Form 7A (version 5)
UCPR 14.3

COMMERCIAL LIST RESPONSE

COURT DETAILS

Court	Supreme Court of NSW
Division	Equity
List	Commercial
Registry	Sydney
Case number	2018/310118 and 2018/309329 (Consolidated Proceedings)

TITLE OF PROCEEDINGS

Plaintiff	**Komlotex Pty Ltd (ACN 004 390 023) as trustee for Breda Sinclair Industries Superannuation Fund**
Second plaintiff	**Fernbrook (Aust) Investments Pty Ltd (ACN 068 190 296)**
Defendant	**AMP Limited (ACN 079 354 519)**

FILING DETAILS

Filed for	**AMP Limited**, the defendant
Filed in relation to	**The Plaintiffs' claim**
Legal representative	Jason Betts, Herbert Smith Freehills
Legal representative reference	Herbert Smith Freehills
Contact name and telephone	Jason Betts 02 9225 5323
Contact email	Jason.Betts@hsf.com

PRELIMINARY MATTERS

1 Headings are used in this Commercial List Response (**Response**) for convenience only. They do not form part of the response to the Amended Commercial List Statement filed and served on 5 August 2019 (the **CLS**).

2 Unless the context requires otherwise, the defendant adopts the defined terms used in the CLS, but does not admit any factual assertions contained in, or in any way implied by, any defined term used in the CLS and repeated in this Response.

NATURE OF THE DISPUTE

1. This is a representative proceeding brought by the Plaintiffs on behalf of themselves and other persons who acquired an interest in shares of AMP, between 10 May 2012 and 13 April 2018 (**Relevant Period**).

2. During the Relevant Period, where an AMP Adviser intended to cease to be an Authorised Representative of an AMP Advice Licensee, the AMP Adviser in certain circumstances had a right to request that the AMP Advice Licensee purchase or buy-back the AMP Adviser's register rights in respect of the AMP Adviser's customers, after providing a notice period. Where an AMP Advice Licensee purchased those rights, they were typically placed in a "BOLR Pool" pending those rights being allocated to a new AMP Adviser. The BOLR Policy of certain of the AMP Advice Licensees required that an adjustment be made to any ongoing service fees immediately upon being placed into the BOLR Pool, such that the customer would not pay ongoing service fees for the time they were placed in the BOLR Pool.

3. In the Relevant Period, notwithstanding the BOLR Policy, in a limited number of cases two of the AMP Advice Licensees (AMPFP and Hillross) continued to charge some customers fees under ongoing service arrangements. The circumstances in which this occurred are referred to in this Response as the 90 Day Exception.

4. In addition to the 90 Day Exception, in some limited cases where client register rights were purchased by an AMP Advice Licensee, those rights were quarantined outside the BOLR Pool. This is referred to in this Response as Ringfencing.

5. In the period between 2012 and 2016, AMP's Retail Advice Business serviced between 1.3 million and 1.7 million customers in each of those years. The 90 Day Exception was applied in respect of no more than approximately 2,188 customer accounts (which in combination with transactions involving Ringfencing related to no more than approximately 40 transactions). The affected customers were charged no more than approximately $376,000 in respect of ongoing service fees for services which they did not receive. Those customers have either been remediated or are in the process of being remediated. Ringfencing was applied in respect of no more than approximately 1,148 customers who were charged ongoing service fees of no more than approximately $124,000 for services which they did not receive. Those customers have also either been remediated or are in the process of being remediated.

6. In October 2014, ASIC established its Wealth Management Project with the objective of lifting standards in major financial advice providers. In the period from no later than 16 April 2015, ASIC has conducted an investigation into AMP (as well as other large financial institutions including ANZ, CBA, NAB and Westpac) in respect of the charging of fees for no service. During that investigation, ASIC issued numerous notices for the production of documents from AMP. In October 2016, ASIC published its Report 499 "Financial Advice: Fees for No Service" in relation to the charging of fees by Australian

Financial Services Licensees for ongoing advice where services had not been provided. In that report, ASIC identified that as at 31 August 2016, the compensation outcomes and projected future compensation outcomes would involve ANZ, CBA, NAB, Westpac and AMP paying in total $178 million plus interest. The part of that total attributable to AMP was identified as being $4.6 million.

7. In June 2017, AMP appointed Clayton Utz to conduct an investigation and to produce a report for the Board of AMP in relation to the 90 Day Exception, Ringfencing and the alleged misrepresentations made to ASIC. ASIC was aware that Clayton Utz had been retained by AMP in relation to ASIC's fees for no service investigation. Further, the letter of engagement between AMP and Clayton Utz contemplated day-to-day interactions between Clayton Utz and specified AMP representatives, as well as direct escalation to the Chairman of the Board if need be. The letter of engagement was provided by AMP to ASIC at the same time as the report prepared by Clayton Utz. In those circumstances, ASIC was aware of the nature of the report that had been prepared by Clayton Utz.

8. In this proceeding, the Plaintiffs allege that AMP contravened its continuous disclosure obligations under the ASX Listing Rules in its failure to disclose information in respect of the certain alleged policies or business practices, its monitoring systems in respect of those alleged policies or business practices, the internal legal advice AMP received in respect of those alleged policies or business practices, as well as misrepresentations allegedly made to ASIC. AMP denies any such contraventions.

9. The Plaintiffs further allege that AMP engaged in misleading or deceptive conduct by reason of certain statements it made to the ASX. AMP also denies those allegations.

