bookbuild, the Issuer allocated the equivalent of approximately A\$230 million to Institutional Investors and Syndicate Brokers. The remaining amount of approximately A\$70 million has been reserved for Applicants under the Shareholder Offer, AMP customers and other General Offer Applicants. It is expected that the amount of A\$ AMP Notes issued will be at least A\$150 million and the amount of NZ\$ AMP Notes issued will be at least NZ\$110 million. However, there is no minimum subscription and the Offer is not underwritten. If the Offer is not fully subscribed it may have an adverse impact on the market price and liquidity of AMP Notes.

### 5.6 Other risks

The above risks are not an exhaustive description of the risks faced by potential investors in AMP Notes. The risks outlined above and other risks may materially affect the future value and performance of AMP Notes. Accordingly, no assurances or guarantees of future performance, profitability, Interest or return of principal are given by the Issuer in respect of AMP Notes.

## Section 6. Taxation summary

This Section contains a summary of the Australian and New Zealand tax consequences for potential Holders and is based on Australian and New Zealand tax law and administrative practice as at the date of this Prospectus. This summary is necessarily general in nature and is not intended to be definitive tax advice to Holders. Accordingly, each prospective Holder should seek their own tax advice, which is specific to their particular circumstances, as to the tax consequences of investing in, holding and disposing of AMP Notes.

## 6.1 Australian tax consequences of investing in AMP Notes

The following is a summary of the Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (**Tax Act**) for Australian tax resident Holders who do not carry on business at or through a permanent establishment outside Australia (**Australian Tax Resident Holders**), and certain Holders who are not tax residents of Australia (**Non-Australian Tax Resident Holders**), both of whom successfully subscribe for AMP Notes and hold them on capital account.

The summary is not exhaustive and should be treated with appropriate caution. In particular, this summary does not deal with the position of certain classes of Holders (including Holders who hold AMP Notes as assets used in carrying on a business of share trading, banking or investment or otherwise hold AMP Notes on revenue account). This summary is not intended to be, nor should it be construed as legal or tax advice to any particular Holder.

The comments below are general in nature and are based on Australian tax legislation, interpretations of that legislation and administrative practice as at the date of this Prospectus.

### 6.1.1 Receipt of Interest or a payment by the Guarantor under the Guarantee

#### 6.1.1.1 Australian Tax Resident Holders

Australian Tax Resident Holders will be required to include any Interest or any payment received in relation to Interest from the Guarantor under the Guarantee in respect of their AMP Notes in their assessable income. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Australian Tax Resident Holder.

#### 6.1.1.1 Non-Australian Tax Resident Holders

##### *Australian Interest withholding tax*

Non-Australian residents are generally subject to Australian interest withholding tax (**IWT**) at the rate of 10% in respect of interest paid on instruments such as AMP Notes. However, IWT will not apply to a non-Australian resident if they hold the instrument through a permanent establishment in Australia.

Non-Australian Tax Resident Holders who do not hold their AMP Notes in the course of carrying on a business at or through a permanent establishment in Australia will be exempt from IWT if AMP Notes are classified as “debentures” or “debt interests” under the Tax Act and the “public offer test” contained in section 128F is satisfied. As the Issuer intends to issue AMP Notes in a manner which will satisfy the requirements of section 128F, the Non-Australian Tax Residents should not be subject to IWT on any Interest received on their AMP Notes.

It is unclear whether any payment under the Guarantee in relation to Interest in respect of AMP Notes would constitute a payment of “interest”, but the better view is that such payments (other than interest paid on an overdue amount) would not constitute interest as so defined in the Tax Act and should not, therefore, be subject to the IWT provisions of the Tax Act.

##### *Australian income tax*

On the basis that the requirements of section 128F of the Tax Act are satisfied with respect to AMP Notes, Non-Australian Tax Resident Holders who do not hold their AMP Notes in the course of carrying on business at or through a permanent establishment in Australia, should not be subject to Australian income tax on amounts received in respect of their AMP Notes.

### 6.1.2 Disposal of AMP Notes

#### 6.1.2.1 Australian Tax Resident Holders

An Australian Tax Resident Holder will be required to include any gain upon the disposal of AMP Notes in their taxable income. A capital gains tax (**CGT**) event will also occur upon disposal of AMP Notes which may give rise to a capital gain or capital loss, however any such capital gain or loss will be disregarded to the extent to which it is recognised as an assessable gain or allowable deduction.

#### 6.1.2.2 Non-Australian Tax Resident Holders

Non-Australian Tax Resident Holders who do not hold their AMP Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on disposal of AMP Notes, provided such gains do not have an Australian source. However, if the gain arising on the disposal of AMP Notes has an Australian source, a Non-Australian Tax Resident Holder may be eligible for relief from Australian tax on such gain under a double tax treaty between Australia and the Holder's country of residence.

### 6.1.3 Provision of Tax File Number or Australian Business Number

Where a Holder has provided the Issuer with their tax file number (TFN), or in certain circumstances their Australian Business Number (ABN), or is otherwise exempt from providing this information, no amount of tax should be withheld by the Issuer from payments of interest to the Holder.

You do not have to provide this information and it is not an offence if you fail to do so. However, in respect of an Australian Tax Resident Holder, the Issuer will be required to withhold Australian IWT at the maximum marginal tax rate (currently 46.5% including the Medicare levy) from any Interest payment and remit the amount withheld to the Australian Taxation Office unless and until you provide your TFN, (in certain circumstances) your ABN or proof of some other exception. Australian Tax Resident Holders will be able to claim a tax credit/rebate (as applicable) in respect of any IWT withheld on an Interest payment in their Australian income tax returns.

Assuming payments of Interest, or a payment by the Guarantor under the Guarantee, to Non-Australian Tax Resident Holders are exempt from IWT, then the Issuer or the Guarantor (as applicable) will not be required to withhold an amount of Australian tax from such a payment.

### 6.1.4 Australian Goods and Services Tax (GST)

No Australian GST should be payable on the issue, or disposal of AMP Notes as the supply of AMP Notes should comprise either an input taxed financial supply or (in the case of a Non-Australian Tax Resident Holder) a GST-free supply. No Australian GST should also be payable in respect of the payment of principal or interest by the Issuer, or a payment by the Guarantor under the Guarantee.

### 6.1.5 Stamp duty and other taxes

No ad valorem stamp, issue, registration or similar taxes will be payable in Australia on the issue, transfer or Redemption of any AMP Notes.

### 6.1.6 Other tax matters

#### 6.1.6.1 Taxation of foreign exchange gains and losses

Australia's income tax legislation contains rules to deal with the taxation consequences of foreign exchange transactions. These rules may apply to Australian Tax Resident Holders that hold NZ\$ AMP Notes. Any such Australian Tax Resident Holder should consult their professional advisors for advice as to how to account for any tax on foreign exchange gains or losses arising from their holding of NZ\$ AMP Notes.

#### 6.1.6.2 Proposed Taxation of Financial Arrangements (TOFA) rules

On 4 December 2008 the Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2008 was introduced into Parliament (TOFA Bill). The TOFA Bill contains proposed new rules which, if enacted, would represent a new code for the tax-timing and character treatment of gains and losses in relation to "financial arrangements".

The proposed new rules, as currently drafted, will not apply in relation to AMP Notes held by a Holder unless the Holder elects to apply the rules to financial arrangements existing as at the commencement date applicable to the Holder (i.e. income years commencing on or after 1 July 2010 unless the Holder elects to apply the new rules from 1 July 2009).

Further, not all taxpayers will be subject to the proposed TOFA rules. For example, they will not apply to Holders who are individuals, certain financial entities with an annual turnover of less than \$20 million and other entities with an annual turnover of less than \$100 million, unless they elect for the rules to apply to them.

## 6.2 New Zealand tax consequences of investing in AMP Notes

The following comments reflect New Zealand tax laws as at the date of this Prospectus. They are general in nature and are not an exhaustive discussion on the potential application of New Zealand tax laws. They assume that the Issuer is tax resident in Australia and that it does not carry on a taxable activity or business through a fixed base or permanent establishment in New Zealand. They also assume that the Interest will be based on commercial lending rate and not based on the Issuer's profits or dividends. All references to 'residence' are to tax residence and 'resident' and 'non-resident' have corresponding meanings. References to the DTA are to the double tax agreement entered into by Australia and New Zealand that is in force as at the date of this Prospectus.

There should be no New Zealand tax implications for Australian Tax Resident Holders in relation to AMP Notes where the Holder is a tax resident of Australia under the DTA and does not have a fixed or permanent establishment in New Zealand to which their holding of AMP Notes is connected or attributable.

### 6.2.1 Financial arrangement rules

The following comments relate to Holders who are residents of New Zealand. The comments also apply to Holders who are non-residents of New Zealand to the extent that either they are engaged in business through a fixed place in New Zealand and hold AMP Notes for the purpose of that business, or, they are trustee for certain trusts that have a New Zealand resident settlor.

New Zealand's income tax laws include the financial arrangement rules, which apply to financial arrangements that are not 'excepted financial arrangements'. AMP Notes will be financial arrangements under these rules. The financial arrangement rules generally disregard the distinction between capital and income, such that all amounts derived in excess of the principal amount will be income (whether it is described as interest, a foreign exchange gain, etc.). Also, the financial arrangement rules generally require that the income from a financial arrangement is recognised evenly over the life of that financial arrangement (as opposed to recognising it when it is received). This spreading requirement does not apply to a 'cash basis person'.

For a Holder to be a 'cash basis person', the Holder must currently be a natural person, not acting as a trustee, (or the trustee of certain deceased estates), who, in an income year:

- is a party to financial arrangements the total value of which (in absolute terms, not netted off) does not exceed NZ\$1,000,000;
- has income and expenditure from all the person's financial arrangements not exceeding NZ\$100,000 (again in absolute terms, not netted off); and
- has a deferral not exceeding NZ\$40,000 – being the total of the following formula applied to each financial arrangement to which they are a party: (accrual income - cash basis income) + (cash basis expenditure – accrual expenditure).

A Holder who is a 'cash basis person' would return interest income from AMP Notes as and when it is received. Holders of AMP Notes denominated in Australian dollars will need to return income in New Zealand dollars, using appropriate exchange rates as identified by the Inland Revenue Department. In the event that Australia imposes withholding tax on the interest paid on AMP Notes, that amount will be included as part of the interest income for New Zealand tax purposes. However, the Holder may be eligible to claim a foreign tax credit against their New Zealand tax liability for the Australian withholding tax (capped at the lesser of the withholding tax or the amount of New Zealand tax payable on the interest income).

Proposed legislative changes, if passed in their current form, would remove the natural person requirement for being a cash basis person, so that a non-natural person (for example, a company) who met the other requirements could be a cash basis person. If passed as proposed, this change would take effect for the 2009/2010 income year and subsequent income years.

Holders who are not a cash basis person will be required to adopt one of the prescribed methods for spreading income and expenditure over the life of AMP Notes. Such Holders should obtain professional advice as to the method to apply. Amounts will need to be returned in New Zealand dollars and Holders should be aware that foreign exchange gains and losses can be recognised under these methods even though the gains/losses have not been realised in real terms. A credit for any Australian withholding tax may be allowed.

When a Holder ceases to hold AMP Notes (e.g. due to a Redemption or a sale), the Holder must calculate a 'base price adjustment'. In simple terms, this brings to account, for tax purposes, any amount that has not previously been brought to account for tax (including any foreign exchange gains and losses). Where the Holder has a negative base price adjustment, a deduction is permitted to the extent to which it arises from assessable income from earlier years. In the event it exceeds this amount then generally a deduction is not permitted (a different position may result for dealers in financial instruments).

### 6.2.2 New Zealand GST and other New Zealand taxes

There should be no New Zealand GST implications in holding and selling AMP Notes. There is no stamp duty imposed in New Zealand on transferring AMP Notes.

The above comments are general in nature. The application of tax law is fact specific. Consequently, the above comments should not be relied on as taxation advice, rather, potential Holders should take professional advice specific to their circumstances. No liability is accepted for anyone relying on the above comments.

## Section 7. Additional information

This Section sets out a number of other matters that may not have been addressed in detail elsewhere in this Prospectus. These include the rights attaching to AMP Notes, a summary of the Trust Deed and Offer Management Agreement, the disclosure of interests of the Directors and advisers and the relief that regulators have granted to the Issuer in respect of the Offer.

## 7.1 Issuer's reporting and disclosure obligations

The Issuer will apply to have A\$ AMP Notes quoted on ASX and NZ\$ AMP Notes quoted on NZDX. The Ordinary Shares in the Issuer are not currently quoted, and there is no current intention that they be quoted. However, the Issuer will be required under ASX Listing Rules to comply with continuous disclosure obligations and to lodge half yearly and annual reports and returns in accordance with the Corporations Act. The Issuer will be required to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the market conducted by ASX.

In particular, the Issuer will have an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware concerning the Issuer which a reasonable person would expect to have a material effect on the price or value of A\$ AMP Notes. That information will then be available on the public file at ASX.

The NZX has granted a waiver from the requirements of NZX Listing Rules that allows NZ\$ AMP Notes to be quoted on NZDX as those of an overseas issuer (see Section 7.9). Under the terms of this waiver, the Issuer must comply with all requirements of the ASX Listing Rules in respect of NZ\$ AMP Notes as if they were quoted on ASX and must immediately release to NZX any information that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of NZ\$ AMP Notes. That information will then be available on the public file at NZX.

## 7.2 Rights and liabilities attaching to AMP Notes

The rights and liabilities attaching to AMP Notes are contained in the Trust Deed, which incorporates the Terms. The Terms are set out in full in Appendices A and B of this Prospectus and the Trust Deed is summarised in Section 7.3. Rights and liabilities attaching to AMP Notes may also arise under the Corporations Act, Listing Rules, the Issuer's Constitution and other laws. The Issuer or the Guarantor must provide a copy of the Trust Deed to a Holder on request.

## 7.3 Summary of the Trust Deed

The Issuer and the Guarantor have entered into a Trust Deed dated on or about the date of the Original Prospectus with the Trustee. The Terms and the Guarantee are set out as schedules to the Trust Deed. The following is a summary only of the principal provisions of the Trust Deed.

### 7.3.1 Appointment of Trustee

The Trustee has been appointed under the Trust Deed and holds on trust for the Holders and itself upon the terms of the Trust Deed:

- the right to enforce the Issuer's duty to repay, and to pay all other amounts payable, under AMP Notes;
- the right to enforce all other obligations of the Issuer under the Terms, the provisions of the Trust Deed to the Holders under any other transaction documents and Chapter 2L of the Corporations Act; and
- any other property held on the trust established by the Trust Deed (including, without limitation, the benefit of any covenants, undertakings, representations, warranties, rights, powers, benefits or remedies in favour of the Trustee under the Trust Deed and any other transaction documents).

### 7.3.2 Undertakings

The Issuer has undertaken to the Trustee (on behalf of each Holder) to pay the amounts due and payable in respect of AMP Notes under and in accordance with the Trust Deed and any other transaction documents.

### 7.3.3 Guarantee

Under the terms of the Guarantee, the Guarantor unconditionally and irrevocably guarantees to each Holder payment of all amounts then due for payment or which will or may become due for payment or which remain unpaid by the Issuer (the **Guaranteed Money**).

The Guarantor unconditionally and irrevocably indemnifies each Holder, on demand from that Holder or the Trustee on behalf of the Holders, against any and all liability or loss arising, and any costs, charges or expenses it suffers or incurs:

- if the Issuer does not, or is unable to, pay the Guaranteed Money in accordance with the Terms;
- if an obligation the Issuer would otherwise have to pay the Guaranteed Money, or under the Guarantee, is found to be unenforceable;
- if the Holder is obliged, or agrees, to pay an amount to a trustee in bankruptcy or liquidator of any person in connection with a payment by the Guarantor or the Issuer;
- if the Guarantor defaults under the Trust Deed; or
- in connection with any person exercising, or not exercising, rights under the Trust Deed.

However, under the terms of the Guarantee no amount is payable by the Guarantor in respect of any AMP Notes if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after payment, the Guarantor is Solvent.

