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ASX ANNOUNCEMENT

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SUBJECT : Details of CEO's remuneration

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4 December 2002

Details of CEO's remuneration

AMP Chairman Stan Wallis has today announced details of the remuneration for Chief Executive Officer Andrew Mohl.

Mr Mohl's remuneration consists of three elements: base salary, short term incentive and long term incentive. The short term incentive equity component and the long term incentive of his CEO remuneration are both subject to shareholder approval at AMP's next Annual General Meeting (AGM) in May 2003.

1. Base salary

Mr Mohl's base salary is A\$1.5 million. Minimum superannuation guarantee payments of A\$10,520 per year will be made in addition to his base salary.

2. Short term incentive (STI)

Target STI payment will be 100 per cent of base salary. The maximum payment will be 200 per cent of base salary.

The awarding of an STI payment is at the discretion of the AMP Board, having regard to whether Mr Mohl has achieved quantitative and qualitative performance objectives determined by the Board of Directors.

Subject to shareholder approval at the 2003 AGM, STI awards will be delivered through a combination of cash (70 per cent) and restricted shares (30 per cent). The shares are generally restricted for three years. If Mr Mohl remains employed by AMP until the end of the three year restriction period, AMP will match on a 1:1 basis the number of shares delivered at the end of the period. Matching shares have no holding restrictions attached.

3. Long term incentive (LTI)

Subject to shareholder approval at the 2003 AGM, Mr Mohl will be granted 200,000 Performance Rights, effective 7 October 2002.

A further 200,000 Performance Rights will be granted on 7 October 2003, 7 October 2004 and 7 October 2005 if Mr Mohl is still CEO at these dates. These grants will be subject to a cap of Performance Rights equal in value to 200 per cent of base salary¹. (These performance rights are in addition to the 92,278 granted in connection to Mr Mohl's previous position as Managing Director, Australian Financial Services).

¹ Calculated as the volume weighted average price of AMP's shares for the five trading days preceding the grant, divided into 200 per cent of base salary at the time of the grant.

Each Performance Right is a contractual right to acquire one AMP share, three years after the date the performance right is granted, as long as certain performance hurdles are met. A performance right may be exercised within two years after vesting.

In simple terms, full vesting will only occur if:

- AMP shares outperform 75 per cent of the Australian market and international peer group; and
- AMP's earnings per share grow by over 12 per cent per annum.

No vesting will occur if:

- AMP shares outperform less than 50 per cent of the Australian market and an international peer group; and
- AMP's earnings per share grow by less than 7 per cent per annum.

4. Termination of employment

AMP may at any time immediately terminate Mr Mohl's employment. Upon termination of employment for any reason other than for cause, Mr Mohl will receive two years' base salary (reduced by any period of notice).

In the event of termination of employment, STI and LTI awards will be payable according to the rules of the relevant STI and LTI plans. Applicable statutory entitlements will also apply.

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