B ISSUES LIKELY TO ARISE

1 AMP agrees with the issues likely to arise as summarised in the CLS and says that the following issues will also arise:

a. whether the Fee for No Service Policy Information, the No Monitoring Systems Information, the Misleading ASIC Information and the Receipt of Legal Advice Information (as those matters are defined in the CLS and to the extent they are proven) was information that a reasonable person would expect to have a material effect on the price or value of the AMP Shares;

b. whether the information was within the exception to Listing Rule 3.1 contained in Listing Rule 3.1A because:

i. some or all of the information comprised information that was insufficiently definite to warrant disclosure, and/or was generated for the internal management purposes of AMP; and

ii. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and

iii. a reasonable person would not have expected AMP to disclose the information;

c. whether each of the alleged misleading or deceptive representations were statements of opinion.

C DEFENDANT'S RESPONSES TO PLAINTIFFS' CONTENTIONS

A. PARTIES

The Plaintiffs and Group Members

8 In answer to the allegations in paragraph 8 of the CLS, AMP:

a. in respect of subparagraph (a):

i. admits that the Plaintiffs have purported to commence this proceeding as a representative proceeding on their own behalf and on behalf of the Group Members who entered into a contract (whether themselves or by an agent or trustee) to acquire an interest in the AMP Shares during the Relevant Period; and

ii. otherwise does not admit the allegations in subparagraph (a);

b. in respect of subparagraph (b), denies that the Plaintiffs or Group Members have suffered loss or damage by reason of the conduct of AMP pleaded in the CLS; and

c. does not admit the allegations in subparagraph (c).

9 AMP denies the allegation in paragraph 9 of the CLS.

10 AMP does not admit the allegations in paragraph 10 of the CLS.

11 AMP does not admit the allegations in paragraph 11 of the CLS.

The Defendant

12 AMP admits the allegations in paragraph 12 of the CLS.

13 In answer to the allegations in paragraph 13 of the CLS, AMP:

a. admits that at all material times it was required to comply with section 674(2) of the Corporations Act and the ASX Listing Rules; and

b. otherwise does not admit the allegations in the paragraph.

14 In answer to the allegations in paragraph 14 of the CLS, AMP:

a. repeats subparagraph 13(a) above;

b. says that for the purposes of the operation of the ASX Listing Rules, the definition of "aware" in Listing Rule 19.12 in force from the start of the Relevant Period until 30 April 2013 provided that an entity becomes aware of information if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of the entity;

c. says that for the purposes of the operation of the ASX Listing Rules, the definition of "aware" in Listing Rule 19.12 in force from 1 May 2013 to the end of the Relevant Period, provided that an entity becomes aware of information if, and as soon as, an officer of the entity has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity; and

d. otherwise does not admit the allegations in the paragraph.

AMP's Business, Fees and Policies

15 In answer to the allegations in paragraph 15 of the CLS, AMP:

a. says that at all material times, certain subsidiaries of AMP carried on a financial services business which inter alia provided:

i. financial products, including superannuation, insurance and investment products; and

ii. financial advice and wealth management services; and

b. otherwise denies the allegations in the paragraph.

16 In answer to the allegations in paragraph 16 of the CLS, AMP:

a. says that during the Relevant Period certain of its wholly owned subsidiaries which held Australian Financial Services Licences carried on a financial advice and wealth management business, which subsidiaries included:

   i. AMP Financial Planning Pty Limited (**AMPFP**);

   ii. Charter Financial Planning Limited;

   iii. Hillross Financial Services Limited; and

   iv. ipac Securities Limited (**ipac**),

   (together, the **AMP Advice Licensees**);

b. says that, during the Relevant Period, there were certain representatives of the AMP Advice Licensees who provided advice, including to retail clients, in connection with the financial advice business carried on by the AMP Advice Licensees (**AMP Retail Advice Business**); and

c. otherwise denies the allegations in the paragraph.

17 In answer to the allegations in paragraph 17 of the CLS, AMP:

a. repeats paragraph 16 above;

b. says that during the Relevant Period the financial planners that provided advice in connection with the AMP Retail Advice Business:

   i. were in large majority (approximately 90%) comprised of self-employed advisers operating as sole traders, corporate entities or trusts and who were authorised representatives appointed by the AMP Advice Licensees (**Authorised Representatives**); and

   ii. the remainder of which were financial planners employed by an AMP service entity and who were generally representatives of the AMP Advice Licensee ipac (which from around 21 November 2016 has been known as AMP Advice) (**Employed Advisers**),

   (together the **AMP Advisers**);

c. says that the AMP Advisers operated throughout Australia and the majority of them operated from premises not owned by, and through businesses not owned by, AMP; and

d. otherwise denies the allegations in the paragraph.

18 In answer to the allegations in paragraph 18 of the CLS, AMP:

a. repeats paragraph 17 above;

b. says that during the Relevant Period there were approximately between 3,300 and 4,400 AMP Advisers;

c. says that during each of the years 2012 and 2017, the AMP Advisers serviced between around 1.3 and 1.7 million customers; and

d. otherwise denies the allegations in the paragraph.

Particulars

In the Relevant Period, the approximate number of AMP Advisers who were appointed as Authorised Representatives or were employed financial planners of the Advice Licensees is set out in the table below:

As at	AMPFP	Hillross	Charter	ipac
31/12/2017	1454	317	715	159
31/12/2016	1543	337	791	153
31/12/2015	1662	363	988	162
31/12/2014	1727	384	922	158
31/12/2013	1706	367	934	176
31/12/2012	1680	320	779	N/A

19 In answer to the allegations in paragraph 19 of the CLS, AMP:

a. in respect of subparagraph (a):

i. admits that during some or all of the Relevant Period it derived profits from the AMP Retail Advice Business; and

ii. otherwise does not admit the allegations in sub-paragraph (a);

b. does not admit the allegations in sub-paragraph (b); and

c. in respect of subparagraph (c):

i. repeats subparagraph (b) above;

ii. says that the allegation therein is ambiguous, vague and embarrassing; and

iii. otherwise denies the allegations in subparagraph (c).