The claims of Holders against the Guarantor in respect of AMP Notes will, in the event of a winding-up of the Guarantor, be subordinated in right of payment to the claims of all Senior Creditors. 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 Guarantor as a creditor in respect of AMP Notes ranking for payment equally with any Senior Creditor.

### 7.3.4 Enforcement

Subject to the Trust Deed and to section 283DA(h) of the Corporations Act, the Trustee must take action to enforce the Trust Deed where all the following conditions are met and is not required to act in accordance with any direction from the Holders or any of them or by a Holder Resolution unless:

- the Trustee is requested to take action (i) by Holders who hold in aggregate 15% or more of the Face Value of all AMP Notes then outstanding; or (ii) in respect of an action in respect of a single series only, by a Holder Resolution in respect of that Series;
- the Trustee is indemnified to its reasonable satisfaction, against certain actions or costs; and
- the action is permitted under the Trust Deed and any other transaction documents.

No Holder is entitled to proceed directly against the Issuer or the Guarantor to enforce any right or remedy under or in respect of any AMP Note unless the Trustee, having become bound to proceed, fails to do so within a reasonable period and such failure is continuing.

### 7.3.5 Liability

The Trustee is not liable to the Issuer, the Guarantor, the Holders or any other person in any capacity other than as trustee of the Trust. The Trustee's liability is further limited to the assets of the Trust actually available to indemnify the Trustee for the liability, to the maximum extent permitted by section 283DB of the Corporations Act except to the extent that there is a reduction in the extent of the Trustee's indemnification from the assets of the Trust as a result of Trustee's fraud, gross negligence or wilful default in respect of its obligations under the Trust Deed or a breach of section 283DA(a), (b) or (c) of the Corporations Act.

### 7.3.6 Fees and expenses

The Issuer will pay the Trustee fees as agreed between the Issuer and the Trustee. The Issuer and the Guarantor will also pay, on demand, the Trustee's losses and reasonable expenses in connection with performance of its duties, or the exercise of its rights, in connection with the Trust Deed and the Terms as well as reasonable expenses for any enforcement action that the Trustee takes in relation to the Trust Deed or the Terms.

### 7.3.7 Retirement and removal

The Trustee may retire at any time by giving notice to the Issuer at least 60 days before the date it wants to retire or shorter period which is agreed.

The Issuer may remove the Trustee at any time by giving notice to the Trustee of at least 60 days (or such other period as the Issuer and the Trustee may agree) in circumstances, amongst others, where:

- the Trustee materially breaches the Trust Deed or any other transaction document and has not rectified the breach within 7 Business Days of receiving a notice from the Issuer to rectify the breach;
- an insolvency event occurs in relation to the Trustee or it ceases to carry on business;
- the Trustee is no longer permitted to act as trustee under the Corporations Act or the Issuer reasonably believes that any of the things in section 283BD of the Corporations Act have occurred; or
- the Issuer is authorised and requested to do so by a meeting of Holders.

The removal or retirement of the Trustee does not take effect until the appointment of a new trustee is effective. Power to appoint a new eligible trustee is vested in the Issuer.

### 7.3.8 Meetings

A meeting of Holders has the power to:

- by Holder Resolution, give directions to the Trustee as to the performance of its duties under the Trust Deed and the Terms or approve any amendment to the Trust Deed or the Terms required to be authorised by a Holder Resolution; and
- by Special Resolution, approve anything the Trustee has done or omitted to do and to any amendment to the Trust Deed or the Terms required to be authorised by a Special Resolution.

Each Holder is entitled to one vote on a show of hands. On a poll, each Holder is entitled to one vote for each A\$ AMP Note that the person holds and one vote for each 100 NZ\$ AMP Notes (or part thereof) that the person holds. If the meeting is by postal ballot or written resolution, Holders are entitled to vote in the relevant proportion to the aggregate principal amount outstanding of all of AMP Notes of that series.

In this Section 7.3.8 references to 'Holders' or 'AMP Notes' are to the Holders of AMP Notes of the series in respect of which the meeting is being held or that particular series of AMP Notes. However, in certain circumstances meetings may be required in respect of all AMP Notes, in which case references to 'Holders' or 'AMP Notes' are to all Holders and all AMP Notes.

## 7.4 Summary of the Offer Management Agreement

The Joint Lead Managers, the Issuer and the Guarantor have entered into an offer management agreement dated on or about the date of the Original Prospectus (**Offer Management Agreement**). Under the Offer Management Agreement, the Joint Lead Managers have agreed to manage the Offer, including to conduct the Bookbuild, procure applications for AMP Notes under the Bookbuild and provide settlement support for the Institutional Offer and Broker Firm Offer.

### 7.4.1 Fees and expenses

The Issuer will pay:

- a structuring fee to UBS and ABN AMRO of 0.5% of the total proceeds of the Offer;
- a lead management fee to the Joint Lead Managers of up to 0.6% of the total proceeds of the Offer (excluding proceeds under the Shareholder Offer and General Offer attributable to financial planners affiliated with AMP in excess of \$100 million);
- a broker firm selling fee to the Joint Lead Managers equal to 1.25% of the total proceeds raised from Syndicate Brokers through the Bookbuild.

The Issuer will also pay the costs, charges and expenses incidental to the Offer, including the legal and out of pocket expenses of the Joint Lead Managers.

### 7.4.2 Representations and warranties

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Issuer's compliance with the Corporations Act and ASX Listing Rules in relation to making the Offer. The Issuer gives a number of further representations and warranties, including that the Prospectus and the related public documents will not contain any untrue, inaccurate, misleading or deceptive statements or omissions.

### 7.4.3 Termination events

Each Joint Lead Manager may terminate the Offer Management Agreement by notice in writing to the Issuer and the other Joint Lead Managers on the occurrence of certain termination events (subject to, in the case of some termination events only, satisfaction of specified materiality thresholds). These include:

- the S&P ASX 200 index:
  - closes on three consecutive business days at a level that is 15% or more below the level of the relevant index as at the close of business of trading on the business day that is immediately before the date of the Offer Management Agreement (**Starting Level**);
  - closes at a level that is 15% or more below the Starting Level for three consecutive days, excluding the Issue Date, in the period of three consecutive business days prior to the Issue Date;
  - at any time falls to a level that is 20% or more below the Starting Level.
- the average mid-rate for the iTRAXX Australia Index of a term five years is 55% or more above its level as at the close of business on the Business Day immediately before the date of the Offer Management Agreement and remains at or above that level for two consecutive Business Days;
- the credit rating assigned to the Guarantor or provisionally assigned to AMP Notes by Standard & Poor's or Moody's is downgraded or withdrawn, or placed on credit watch negative or negative outlook;
- shares in AMP are suspended from quotation on ASX or NZX for more than one Business Day or cease to be quoted on ASX or NZX;
- ASIC:
  - issues a stop order in relation to the Prospectus;
  - applies for an order under Part 9.5 of the Corporations Act in relation to the Offer, and that application is not dismissed within three Business Days or by 9am on the Settlement Date (whichever is earlier);
  - holds, or gives notice of intention to hold, a hearing or investigation into the Offer, or
  - prosecutes (or gives notice of intention to prosecute) or commences proceedings (or gives notice of intention to commence proceedings) against any member of the AMP Group or any of their respective officers, employees or agents in relation to the Offer;
- any person whose consent to the issue of the Prospectus is required by the Corporations Act withdraws that consent;
- the Issuer withdraws this Prospectus or the Offer;
- ASX or NZX does not approve the admission of the Issuer or quotation of AMP Notes on ASX or NZDX (as applicable);
- the Issuer lodges a supplementary prospectus under section 719 of the Corporations Act (other than this Prospectus) or a Joint Lead Manager forms the view (acting reasonably) that a supplementary prospectus must be lodged under section 719 of the Corporations Act;
- a material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the AMP Group;
- insolvency of the Issuer, the Guarantor or AMP;
- the Issuer fails to comply with any of its obligations under the Offer Management Agreement or Trust Deed, or any representation or warranty by the Issuer under the Offer Management Agreement or Trust Deed is or becomes incorrect;
- the Guarantor fails to comply with any of its obligations under the Guarantee, or any representation or warranty by the Guarantor under the Trust Deed is or becomes incorrect;
- a Director (in his or her capacity as a director of the Issuer only) or a director of AMP (in his or her capacity as a director of AMP only) or any member of the senior management of the AMP Group is charged with an indictable offence relating to any financial or corporate matter;
- a Director or any AMP Director is disqualified under the Corporations Act from managing a corporation as a result of conduct in relation to the Issuer;
- a change in the Directors, the Chairman of AMP or the senior management of the AMP Group occurs; and
- any governmental authority commences any public action against the Issuer, AMP, any of the Directors (in his or capacity as a director of the Issuer only) or any of the directors of AMP (in his or capacity as a director of AMP only) or announces that it intends to take any such action.

#### Indemnity

Subject to certain exclusions relating to, amongst other things, fraud, negligence, material breach of law (not caused or contributed to by the Issuer or Guarantor) or wilful default of the indemnified parties, the Issuer indemnifies the Joint Lead Managers and certain affiliated parties against losses incurred or suffered directly or indirectly in connection with the Offer or the Offer Management Agreement.

## 7.5 Consents

Each Director has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn their written consent to the lodgement of this Prospectus with ASIC.

Each of the parties (referred to as **Consenting Parties**) who are named below:

1. has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified in paragraphs 4 to 8 below;
2. has not authorised or caused the issue of any part of this Prospectus;
3. makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this Prospectus;
4. to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus, other than as specified in paragraphs 5 to 8 below) and excludes and disclaims all liability for any damage, loss (including direct, indirect or consequential loss), cost or expense that may be incurred by you as a result of this Prospectus being inaccurate or incomplete in any way for any reason;
5. has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named;
6. in the case of Mallesons Stephen Jaques, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the Australian taxation summary in the form and context in which it appears in Section 6.1;
7. in the case of DLA Phillips Fox, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the New Zealand taxation summary in the form and context in which it appears in Section 6.2; and
8. in the case of Computershare Investor Services Pty Limited and Computershare Investor Services Limited, has no involvement in the preparation of the Prospectus other than being named as Registry.

Role	Consenting Parties
Joint Structuring Advisers	UBS and ABN AMRO
Joint Lead Managers & Joint Bookrunners	ABN AMRO, ANZ Securities, CommSec, Macquarie and UBS
NZ Lead Managers	ABN AMRO Craigs Forsyth Barr
Co-Managers	BNZ Capital Ord Minnett
Trustee	Trust Company Fiduciary Services Limited
Australian Legal and Tax Adviser	Mallesons Stephen Jaques
New Zealand Legal and Tax Adviser	DLA Phillips Fox
Auditor	Ernst & Young
Registry	Computershare Investor Services Pty Limited Computershare Investor Services Limited

## 7.6 Interests of advisers

The Joint Structuring Advisers, Joint Lead Managers & Joint Bookrunners are entitled to the fees set out in Section 7.4. The Joint Lead Managers will be responsible for any fees payable to the Syndicate Brokers.

The Issuer may pay to AMP financial advisers in Australia a fee of up to 0.5% of the proceeds raised from Applications which include the stamp or adviser code of that adviser.

Ernst & Young has performed due diligence required on accounting matters, the content of this Prospectus relating to accounting matters and the proposed accounting treatment of AMP Notes from the perspective of the Issuer. In respect of this work, AMP Group estimates that it will pay approximately A\$80,000 (excluding disbursements and GST) to Ernst & Young for work up to the date of this Prospectus. Further amounts may be paid to Ernst & Young under its normal time-based charges.

Mallesons Stephen Jaques have acted as Australian legal and tax adviser to AMP Group in relation to the Offer and have performed work in relation to drafting the Terms, advising on the due diligence and verification program, performing due diligence required on legal and tax matters and have prepared the Australian taxation summary contained in Section 6.1. Mallesons Stephen Jaques have also advised the Trustee. In respect of this work, AMP Group estimates that it will pay approximately A\$590,000 (excluding disbursements and GST) to Mallesons Stephen Jaques for work up to the date of this Prospectus. Further amounts may be paid to Mallesons Stephen Jaques under their normal time-based charges.

DLA Phillips Fox have acted as New Zealand legal and tax adviser to AMP Group in relation to the Offer and have advised the Issuer and the Guarantor in respect of the aspects of this Prospectus that relate specifically to the Offer of AMP Notes to the public in New Zealand under the mutual recognition regime for securities offerings and have prepared the New Zealand taxation summary contained in Section 6.2. In addition, they have advised in respect of certain aspects of the due diligence and verification program, the legal due diligence and the quotation of NZ\$ AMP Notes on NZDX. In respect of this work, AMP Group estimates that it will pay approximately NZ\$105,000 (excluding disbursements and GST) to DLA Phillips Fox for work up to the date of this Prospectus. Further amounts may be paid to DLA Phillips Fox under their normal time-based charges.

Trust Company Fiduciary Services Limited is acting as trustee for Holders under the Trust Deed. In respect of this role, AMP Group estimates that it will pay an establishment fee of A\$10,000 and an ongoing fee of A\$35,000 to A\$65,000 (depending on the aggregate net proceeds raised under the Offer) per annum (indexed to CPI and excluding disbursements and GST) and certain legal expenses to, or on behalf of, Trust Company Fiduciary Services Limited.

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, a promoter of the Issuer or broker to the Offer:

- holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:
  - the formation or promotion of the Issuer;
  - the Offer;
  - any property acquired or proposed to be acquired by the Issuer in connection with the formation or promotion of the Issuer or the Offer; or
- has paid or agreed to pay any amount, and no one has given or agreed to give any benefit for services provided by that person in connection with the formation or promotion of the Issuer or the Offer.

## 7.7 Interests of Directors

As at the date of this Prospectus, no Director of the Issuer holds any AMP Notes or any other securities issued by the Issuer.

The Directors (and their related parties) may acquire AMP Notes offered under this Prospectus subject to the Listing Rules.

Other than as set out in this Prospectus, no Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Issuer;
- the Offer; or
- any property acquired or proposed to be acquired by the Issuer in connection with the formation or promotion of the Issuer or the Offer.

Other than as set out in this Prospectus, at the time of lodgement of this Prospectus with ASIC, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce that person to become, or qualify as, a Director; or
- for services provided by that person in connection with the formation or promotion of the Issuer or the Offer.

Directors receive nil remuneration for their services as a director of the Issuer.

The Issuer has entered into a Director's Access Insurance and Indemnity Deed with each Director. Under that deed, a Director is entitled (among other things) to be indemnified against liabilities incurred as a Director to the extent permitted by law. They are also permitted to be indemnified under the Constitution and the Issuer may enter and pay premiums on directors and officers insurance policies for their benefit.

## 7.8 ASX relief

ASX has confirmed that the Issuer's structure and the obligations and rights of any persons in connection with A\$ AMP Notes are appropriate for the purposes of Listing Rule 1.8 Condition (d). ASX has also agreed to allow A\$ AMP Notes to trade on a deferred settlement basis in accordance with the timetable set out in this Prospectus.

## 7.9 NZX relief

NZX has granted the Issuer a waiver from the requirements of the NZX Listing Rules that NZ\$ AMP Notes be quoted on ASX in order to have NZ\$ AMP Notes quoted on NZDX as an Overseas Listed Issuer ('waiver'). The waiver is granted on certain conditions, which include:

- that the Issuer complies with all requirements of the ASX Listing Rules and the Trust Deed in respect of NZ\$ AMP Notes as if they were quoted on ASX;
- that except with the prior approval of NZX, neither the Issuer nor the Guarantor takes any action that would affect the rights attached to AMP Notes (or under the Guarantee) that would result in the rights attached to NZ\$ AMP Notes (or in respect of the Guarantee in respect of those NZ\$ AMP Notes) differing from the rights attached to A\$ AMP Notes (or in respect of the guarantee of A\$ AMP Notes) other than the interest rate;
- that the Issuer must immediately release any Material Information (as defined in the NZX Listing Rules) with regards to NZ\$ AMP Notes to NZX in accordance with NZX Listing Rule 10.1.1;
- that for so long as NZ\$ AMP Notes are quoted on NZDX, A\$ AMP Notes are quoted on ASX; and
- that certain specific NZX Listing Rules will apply to notices of meetings to be sent to the holders of NZ\$ AMP Notes.

