



ASX Announcement

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AMP appoints new Chief Executive Officer

The Board of AMP Limited today announced that Craig Dunn will succeed Andrew Mohl as Chief Executive Officer, effective from 1 January 2008.

Mr Dunn is currently the Managing Director of AMP Financial Services. Mr Mohl announced on 23 August that he would leave AMP at the end of this year after more than five years as CEO and 11 years with AMP.

From mid-October until he takes on the role of CEO, Mr Dunn will work closely with Mr Mohl in an interim role as Chief Operating Officer.

The Board of AMP Limited also announced today that it has accepted Craig Dunn's recommendation that Craig Meller, currently AMP Financial Services Director Product Manufacturing, be appointed as the new Managing Director of AMP Financial Services, effective 15 October 2007.

AMP Chairman Peter Mason said the appointment of Mr Dunn followed an extensive review of internal and external candidates that had led the Board to conclude that Craig Dunn was clearly the best candidate for the role.

"Under Andrew's leadership, AMP has made great progress and the company is now beginning to deliver to its true potential. Craig is very well placed to build on the current strategy and leverage the strong assets and capabilities of AMP," Mr Mason said.

"Andrew and Craig will work closely together until the end of the year to ensure a seamless transition."

Mr Mohl said he was pleased to see the appointment of an internal successor, which demonstrated the depth of talent and the strength of the internal succession planning processes at AMP.

“As head of AMP’s largest business, Craig Dunn has played a vital role in the turnaround of AMP. He understands the company’s values and culture and I am confident he will develop into an outstanding CEO,” Mr Mohl said.

“Likewise, Craig Meller is ready for the challenge of leading AMP Financial Services after six years with AMP, including a stint at AMP Bank and leading the Product Manufacturing team.”

Mr Dunn said it would be a privilege to lead AMP - a company with a rich heritage and a strong social purpose.

“AMP is an organisation with many talented people and I look forward to working with them to build on the strong foundations that Andrew has created,” Mr Dunn said.

Mr Dunn will join the AMP Limited Board from 1 January 2008.

Biographical details for Craig Dunn and Craig Meller are attached, together with key details of the new CEO contract.

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Craig Dunn

Craig Dunn will succeed Andrew Mohl as Chief Executive Officer of AMP Limited from 1 January 2008. From mid-October, until he takes on the role of CEO, Mr Dunn will work closely with Mr Mohl in a transition role as Chief Operating Officer.

Mr Dunn has been Managing Director of AMP's largest business, AMP Financial Services since September 2002. In this role Mr Dunn has been responsible for the company's Australian and New Zealand financial planning and product manufacturing businesses and he has played a pivotal role in AMP's growth over this period.

He joined AMP in January 2000 and has held a number of senior roles at the company, including Managing Director of AMP Banking and Director, Office of the CEO where he was responsible for strategy, secretariat functions and operational analysis across the AMP Group.

Mr Dunn has had 15 years experience in the financial services sector. Before joining AMP, he was Chief Executive Officer of a Malaysian-based insurance company, a joint venture of Colonial Limited.

Prior to this, his successful international career with accountancy firm KPMG took him from Australia to its headquarters in Amsterdam, along with a stint in Indonesia.

Mr Dunn is the Chairman of the Investment and Financial Services Association (IFSA) and is an Advisory Board Member with the Government's Financial Literacy Foundation. He has been a Director of AMP Life Limited since April 2002.

He holds a Bachelor of Commerce (Melbourne University) and is a member of the Australian Institute of Chartered Accountants.

Mr Dunn, aged 43, is married with three children.

Craig Meller

Craig Meller assumes the role of Managing Director, AMP Financial Services, from 15 October 2007.

Mr Meller is currently Director of Product Manufacturing for AMP with responsibility for five business lines – Corporate Superannuation, Savings & Retirement, Risk, AMP Banking and Mature Products.

He started with AMP's United Kingdom business in 2001 before coming to Australia in 2002 to take up the role of Managing Director, AMP Banking. He moved into his current role in Product Manufacturing in 2003.