Regulatory Environment

20 AMP admits the allegations in paragraph 20 of the CLS.

21 In answer to the allegations in paragraph 21 of the CLS, AMP:

a. in respect of subparagraph (a), admits that in the premises of paragraph 20 of the CLS (which is admitted), the AMP Advice Licensees were required to comply with sections 912A(1)(a), (c), (ca) and (b), 912D(1B) of the Corporations Act;

b. in respect of subparagraph (b), admits that in the premises of paragraph 20 of the CLS (which is admitted), the AMP Advice Licensees were required to comply with sections 12DI(1), 12DI(3), 12CB(1) and 64(1) of the ASIC Act, as well as sections 1308(2) and (3) of the Corporations Act; and

c. otherwise does not admit the allegations in the paragraph.

22 In answer to the allegations in paragraph 22 of the CLS, AMP:

a. admits that from 1 July 2013, the AMP Advice Licensees were required to comply with the laws which came into force by reason of the enactment of the *Corporations Amendment (Future of Financial Advice) Act 2012* (Cth) and *Corporations Amendment (Further Future of Financial Advice) Act 2012* (Cth) (**FOFA Reforms**), to the extent those laws applied to the AMP Advice Licensees; and

b. otherwise denies the allegations in the paragraph.

B. POLICIES FOR ONGOING SERVICE FEES

Ongoing Services and Fees

23 In answer to the allegations in paragraph 23 of the CLS, AMP:

a. says that on 17 June 2019, AMP (through its solicitors) asked the Plaintiffs to identify the "in-house financial products" pleaded in paragraph 23 of the CLS;

b. says that on 5 August 2019, the Plaintiffs (through their solicitors) said that the best particulars of the "in-house financial products" that the Plaintiffs are able to

provide are that they include the products referred to in the table at paragraph 69 of the witness statement of Anthony George Regan made on 11 April 2018 (**Regan Statement**) in the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (**Royal Commission**);

c. says that during the Relevant Period, certain subsidiaries of AMP issued the products referred to in the table in paragraph 69 of the Regan Statement (the **Products**), in respect of which ongoing fee arrangements (**Ongoing Service Fees**) might be applicable:

    i. in exchange for the provision of ongoing services, including advice, by AMP Advisers or one or more entities within the AMP group (**Ongoing Services**); and

    ii. once a customer and an Authorised Representative or Employed Adviser agreed to an arrangement in respect of such Ongoing Service Fees;

d. says further that during the Relevant Period:

    i. Authorised Representatives from time to time negotiated ongoing fee arrangements directly with their customers; and

    ii. Employed Advisers also from time to time negotiated ongoing fee arrangements with their customers, but entered into such arrangements on behalf of the AMP Advice Licensee by whom they were employed or with which they were affiliated;

e. says that during the Relevant Period, the arrangements in respect of Ongoing Service Fees:

    i. were as a matter of practice set out in documents known as Ongoing Fee Agreements (**OFAs**), Statements of Advice (**SOAs**) and following the introduction of the FOFA Reforms from at least 1 July 2013, Fee Disclosure Statements (**FDSs**);

    ii. for part of the Relevant Period were subject to statutory provisions that provided that they would in certain circumstances lapse after a period of two years, unless an opt-in-renewal notice was received from the customer or a new arrangement was negotiated;

Particulars

Section 962N of the Corporations Act.

iii. were required to be expressly disclosed by the AMP Advisers to the customers, which disclosures were typically set out in the OFAs, SOAs or FDSs; and

iv. were, in practice, also disclosed to customers through investment statements provided to them at least annually throughout the Relevant Period; and

f. otherwise denies the allegations in the paragraph.

24 In answer to the allegations in paragraph 24 of the CLS, AMP:

a. in respect of subparagraph (a), says that during the Relevant Period, the Ongoing Service Fees were as agreed between the AMP Advisers and the customers, but were generally calculated using one of the following methods:

i. as a percentage of the value of the Products the subject of the advice given by the AMP Adviser;

ii. as a fixed fee via a Product typically charged as a set amount or by reference to an hourly rate, and paid by the customer to the AMP Advice Licensee (for example, by cheque or electronic transfer), which retained its licensee fee before paying the remainder to the AMP Adviser; or

iii. in the period after 1 July 2013, in respect of grandfathered accounts (that is arrangements in respect of Ongoing Service Fees entered into prior to the FOFA reforms), an amount additional to the commission paid by the financial product issuer to the AMP Adviser, calculated as a percentage of the value of the customer's Products;

b. does not admit the allegations in subparagraph (b); and

c. otherwise denies the allegations in the paragraph.

25 AMP admits that the Ongoing Services included those referred to in paragraph 25 of the CLS, and says further that:

a. in addition to the services pleaded in subparagraphs (a) to (f) of paragraph 25 of the CLS, the Ongoing Services also included:

i. the provision of information regarding policy updates;

ii. a direct share portfolio service at discounted brokerage rates;

iii. ongoing advice in relation to superannuation strategies and timing of contributions;

iv. zero switching fees when investments or Products needed to be changed; and

v. 24-hour internet access to investments and Product information;

b. the services depended on the specific AMP Adviser and the terms of the agreed ongoing fee arrangement with the customer; and

c. otherwise denies the allegations in the paragraph.

26 In answer to the allegations in paragraph 26 of the CLS, AMP:

a. in respect of the allegations in sub-paragraph (a), says that during the Relevant Period:

i. AMP Advisers who were Authorised Representatives had certain "register rights" in relation to their customers (**client register rights**) pursuant to the terms of an agreement between the Authorised Representative and the AMP Advice Licensee (**Authorised Representative Agreement**);

ii. the "client register rights" included:

1. the right to contact and provide advice and other financial services to the customer;

2. the right to access the customer's files and records; and

3. in certain cases, the right to receive certain payments when they were made, including Ongoing Service Fees;

iii. where an AMP Adviser (who was an Authorised Representative of an Advice Licensee) intended to cease to be an Authorised Representative (for example, where the AMP Adviser intended to retire or close his or her practice), some AMP Advisers could, in certain circumstances, request that the relevant AMP Advice Licensee purchase, or buy-back, the AMP Adviser's client register rights for value (**buy-back rights**);

Particulars

A. Where the AMP Adviser had buy-back rights, they were generally set out in each AMP Adviser's Authorised Representative Agreement with the AMP Advice Licensee for which the AMP Adviser was an Authorised Representative.