Accordingly, NZ\$ AMP Notes will be quoted on NZDX as those of an overseas issuer, and the Issuer will be deemed to satisfy and comply with all NZDX Listing Rules so long as A\$ AMP Notes remain listed on ASX.

## 7.10 Foreign selling restrictions

As at the date of this Prospectus, no action has been taken to register or qualify AMP Notes or the Offer or to otherwise permit a public offering of AMP Notes outside Australia or New Zealand.

The distribution of this Prospectus (including an electronic copy) outside Australia or New Zealand may be restricted by law. If you come into possession of this Prospectus outside Australia or New Zealand, then you should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may violate securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In particular, AMP Notes have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, a US Person.

Any offer, sale or resale of AMP Notes in the United States by any person (whether or not participating in the Offer) may violate the requirements of the US Securities Act. AMP Notes may be offered in a jurisdiction outside Australia or New Zealand where such offer is made in accordance with the laws of that jurisdiction.

Each person submitting an Application Form will be deemed to have acknowledged that it is aware of the restrictions referred to in this Section 7.10 and to have represented and warranted that it is able to apply for and acquire AMP Notes in compliance with those restrictions.

## 7.11 Privacy statement

Your privacy is important to the Issuer and AMP Group. The Registry has been engaged to maintain the Register of AMP Notes on behalf of the Issuer and AMP. If you apply for AMP Notes, you will be asked to provide personal information to the Issuer or its agents, including the Registry. The primary purpose of collecting personal information about you is to enable your Application to be assessed and processed and to register you as a Holder, to communicate with you and service your needs as a Holder, to provide facilities and services that you request and to carry out appropriate administration of your investment.

To do that, the Issuer may disclose your personal information to its agents, contractors or third party service providers to whom the Issuer outsources services such as mailing, printing and registry functions in connection with the administration of the Register and AMP activities applicable to you as a Holder. The Issuer may also disclose your personal information to related companies within AMP Group or to their agents, contractors or third party service providers. Your personal information may also be disclosed to ASX and anyone you authorise. However, all of these parties are bound by the same privacy policy as the Issuer. Personal information is collected in accordance with the Privacy Act and the AMP Group Privacy policy.

Your personal information may be used by AMP Group for related purposes, such as keeping you informed about AMP Group's business activities, progress and development, other members of AMP Group and their businesses and bring to your attention a range of products and services offered by the Issuer or other members of AMP Group. These may include investment, retirement, financial planning, banking, credit, life and general insurance products and enhanced customer services that may be made available through AMP Group. If you do not consent to AMP using or disclosing your personal information in your capacity as Holder, please let us know by contacting the Registry on 1300 654 442 (within Australia) or +61 3 9415 4000 (international). It is important that you contact AMP or the Registry because, by investing in the Issuer, you will be taken to have consented to these uses and disclosures.

Company and tax law requires some personal information to be collected. The personal information that AMP and the Registry collect is necessary for the proper and effective management of your Holding of AMP Notes. If you do not provide complete and accurate information when requested, your Application may not be able to be processed efficiently, if at all.

The Corporations Act provides that any person may inspect a register of security holders and obtain copies of the register of security holders.

Under the Privacy Act, you may request access to your personal information held by or on behalf of the Issuer. You can request access to your personal information or obtain further information about the management of your personal information by contacting the Registry or AMP. When seeking access to your personal information an identity verification process is undertaken. The AMP Privacy Policy Statement sets out AMP Group's policies on management of personal information. You can also obtain a copy of the AMP Privacy Policy at [www.amp.com.au](http://www.amp.com.au) or by contacting AMP on 131 267 (within Australia) or +61 2 9257 5490 (international).

The Issuer aims to ensure that the personal information retained about you is accurate, complete and up-to-date. If the Registry's record of your personal information is incorrect or out of date, it is important that you contact the Issuer or the Registry so that your records can be corrected. To assist the Issuer with this, please contact the Issuer or the Registry if any of the details you have provided have changed. If you have any concerns about the completeness or accuracy of the information AMP Group or the Registry has about you, steps will be taken to correct it.

By applying for AMP Notes, you consent to the use and disclosure of your personal information as described above. You also understand and agree that the use and disclosure of your personal information applies to any personal information collected by the Issuer and any company in AMP Group in the course of your relationship with the Issuer and any company in AMP Group.

## 7.12 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the law applicable in New South Wales and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

## Appendix A. Terms – A\$ AMP Notes

## 1 Form of A\$ AMP Notes

### 1.1 Constitution under Trust Deed

A\$ AMP Notes are debt obligations of the Issuer constituted by, and owing under, the Trust Deed.

### 1.2 Form

A\$ AMP Notes are issued in registered form by entry in the Register.

### 1.3 Face Value

A\$ AMP Notes are issued fully paid with a Face Value of A\$100.00.

### 1.4 Currency

A\$ AMP Notes are denominated in Australian dollars.

### 1.5 Clearing System

The rights of a person holding an interest in the A\$ AMP Notes are subject to the rules and regulations of the Clearing System.

### 1.6 Guarantee

A\$ AMP Notes are issued with the benefit of the guarantee set out in the Trust Deed pursuant to which the Guarantor unconditionally and irrevocably guarantees, on a subordinated basis, payment to each Holder of all amounts at any time due for payment, or which will or may become due for payment, or which remain unpaid, by the Issuer to that Holder including any amount which was not paid by the Issuer by virtue of clause 2.3(a).

### 1.7 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.

### 1.8 ASX quotation

The Issuer must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure that the A\$ AMP Notes are, and until Redeemed remain, quoted on ASX.

### 1.9 No other rights

The A\$ AMP Notes confer no rights on a Holder:

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

## 2 Interest

### 2.1 Interest

Each A\$ AMP 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.

### 2.2 Interest Rate determination

The Interest Rate payable in respect of an A\$ AMP Note must be calculated by the Issuer in accordance with these Terms.

The Interest Rate applicable to an A\$ AMP Note for each Interest Period is calculated according to the following formula:

$$\text{Interest Rate} = \text{Market Rate} + \text{Margin}$$

and expressed as a percentage per annum, where:

**Market Rate** means, for the Interest Period, the average mid-rate for Bills having a tenor of 90 days as displayed on the “BBSW” page of the Reuters Monitor System (or its successor or replacement page) on the first Business Day of the Interest Period. However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Issuer determines that there is an obvious error in that rate, **Market Rate** means the rate determined by the Issuer in good faith at approximately 10:30am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time (including any displayed on the “BBSY” or “BBSW” page of the Reuters Monitor System);

**Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act; and

**Margin** means:

- (a) prior to, but excluding, the Step-Up Date, the Initial Margin; and
- (b) from, and including, the Step-Up Date, the Step-Up Margin.

### 2.3 Solvency test

- (a) No amount is payable by the Issuer in respect of the A\$ AMP Notes if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after the payment, the Issuer is Solvent. 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.
- (b) If all or any part of an amount of Interest that is due and payable is not paid because at the time of, and immediately after, payment of the amount of Interest the Issuer would not be Solvent, then, subject to clause 2.4 and clause 1.6, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an event of default.

### 2.4 Cumulative interest

Interest shall accrue at the Interest Rate in the manner provided in this clause 2 to the Deferred Payment Date (as defined below) on any Interest amount which is not paid by virtue of clause 2.3(a) and such cumulative interest is due and payable, together with the Interest amount which was not paid by virtue of clause 2.3(a), on the first date (**Deferred Payment Date**) on which:

- (a) no amount is outstanding to a Senior Creditor; or
- (b) if any amount is outstanding to a Senior Creditor, the Issuer is Solvent and, immediately after payment, the Issuer will remain Solvent.

## 3 General provisions applicable to Interest

### 3.1 Calculation of Interest amount

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

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

$$\text{Interest payable} = \frac{\text{Interest Rate} \times \text{A\$100} \times \text{N}}{365}$$

where:

**N** means, in respect of:

- (a) the first Interest Payment Date in respect of an A\$ AMP 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.

### 3.2 Notification of Interest Rate, Interest payable and other items

The Issuer must notify the Trustee, the Registrar and ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted) of:

- (a) for each Interest Period, the Interest Rate and the amount of Interest payable; and
- (b) any amendment to the Interest Rate or the amount referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

The Issuer must give notice under this clause 3.2 as soon as practicable after it makes its calculations. However, it must give notice of the Interest Rate and the amount of Interest payable on each A\$ AMP Note for the Interest Period by the fourth day of that Interest Period.

The Issuer may amend its calculation or determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Guarantor, the Trustee, the Registrar, ASX and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted promptly after doing so.

### 3.3 Determination final

The determination by the Issuer of all amounts, rates and dates falling 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 Trustee, the Registrar and each Holder.

### 3.4 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 must be rounded to the nearest one Australian cent (with 0.5 of a cent being rounded up to 1 cent).

## 4 Redemption and purchase

### 4.1 Scheduled redemption

Each A\$ AMP Note is Redeemable by the Issuer on the Maturity Date at its Face Value unless:

- (a) the A\$ AMP Note has been previously Redeemed; or
- (b) the A\$ AMP Note has been purchased by the Issuer and cancelled.

### 4.2 Early redemption of an A\$ AMP Note for taxation reasons

If, as a result of any change in, or amendment to, the laws of a Relevant Tax Jurisdiction, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, the Issuer is required to pay an Additional Amount or the Guarantor would be required to increase the amount of any payment under the Guarantee if the Guarantee were called in respect of that A\$ AMP Note, the Issuer may Redeem that A\$ AMP Note in whole before its Maturity Date at its Face Value together with any Interest accrued on that A\$ AMP Note to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted);
- (c) before the Issuer gives the notice under paragraph (b), the Trustee and Registrar have each received:
  - (i) a certificate signed by two directors or a director and a secretary of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer and in the Relevant Tax Jurisdiction, that the Issuer would be required under clause 9.2, or the Guarantor under the Guarantee, to increase the amount of the next payment due in respect of the A\$ AMP Notes;
- (d) the proposed Redemption Date is an Interest Payment Date; and
- (e) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay any Additional Amounts.

### 4.3 Early redemption of an A\$ AMP Note for loss of deductibility

If, as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, payment of Interest on an A\$ AMP Note is not, or may not, be allowed as a deduction for the purposes of the Issuer's Australian income tax liability calculation, the Issuer may Redeem that A\$ AMP Note in whole before its Maturity Date at its Face Value together with any Interest accrued on that A\$ AMP Note to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted);
- (c) before the Issuer gives the notice under paragraph (b), the Trustee and the Registrar have each received:
  - (i) a certificate signed by two directors or a director and a secretary of the Issuer; and
  - (ii) an opinion of independent legal or tax advisers of recognised standing in the jurisdiction of incorporation of the Issuer,that, as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, payment of Interest on an A\$ AMP Note is not, or may not, be allowed as a deduction for the purposes of the Issuer's Australian income tax liability calculation;
- (d) the proposed Redemption Date is an Interest Payment Date; and
- (e) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer is not, or may not, be allowed to claim payment of Interest as a deduction for the purposes its Australian income tax.

### 4.4 Early redemption of all A\$ AMP Notes for regulatory reasons

If, as a result of a change in, or amendment to, applicable law, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, additional requirements which the Directors determine in their absolute discretion to be unacceptable would be imposed on the Issuer in respect of the A\$ AMP Notes or that the A\$ AMP Notes cease to be treated as Lower Tier 2 regulatory capital under the Prudential Standards made by APRA, the Issuer may Redeem all, but not some, of the A\$ AMP Notes in whole before their Maturity Date at their Face Value together with any Interest accrued on the A\$ AMP Notes to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted);
- (c) before the Issuer gives the notice under paragraph (b), the Trustee and the Registrar have each received:
  - (i) a certificate signed by two directors or a director and a secretary of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,that as a result of a change in, or amendment to, applicable law, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, additional requirements would be imposed on the Issuer in respect of the A\$ AMP Notes or that the A\$ AMP Notes have ceased, or will cease, to be treated as Lower Tier 2 regulatory capital under the Prudential Standards made by APRA;
- (d) the proposed Redemption Date is an Interest Payment Date; and
- (e) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be subject to additional requirements or the A\$ AMP Notes have ceased, or will cease, to be treated as Lower Tier 2 regulatory capital under the Prudential Standards made by APRA.

#### 4.5 Early redemption of an A\$ AMP Note at the option of the Issuer

The Issuer may Redeem all or some of the A\$ AMP Notes before their Maturity Date under this clause 4.5 at their Face Value together with any Interest accrued on those A\$ AMP Notes to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted);
- (c) the proposed Redemption Date is:
  - (i) the Step-Up Date; or
  - (ii) an Interest Payment Date occurring after the Step-Up Date; and
- (d) if all of the A\$ AMP Notes are being Redeemed, the Issuer also Redeems all of the NZ\$ AMP Notes at that time.

#### 4.6 Partial redemptions

If only some of the A\$ AMP Notes are to be Redeemed under clause 4.5, the A\$ AMP Notes to be Redeemed will be specified in the notice and selected:

- (a) pro rata with the NZ\$ AMP Notes such that NZ\$ AMP Notes must be Redeemed in parcels of 100 NZ\$ AMP Notes for each A\$ AMP Note Redeemed;
- (b) in a manner that is, in the opinion of the Issuer, fair and reasonable including having regard to the required pro rata Redemption of the NZ\$ AMP Notes and Redemption in circumstances where it is not possible to Redeem an integral multiple of 100 NZ\$ AMP Notes; and
- (c) in compliance with any applicable law, directive or requirement of ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted).

#### 4.7 Redemption on a Change of Control Event at the option of the Issuer

If a Change of Control Event occurs, then:

- (a) the Issuer may Redeem all, but not some, of the A\$ AMP Notes in whole before their Maturity Date at their Face Value together with any Interest accrued on that A\$ AMP Note to (but excluding) the applicable Redemption Date; and
- (b) the Issuer must notify Holders:
  - (i) of the occurrence of the Change of Control Event as soon as practicable after becoming aware of the event specifying the date on which the Change of Control Event occurred; and
  - (ii) within 20 Business Days of the date on which the Change of Control Event occurred if it intends to exercise its right to Redeem the A\$ AMP Notes.

However, the Issuer may only Redeem the A\$ AMP Notes if:

- (A) APRA has given its prior written approval of the Redemption; and
- (B) the Issuer has given at least 5 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar and ASX (and any other stock exchange or other relevant authority on which the A\$ AMP Notes are quoted).

The Issuer must notify the Trustee, the Registrar and Holders as soon as practicable after receiving APRA's written approval for such Redemption and the applicable Redemption Date will be the first Interest Payment Date following the date on which APRA's approval is received by the Issuer.

#### 4.8 Effect of notice of redemption

Any notice of Redemption given under this clause 4 is irrevocable.

#### 4.9 Late payment

If an amount is not paid under this clause 4 when due, then Interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the last applicable Interest Rate until the date on which payment is made to the Holder.

#### 4.10 Purchase

- (a) The Issuer, any of its Related Bodies Corporate or any third party nominated by the Issuer may, at any time, purchase A\$ AMP Notes in the open market or otherwise and at any price.
- (b) If purchases are made by tender for the A\$ AMP Notes, tenders must be available to all Holders and to all holders of the NZ\$ AMP Notes alike.
- (c) A\$ AMP Notes purchased under this clause 4.10 may be held, resold or cancelled at the discretion of the purchaser and (if the A\$ AMP Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or requirement of ASX (and any stock exchange or other relevant authority on which the A\$ AMP Notes are quoted) and provided that APRA has given its prior written approval of the purchase and cancellation unless, following such purchase those A\$ AMP Notes are immediately on-sold to an unrelated third party (or a related party acting as custodian or funds manager for one or more unrelated parties or as the responsible entity of a managed investment scheme (as defined in the Corporations Act)).

