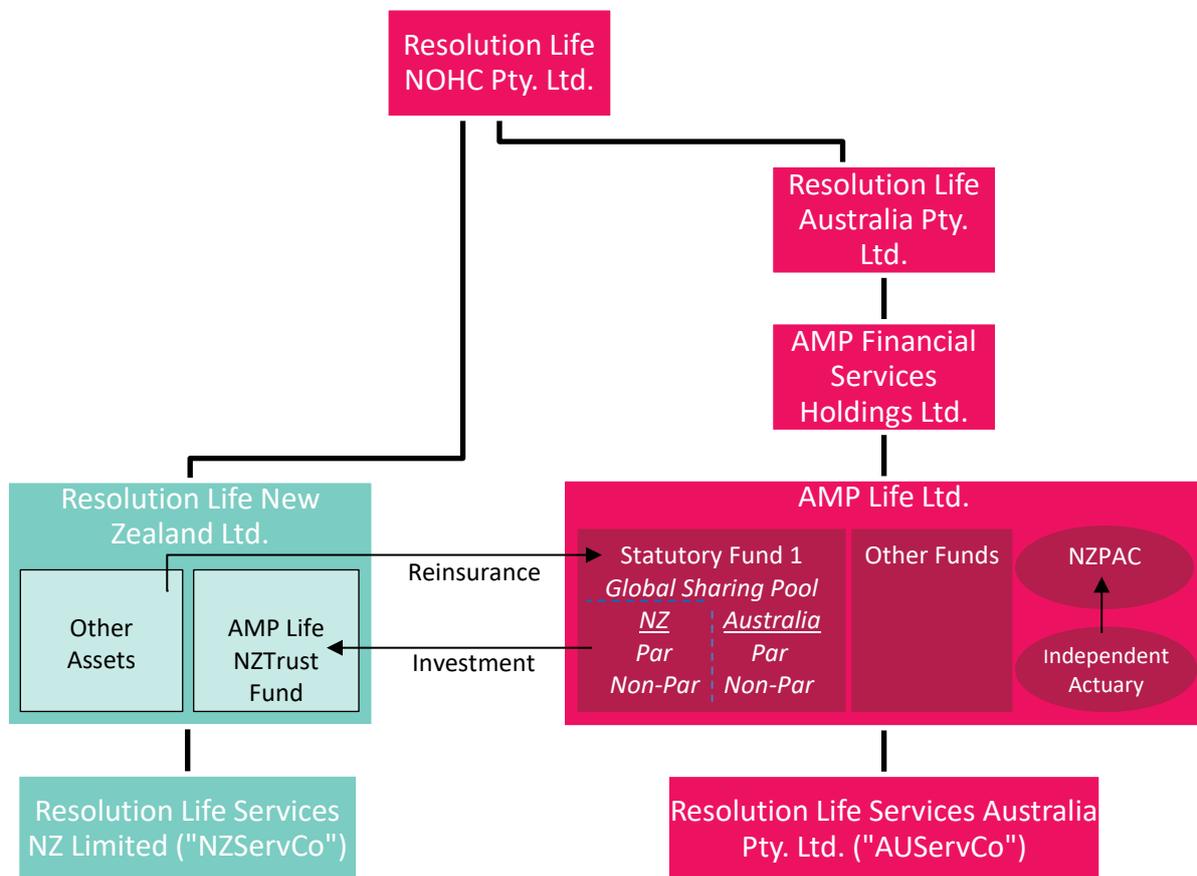


Operating model: AMP Life Limited, Resolution Life New Zealand Limited

The purpose of the model is to achieve a corporate structure that results in:

- capital and assets held in New Zealand,
- under the management of relevant officers in New Zealand,
- who have appropriate influence and authority in respect of the New Zealand operations,
- to ensure the purpose of securing equity across all policyholders.

In the graphic below, Australian entities are shown in red and New Zealand entities in teal. “NZPAC” is the New Zealand Policyholder Advisory Committee. “Par” refers to assets backing participating policies and “Non-Par” refers to asset backing other policies. The Global Sharing Pool is unallocated surplus that has arisen from various sources over the years.



Key elements of the structure are:

1. AMP Life NZ Trust (“the Trust”)

The Trust provides for “*capital and assets in New Zealand.*” As well as assets backing policy liabilities, the Fund established under the Trust holds a share of Australian capital calculated under Australian requirements that is allocated to the Trust. The purpose of the Trust is similar to that of a statutory fund (i.e., to provide enhanced security for policyholder benefits).

AMP Life is the beneficiary of the Trust. Assets are held in trust by Resolution Life New Zealand Limited and units are issued back to AMP Life and held as part of Statutory Fund 1. The Trustee is Resolution Life New Zealand Limited. AMP Life Limited has been appointed manager of the Fund.

A Deed Poll provides for the enforceability by the Trustee and the Reserve Bank of AMP Life’s key obligations under the Trust Deed, in Australia.

2. Resolution Life New Zealand Limited (“RLNZ”)

RLNZ is a locally incorporated insurer. Its Board comprises two executive directors, and three directors that are independent of both management and the shareholder. It is the Trustee of the Trust.

RLNZ provides life insurance under a Group scheme to employees of Resolution Life Services NZ Limited, a wholly-owned subsidiary of RLNZ, and a reinsurance (Excess-of-Loss) treaty under which RLNZ will pay AMP Life a benefit in the event that AMP Life is unable to meet its guaranteed obligations to a New Zealand policyholder.

The RLNZ Board directs the business and affairs of RLNZ including the provision of the reinsurance treaty with AMP Life, and performs the roles of Trustee of the Trust and shareholder of Resolution Life Services NZ Limited. Accordingly, the model strengthens the governance and oversight of the interests of New Zealand policyholders and provides for appropriate “Influence of relevant officers”.

Licence conditions require a minimum solvency margin for RLNZ.

3. New Zealand Policyholder Advisory Committee (“NZPAC”)

NZPAC is a committee operating under the auspices of the AMP Life Limited Board. Its purpose is to provide independent oversight, advice and recommendations to the AMP Life Limited Board related to the interests of New Zealand policyholders.

Established under its own Charter, its membership comprises one AMP Life Limited independent Director, and the three independent RLNZ directors.

4. Independent Actuary

An Independent Actuary is to be appointed to advise NZPAC on matters related to the interests of New Zealand policyholders.

AMP Life Limited and RLNZ intend to operate under a single management structure in New Zealand. Because a number of Relevant Officers are to have dual (or more) roles,

NZPAC may not have sufficient information from independent sources from which to effectively discharge its obligations in respect of New Zealand policyholders.

Accordingly, it is the role of the Independent Actuary to review matters relevant to the interests of New Zealand policyholders, and to ensure that NZPAC is informed of them. The scope of advice is set out in a condition to AMP Life's exemption from Part 2, sub-part 3 of the Insurance (Prudential Supervision) Act 2010.

It is also a requirement that the advice of the Independent Actuary is provided to the AMP Life Limited Board.

5. Conditions of licence, conditions of exemption

The Insurance (Prudential Supervision) Act 2010 permits the Reserve Bank to impose conditions of licence on licensed insurers. It also provides that exemptions be subject to conditions that the Reserve Bank sees fit.

To support the effective operation of the model, the Reserve Bank has imposed a number of conditions of licence on RLNZ, and AMP Life Limited. In addition, it has applied conditions to AMP Life Limited's exemptions under section 59 and section 119.

The Reserve Bank does not publish conditions of licence. However, a copy of the conditions to AMP Life Limited's exemptions under section 59 and section 119 can be found on the Reserve Bank's website.