B. The circumstances in which an AMP Adviser who was an Authorised Representative of an AMP Advice Licensee had buy-back rights included that:

1. the AMP Adviser had to have operated his or her financial planning practice for a minimum period (generally four years) before the AMP Adviser was entitled to the buy-back rights;

2. the AMP Adviser had to have notified the AMP Advice Licensee within a minimum notice period (generally at least 6 months up to 18 months) of his or her intention to leave the AMP Advice Licensee and exercise buy-back rights;

3. the AMP Adviser had to have terminated his or her Authorised Representative Agreement with the AMP Advice Licensee and surrendered all rights under that Authorised Representative Agreement; and

4. the AMP Adviser had to have agreed to the terms outlined in the Advice Licensee's "BOLR Undertaking Form", including a term that the AMP Adviser must not approach customers for the purpose of advising them on financial planning matters, or work in the financial planning industry, for a period of (generally) 3 years.

iv. the AMP Adviser could not exercise the buy-back rights without giving a period of notice, which varied from 6 to 18 months (**BOLR Notice Period**);

v. during the BOLR Notice Period, the AMP Advice Licensee would attempt to assist the AMP Adviser to complete a transfer or his or her client register rights (including Ongoing Service Fees) in respect of some or all of the AMP Adviser's customers to another AMP Adviser;

vi. if a transfer of the kind referred to in subparagraph v above did not occur within the BOLR Notice Period, the AMP Adviser was entitled to exercise

their buy-back rights and the AMP Advice Licensee would act as a "buyer-of-last-resort" and purchase, or buy-back, the AMP Adviser's client register rights;

vii. the arrangements referred to in subparagraphs iii to vi above, where applicable, were known by different names across the AMP Advice Licensees, and the subject of different "Practice Documents" or policies for each Advice Licensee, but for convenience AMP adopts the term **BOLR Policy** to describe the arrangements as they applied to each AMP Advice Licensee for the purpose of this Response;

Particulars

A. At AMPFP, the arrangements were known as Buyer of Last Resort (**BOLR**) and were also set out in the Register and BOLR Policy of AMPFP dated 1 July 2012 and amendments to that policy, thereafter superseded by a revised BOLR Policy dated 1 June 2017.

B. At Charter, the arrangements were known as Enhanced Buyout Option (**EBOO**) and were also set out in the Standard Practices – Buy Out Option Policy of Charter.

C. At Hillross, the arrangements were known as Enhanced Buy-Back (**EBB**) and were also set out in the Terms and Conditions Manual for Register and Buy-Back of Hillross dated June 2013.

D. Not all of the AMP Advice Licensees had such arrangements.

viii. says that the BOLR Policy expressly provided that an adviser was only entitled to Ongoing Service Fees where services were in fact provided;

Particulars

A. In respect of AMPFP, Register and BOLR Policy of AMPFP dated 1 July 2012, pg 6.

B. In respect of AMPFP, Revised BOLR Policy dated 1 June 2017, pg 4.

C. In respect of Charter, Standard Practices – Buy Out Option Policy of Charter, pg 3.

D. In respect of Hillross, Terms and Conditions Manual for Register and Buy-Back of Hillross dated June 2013, pg 10.

ix. where the client register rights were purchased by an AMP Advice Licensee as a "buyer-of-last-resort", those client register rights were typically placed in the "**BOLR Pool**" pending those client register rights being allocated to a new AMP Adviser who was an Authorised Representative of an AMP Advice Licensee;

x. when client register rights were placed in the BOLR Pool, because the AMP Advice Licensees could generally not replicate the service previously agreed between the AMP Adviser and the customer, the BOLR Policy of the AMP Advice Licensee required an adjustment to any Ongoing Service Fees to which the customer was subject at the settlement of the transaction between the AMP Adviser and the Advice Licensee, such that any uplift that had been agreed between the customer and the AMP Adviser beyond the financial product commission only rate, was removed or "switched off" so that, in circumstances where customers were not being provided with financial services, they were not paying ongoing service fees in respect of those financial services; and

xi. otherwise does not admit the allegations in sub-paragraph (a);

b. in respect of the allegations in sub-paragraph (b):

i. repeats paragraphs 26a.viii and 26a.x above;

ii. says that in the period from about 2008 up to November 2016 an ad hoc exception to the BOLR Policy was applied from time to time, such exception as described in subparagraphs iii to vi below and referred to as the **90 Day Exception**;

iii. says that the 90 Day Exception was not formally documented in any of the written BOLR Policies for AMPFP and Hillross;

iv. says that the 90 Day Exception was only applied from time to time by AMPFP and Hillross up to November 2016 (when it ceased to have effect);

Particulars

A. On 15 November 2016, a direction from Mr Morgan was given to all AMP Advice Licensees that the 90 Day Exception was to cease to be applied immediately. That direction was contained

in an email from Morgan to various AMP staff dated 15 November 2016 at 5:17pm.