### 5 Subordination

#### 5.1 Subordination

- (a) A\$ AMP Notes rank equally without any preference among themselves and the NZ\$ AMP Notes.
- (b) The claims of Holders against the Issuer in respect of A\$ AMP Notes will, in the event of 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 A\$ AMP Notes ranking for payment equally with any Senior Creditor.
- (d) No Holder may exercise its voting rights (as a creditor in respect of the A\$ AMP Notes) in a winding-up of the Issuer so as to defeat the subordination in this clause 5.
- (e) No 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 the amount payable by the Issuer in respect of the A\$ AMP Notes held by the Holder.
- (f) For the avoidance of doubt, all amounts payable under these Terms are subject to clause 2.3(a).

#### 5.2 Not liabilities of AMP Bank Limited

Neither the A\$ AMP Notes nor the NZ\$ AMP Notes represent deposit liabilities or a protected account of AMP Bank Limited (ABN 15 079 804 676) or any other member of the AMP Group for the purposes of the Banking Act.

### 6 Events of Default

#### 6.1 Events of Default

An Event of Default occurs in relation to the A\$ AMP Notes if an order is made, or an effective resolution is passed, for the winding-up of the Issuer or the Guarantor.

#### 6.2 Consequences of an Event of Default

If any Event of Default occurs and continues unremedied in relation to the A\$ AMP Notes, then a Holder or the Trustee may declare by notice to the Issuer (with a copy to the Trustee or the Holders (as the case may be) and the Registrar) that each A\$ AMP Note held by it is (or, if the Trustee has declared, all A\$ AMP Notes are) to be Redeemed at its Face Value (together with any accrued Interest) in which case, subject to clause 2 and clause 5, such amounts become immediately due and payable.

#### 6.3 Notification

If an Event of Default occurs, the Issuer must, promptly after becoming aware of it, notify the Trustee and the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to promptly notify the Holders and ASX (and other any stock exchange or other relevant authority on which the A\$ AMP Notes are quoted) of the occurrence of the Event of Default.

## 6.4 Enforcement

- (a) At any time after the A\$ AMP Notes become due and are unpaid, or at any time after any payment of principal or interest has become due and is unpaid, the Trustee may, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer or the Guarantor (or prove in any such winding-up), but may take no further action to enforce the obligations of the Issuer or the Guarantor for payment of any principal or interest in respect of the A\$ AMP Notes. For the avoidance of doubt, the Trustee may not institute proceedings for the winding-up of the Issuer or the Guarantor (or prove in any such winding-up) when interest is not paid by virtue of the circumstances set out in clause 2.3.
- (b) Without prejudice to clause 6.4(a), if the Issuer or the Guarantor breaches any of its obligations under the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the A\$ AMP Notes), the Trustee may, at its discretion and without further notice, bring such proceedings as it may think fit to enforce such obligations. Neither the Issuer nor the Guarantor shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the A\$ AMP Notes sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer or the Guarantor in respect of the A\$ AMP Notes or any other proceedings or action pursuant to or in connection with the Trust Deed or the A\$ AMP Notes unless:
- (i) it shall have been so directed by a Holder Resolution of the relevant Holders or so requested in writing by the Holders of at least 15% of the aggregate Face Value of all A\$ AMP Notes outstanding; and
  - (ii) it shall have been indemnified and/or secured for all Costs it may incur including legal Costs on a solicitor and own client basis (by way of advance payment or otherwise) to its satisfaction.

## 7 Title and transfer of A\$ AMP Notes

### 7.1 Title

Title to A\$ AMP Notes passes when details of the transfer are entered in the Register.

### 7.2 Effect of entries in Register

Each entry in the Register in respect of an A\$ AMP Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, interest and any other amount in accordance with these Terms; and
- (b) an entitlement to the other benefits given to Holders under these Terms, the Trust Deed and the Guarantee in respect of the A\$ AMP Note.

### 7.3 Register conclusive as to ownership

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

### 7.4 Non-recognition of interests

Except as required by law, the Issuer, the Guarantor, the Trustee and the Registrar must treat the person whose name is entered in the Register as the holder of an A\$ AMP Note as the absolute owner of that A\$ AMP Note. This clause 7.4 applies whether or not an A\$ AMP Note is overdue and despite any notice of ownership, trust or interest in the A\$ AMP Note.

### 7.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of an A\$ AMP Note then they are taken to hold the A\$ AMP 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 A\$ AMP Note.

### 7.6 Transfers in whole

A\$ AMP Notes may be transferred in whole but not in part.

## 7.7 Transfer

A Holder may, subject to this clause 7.7, transfer any A\$ AMP Notes:

- (a) by a proper ASTC transfer according to the ASTC Settlement Rules;
- (b) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act;
- (c) under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside Australia on which A\$ AMP Notes are quoted; or
- (d) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

The Issuer must not charge any fee on the transfer of an A\$ AMP Note.

## 7.8 Market obligations

The Issuer must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of an A\$ AMP Note.

## 7.9 Issuer may request holding lock or refuse to register transfer

If A\$ AMP Notes are quoted on ASX, and if permitted to do so by the ASX Listing Rules and the Corporations Act, the Issuer may:

- (a) request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of A\$ AMP Notes approved by and registered on the CS Facility's electronic sub-register or A\$ AMP Notes registered on an issuer-sponsored sub-register, as the case may be; or
- (b) refuse to register a transfer of A\$ AMP Notes.

## 7.10 Issuer must request holding lock or refuse to register transfer

- (a) The Issuer must request the CS Facility Operator or the Registrar, as the case may be, to apply a holding lock to prevent a transfer of A\$ AMP Notes approved by and registered on the CS Facility's electronic sub-register or A\$ AMP Notes registered on an issuer-sponsored sub-register, as the case may be, if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.
- (b) The Issuer must refuse to register any transfer of A\$ AMP Notes if the Corporations Act, the ASX Listing Rules or the terms of a Restriction Agreement require the Issuer to do so.
- (c) During a breach of the ASX Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the Holder of the Restricted Securities is not entitled to any Interest (or other distribution on), or voting rights in respect of, the Restricted Securities.

## 7.11 Notice of holding locks and refusal to register transfer

If, in the exercise of its rights under clauses 7.9 and 7.10, the Issuer requests the application of a holding lock to prevent a transfer of A\$ AMP Notes or refuses to register a transfer of A\$ AMP Notes, it must, within five Business Days after the date the holding lock is requested or the refusal to register a transfer, give written notice of the request or refusal to the Holder, to the transferee and the broker lodging the transfer, if any. Failure to give such notice does not, however, invalidate the decision of the Issuer.

## 7.12 Delivery of instrument

If an instrument is used to transfer A\$ AMP Notes according to clause 7.7, 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 A\$ AMP Notes.

## 7.13 Refusal to register

The Issuer may only refuse to register a transfer of any A\$ AMP Notes if such registration would contravene or is forbidden by Applicable Regulation 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.

## 7.14 Transferor to remain Holder until registration

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

### 7.15 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under Trust Deed in respect of the transferred A\$ AMP Notes and the transferee becomes so entitled in accordance with clause 7.2.

### 7.16 Estates

A person becoming entitled to an A\$ AMP 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 A\$ AMP Note or, if so entitled, become registered as the holder of the A\$ AMP Note.

### 7.17 Transfer of unidentified A\$ AMP Notes

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

## 8 Payments

### 8.1 Summary of payment provisions

Payments in respect of A\$ AMP Notes will be made in accordance with this clause 8.

### 8.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of clause 9.

### 8.3 Payments on Business Days

If a payment:

- (a) is due on an A\$ AMP 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.

### 8.4 Payment of principal

Payments of principal will be made to each person registered at 10.00am on the payment date as the holder of an A\$ AMP Note.

### 8.5 Payment of Interest

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

### 8.6 Payments to accounts

Monies payable by the Issuer to a Holder may be paid in any manner 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.

### 8.7 Payments by cheque

The Issuer may decide that payments in respect of the A\$ AMP 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 A\$ AMP 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 A\$ AMP Notes as a result of the Holder not receiving payment on the due date.

## 8.8 Unsuccessful attempts to pay

Subject to applicable law and the ASX Listing Rules, 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.

## 8.9 Payment to joint Holders

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

# 9 Taxation

## 9.1 No set-off, counterclaim or deductions

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

## 9.2 Withholding tax

Subject to clause 9.3, if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the A\$ AMP Notes such that the Holder would not actually receive on the due date the full amount provided for under the A\$ AMP 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 by a Relevant Tax Jurisdiction, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause 9.2, 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.

## 9.3 Withholding tax exemptions

No Additional Amounts are payable under clause 9.2(b) in respect of any A\$ AMP Note:

- (a) to, or to a third party on behalf of, an Holder who is liable to such Taxes in respect of such A\$ AMP Note by reason of the person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such A\$ AMP Note or receipt of payment in respect of the A\$ AMP 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 Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act;
- (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 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.

# 10 General

## 10.1 Time limit for claims

A claim against the Issuer for a payment under an A\$ AMP 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.

## 10.2 Voting

The Trust Deed 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.

## 10.3 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, with the approval of the Guarantor and the approval of the Trustee (such approval not to be unreasonably withheld), but without the consent of the Holders, amend these Terms if the Issuer is of the opinion that such alteration 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 A\$ AMP Notes to be:
  - (i) listed for quotation, or to retain quotation, on any stock exchange; or
  - (ii) offered for subscription or for sale under the laws for the time being in force in any place, and the Issuer or the Guarantor has provided to the Trustee an opinion of independent legal advisers of recognised standing in New South Wales that such alteration is otherwise not materially prejudicial to the interests of Holders as a whole; or
- (d) necessary to comply with:
  - (i) the provisions of any statute or the requirements of any statutory authority; or
  - (ii) the ASX Listing Rules or the listing or quotation requirements of any stock exchange on which the Issuer may propose to seek a listing or quotation of the A\$ AMP Notes,

and the Issuer or the Guarantor has provided to the Trustee an opinion of independent legal advisers of recognised standing in New South Wales that such alteration is otherwise not materially prejudicial to the interests of Holders as a whole.

## 10.4 Amendments with 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, with the approval of the Guarantor and the approval of the Trustee (such approval not to be unreasonably withheld), amend these Terms:

- (a) except as otherwise provided in paragraphs (b), (c) and (d) below, if such alteration is authorised by a Holder Resolution;
- (b) in the case of an alteration to this clause 10.4 or any clause of the Trust Deed providing for Holders to give a direction to the Trustee by a Special Resolution, if a Special Resolution is passed in favour of such alteration;
- (c) in the case of an alteration to the Meeting Provisions and to which clause 10.3 does not apply, if a Special Resolution is passed in favour of such alteration; and
- (d) otherwise in accordance with the Trust Deed.

## 10.5 Consents

Prior to any alteration under this clause 10, the Issuer must obtain any consent needed to the alteration and, in particular, any alteration which impacts on the eligibility of the A\$ AMP Notes for inclusion as regulatory capital under the Prudential Standards made by APRA and applicable to the Issuer is subject to the prior written consent of APRA.

## 10.6 Notices

The Trust Deed contains provisions for the giving of notices.

## 10.7 Further issues

The Issuer may from time to time, without the consent of the Holders, issue further notes having the same Terms as the A\$ AMP Notes in all respects (or in all respects except for the first payment of interest for such new notes) so as to form part of the same series or issue any other notes, shares or any other form or type of securities, or incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion.

## 10.8 Governing law

These Terms and the A\$ AMP Notes are governed by the laws in force in New South Wales.

## 11 Interpretation and definitions

### 11.1 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, altered, supplemented or replaced from time to time;
- (f) a reference to “**Australian dollars**”, “**A\$**” or “**Australian cent**” is a reference to the lawful currency of Australia;
- (g) a reference to “**New Zealand dollars**” or “**NZ\$**” or “**New Zealand cent**” is a reference to the lawful currency of New Zealand;
- (h) a reference to time is to Sydney, Australia time;
- (i) a reference to a person includes a reference to the person’s executors, administrators, successors and permitted assigns and substitutes;
- (j) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (k) 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;
- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (m) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (n) an Event of Default is subsisting if it has not been remedied or waived in writing;
- (o) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms;
- (p) 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;
- (q) any provisions which require APRA’s consent or approval (written or otherwise) will apply only if APRA requires that such consent or approval be given at the relevant time; and
- (r) 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.

## 11.2 Definitions

Schedule 1 of the Trust Deed applies to these Terms and, in these Terms, these meanings apply unless the contrary intention appears:

**Additional Amount** means an additional amount payable by the Issuer under clause 9.2;

**Applicable Regulation** means such provisions of the ASX Listing Rules, the ASTC Settlement Rules, the Corporations Act and any regulations or rules pursuant under or pursuant to any such provisions as may be applicable to the transfer;

**APRA** means the Australian Prudential Regulation Authority;

**ASTC** means the ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532);

**ASTC Settlement Rules** means the operating rules of ASTC;

**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;

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia and, where applicable, the Income Tax Assessment Act 1997 of Australia;

**A\$ AMP Note** means a debt obligation denominated in Australian dollars and issued, or to be issued, by the Issuer which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register;

**Banking Act** means the Banking Act 1959 of Australia;

**Bookbuild** means the process conducted prior to the opening of the Offer whereby certain investors and brokers lodge bids for A\$ AMP Notes and, on the basis of those bids, the Issuer determines the Initial Margin and announces its determination of the Initial Margin prior to the opening of the Offer;

**Business Day** means a day which is a business day within the meaning of the ASX Listing Rules;

a **Change of Control Event** occurs at the time that any person or any person and an Associate (as defined in the Corporations Act) of a person at any time:

- (a) directly or indirectly owns more than 50% of the ordinary share capital of AMP Limited; or
- (b) has voting power (as that term is defined in section 610 of the Corporations Act) in AMP Limited of more than 50% and any agreement, arrangement or understanding under which voting power arises is not subject to a defeating condition or a condition that a resolution under item 7 in the table in section 611 is passed;

**Clearing System** means the Clearing House Electronic Sub-register System operated by ASTC or any other applicable securities trading and/or clearance system;

**Corporations Act** means the Corporations Act 2001 of Australia;

**Costs** includes costs, charges and expenses;

**CS Facility** has the same meaning as "prescribed CS Facility" in the Corporations Act;

**CS Facility Operator** means the operator of a CS Facility;

**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 6;

**Face Value** means the nominal principal amount of each A\$ AMP Note, being A\$100.00;

**Guarantee** means the guarantee and indemnity by the Guarantor under the Trust Deed;

**Guarantor** means AMP Group Holdings Limited (ABN 88 079 804 676);

**Holder** means, in respect of an A\$ AMP Note, means the person whose name is entered on the Register as the holder of that A\$ AMP Note;

**Initial Margin** means the margin determined through the Bookbuild;

**Interest** has the meaning given in clause 2.1;

**Interest Payment Date** means, in respect of an A\$ AMP Note, each 15 February, 15 May, 15 August and 15 November in each year and any Maturity Date or Redemption Date with the first Interest Payment Date being 15 August 2009;

**Interest Period** means, for an A\$ AMP 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) its 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 an A\$ AMP Note, the interest rate (expressed as a percentage per annum) payable in respect of that A\$ AMP Note calculated or determined in accordance with clause 2.2;

**Issue Date** means, in respect of an A\$ AMP Note, the date on which that A\$ AMP Note is issued;

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

**Junior Subordinated Creditors** means in respect of the A\$ AMP Notes, all creditors of the Issuer whose claims against the Issuer rank, or are expressed to rank, after the claims of the holders of the A\$ AMP Notes (which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness provide that such indebtedness is undated or perpetual or otherwise of no fixed and determinable maturity and that, in the event of a winding-up of the Issuer, the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer and all creditors of the Issuer referred to in the definition of *Pari Passu Subordinated Creditors*);

**Margin** means the margin determined in accordance with clause 2.2;

**Market Rate** has the meaning given in clause 2.2;

**Maturity Date** means 1 April 2019;

**Meeting Provisions** means the provisions for meetings of the Holders set out in schedule 4 to the Trust Deed;

**NZ\$ AMP Note** means a debt obligation denominated in New Zealand dollars and issued, or to be issued, by the Issuer which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register;

**Offer** means the invitation under the Prospectus made by the Issuer for persons to subscribe for A\$ AMP Notes;

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

- (a) a non-resident of Australia which does not acquire the A\$ AMP Notes in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the A\$ AMP Notes in carrying on a business at or through a permanent establishment outside Australia;