Mr Meller has more than 23 years experience in the finance industry. He started his career at Lloyds TSB in the UK where he spent more than 14 years working across the business in a number of management roles.

From 1998 he worked at Virgin Direct where he was Managing Director, having started at the company as Director, Money Managers, in 1998.

He holds a Bachelor of Science Hons, majoring in Biochemistry from Imperial College in the UK.

Mr Meller, aged 44, is married with three children.

Summary of Key Terms of Employment Agreement

In determining Craig Dunn's employment arrangement, AMP took into account benchmarking against peer Australian financial institutions and other relevant information provided by external remuneration consultants.

(a) Duration of the Contract

Mr Dunn is employed under a continuing contract with no fixed term.

(b) Remuneration

- (i) Fixed remuneration – Mr Dunn's fixed remuneration is \$1,400,000 per annum inclusive of compulsory superannuation contributions. The fixed remuneration will be reviewed annually with the first review to occur in February 2009.
- (ii) Short term incentive (STI) – The range of Mr Dunn's annual STI payment is between 0% and 200% of his fixed remuneration. The actual STI payment will be determined by the Board in its discretion taking into account the extent to which Mr Dunn has met quantitative and qualitative performance objectives set by the Board. STI payments will be in cash.
- (iii) Long term incentive (LTI) – Mr Dunn will participate in the LTI program applying to AMP executives. Under AMP's LTI program, which operates on a 12 month cycle from August to July, participants receive performance rights entitling them to fully paid ordinary AMP shares after a 3 year performance period, provided specific performance hurdles are met.

Mr Dunn's target LTI award for the 12 month period commencing 1 August 2008 is 150% of his fixed remuneration. The target for subsequent periods will be determined by the Board. The actual LTI amounts awarded to Mr Dunn will be determined by the Board in its discretion.

For the period from 1 January to 31 July 2008, Mr Dunn will receive performance rights to the value of \$506,333.

If appropriate or necessary, Mr Dunn's LTI awards will be subject to shareholder approval. If shareholder approval is not obtained for an LTI award, Mr Dunn will receive a cash equivalent.

(c) Termination of Employment

Mr Dunn's employment may be terminated at any time by AMP giving 12 months' notice or by Mr Dunn giving 6 months' notice. In each case AMP may pay the fixed remuneration for the balance of the notice period in order to bring an earlier end to Mr Dunn's employment.

AMP may terminate Mr Dunn's employment immediately in certain events including serious misconduct and material breach of contract. AMP may also terminate with 12 months' notice if Mr Dunn is incapacitated for an extended period.

Accrued fixed salary and statutory entitlements will be paid to Mr Dunn on any termination. Where AMP terminates Mr Dunn's employment with notice or employment is terminated due to death, Mr Dunn will be entitled to retain vested and unvested performance rights granted under LTI awards. Unvested performance rights will be subject to the same performance hurdles and performance periods as if Mr Dunn's employment continued. If Mr Dunn terminates by giving notice and AMP does not pay out the notice period, he will not be entitled to a pro rata STI payment nor will he retain unvested performance rights but vested performance rights will be retained.

On termination for serious misconduct or material breach of contract, no pro rata STI payment is payable and all performance rights lapse.

If AMP terminates Mr Dunn's employment by notice or employment is terminated due to death, the number of performance rights granted in the 12 month LTI cycle in which termination occurs and which Mr Dunn is entitled to retain will be reduced pro rata according to the proportion of that 12 month period in which Mr Dunn has been employed.

If Mr Dunn terminates his employment by notice and AMP pays out the notice period, he will not be entitled to a pro rata STI payment but vested and unvested performance rights will be treated in accordance with AMP's LTI rules as if Mr Dunn was employed for the full notice period.

(d) Non-Competition and Non-Solicitation

After termination of Mr Dunn's employment for any reason, Mr Dunn may not be involved in any business in competition with AMP for 6 months. This restriction applies to Australia and New Zealand and any country where AMP's activities contribute more than 5% of total operating earnings. Mr Dunn must not solicit or interfere with customers or employees of AMP for 12 months after termination.