B. Thereafter, AMP commissioned Deloitte to perform a review to provide assurance that the 90 Day Exception had, in fact, ceased to be applied in November 2016, and all affected customers had been identified. Deloitte provided that assurance in a report titled "Phase 1 Look-Back Report" on 24 November 2017.

v. says that the 90 Day Exception was applied from time to time such that, when it was applied, AMPFP and Hillross continued to charge some customers whose client register rights were in the BOLR Pool, fees pursuant to the Ongoing Service Fee arrangements between the customer and the outgoing AMP Adviser for a period typically, of up to 90 days provided generally, that:

1. an incoming AMP Adviser had been identified to purchase the client register rights of an outgoing AMP Financial Planner;

2. the transaction could not complete before the BOLR Notice Period expired; and

3. a request had been made for the 90 Day Exception to be applied, such request to be made to a person within AMPFP or Hillross who purported to have authority to approve the application of the 90 Day Exception, and that person did, in fact, approve the application of the 90 Day Exception;

vi. says further that while AMP's Retail Advice Business serviced between 1.3 million and 1.7 million customers in each of the years between 2012 and 2017:

1. the 90 Day Exception was applied in respect of no more than 2,188 customers' accounts, charged a total amount of no more than approximately $376,000 for Ongoing Service Fees while their client register rights remained in the BOLR Pool; and

2. the customers affected by the application of the 90 Day Exception have been paid compensation of approximately $422,000 (which includes interest) or are in the process of being remediated pursuant to a remediation program commenced by AMP in or around May 2015; and

vii. otherwise denies the allegations in sub-paragraph (b);

c. in respect of the allegations in sub-paragraph (c):

i. says that, in some cases, where client register rights were purchased by an AMP Advice Licensee pursuant to a BOLR Policy those client register rights were not immediately placed into the BOLR Pool (but remained outside the BOLR Pool) for reasons including:

1. on the basis that those client register rights would be allocated in the near future by the AMP Advice Licensee to another identified AMP Adviser or other identified AMP Advisers; or

2. on the basis that those client register rights would be more readily identified and allocated by the AMP Advice Licensee to an appropriate AMP Adviser or AMP Advisers (for example an AMP Adviser in a particular regional area of or a particular ethnic or linguistic background);

ii. says that the circumstances referred to in sub-paragraph (i) above were described from time to time as **Ringfencing**;

iii. says that Ringfencing was common in the financial services industry;

iv. says that, in some cases, the clients whose accounts were subject to Ringfencing continued to be charged Ongoing Service Fees while their accounts were subject to Ringfencing;

v. says that while AMP's Retail Advice Business serviced between 1.3 million and 1.7 million customers in each of the years between 2012 and 2017:

1. Ringfencing was applied in respect of no more than approximately 1,148 customers' accounts during the Relevant Period such that those customers were charged Ongoing Service Fees without being provided the services to which the Ongoing Service Fees related, where the total amounts they were charged is estimated to be no more than approximately $124,000; and

2. the customers affected by Ringfencing have been paid compensation of approximately $144,000 (which includes interest) or are in the process of being remediated pursuant to a

remediation program commenced by AMP in or around May 2015;

vi. denies the allegations in subparagraph 26(c)(ii);

vii. further, in respect of the allegations in subparagraphs 26(b) and (c):

1. in the period from 2010 to 2017 there were 2,417 transactions in relation to customer registers; and

2. out of those 2,417 transactions, the 90 Day Exception or Ringfencing was applied no more than approximately 40 times by AMPFP and Hillross; and

viii. otherwise does not admit the allegations in sub-paragraph (c).

27 In answer to the allegations in paragraph 27 of the CLS, AMP:

a. repeats paragraph 26a.x above;

b. says that in respect of customers whose client register rights were transferred into the BOLR Pool, those customers in some cases did not receive advice services from an AMP Adviser so long as the client register rights remained in the BOLR Pool;

c. says that in respect of customers whose client register rights were Ringfenced, the customers the subject of those client register rights in some cases did not receive any advice services from an AMP Adviser pending those client register rights being allocated to a new AMP Adviser or new AMP Advisers;

d. says that the customers referred to in subparagraphs (a) and (b) above were often known as "**orphan clients**"; and

e. otherwise denies the allegations in the paragraph.

27A AMP denies the allegations in paragraph 27A of the CLS.

27B In answer to the allegations in paragraph 27B of the CLS, AMP:

a. in respect of subparagraph (a):

i. says that in some cases there was a failure by AMP Advice Licensees to terminate Ongoing Service Fee arrangements in the context of buy-back arrangements;

ii. says that this was due to a variety of factors, which in some cases included the 90 Day Exception being applied in respect of some customers' accounts;

iii. says that as at February 2018, AMP had paid approximately $3.69 million to remediate customers potentially affected by this issue; and

iv. otherwise denies the allegations in the sub-paragraph;

b. in respect of subparagraph (b):

i. says that in some cases customers were charged Ongoing Service Fees after their accounts had been Ringfenced;

ii. says that Ringfencing affected no more than approximately 1,148 customer accounts during the Relevant Period such that those customers were charged Ongoing Service Fees without being provided the services to which the Ongoing Service Fees related, where the total amounts they were charged is estimated to be no more than approximately $124,000; and

iii. says that the customers affected by such matters have been paid compensation of approximately $144,000 (which includes interest) or are in the process of being provided with remediation for any fees so charged; and

iv. otherwise denies the allegations in the subparagraph;

c. in respect of subparagraph (c):

i. says that in some cases customers were charged Ongoing Service Fees after an AMP Adviser's authorisation had been terminated by an AMP Advice Licensee;

ii. says that the customers affected by such matters have been, or are in the process of being, provided with remediation for any fees so charged; and

iii. otherwise denies the allegations in the subparagraph;

d. in respect of subparagraph (d):

i. says that in some cases customers were charged Ongoing Service Fees in circumstances where the customer register of an AMP Adviser had been acquired and it was later not possible to ensure that ongoing services had been delivered;

ii. says that as at February 2018, AMP had paid $1.022 million to remediate customers potentially affected by this issue; and

iii. otherwise denies the allegations in the subparagraph;

e. in respect of subparagraph (e):

i. says that in some cases customers were incorrectly charged Ongoing Service Fees following the acquisition by an AMP Advise Licensee of rights associated with the client register, where following the acquisition of the customers rights, some customers continued to be charged Ongoing Service Fees in circumstances where services would not be provided;

ii. says that as at February 2018, AMP had paid approximately $48,000 to remediate customers potentially affected by this issue; and

iii. otherwise denies the allegations in the subparagraph; and

f. says further that by no later than October 2016, ASIC had announced publicly that AMP would be providing remediation to customers affected by the charging of Ongoing Service Fees where the Ongoing Services to which they related had not been provided.