**Pari Passu Subordinated Creditors** means in respect of the A\$ AMP Notes, all creditors of the Issuer whose claims against the Issuer rank, or are expressed to rank, *pari passu* with the claims of the holders of the A\$ AMP Notes (which creditors shall be deemed to include the holders of the NZ\$ AMP Notes and all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness:

- (a) provided that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period and that, in the event of a winding-up of the Issuer, the claims of those creditors against the Issuer will be, or are expressed to be subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer; and
- (b) do not provide that in the event of a winding-up of the Issuer the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of the claims of any other subordinated creditors of the Issuer to whom the Issuer is indebted on terms which conform to the description contained in this definition (including this paragraph (b));

**Prospectus** means the prospectus dated on or about 3 March 2009;

**Prudential Standards** means the prudential standards and guidelines of APRA as applied to the A\$ AMP Notes and the Issuer from time to time;

**Record Date** means, for payment of Interest:

- (a) subject to paragraph (b) below, the date which is eight calendar days before the applicable Interest Payment Date; or
- (b) such other date as is determined by the Issuer in its absolute discretion and communicated to ASX not less than eight calendar days before the Record Date which would have been determined under paragraph (a) above; or such other date as may be required by, or agreed with, ASX;

**Redemption** means the redemption of an A\$ AMP Note in accordance with clause 4 and the words **Redeem**, **Redeemable** and **Redeemed** bear their corresponding meanings;

**Redemption Date** means, in respect of an A\$ AMP Note, the date, other than the Maturity Date, on which the A\$ AMP Note is Redeemed in whole;

**Register** means the register of Holders (established and maintained under clause 13 of the Trust Deed) and, where appropriate, the term Register includes:

- (a) a sub-register maintained by or for the Issuer under the Corporations Act, the ASX Listing Rules or ASTC Settlement Rules; and
- (b) any branch register;

**Registrar** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other person appointed by the Issuer to maintain the Register and perform any payment and other duties as specified in that agreement;

**Related Body Corporate** has the meaning given in the Corporations Act;

**Relevant Tax Jurisdiction** means Australia or New Zealand, or any relevant political sub-division;

**Restriction Agreement** means an agreement which is required to be concluded under Chapter 9 of the ASX Listing Rules or in voluntarily concluded between the Issuer and one or more Holders;

**Restricted Securities** has the same meaning as in the ASX Listing Rules and extends to A\$ AMP Notes which are subject to voluntary restrictions by agreement between the Issuer and one or more Holders;

**Senior Creditors** means all creditors of the Issuer other than:

- (a) Holders;
- (b) holders of the NZ\$ AMP Notes;
- (c) Pari Passu Subordinated Creditors; and
- (d) Junior Subordinated Creditors;

a person is **Solvent** if:

- (a) it is able to pay its debts when they fall due; and
- (b) its total consolidated gross assets (as shown by its latest published audited financial statements) exceed its total consolidated gross liabilities (as shown by its latest published audited financial statements), in each case adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or, as the case may be, its liquidator may determine to be appropriate;

**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, then by Holders representing (in aggregate) at least 75% of the principal amount outstanding of all of the A\$ AMP Notes;

**Step-Up Date** means 15 May 2014;

**Step-Up Margin** means an amount expressed as a percentage per annum that is 150% of the Initial Margin;

**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;

**Terms** means, in relation to an A\$ AMP Note, the terms and conditions of that A\$ AMP Note as set out in schedule 3 to the Trust Deed;

**Trustee** means Trust Company Fiduciary Services Limited (ABN 21 000 000 993); and

**Trust Deed** means the deed entitled "AMP Notes Trust Deed" between the Issuer, the Guarantor and the Trustee and dated on or about 2 March 2009.

## Appendix B. Terms – NZ\$ AMP Notes

## 1 Form of NZ\$ AMP Notes

### 1.1 Constitution under Trust Deed

NZ\$ AMP Notes are debt obligations of the Issuer constituted by, and owing under, the Trust Deed.

### 1.2 Form

NZ\$ AMP Notes are issued in registered form by entry in the Register.

### 1.3 Face Value

NZ\$ AMP Notes are issued fully paid with a Face Value of NZ\$1.00.

### 1.4 Currency

NZ\$ AMP Notes are denominated in New Zealand dollars.

### 1.5 Clearing System

The rights of a person holding an interest in the NZ\$ AMP Notes are subject to the rules and regulations of the Clearing System.

### 1.6 Guarantee

NZ\$ AMP Notes are issued with the benefit of the guarantee set out in the Trust Deed pursuant to which the Guarantor unconditionally and irrevocably guarantees, on a subordinated basis, payment to each Holder of all amounts at any time due for payment, or which will or may become due for payment, or which remain unpaid, by the Issuer to that Holder including any amount which was not paid by the Issuer by virtue of clause 2.3(a).

### 1.7 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.

### 1.8 NZDX quotation

The Issuer must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure that the NZ\$ AMP Notes are, and until Redeemed remain, quoted on the NZDX.

### 1.9 No other rights

The NZ\$ AMP Notes confer no rights on a Holder:

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

## 2 Interest

### 2.1 Interest

Each NZ\$ AMP 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.

### 2.2 Interest Rate determination

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

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

$$\text{Interest Rate} = \text{Market Rate} + \text{Margin}$$

and expressed as a percentage per annum, where:

**Market Rate** means:

- (a) prior to, but excluding, the Step-Up Date, the greater of the Swap Rate applying on the date the Bookbuild is concluded and the Swap Rate applying on the Issue Date; and
- (b) from, and including, the Step-Up Date, for an Interest Period, the BKBM Rate applying on the first Business Day of the relevant Interest Period; and

**Margin** means:

- (a) prior to, but excluding, the Step-Up Date, the Initial Margin; and
- (b) from, and including, the Step-Up Date, the Step-Up Margin.

**2.3 Solvency test**

- (a) No amount is payable by the Issuer in respect of the NZ\$ AMP Notes if any amount is outstanding to a Senior Creditor unless, at the time of and immediately after the payment, the Issuer is Solvent. 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.
- (b) If all or any part of an amount of Interest that is due and payable is not paid because at the time of, and immediately after, payment of the amount of Interest the Issuer would not be Solvent, then, subject to clause 2.4 and clause 1.6, Holders have no claim or entitlement in respect of such non-payment and such non-payment does not constitute an event of default.

**2.4 Cumulative interest**

Interest shall accrue at the Interest Rate in the manner provided in this clause 2 to the Deferred Payment Date (as defined below) on any Interest amount which is not paid by virtue of clause 2.3(a) and such cumulative interest is due and payable, together with the Interest amount which was not paid by virtue of clause 2.3(a), on the first date (**Deferred Payment Date**) on which:

- (a) no amount is outstanding to a Senior Creditor; or
- (b) if any amount is outstanding to a Senior Creditor, the Issuer is Solvent and, immediately after payment, the Issuer will remain Solvent.

**3 General provisions applicable to Interest****3.1 Calculation of Interest amount**

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

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

- (a) for each Interest Period ending on the Step-Up Date unless paragraph (b) applies:

$$\text{Interest payable} = \frac{\text{Interest Rate} \times \text{NZ\$1.00}}{4}$$

provided that:

- (b) for each Interest Period commencing on the Step-Up Date and for:
  - (i) the first Interest Period for NZ\$ AMP Notes issued as part of the initial issue of NZ\$ AMP Notes or subsequently issued on a date that is not an Interest Payment Date; or
  - (ii) each Interest Period that ends on a Maturity Date or a Redemption Date:

$$\text{Interest payable} = \frac{\text{Interest Rate} \times \text{NZ\$1.00} \times \text{N}}{365}$$

where:

**N** means, in respect of:

- (i) the first Interest Payment Date in respect of a NZ\$ AMP Note, the number of days from, and including, its Issue Date to, but excluding, that first Interest Payment Date; and
- (ii) 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.

### 3.2 Notification of Interest Rate, Interest payable and other items

The Issuer must notify the Trustee, the Registrar and NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted) of:

- (a) for each Interest Period, the Interest Rate and the amount of Interest payable; and
- (b) any amendment to the Interest Rate or the amount referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

The Issuer must give notice under this clause 3.2 as soon as practicable after it makes its calculations. However, it must give notice of the Interest Rate and the amount of Interest payable on each NZ\$ AMP Note for the Interest Period by the fourth day of that Interest Period.

*The Issuer may amend its calculation or determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Guarantor, the Trustee, the Registrar, NZX and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted promptly after doing so.*

### 3.3 Determination final

The determination by the Issuer of all amounts, rates and dates falling 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 Trustee, the Registrar and each Holder.

### 3.4 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 must be rounded to the nearest one New Zealand cent (with 0.5 of a cent being rounded up to 1 cent).

## 4 Redemption and purchase

### 4.1 Scheduled redemption

Each NZ\$ AMP Note is Redeemable by the Issuer on the Maturity Date at its Face Value unless:

- (a) the NZ\$ AMP Note has been previously Redeemed; or
- (b) the NZ\$ AMP Note has been purchased by the Issuer and cancelled.

### 4.2 Early redemption of a NZ\$ AMP Note for taxation reasons

If, as a result of any change in, or amendment to, the laws of a Relevant Tax Jurisdiction, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, the Issuer is required to pay an Additional Amount or the Guarantor would be required to increase the amount of any payment under the Guarantee if the Guarantee were called in respect of that NZ\$ AMP Note, the Issuer may Redeem that NZ\$ AMP Note in whole before its Maturity Date at its Face Value together with any Interest accrued on that NZ\$ AMP Note to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted);
- (c) before the Issuer gives the notice under paragraph (b), the Trustee and Registrar have each received:
  - (i) a certificate signed by two directors or a director and a secretary of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer and in the Relevant Tax Jurisdiction, that the Issuer would be required under clause 9.2, or the Guarantor under the Guarantee, to increase the amount of the next payment due in respect of the NZ\$ AMP Notes;
- (d) the proposed Redemption Date is an Interest Payment Date; and
- (e) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay any Additional Amounts.

### 4.3 Early redemption of a NZ\$ AMP Note for loss of deductibility

If, as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, payment of interest on a NZ\$ AMP Note is not, or may not, be allowed as a deduction for the purposes of the Issuer's Australian income tax, the Issuer may Redeem that NZ\$ AMP Note in whole before its Maturity Date at its Face Value together with any Interest accrued on that NZ\$ AMP Note to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted);
- (c) before the Issuer gives the notice under paragraph (b), the Trustee and the Registrar have each received:
  - (i) a certificate signed by two directors or a director and a secretary of the Issuer; and
  - (ii) an opinion of independent legal or tax advisers of recognised standing in the jurisdiction of incorporation of the Issuer,

that, as a result of any change in, or amendment to, applicable laws, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, payment of interest on a NZ\$ AMP Note is not, or may not, be allowed as a deduction for the purposes of the Issuer's Australian income tax liability calculations;

- (d) the proposed Redemption Date is an Interest Payment Date; and
- (e) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer is not, or may not, be allowed to claim payment of interest as a deduction for the purposes its Australian income tax.

### 4.4 Early redemption of all NZ\$ AMP Notes for regulatory reasons

If, as a result of a change in, or amendment to, applicable law, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, additional requirements which the Directors determine in their absolute discretion to be unacceptable would be imposed on the Issuer in respect of the NZ\$ AMP Notes or that the NZ\$ AMP Notes cease to be treated as Lower Tier 2 regulatory capital under the Prudential Standards made by APRA, the Issuer may Redeem all, but not some, of the NZ\$ AMP Notes in whole before their Maturity Date at their Face Value together with any Interest accrued on the NZ\$ AMP Notes to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted);
- (c) before the Issuer gives the notice under paragraph (b), the Trustee and the Registrar have each received:
  - (i) a certificate signed by two directors or a director and a secretary of the Issuer; and
  - (ii) an opinion of independent legal advisers of recognised standing in the jurisdiction of incorporation of the Issuer,

that as a result of a change in, or amendment to, applicable law, or any change in their application or official or judicial interpretation, which change becomes effective after the Issue Date, additional requirements would be imposed on the Issuer in respect of the NZ\$ AMP Notes or that the NZ\$ AMP Notes have ceased, or will cease, to be treated as Lower Tier 2 regulatory capital under the Prudential Standards made by APRA;

- (d) the proposed Redemption Date is an Interest Payment Date; and
- (e) no notice of Redemption is given earlier than 45 Business Days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be subject to additional requirements or the NZ\$ AMP Notes cease to be treated as Lower Tier 2 regulatory capital under the Prudential Standards made by APRA.

#### 4.5 Early redemption of a NZ\$ AMP Note at the option of the Issuer

The Issuer may Redeem all or some of the NZ\$ AMP Notes before their Maturity Date under this clause 4.5 at their Face Value together with any Interest accrued on those NZ\$ AMP Notes to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

- (a) APRA has given its prior written approval of the Redemption;
- (b) the Issuer has given at least 15 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar, the Holders and NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted);
- (c) the proposed Redemption Date is:
  - (i) the Step-Up Date; or
  - (ii) an Interest Payment Date occurring after the Step-Up Date; and
- (d) if all of the NZ\$ AMP Notes are being Redeemed, the Issuer also Redeems all of the A\$ AMP Notes at that time.

#### 4.6 Partial redemptions

If only some of the NZ\$ AMP Notes are to be Redeemed under clause 4.5, the NZ\$ AMP Notes to be Redeemed will be specified in the notice and selected:

- (a) pro rata with the A\$ AMP Notes where NZ\$ AMP Notes may only be Redeemed in parcels of 100 and 1 A\$ AMP Note must be Redeemed for each such parcel of NZ\$ AMP Notes provided that if there are fewer than 100 NZ\$ AMP Notes per Holder all NZ\$ AMP Notes may be Redeemed without the need to Redeem any A\$ AMP Notes;
- (b) in a manner that is, in the opinion of the Issuer, fair and reasonable, including having regard to the required pro rata Redemption of NZ\$ AMP Notes and Redemption in circumstances where it is not possible to Redeem an integral multiple of 100 NZ\$ AMP Notes; and
- (c) in compliance with any applicable law, directive or requirement of NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted).

#### 4.7 Redemption on a Change of Control Event at the option of the Issuer

If a Change of Control Event occurs, then:

- (a) the Issuer may Redeem all, but not some, of the NZ\$ AMP Notes in whole before their Maturity Date at their Face Value together with any Interest accrued on that NZ\$ AMP Note to (but excluding) the Redemption Date; and
- (b) the Issuer must notify Holders:
  - (i) of the occurrence of the Change of Control Event as soon as practicable after becoming aware of the event specifying the date on which the Change of Control Event occurred; and
  - (ii) within 20 Business Days of the date on which the Change of Control Event occurred if it intends to exercise its right to Redeem the NZ\$ AMP Notes.

However, the Issuer may only Redeem the NZ\$ AMP Notes if:

- (A) APRA has given its prior written approval of the Redemption; and
- (B) the Issuer has given at least 5 Business Days (and no more than 45 Business Days) notice to the Trustee, the Registrar and NZX (and any other stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted).

The Issuer must notify the Trustee, the Registrar and Holders as soon as practicable after receiving APRA's written approval for such Redemption and the applicable Redemption Date will be the first Interest Payment Date following the date on which APRA's approval is received by the Issuer.

#### 4.8 Effect of notice of redemption

Any notice of Redemption given under this clause 4 is irrevocable.

#### 4.9 Late payment

If an amount is not paid under this clause 4 when due, then Interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the last applicable Interest Rate until the date on which payment is made to the Holder.

## 4.10 Purchase

- (a) The Issuer, any of its Related Bodies Corporate or any third party nominated by the Issuer may at any time purchase NZ\$ AMP Notes in the open market or otherwise and at any price.
- (b) If purchases are made by tender for the NZ\$ AMP Notes, tenders must be available to all Holders and to all holders of the A\$ AMP Notes alike.
- (c) NZ\$ AMP Notes purchased under this clause 4.10 may be held, resold or cancelled at the discretion of the purchaser and (if the NZ\$ AMP Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or requirement of NZX (and any stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted) and provided that APRA has given its prior written approval of the purchase and cancellation unless, following such purchase those NZ\$ AMP Notes are immediately on-sold to an unrelated third party (or a related party acting as custodian or funds manager for one or more unrelated parties or as the responsible entity of a managed investment scheme (as defined in the Corporations Act)).