Particulars

ASIC Report 499, "Financial Advice: Fees for no service" dated October 2016.

27C In answer to the allegations in paragraph 27C of the CLS, AMP:

a. says that:

i. as a result of AMP's usual supervision and monitoring and complaints processes in respect of its advisers, 196 instances of advisers failing to provide customers with services for which they had paid for were identified; and

ii. by approximately April 2015, $193,519 in compensation had been paid to those clients in respect of this conduct; and

b. says further that the 196 customers and compensation pleaded in subparagraph (a) above were expressly referred to in ASIC Report 499 "Financial Advice: Fees for No Service" published in October 2016; and

c. otherwise does not admit the allegations in the paragraph.

28 In answer to the allegations in paragraph 28 of the CLS, AMP:

a. repeats paragraphs 26 and 27 to 27C above; and

b. otherwise denies the allegations in the paragraph.

29 In answer to the allegations in paragraph 29 of the CLS, AMP:

a. in respect of subparagraph (a):

i. repeats paragraph 26b above; and

ii. otherwise denies the allegations in the subparagraph;

b. in respect of subparagraph (b):

i. repeats subparagraph 26c above; and

ii. otherwise denies the allegations in the subparagraph; and

c. in respect of subparagraph (c):

i. repeats paragraph 27A above; and

ii. otherwise denies the allegations in the subparagraph.

Consequences

30 In answer to the allegations in paragraph 30 of the CLS, AMP:

a. repeats paragraphs 20 to 29 above; and

b. in respect of the allegations in subparagraph 30(a), says that:

i. on 15 January 2009, 27 May 2015 and 3 May 2017 AMPFP, Hillross and/or Charter lodged with ASIC breach reports in respect of breaches of s 912A(1)(a) of the Corporations Act that related to the provision of Ongoing Services; and

ii. otherwise denies the allegations in the subparagraph; and

c. otherwise denies the allegations in the paragraph.

31 In answer to the allegations in paragraph 31 of the CLS, AMP:

a. repeats paragraphs 27A to 27C, 29 and 30 above; and

b. otherwise denies the allegations in the paragraph.

C. ASIC BREACH REPORTS AND INVESTIGATION

32 In answer to the allegations in paragraph 32 of the CLS, AMP:

a. admits that on or about 27 May 2015, AMPFP, Hillross and Charter (as well as certain "AMP Product Issuers" and "Product Administrators") lodged the 27 May 2015 Breach Report with ASIC and APRA;

b. refers to the 27 May 2015 Breach Report for its full force and effect; and

c. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC and APRA dated 27 May 2015 (AMP.6000.0001.1469).

33 In answer to the allegations in paragraph 33 of the CLS, AMP:

a. repeats paragraph 32 above;

b. says that the reference in paragraph 33c of the CLS to "paragraphs (b)(i) to (ii)" refer to paragraphs of the CLS that have been deleted; and

c. otherwise denies the allegations in the paragraph.

34 In answer to the allegations in paragraph 34 of the CLS, AMP:

a. admits that on or about 19 June 2015, certain AMP Advice Licensees sent the 19 June 2015 ASIC Letter to ASIC, although says that the letter was incorrectly dated 19 June 2017;

b. refers to the 19 June 2015 ASIC Letter for its full force and effect; and

c. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 19 June 2015 (AMP.0001.0044.2936).

35 In answer to the allegations in paragraph 35 of the CLS, AMP:

a. repeats paragraph 34 above; and

b. otherwise denies the allegations in the paragraph.

36 In answer to the allegations in paragraph 36 of the CLS, AMP:

a. admits that on or about 23 June 2015, it sent the 23 June 2015 ASIC Letter to ASIC;

b. says that the 23 June 2015 ASIC Letter:

i. stated that AMP's "adviser audit process" or "program" (which was described as including a "check whether the relevant [Ongoing Services] had in fact been provided") had recently been reviewed by PwC;

ii. stated that a copy of PwC's report had been provided to ASIC; and

iii. confirmed that the "adviser audit program" had not identified any systemic issues regarding the provision of Ongoing Services by AMP Advisers;

c. refers to the 23 June 2015 ASIC Letter for its full force and effect; and

d. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 23 June 2015 (AMP.1000.0001.0921).

37 In answer to the allegations in paragraph 37 of the CLS, AMP:

a. repeats paragraph 36 above;

b. says that the reference to the "the audit program" in the sentence "We confirm that the audit program has not identified any systemic issues regarding the provision of on-going services by AMP advisers" in the 23 June 2015 ASIC Letter is a reference to the "AMP adviser audit program" described earlier in the 23 June 2015 Letter and not to PwC's review of that program; and

c. otherwise denies the allegations in the paragraph.

Particulars

PwC report titled "AMP financial advice review" dated March 2015 at pages iv and 38 (AMP.6000.0003.8310 at .8319 and .8353).

38 In answer to the allegations in paragraph 38 of the CLS, AMP:

a. admits that on or about 17 August 2017, it sent the 17 August 2015 ASIC Letter to ASIC;

b. refers to the 17 August 2017 ASIC Letter for its full force and effect; and

c. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 17 August 2015 (AMP.0001.0049.0708).

39 In answer to the allegations in paragraph 39 of the CLS, AMP:

a. repeats paragraph 38 above; and

b. otherwise denies the allegations in the paragraph.

40 In answer to the allegations in paragraph 40 of the CLS, AMP:

a. admits that on or about 31 August 2015, certain AMP Advice Licensees sent the 31 August 2015 ASIC Letter to ASIC;

b. says that the 31 August 2015 ASIC Letter stated:

> "From July 2010 to December 2013 the licensees allowed fees to continue for up to 3 months for a transition to complete.
>
> If a new servicing Adviser had not been appointed to the register within 3 months, the fee arrangements were switched off. AMP will be reimbursing the fees collected.
>
> Since January 2014 the commercial practice changed and fee arrangements have been cancelled immediately once the Licensee acquires the account.
>
> As advised, there are occasions when the processes for cancelling the ongoing fees were not correctly followed and fees have continued to be

deducted by product issuers/product administrators and paid to the relevant licensee";

c. refers to the 31 August 2015 ASIC Letter for its full force and effect; and

d. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 31 August 2015 (AMP.1000.0001.8157).

41 In answer to the allegations in paragraph 41 of the CLS, AMP:

a. repeats paragraph 40 above; and

b. otherwise denies the allegations in the paragraph.

42 In answer to the allegations in paragraph 42 of the CLS, AMP:

a. admits that on 9 September 2015, AMP emailed Peter Komorowski of ASIC;

b. refers to the contents of that email for its full force and effect; and

c. otherwise denies the allegations in the paragraph.

Particulars

Email from AMP to ASIC dated 9 September 2015. (AMP.6000.0010.0440 at .0501).

43 In answer to the allegations in paragraph 43 of the CLS, AMP:

a. repeats paragraph 42 above; and

b. otherwise denies the allegations in the paragraph.

44 In answer to the allegations in paragraph 44 of the CLS, AMP:

a. admits that it prepared a document titled "Ongoing service fee remediation" dated 17 September 2015 for the purposes of a meeting between AMP and ASIC on that day;

b. says that that document set out template letters which were said to be provided for AMP Advisers "to use as part of a licensee buyback arrangement" where:

i. template "A" was described as being used when:

1. the former AMP Adviser and the customer had an ongoing service fee arrangement in place; and

2. the customer had an AMP Product;

ii. template "B" was described as being used when:

1. the former AMP Adviser and the customer had an ongoing service fee arrangement in place; and

2. the customer had AMP Products and non-AMP products or non-AMP products only;

c. says that:

i. template "A" stated, *inter alia*, "When we set up your financial products, we negotiated a planner service fee in return for certain additional financial services to be provided to you. As AMP will no longer be able to provide you with all those additional services, the planner service fee will be removed"; and

ii. template "B" stated, *inter alia*, "When we set up your financial products, we negotiated a planner service fee in return for certain additional financial services to be provided to you. As AMP will no longer be able to provide you with all those additional services, the planner service fee will be removed from your AMP financial products. You will need to contact other relevant fund managers and request that the planner service fee be removed from those financial products";

d. refers to the contents of the "Ongoing Service Fee remediation" document, including the contents of the template letters, for their full force and effect; and

e. otherwise denies the allegations in the paragraph.

Particulars

Document titled "Ongoing service fee remediation" for the purposes of a meeting with ASIC (AMP.0001.0017.3286 at .3288, .3290, .3291, .3292).

45 In answer to the allegations in paragraph 45 of the CLS, AMP:

a. repeats paragraph 44 above; and

b. otherwise denies the allegations in the paragraph.

46 In answer to the allegations in paragraph 46 of the CLS, AMP:

a. admits that on or around 1 October 2015, AMPFP sent the 1 October 2015 ASIC Letter to ASIC;

b. refers to the 1 October 2015 ASIC Letter for its full force and effect; and

c. otherwise denies the allegations in the paragraph.

Particulars

Undated response to ASIC's Notice of Direction under s 912C(1) of the Corporations Act sent on or about 1 October 2015 (AMP.1000.0001.4754).

47 In answer to the allegations in paragraph 47 of the CLS, AMP:

a. repeats paragraph 46 above; and

b. otherwise denies the allegations in the paragraph.

47A In answer to the allegations in paragraph 47A of the CLS, AMP:

a. admits that on or about 26 November 2015, AMPFP sent the 26 November 2015 ASIC Letter to ASIC;

b. admits that the letter contained the statements referred to in subparagraphs 47A(a) and (b) of the CLS;

c. refers to the 26 November 2015 ASIC Letter for its full force and effect; and

d. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 26 November 2015 (AMP.1000.0001.4844 at .4845).

47B In answer to the allegations in paragraph 47B of the CLS, AMP:

a. repeats paragraph 47A above;

b. denies that the statements from the 26 November 2015 ASIC Letter set out in the subparagraphs 47A(a) and (b) of the CLS conveyed the representation referred to in subparagraph 47B(a) of the CLS; and

c. otherwise denies the allegations in the paragraph.

48 In answer to the allegations in paragraph 48 of the CLS, AMP:

a. admits that on or about 14 December 2015, AMPFP sent the 14 December 2015 ASIC Letter to ASIC;

b. refers to the 14 December 2015 ASIC Letter for its full force and effect; and

c. otherwise denies the allegations in the paragraph.

Particulars

Response to ASIC's Notice of Direction under s 912C(1) of the Corporations Act (AMP.1000.0001.4781).

49 In answer to the allegations in paragraph 49 of the CLS, AMP:

a. repeats paragraph 48 above; and

b. otherwise denies the allegations in the paragraph.