## 5 Subordination

### 5.1 Subordination

- (a) NZ\$ AMP Notes rank equally without any preference among themselves and the A\$ AMP Notes.
- (b) The claims of Holders against the Issuer in respect of NZ\$ AMP Notes will, in the event of 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 NZ\$ AMP Notes ranking for payment equally with any Senior Creditor.
- (d) No Holder may exercise its voting rights (as a creditor in respect of the NZ\$ AMP Notes) in a winding-up of the Issuer so as to defeat the subordination in this clause 5.
- (e) No 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 the amount payable by the Issuer in respect of the NZ\$ AMP Notes held by the Holder.
- (f) For the avoidance of doubt, all amounts payable under these Terms are subject to clause 2.3(a).

### 5.2 Not liabilities of AMP Bank Limited

Neither the NZ\$ AMP Notes nor the A\$ AMP Notes represent deposit liabilities or a protected account of AMP Bank Limited (ABN 15 079 804 676) or any other member of the AMP Group for the purposes of the Banking Act.

## 6 Events of Default

### 6.1 Events of Default

An Event of Default occurs in relation to the NZ\$ AMP Notes if an order is made, or an effective resolution is passed, for the winding-up of the Issuer or the Guarantor.

### 6.2 Consequences of an Event of Default

If any Event of Default occurs and continues unremedied in relation to the NZ\$ AMP Notes, then a Holder or the Trustee may declare by notice to the Issuer (with a copy to the Trustee or the Holders (as the case may be) and the Registrar) that each NZ\$ AMP Note held by it is (or, if the Trustee has declared, all A\$ AMP Notes are) to be Redeemed at its Face Value (together with any accrued Interest) in which case, subject to clause 2 and clause 5, such amounts become immediately due and payable.

### 6.3 Notification

If an Event of Default occurs, the Issuer must, promptly after becoming aware of it, notify the Trustee and the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to promptly notify the Holders and NZX (and other any stock exchange or other relevant authority on which the NZ\$ AMP Notes are quoted) of the occurrence of the Event of Default.

## 6.4 Enforcement

- (a) At any time after the NZ\$ AMP Notes become due and are unpaid, or at any time after any payment of principal or interest has become due and is unpaid, the Trustee may, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer or the Guarantor (or prove in any such winding-up), but may take no further action to enforce the obligations of the Issuer or the Guarantor for payment of any principal or interest in respect of the NZ\$ AMP Notes. For the avoidance of doubt, the Trustee may not institute proceedings for the winding-up of the Issuer or the Guarantor (or prove in any such winding-up) when interest is not paid by virtue of the circumstances set out in clause 2.3.
- (b) Without prejudice to clause 6.4(a), if the Issuer or the Guarantor breaches any of its obligations under the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the NZ\$ AMP Notes), the Trustee may, at its discretion and without further notice, bring such proceedings as it may think fit to enforce such obligations. Neither the Issuer nor the Guarantor shall, as a result of the bringing of any such proceedings, be obliged to pay any sums representing or measured by reference to principal or interest on the NZ\$ AMP Notes sooner than the same would otherwise have been payable by it.
- (c) The Trustee shall not be bound to take any of the actions referred to in paragraphs (a) or (b) above to enforce the obligations of the Issuer or the Guarantor in respect of the NZ\$ AMP Notes or any other proceedings or action pursuant to or in connection with the Trust Deed or the NZ\$ AMP Notes unless:
  - (i) it shall have been so directed by a Resolution of the relevant Holders or so requested in writing by the Holders of at least 15% of the aggregate of the Face Value of all NZ\$ AMP Notes outstanding; and
  - (ii) it shall have been indemnified and/or secured for all Costs it may incur including legal Costs on a solicitor and own client basis (by way of advance payment or otherwise) to its satisfaction.

## 7 Title and transfer of NZ\$ AMP Notes

### 7.1 Title

Title to NZ\$ AMP Notes passes when details of the transfer are entered in the Register.

### 7.2 Effect of entries in Register

Each entry in the Register in respect of a NZ\$ AMP Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal, interest and any other amount in accordance with these Terms; and
- (b) an entitlement to the other benefits given to Holders under these Terms, the Trust Deed and the Guarantee in respect of the NZ\$ AMP Note.

### 7.3 Register conclusive as to ownership

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

### 7.4 Non-recognition of interests

Except as required by law, the Issuer, the Guarantor, the Trustee and the Registrar must treat the person whose name is entered in the Register as the holder of a NZ\$ AMP Note as the absolute owner of that NZ\$ AMP Note. This clause 7.4 applies whether or not a NZ\$ AMP Note is overdue and despite any notice of ownership, trust or interest in the NZ\$ AMP Note.

### 7.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of a NZ\$ AMP Note then they are taken to hold the NZ\$ AMP 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 NZ\$ AMP Note.

### 7.6 Transfers in whole

NZ\$ AMP Notes may be transferred in whole but not in part.

## 7.7 Transfer

A Holder may transfer any NZ\$ AMP Notes:

- (a) in accordance with the NZX Listing Rules;
- (b) under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside New Zealand on which NZ\$ AMP Notes are quoted; or
- (c) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

The Issuer must not charge any fee on the transfer of a NZ\$ AMP Note.

## 7.8 Market obligations

The Issuer must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of a NZ\$ AMP Note.

## 7.9 Delivery of instrument

If an instrument is used to transfer NZ\$ AMP Notes according to clause 7.7, 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 NZ\$ AMP Notes.

## 7.10 Refusal to register

The Issuer may only refuse to register a transfer of any NZ\$ AMP Notes if such registration would contravene or is forbidden by Applicable Regulation 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.

## 7.11 Transferor to remain Holder until registration

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

## 7.12 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under Trust Deed in respect of the transferred NZ\$ AMP Notes and the transferee becomes so entitled in accordance with clause 7.2.

## 7.13 Estates

A person becoming entitled to a NZ\$ AMP 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 NZ\$ AMP Note or, if so entitled, become registered as the holder of the NZ\$ AMP Note.

## 7.14 Transfer of unidentified NZ\$ AMP Notes

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

# 8 Payments

## 8.1 Summary of payment provisions

Payments in respect of NZ\$ AMP Notes will be made in accordance with this clause 8.

## 8.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of clause 9.

### 8.3 Payments on Business Days

If a payment:

- (a) is due on a NZ\$ AMP 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.

### 8.4 Payment of principal

Payments of principal will be made to each person registered at 10.00am on the payment date as the holder of a NZ\$ AMP Note.

### 8.5 Payment of Interest

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

### 8.6 Payments to accounts

Monies payable by the Issuer to a Holder may be paid in any manner 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.

### 8.7 Payments by cheque

The Issuer may decide that payments in respect of the NZ\$ AMP 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 NZ\$ AMP 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 NZ\$ AMP Notes as a result of the Holder not receiving payment on the due date.

### 8.8 Unsuccessful attempts to pay

Subject to applicable law and the NZX Listing Rules, 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.

### 8.9 Payment to joint Holders

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

## 9 Taxation

### 9.1 No set-off, counterclaim or deductions

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

### 9.2 Withholding tax

Subject to clause 9.3, if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the NZ\$ AMP Notes such that the Holder would not actually receive on the due date the full amount provided for under the NZ\$ AMP 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 by a Relevant Tax Jurisdiction, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this clause 9.2, 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.

### 9.3 Withholding tax exemptions

No Additional Amounts are payable under clause 9.2(b) in respect of any NZ\$ AMP Note:

- (a) to, or to a third party on behalf of, an Holder who is liable to such Taxes in respect of such NZ\$ AMP Note by reason of the person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such NZ\$ AMP Note or receipt of payment in respect of the NZ\$ AMP 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 Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act;
- (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 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.

## 10 General

### 10.1 Time limit for claims

A claim against the Issuer for a payment under a NZ\$ AMP 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.

### 10.2 Voting

The Trust Deed 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.

### 10.3 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, with the approval of the Guarantor and the approval of the Trustee (such approval not to be unreasonably withheld), but without the consent of the Holders or the Trustee, amend these Terms if the Issuer is of the opinion that such alteration 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 NZ\$ AMP Notes to be:
  - (i) listed for quotation or to retain quotation on any stock exchange; or
  - (ii) offered for subscription or for sale under the laws for the time being in force in any place, and the Issuer or the Guarantor has provided to the Trustee an opinion of independent legal advisers of recognised standing in New South Wales that such alteration is otherwise not materially prejudicial to the interests of Holders as a whole; or
- (d) necessary to comply with:
  - (i) the provisions of any statute Notes or the requirements of any statutory authority; or
  - (ii) the NZX Listing Rules or the listing or quotation requirements of any stock exchange on which the Issuer may propose to seek a quotation or quotation of the NZ\$ AMP Notes, and the Issuer or the Guarantor has provided to the Trustee an opinion of independent legal advisers of recognised standing in New South Wales that such alteration is otherwise not materially prejudicial to the interests of Holders as a whole.

### 10.4 Amendments with 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, with the approval of the Guarantor and the approval of the Trustee (such approval not to be unreasonably withheld), amend these Terms:

- (a) except as otherwise provided in paragraphs (b), (c) and (d) below, if such alteration is authorised by a Holder Resolution;
- (b) in the case of an alteration to this clause 10.4 or any clause of the Trust Deed providing for Holders to give a direction to the Trustee by a Special Resolution, if a Special Resolution is passed in favour of such alteration;
- (c) in the case of an alteration to the Meeting Provisions and to which clause 10.3 does not apply, if a Special Resolution is passed in favour of such alteration; and
- (d) otherwise in accordance with the Trust Deed.

### 10.5 Consents

Prior to any alteration under this clause 10, the Issuer must obtain any consent needed to the alteration and, in particular, any alteration which impacts on the eligibility of the NZ\$ AMP Notes for inclusion as regulatory capital under the Prudential Standards made by APRA and applicable to the Issuer is subject to the prior written consent of APRA.

### 10.6 Notices

The Trust Deed contains provisions for the giving of notices.

### 10.7 Further issues

The Issuer may from time to time, without the consent of the Holders, issue further notes having the same Terms as the NZ\$ AMP Notes in all respects (or in all respects except for the first payment of interest for such new notes) so as to form part of the same series or issue any other notes, shares or any other form or type of securities, or incur or guarantee any indebtedness upon such terms as it may think fit in its sole discretion.

### 10.8 Governing law

These Terms and the NZ\$ AMP Notes are governed by the laws in force in New South Wales.

## 11 Interpretation and definitions

### 11.1 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, altered, supplemented or replaced from time to time;
- (f) a reference to “Australian dollars”, “A\$” or “Australian cent” is a reference to the lawful currency of Australia;
- (g) a reference to “New Zealand dollars” or “NZ\$” or “New Zealand cent” is a reference to the lawful currency of New Zealand;
- (h) a reference to time is to Auckland, New Zealand time;
- (i) a reference to a person includes a reference to the person’s executors, administrators, successors and permitted assigns and substitutes;
- (j) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (k) 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;
- (l) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (m) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (n) an Event of Default is subsisting if it has not been remedied or waived in writing;
- (o) headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Terms;
- (p) 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;
- (q) any provisions which require APRA’s consent or approval (written or otherwise) will apply only if APRA requires that such consent or approval be given at the relevant time; and
- (r) 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.

### 11.2 Definitions

Schedule 1 of the Trust Deed applies to these Terms and, in these Terms, these meanings apply unless the contrary intention appears:

**Additional Amount** means an additional amount payable by the Issuer under clause 9.2;

**Applicable Regulation** means such provisions of the NZX Listing Rules, the Corporations Act and any regulations or rules pursuant under or pursuant to any such provisions as may be applicable to the transfer;

**APRA** means the Australian Prudential Regulation Authority;

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia and, where applicable, the Income Tax Assessment Act 1997 of Australia;

**A\$ AMP Note** means a debt obligation denominated in Australian dollars and issued, or to be issued, by the Issuer which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register;

**Banking Act** means the Banking Act 1959 of Australia;

**BKBM Rate** means:

- (a) the “FRA” rate for bank accepted bills having a tenor closest to 90 days as displayed on the “BKBM” pages of the Reuters Monitor System (or its successor or replacement page) applying on the relevant date; or
- (b) if the average mid rate is not displayed by 10.30am on that day (or as close as reasonably practicable to 10:45am on that day), or if it is displayed but the Issuer determines that there is an obvious error in that rate, the rate determined by the Issuer in good faith at approximately 10.30am on that day (or as close as reasonably practicable to 10:45am on that day), having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted bills of that tenor at or around that time;

**Bookbuild** means the process conducted prior to the opening of the Offer whereby certain investors and brokers lodge bids for NZ\$ AMP Notes and, on the basis of those bids, the Issuer determines the Initial Margin and announces its determination of the Initial Margin prior to the opening of the Offer;

**Business Day** means a day which is a business day within the meaning of the NZX Listing Rules;

a **Change of Control Event** occurs at the time that any person or any person and an Associate (as defined in the Corporations Act) of a person at any time:

- (a) directly or indirectly owns more than 50% of the ordinary share capital of AMP Limited; or
- (b) has voting power (as that term is defined in section 610 of the Corporations Act) in AMP Limited of more than 50% and any agreement, arrangement or understanding under which voting power arises is not subject to a defeating condition or a condition that a resolution under item 7 in the table in section 611 is passed;

**Clearing System** means the Fully Automatic Screen Trading and Electronic Registration Trading System (FASTER) or any other applicable securities trading and/or clearance system;

**Corporations Act** means the Corporations Act 2001 of Australia;

**Costs** includes costs, charges and expenses;

**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 6;

**Face Value** means the nominal principal amount of each NZ\$ AMP Note, being NZ\$1.00;

**Guarantee** means the guarantee and indemnity by the Guarantor under the Trust Deed;

**Guarantor** means AMP Group Holdings Limited (ABN 88 079 804 676);

**Holder** means, in respect of a NZ\$ AMP Note, means the person whose name is entered on the Register as the holder of that NZ\$ AMP Note;

**Initial Margin** means the margin determined through the Bookbuild;

**Interest** has the meaning given in clause 2.1;

**Interest Payment Date** means, in respect of a NZ\$ AMP Note, each 15 February, 15 May, 15 August and 15 November in each year and any Maturity Date or Redemption Date with the first Interest Payment Date being 15 August 2009;

**Interest Period** means, for a NZ\$ 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) its 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 NZ\$ AMP Note, the interest rate (expressed as a percentage per annum) payable in respect of that NZ\$ AMP Note calculated or determined in accordance with clause 2.2;

**Issue Date** means, in respect of a NZ\$ AMP Note, the date on which that Note is issued;

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

**Junior Subordinated Creditors** means in respect of the NZ\$ AMP Notes, all creditors of the Issuer whose claims against the Issuer rank, or are expressed to rank, after the claims of the holders of the NZ\$ AMP Notes (which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness provide that such indebtedness is undated or perpetual or otherwise of no fixed and determinable maturity and that, in the event of a winding-up of the Issuer, the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer and all creditors of the Issuer referred to in the definition of *Pari Passu Subordinated Creditors*);

**Margin** means the margin determined in accordance with clause 2.2;

**Market Rate** has the meaning given in clause 2.2;

**Maturity Date** means 1 April 2019;

**Meeting Provisions** means the provisions for meetings of the Holders set out in schedule 4 to the Trust Deed;

**NZDX** means the debt board of the NZX;

**NZX Listing Rules** means the listing rules of NZX and the NZDX;

**NZX** means NZX Limited (New Zealand Co. No. 1266120);

**NZ\$ AMP Note** means a debt obligation denominated in New Zealand dollars and issued, or to be issued, by the Issuer which is constituted by, and owing under, the Trust Deed, the details of which are recorded in, and evidenced by, entry in the Register;

**Offer** means the invitation under the Prospectus made by the Issuer for persons to subscribe for NZ\$ AMP Notes;

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

- (a) a non-resident of Australia which does not acquire the NZ\$ AMP Notes in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the NZ\$ AMP Notes in carrying on a business at or through a permanent establishment outside Australia;

**Pari Passu Subordinated Creditors** means in respect of the NZ\$ AMP Notes, all creditors of the Issuer whose claims as against the Issuer rank, or are expressed to rank, *pari passu* with the claims of the holders of the NZ\$ AMP Notes (which creditors shall be deemed to include the holders of the A\$ AMP Notes and all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness:

- (a) provide that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period and that, in the event of a winding-up of the Issuer, the claims of those creditors against the Issuer will be, or are expressed to be subordinated in right of payment to the claims of all unsubordinated creditors of the Issuer; and
- (b) do not provide that in the event of a winding-up of the Issuer the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of the claims of any other subordinated creditors of the Issuer to whom the Issuer is indebted on terms which conform to the description contained in this definition (including this paragraph (b));

**Prospectus** means the prospectus dated on or about 3 March 2009;

**Prudential Standards** means the prudential standards and guidelines of APRA as applied to the NZ\$ AMP Notes and the Issuer from time to time;

**Record Date** means, for payment of Interest:

- (a) subject to paragraph (b) below, the date which is eight calendar days before the applicable Interest Payment Date; or
- (b) such other date as is determined by the Issuer in its absolute discretion and communicated to NZX not less than eight calendar days before the Record Date which would have been determined under paragraph (a) above; or such other date as may be required by, or agreed with, NZX;

**Redemption** means the redemption of a NZ\$ AMP Note in accordance with clause 4 and the words **Redeem**, **Redeemable** and **Redeemed** bear their corresponding meanings;

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

**Register** means the register of Holders (established and maintained under clause 13 of the Trust Deed) and, where appropriate, the term Register includes:

- (a) a sub-register maintained by or for the Issuer under the Corporations Act or the NZX Listing Rules; and
- (b) any branch register;

**Registrar** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other person appointed by the Issuer to maintain the Register and perform any payment and other duties as specified in that agreement;

**Related Body Corporate** has the meaning given in the Corporations Act;

**Relevant Tax Jurisdiction** means Australia or New Zealand, or any relevant political sub-division;

**Senior Creditors** means all creditors of the Issuer other than:

- (a) Holders;
- (b) holders of A\$ AMP Notes;
- (c) *Pari Passu* Subordinated Creditors; and
- (d) Junior Subordinated Creditors;

a person is **Solvent** if:

- (a) it is able to pay its debts when they fall due; and
- (b) its total consolidated gross assets (as shown by its latest published audited financial statements) exceed its total consolidated gross liabilities (as shown by its latest published audited financial statements), in each case adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or, as the case may be, its liquidator may determine to be appropriate;

**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, then by Holders representing (in aggregate) at least 75% of the principal amount outstanding of all of the NZ\$ AMP Notes;

**Step-Up Date** means 15 May 2014;

**Step-Up Margin** means an amount expressed as a percentage per annum that is 150% of the Initial Margin;

**Swap Rate** means the average of the bid and offer rates, expressed as a percentage per annum for a five year interest rate swap, as displayed on Reuters page "ICAPAUKIWISWAP" (or any page which replaces that page) at 11.00 am on the relevant date, or if there is a manifest error in the calculation of that average mid rate or that average mid rate is not displayed at 11.00 am on that date, the rate specified in good faith by the Issuer having regard, to the extent possible, to:

- (a) the rate otherwise bid and offered for an interest rate swap of that tenor displayed on Reuters page "ICAPAUKIWISWAP" (or any page which replaces that page) at that time on the date;
- (b) if bid and offer rates for an interest rate swap of that tenor are not otherwise available, the rates otherwise bid and offered for an interest rate swap of that tenor at or around that time; or
- (c) if the average mid rate is not displayed on that date, the relevant rate as displayed on the Reuters "ICAPAUKIWISWAP" (or any page which replaces that page) at 11.00 am on the following Business Day;

**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;

**Terms** means, in relation to a NZ\$ AMP Note, the terms and conditions of that NZ\$ AMP Note as set out in schedule 4 to the Trust Deed;

**Trustee** means Trust Company Fiduciary Services Limited (ABN 21 000 000 993); and

**Trust Deed** means the deed entitled "AMP Notes Trust Deed" between the Issuer, the Guarantor and the Trustee and dated on or about 2 March 2009.

## Appendix C. Glossary

The following is a glossary of terms used throughout this Prospectus. The definitions specific to AMP Notes are in clause 11.2 of AMP Notes Terms in Appendix A (as they relate to A\$ AMP Notes) and Appendix B (as they relate to NZ\$ AMP Notes).

TERM	MEANING
<b>\$, A\$, AUD or dollars</b>	Australian currency
<b>A\$ AMP Notes</b>	Australian dollar denominated unsecured subordinated notes issued by the Issuer under this Prospectus
<b>ABN</b>	Australian Business Number
<b>ABN AMRO</b>	ABN AMRO Equity Capital Markets Australia Limited (ABN 17 000 757 111, AFSL 221950)
<b>ABN AMRO Craigs</b>	ABN AMRO Craigs Limited (New Zealand company number 447 159)
<b>ADI</b>	authorised deposit-taking institution, as defined in the Banking Act
<b>AFSL</b>	Australian financial services licence
<b>Allocation</b>	the number of AMP Notes allocated under this Prospectus to: <ul style="list-style-type: none"> <li>– Shareholder Applicants and General Applicants at the end of the Offer Period; and</li> <li>– Syndicate Brokers and Institutional Investors through the Bookbuild</li> </ul>
<b>AMP or Parent</b>	AMP Limited (ABN 49 079 354 519)
<b>AMP Bank</b>	AMP Bank Limited (ABN 15 081 596 009)
<b>AMP Group</b>	AMP and its wholly owned subsidiaries
<b>AMP Notes</b>	A\$ AMP Notes and NZ\$ AMP Notes, either separately or collectively as the context requires
<b>ANZ Securities</b>	ANZ Securities Limited (ABN 16 004 997 111, AFSL 237531)
<b>Applicant</b>	a person who submits an Application
<b>Application</b>	a valid application made under this Prospectus by using the applicable Application Form to apply for a specified number of AMP Notes
<b>Application Form</b>	each of the paper and electronic application forms attached to, or accompanying, this Prospectus upon which an Application may be made, being: <ul style="list-style-type: none"> <li>– the blue personalised Shareholder Application Form supplied by the Issuer upon request to Shareholder Applicants applying for A\$ AMP Notes;</li> <li>– the green personalised Shareholder Application Form supplied by the Issuer upon request to Shareholder Applicants applying for NZ\$ AMP Notes;</li> <li>– the blue Application Form in the back of this Prospectus to be used by Broker Firm Applicants and General Applicants applying for A\$ AMP Notes; and</li> <li>– the green Application Form in the back of this Prospectus to be used by Broker Firm Applicants and General Applicants applying for NZ\$ AMP Notes</li> </ul>
<b>Application Payment</b>	the monies payable on each Application, calculated as the number of AMP Notes applied for multiplied by the Face Value
<b>APRA</b>	Australian Prudential Regulation Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of the Issuer, the Guarantor and AMP Group
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires
<b>ASX Listing Rules</b>	the listing rules of ASX, with any modification or waivers which ASX may grant to the Issuer or generally from time to time
<b>Australian Tax Resident Holder</b>	Australian tax resident Holders who do not carry on business at or through a permanent establishment outside Australia

TERM	MEANING
<b>Banking Act</b>	Banking Act 1959 of Australia
<b>BBSW</b>	<i>has the meaning given to that term in the Terms of A\$ AMP Notes (see clause 11.2)</i>
<b>BKBM</b>	<i>has the meaning given to that term in the Terms of NZ\$ AMP Notes (see clause 11.2)</i>
<b>BNZ Capital</b>	BNZ Capital, a division of Bank of New Zealand (New Zealand company number 428849)
<b>Board</b>	the board of directors of the Issuer
<b>Bookbuild</b>	the separate processes described in Section 2.1.5.2, which determined the Initial Margin for A\$ AMP Notes and NZ\$ AMP Notes respectively
<b>Broker Firm Applicant</b>	an Australian or New Zealand resident client of a Syndicate Broker under the Broker Firm Offer
<b>Broker Firm Offer</b>	the invitation made to Broker Firm Applicants to apply for an allocation of AMP Notes from the relevant Syndicate Broker under this Prospectus
<b>Business Day</b>	a day which is a business day within the meaning of the ASX Listing Rules or NZX Listing Rules (as the context requires)
<b>CGT</b>	capital gains tax
<b>Change of Control Event</b>	<i>has the meaning given to that term in the relevant Terms (see clause 11.2 of the Terms)</i>
<b>CHESS</b>	Clearing House Electronic Subregister System operated by an associate of ASX
<b>Closing Date</b>	the last day on which Applications will be accepted under the Offer, expected to be: <ul style="list-style-type: none"> <li>– 5.00pm (Sydney time) on 2 April 2009 for the Shareholder Offer and General Offer; and</li> <li>– 10.00am (Sydney time) on 7 April 2009 for the Broker Firm Offer.</li> </ul> the Issuer may close the Offer early without notice
<b>Co-Managers</b>	includes BNZ Capital and Ord Minnett
<b>CommSec</b>	Commonwealth Securities Limited (ABN 60 067 254 399, AFSL 238814)
<b>Constitution</b>	the constitution of the Issuer, as amended from time to time
<b>Corporations Act</b>	Corporations Act 2001 of Australia
<b>CPI</b>	Australian consumer price index
<b>CSN or Shareholder Number</b>	Common Shareholder Number or shareholder number for NZ\$ AMP Notes (when issued) held on the New Zealand subregister
<b>Directors</b>	some or all of the directors of the Issuer acting as a board
<b>Expiry Date</b>	the date which is 13 months after the date of the Original Prospectus
<b>Exposure Period</b>	the seven day period after the date the Original Prospectus was lodged with ASIC during which the Corporations Act prohibits the acceptance of Applications. This period may be extended by ASIC by up to a further seven days
<b>Face Value or Issue Price</b>	A\$100.00 per A\$ AMP Note and NZ\$1.00 per NZ\$ AMP Note
<b>FASTER</b>	the systems, facilities and services provided by NZX for clearing, settling and registering securities transactions and any other replacement system provided by or on behalf of NZX to perform the same or similar functions

TERM	MEANING
<b>Forsyth Barr</b>	Forsyth Barr Limited (New Zealand company number 150 925)
<b>General Applicant</b>	an Australian or New Zealand resident who is not a Shareholder Applicant, Broker Firm Applicant or an Institutional Investor who participated in the Institutional Offer
<b>General Offer</b>	the invitation to General Applicants to apply for AMP Notes under this Prospectus
<b>GST</b>	goods and services tax
<b>Guarantee</b>	the guarantee and indemnity given by the Guarantor under the Trust Deed
<b>Guarantor</b>	AMP Group Holdings Limited (ABN 88 079 804 676)
<b>Guarantor Board</b>	the board of directors of the Guarantor
<b>HIN</b>	Holder Identification Number for A\$ AMP Notes (when issued) held on the CHESS subregister
<b>Holder</b>	a person registered in a Register as a holder of AMP Notes
<b>Holder Resolution</b>	a resolution passed at a meeting of Holders of AMP Notes (or the Holders of a series as the case may be), duly called and held (or by postal ballot or written resolution) under the meeting provisions set out in the Trust Deed: <ul style="list-style-type: none"> <li>– by more than 50% of the persons voting on a show of hands (unless the next bullet point below applies);</li> <li>– if a poll is duly demanded, then by a majority consisting of more than 50% of the votes cast; or</li> <li>– if the meeting is by postal ballot or written resolution, then by Holders representing (in aggregate) more than 50% of the principal amount outstanding of all of AMP Notes (or AMP Notes of that series as the case may be)</li> </ul>
<b>Holding Statement</b>	a statement issued to Holders by the Registry which sets out the details of AMP Notes allotted to them under the Offer
<b>Initial Margin</b>	for A\$ AMP Notes, 4.75% per annum, and for NZ\$ AMP Notes, 4.75% per annum
<b>Institutional Investor</b>	an investor (whether an Australian or New Zealand resident or not) to whom AMP Notes are able to be offered under applicable laws without the need for any prospectus, registration or other formality (other than a registration or formality which the Issuer is willing to comply with) including, in Australia and New Zealand, a person to whom offers of securities can be made without the need for a lodged prospectus, who has been invited by the Joint Lead Managers to bid for AMP Notes in the Bookbuild and who is not a Broker Firm Applicant
<b>Institutional Offer</b>	the invitation to certain Institutional Investors to bid for AMP Notes in the Bookbuild
<b>Interest</b>	<i>has the meaning given to that term in the relevant Terms (see clause 11.2 of Terms)</i>
<b>Interest Payment Date</b>	the first interest payment date is on 15 August 2009 and quarterly thereafter on 15 November, 15 February, 15 May and 15 August of each year and any Maturity Date or Redemption Date
<b>Interest Period</b>	each period beginning (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date
<b>Interest Rate</b>	<i>has the meaning given to that term in the relevant Terms (see clause 11.2 of Terms)</i>
<b>investment linked</b>	products or policies for which the returns payable to holders are linked to the performance of the relevant underlying investment

TERM	MEANING
<b>Issue Credit Rating</b>	a current opinion by Standard & Poor's and Moody's of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program
<b>Issue Date</b>	the date AMP Notes are issued to Holders under this Prospectus, expected to be 9 April 2009. If the Issuer closes the Offer early this date may change without notice
<b>Issuer</b>	AMP Group Finance Services Limited (ABN 95 084 247 914)
<b>IWT</b>	Australian interest withholding tax
<b>Joint Lead Managers or Joint Lead Managers &amp; Joint Bookrunners</b>	ABN AMRO, ANZ Securities, CommSec, Macquarie and UBS
<b>Joint Structuring Advisers</b>	UBS and ABN AMRO
<b>Life Insurance Act</b>	Life Insurance Act 1995 of Australia
<b>Listing Rules</b>	ASX Listing Rules and NZDX Listing Rules, either separately or collectively as the context requires
<b>Macquarie</b>	Macquarie Capital Advisers Limited (ABN 79 123 199 548, AFSL 314416)
<b>Margin</b>	the Initial Margin until the Step-Up Date and, on and from that date, the Step-Up Margin
<b>Market Rate</b>	<i>has the meaning given to that term in the relevant Terms (see clause 11.2 of Terms)</i>
<b>Maturity Date</b>	the maturity date of AMP Notes, being 1 April 2019
<b>Moody's</b>	Moody's Investors Service Pty Limited (ABN 61 003 399 657)
<b>MRR</b>	shareholder minimum regulatory capital requirement
<b>Non-Australian Tax Resident Holder</b>	Holders who are not tax residents of Australia and who do not carry on business at or through a permanent establishment in Australia
<b>non-investment linked</b>	products or policies for which holders are entitled to certain benefits which are not directly linked to the performance of the relevant underlying investment
<b>NZ</b>	New Zealand
<b>NZ Lead Managers</b>	ABN AMRO Craigs and Forsyth Barr
<b>NZ\$, NZD or New Zealand dollars</b>	New Zealand currency
<b>NZ\$ AMP Notes</b>	New Zealand dollar denominated unsecured subordinated notes to be issued by the Issuer under this Prospectus
<b>NZCO</b>	New Zealand Companies Office
<b>NZDX</b>	the debt security market of NZX
<b>NZDX Listing Rules</b>	the listing rules of NZDX, with any modification or waivers which NZX may grant to the Issuer from time to time
<b>NZX</b>	NZX Limited (New Zealand company number 1266120) or the securities market operated by it, as the context requires

TERM	MEANING
<b>Offer</b>	the Issuer intends to raise the equivalent of approximately A\$300 million of AMP Notes in Australia and New Zealand, with the ability to raise more or less
<b>Offer Management Agreement</b>	the offer management agreement entered into between the Issuer, the Guarantor and the Joint Lead Managers, as summarised in Section 7.4
<b>Offer Period</b>	the period from the Opening Date to the Closing Date
<b>Opening Date</b>	the day the Offer opens being 11 March 2009
<b>Ordinary Share</b>	a fully paid ordinary share in the capital of AMP
<b>Original Prospectus</b>	the original prospectus that was lodged with ASIC on 3 March 2009 and with NZCO on 4 March 2009, which has been replaced by this Replacement Prospectus
<b>Participating Broker</b>	any participating organisation of ASX or NZX primary market participant selected by the Joint Lead Managers to participate in the Bookbuild
<b>Privacy Act</b>	Privacy Act 1988 of Australia
<b>Prospectus</b>	this prospectus that was lodged with ASIC on 11 March 2009 and has been, or will be, lodged with NZCO on or about that date and that replaces the Original Prospectus
<b>Prudential Standards</b>	the prudential standards issued by APRA, which define and document APRA's framework for assessing, among other things, capital adequacy
<b>RBA</b>	the Reserve Bank of Australia
<b>RBNZ Act</b>	Reserve Bank of New Zealand Act 1989 of New Zealand
<b>Redeem</b>	the redemption of AMP Notes in accordance with clause 4 of Terms <b>Redemption, Redeemable and Redeemed</b> have corresponding meanings
<b>Redemption Amount</b>	means, in respect of an AMP Note, the Face Value payable on Redemption of that AMP Note in accordance with the Terms
<b>Redemption Date</b>	any date on which AMP Notes are Redeemed prior to the Maturity Date in accordance with the Terms
<b>Register</b>	the official register of AMP Notes (if issued), being maintained by the Registry on AMP's behalf and including any subregister established and maintained under CHESS
<b>Registry</b>	Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other registry that the Issuer appoints to maintain the Register
<b>Regulatory Event</b>	occurs when the Issuer receives legal advice that, as a result of changes in law or their application becoming effective after the Issue Date, additional requirements would be imposed on the Issuer in respect of AMP Notes or AMP Notes cease to be treated as Lower Tier 2 regulatory capital
<b>Remittance Slip</b>	an electronic form emailed to Applicants upon submission of an online Application for NZ\$ AMP Notes
<b>Replacement Prospectus</b>	this replacement prospectus that was lodged with ASIC on 11 March 2009 and has been, or will be lodged with NZCO on or about that date and that replaces the Original Prospectus
<b>Senior Creditors</b>	in respect of the Issuer, has the meaning given to that term in the relevant Terms (see clause 11.2 of Terms) and, in respect of the Guarantor, has the meaning given to that term in the Guarantee (see clause 10 of Terms)

TERM	MEANING
<b>Shareholder</b>	a registered holder of an Ordinary Share
<b>Shareholder Applicant</b>	a registered Shareholder shown on the Register with an address in Australia or New Zealand
<b>Shareholder Application Form</b>	the blue personalised Application Form (in respect of A\$ AMP Notes) and green personalised Application Forms (in respect of NZ\$ AMP Notes) made available to Shareholder Applicants upon request
<b>Shareholder Offer</b>	the invitation to Shareholder Applicants to apply for AMP Notes under this Prospectus
<b>Settlement Date</b>	one Business Day before the Issue Date, expected to be 8 April 2009
<b>Solvency or Solvent</b>	an entity is solvent when it is able to pay its debts when they fall due and when its total consolidated gross assets exceed its total gross liabilities (see clause 11.2 of Terms)
<b>Special Resolution</b>	has the meaning given to that term in the relevant Terms (see clause 11.2 of Terms)
<b>SRN</b>	Security Reference Number for AMP Notes (when issued) held on the Issuer sponsored subregister
<b>Standard &amp; Poor's</b>	Standard & Poor's (Australia) Pty Limited (ABN 62 007 324 852)
<b>Step-Up Date</b>	the step-up date for AMP Notes, being 15 May 2014
<b>Step-Up Margin</b>	150% of the Initial Margin. See Section 1.2 for further details
<b>Superannuation Industry (Supervision) Act</b>	Superannuation Industry (Supervision) Act 1993 of Australia
<b>Swap Rate</b>	<i>has the meaning given to that term in the Terms of NZ\$ AMP Notes (see clause 11.2)</i>
<b>Syndicate Broker</b>	any of the Joint Lead Managers, NZ Lead Managers, Co-Managers or Participating Brokers
<b>Tax Act</b>	Income Tax Assessment Acts of 1936 and 1997 of Australia
<b>Tax Event</b>	occurs when the Issuer has received legal advice that, as a result of change in law or its application becoming effective after the Issue Date, the Issuer would be: <ul style="list-style-type: none"> <li>– required to pay additional amounts under clause 9.2 of Terms or the Guarantor would be required to pay additional amounts if the Guarantee were called on; or</li> <li>– the payments of Interest under AMP Notes may not be allowed as a deduction for the purposes of the Issuer's Australian income tax.</li> </ul> For the full definition – see clauses 4.2 and 4.3 of Terms
<b>Terms or AMP Notes Terms</b>	the full terms of issue of A\$ AMP Notes and NZ\$ AMP Notes (as set out in Appendices A and B respectively), either separately or collectively as the context requires
<b>TFN</b>	Australian tax file number
<b>Trust Deed</b>	the trust deed between the Issuer, the Guarantor and the Trustee, dated on or about the date of this Prospectus
<b>Trustee</b>	Trust Company Fiduciary Services Limited (ABN 21 000 000 993)
<b>UBS</b>	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL No. 231087) and its associates
<b>US Person</b>	has the meaning given in Regulation S of the US Securities Act
<b>US Securities Act</b>	United States Securities Act of 1933, as amended

## AMP Notes Application Forms

- > If you are applying for A\$ AMP Notes, complete the BLUE Application Form
- > If you are applying for NZ\$ AMP Notes, complete the GREEN Application Form



## Information to help you complete this form

**A Planner number.** If you are applying as a client of a representative of AMP Financial Planning Pty Limited or Hillross Financial Services Limited (including Arrive Wealth Management), you acknowledge that you have read the Supplementary Financial Services Guide (SMSG) which explains their role and remuneration in relation to your application. If you have not received the SMSG, please contact them. You acknowledge that you have not received or relied on any advice or recommendation from them about AMP Notes.

**B AMP customers.** If there is excess demand for AS AMP Notes, priority will be given to AMP Shareholders and customers of AMP and Hillross over other Applicants under the General Offer.

**C Notes applied for.** Enter the number of AS AMP Notes you wish to apply for. The Application must be for a minimum of 50 AS AMP Notes (A\$5,000). Applications for greater than 50 AS AMP Notes must be in multiples of 10 AS AMP Notes (A\$1,000).

**D Application payment.** Enter the amount of Application payment. To calculate this amount, multiply the number of AS AMP Notes by A\$100 (being the price per AS AMP Note).

**E Applicant name(s).** Enter the full name(s) you wish to appear on the statement of securityholding. This must be either your own name or the name of a company. Up to three (3) joint applicants may register. You should refer to the table below for details on how to correctly set out names. Applications using the incorrect form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

**F Postal address.** Enter your postal address for communications. For joint Applicants, only one address may be entered.

**G Contact details.** Enter your contact details in case we need to contact you about your Application.

**H CHES.** The Issuer will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX. In CHES, the Issuer will operate an electronic CHES Sub-register of security holdings and an electronic Issuer Sponsored Sub-register of security holdings. Together the two Sub-registers will make up the Issuer's principal register of securities. The Issuer will not be issuing certificates to applicants, in respect of AS AMP Notes allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold AS AMP Notes allotted to you under this Application on the CHES Sub-register, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Issuer and allocated a Securityholder Reference Number (SRN).

**I Payment details.** Make your cheque(s) payable to 'AMP Notes Offer'. Your Application payment MUST be in Australian dollars drawn on an Australian branch of a financial institution.

Complete your cheque(s) details in the boxes provided. The total amount must agree with the amount shown in box D. We are unable to direct debit the payment from your financial institution account.

**Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in the account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted and receipts for payment will not be issued.**

**By lodging this Application Form, you acknowledge and agree that:**

- you have read and understood the Prospectus;
- you and any person on whose account or benefit you are acting are a resident of Australia or New Zealand only;
- you are not in the United States nor are you a U.S. Person (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act)) or acting for the account or benefit of a person within the United States or a U.S. Person, and are outside the United States subscribing for the AMP Notes in an "offshore transaction" as defined in Regulation S under the Securities Act;
- you understand that the AMP Notes have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction in the United States and you confirm that you will not offer, sell, pledge, transfer or otherwise dispose of any such securities in the United States or to, or for the account or benefit of, any U.S. Person;
- you agree to be bound by the AMP Notes Terms and the Constitution;
- your Application for AMP Notes is upon and subject to the terms of the Offer as set out in the Prospectus;
- you will take the number of AS AMP Notes that you have applied for (or such lesser number of AS AMP Notes that may be allocated to you in accordance with the Prospectus); and
- the Issuer and Joint Lead Managers are authorised to do anything on your behalf necessary (including completion and execution of documents) for the AMP Notes to be allocated to you.

**By lodging this Application Form, you declare that all details provided, and statements made, by you are complete and accurate. It is not necessary to sign the Application Form.**

**Lodgement of Application.** Application Forms must be received by Computershare Investor Services Pty Limited by no later than 5.00pm (Sydney time) on 2 April 2009 for the General Offer or 7 April 2009 for the Broker Firm Offer. You should allow sufficient time for postage. Return the Application Form with cheque(s) attached to: Computershare Investor Services Pty Limited, GPO Box 2115, MELBOURNE VIC 3001.

Neither Computershare nor the Issuer accepts any responsibility if you lodge the Application Form at any other address or by any other means.

**Privacy Statement.** Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for the Issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may elect not to receive marketing material (including marketing material) approved by the Issuer in addition to general communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**Correct name(s).** Use this table to see how to write your name correctly in box E.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRATION	INCORRECT FORM OF REGISTRATION
Individual – Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint – Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company – Use company title, not abbreviations	ABC Pty Ltd	ABC P/L, ABC Co
Trusts – Use trustee(s) personal name(s) – Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates – Use executor(s) personal name(s) – Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) – Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships – Use partners personal name(s) – Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names – Use office bearer(s) personal name(s) – Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds – Use the name of trustee of the fund – Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



## Information to help you complete this form

- A Notes applied for.** Enter the number of NZ\$ AMP Notes you wish to apply for. The application must be for a minimum of 5,000 NZ\$ AMP Notes (NZ\$5,000). Applications for greater than 5,000 NZ\$ AMP Notes must be in multiples of 1,000 NZ\$ AMP Notes (NZ\$1,000).
- B Application payment.** Enter the amount of Application payment. To calculate this amount, multiply the number of AMP Notes NZ\$1 (being the price per NZ\$ AMP Note).
- C Applicant name(s).** Enter the full name(s) you wish to appear on the statement of securityholding. This must be either your own name or the name of a company. Up to three (3) joint applicants may register. You should refer to the table below for details on how to correctly set out names. Applications using the incorrect form of names may be rejected.
- D Postal address.** Enter your postal address for communications. For joint Applicants, only one address may be entered.
- E Contact details.** Enter your contact details in case we need to contact you about your Application.
- F Common Shareholder Number.** If you currently have a Common Shareholder Number write it here.
- G AMP customers.** If there is excess demand for NZ\$ AMP Notes, priority will be given to AMP Shareholders and customers over other Applicants under the General Offer.
- H Application payment.** Make your cheque(s) payable to 'AMP Notes Offer'. Application payments MUST be in New Zealand dollars drawn on a New Zealand branch of a financial institution. Complete the cheque(s) details in the boxes provided. The total amount must agree with the amount shown in box B. We are unable to direct debit the payment from your financial institution account.

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**By lodging this Application Form, you acknowledge and agree that:**

- you have read and understood the Prospectus;
- you and any person on whose account or benefit you are acting are a resident of Australia or New Zealand only;
- you are not in the United States nor are you a U.S. Person (as defined in Regulation S under the US Securities Act of 1933, as amended (Securities Act)) or acting for the account or benefit of a person within the United States or a U.S. Person, and are outside the United States subscribing for the AMP Notes in an "offshore transaction" as defined in Regulation S under the Securities Act;
- you understand that the AMP Notes have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction in the United States and you confirm that you will not offer, sell, pledge, transfer or otherwise dispose of any such securities in the United States or to, or for the account or benefit of, any U.S. Person;
- you agree to be bound by the AMP Notes Terms and the Constitution;
- your Application for AMP Notes is upon and subject to the terms of the Offer as set out in the Prospectus;
- you will take the number of NZ\$ AMP Notes that you have applied for (or such lesser number of AMP Notes that may be allocated to you in accordance with the Prospectus); and
- the Issuer and Joint Lead Managers are authorised to do anything on your behalf necessary (including completion and execution of documents) for the AMP Notes to be allocated to you.

**By lodging this Application Form, you declare that all details provided, and statements made, by you are complete and accurate. It is not necessary to sign the Application Form.**

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**Privacy Statement.** Personal information is collected on this form by Computershare Investor Services Limited ("CIS"), as registrar for the Issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Issuer in addition to general communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

**Correct name(s).** Use this table to see how to write your name correctly in box C.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRATION	INCORRECT FORM OF REGISTRATION
Individual – Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint – Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company – Use company title, not abbreviations	ABC Pty Ltd	ABC P/L, ABC Co
Trusts – Use trustee(s) personal name(s) – Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates – Use executor(s) personal name(s) – Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) – Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships – Use partners personal name(s) – Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names – Use office bearer(s) personal name(s) – Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds – Use the name of trustee of the fund – Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

# Corporate directory

## **Issuer**

AMP Group Finance  
Services Limited  
Level 24  
AMP Sydney Cove Building  
33 Alfred Street  
Sydney NSW 2000  
AUSTRALIA

## **Guarantor**

AMP Group Holdings Limited  
Level 24  
AMP Sydney Cove Building  
33 Alfred Street  
Sydney NSW 2000  
AUSTRALIA

## **Parent**

AMP Limited  
Level 24  
AMP Sydney Cove Building  
33 Alfred Street  
Sydney NSW 2000  
AUSTRALIA

## **Auditor**

Ernst & Young  
The Ernst & Young Centre  
680 George Street  
Sydney NSW 2000  
AUSTRALIA

## **Australian legal and tax adviser**

Mallesons Stephen Jaques  
Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
AUSTRALIA

## **New Zealand legal and tax adviser**

DLA Phillips Fox  
DLA Phillips Fox Tower  
209 Queen Street  
Auckland  
NEW ZEALAND

## **Trustee**

Trust Company Fiduciary  
Services Limited  
Level 4  
35 Clarence Street  
Sydney NSW 2000  
AUSTRALIA

## **Joint Structuring Advisers**

### **Joint Lead Managers**

### **Joint Bookrunners**

UBS AG, Australia Branch  
Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
AUSTRALIA

ABN AMRO Equity Capital  
Markets Australia Limited  
Level 29, ABN AMRO Tower  
88 Phillip Street  
Sydney NSW 2000  
AUSTRALIA

### **Joint Lead Managers**

### **Joint Bookrunners**

ANZ Securities Limited  
Level 14  
100 Queen Street  
Melbourne VIC 3000  
AUSTRALIA

Commonwealth  
Securities Limited  
Level 18  
363 George Street  
Sydney NSW 2000  
AUSTRALIA

Macquarie Capital  
Advisers Limited  
Level 9, 1 Martin Place  
Sydney NSW 2000  
AUSTRALIA

## **Registry**

Computershare Investor  
Services Pty Limited  
Level 3  
60 Carrington Street  
Sydney NSW 2000  
AUSTRALIA

Computershare Investor  
Services Limited  
Level 2  
159 Hurstmere Road  
Auckland  
NEW ZEALAND

## **NZ Lead Managers**

ABN AMRO Craigs Limited  
ABN AMRO Craigs House  
158 Cameron Road  
Tauranga 3110  
NEW ZEALAND

Forsyth Barr Limited  
Level 13, Forsyth Barr Tower  
55 Shortland Street  
Auckland 1140  
NEW ZEALAND

## **Co Managers**

BNZ Capital,  
a division of  
Bank of New Zealand  
Capital Markets Origination  
BNZ Tower, Level 6  
125 Queen Street  
Auckland 1010  
NEW ZEALAND

Ord Minnett Limited  
Level 8, NAB House  
255 George Street  
Sydney NSW 2000  
AUSTRALIA