50 In answer to the allegations in paragraph 50 of the CLS, AMP:

a. admits that on or about 23 November 2016, AMPFP sent the 23 November 2016 ASIC Letter to ASIC;

b. says that the 23 November 2016 ASIC Letter referred to an earlier letter to ASIC dated 17 October 2016, which referred to the 90 Day Exception;

c. says that the 23 November 2016 ASIC Letter referred to the 31 August 2015 Letter, in particular the statement "Since January 2014 the commercial practice changed and fee arrangements have been cancelled immediately once the Licensee acquires the account" and said that as a result of AMP's investigation in relation to a particular customer, following ASIC's request of 10 October 2016, it had come to AMP's attention that that statement was incorrect and the 90 Day Exception continued to be applied beyond January 2014;

d. refers to the 23 November 2016 ASIC Letter for its full force and effect; and

e. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 23 November 2016 (AMP.6000.0010.0015).

51 In answer to the allegations in paragraph 51 of the CLS, AMP:

a. repeats paragraph 50 above; and

b. otherwise denies the allegations in the paragraph.

52 In answer to the allegations in paragraph 52 of the CLS, AMP:

a. admits that on or about 3 May 2017 certain AMP Advice Licensees sent the 3 May 2017 Breach Report to ASIC;

b. says that the 3 May 2017 Breach Report identified that the licensees had "become aware of further instances of customers who have been subject to a licensee buy back transaction... who have been incorrectly charged ongoing service fees";

c. says that in the 3 May 2017 Breach Report, under the heading "How were the further instances identified?", it was stated that:

> "Following the review into the 90-day exception for BOLR transactions (which has been the subject of previous correspondence with ASIC), further work was undertaken in order to identify any other potential circumstances with respect to the Breach [i.e. the breach identified in the 27 May 2015 Breach Report] in order to identify any other potential circumstances with respect to the Breach which may require customer remediation.
>
> In undertaking this work, we identified that there may be instances where customers who were subject to a BOLR... transaction were never transferred to the BOLR Pool... and/or subsequently transferred to a new servicing adviser/practice.
>
> Further investigations were undertaken into the buy-back transactions for each of the Licensees and the preliminary findings of that investigation are that there are customers who should have been transferred to the Buy Back Pool but due to inadequate arrangements, this did not occur. This means that these customers may have continued to be charged ongoing service fees where no service was provided";

d. says that the customers referred to in the second paragraph of the passage set out in subparagraph c above referred to orphan clients who were the subject of Ringfencing;

e. refers to the 3 May 2017 Breach Report for its full force and effect; and

f. otherwise denies the allegations in the paragraph.

Particulars

Letter from AMP to ASIC dated 3 May 2017 (AMP.6000.0001.1894).

53 In answer to the allegations in paragraph 53 of the CLS, AMP:

a. repeats paragraph 52 above; and

b. otherwise denies the allegations in the paragraph.

54 In answer to the allegations in paragraph 54 of the CLS, AMP:

a. admits that on 16 October 2017, it provided to ASIC a report prepared by Clayton Utz (**2017 Clayton Utz Report)** together with the letter of instruction pursuant to which Clayton Utz prepared that report (**Clayton Utz Letter of Instruction**);

b. refers to the 2017 Clayton Utz Report and Clayton Utz Letter of Instruction for their full force and effect; and

c. otherwise denies the allegations in the paragraph.

55 In answer to the allegations in paragraph 55 of the CLS, AMP:

a. repeats paragraph 54 above;

b. admits that at the time it provided the 2017 Clayton Utz Report and Clayton Utz Letter of Instruction to ASIC, it represented to ASIC:

i. that Clayton Utz had conducted an external and independent investigation into the matters the subject of the 2017 Clayton Utz Report; and

ii. that the 2017 Clayton Utz Report was the product of that external and independent investigation by Clayton Utz;

c. says that:

i. Clayton Utz was a member of AMP's external legal panel, and was acting for AMP in relation to ASIC's fees for no service investigation;

ii. ASIC was aware of the matters pleaded in subparagraph i above;

iii. in representing that Clayton Utz had conducted an external and independent investigation, AMP did not represent, explicitly or implicitly that the 2017 Clayton Utz Report had been prepared by an independent expert within the meaning of ASIC Regulatory Guide 112;

iv. ASIC did not, and could not, reasonably consider that Clayton Utz was independent within the meaning of ASIC Regulatory Guide 112;

v. the Clayton Utz Letter of Instruction set out that there may be day-to-day interactions between Clayton Utz and specified AMP representatives, as well as direct escalation to the Chairman of the Board if need be, as described in the following terms:

> "Instructions and Communications
>
> The day-to-day interactions between Clayton Utz and the AMP Board for instructions and other specific communications are to occur through Jack Regan (Group Executive, Advice) and Brian Salter (Group General Counsel) as the relevant members of the Group Leadership Team (GLT); and Larissa Baker Cook (Head of Litigation and Dispute Resolution) acting on behalf of Brian Salter from time to time. If at any time during the investigation any issues of concern arise regarding a GLT or AMP Board member, Clayton Utz is to deal directly with [the Chairman] on any such issues."; and

vi. the Clayton Utz Letter of instruction stated that the investigation by Clayton Utz was to be independent of the business, but was commissioned by the AMP Board through the Chairman and CEO; and

d. otherwise denies the allegations in the paragraph.

56 In answer to the allegations in paragraph 56 of the CLS, AMP:

a. repeats paragraph 55 above;

b. says that the 2017 Clayton Utz Report was forensic and detailed and contained serious adverse findings in respect of certain AMP employees, as well as AMP's systems, processes, culture and governance;

c. says that at no time did Clayton Utz raise concerns with the Board about the accuracy of the report or the manner in which it had been prepared;

d. says that AMP shared the whole of the 2017 Clayton Utz Report with ASIC, including the underlying legal advices examined in the 2017 Clayton Utz Report, rather than limiting its communications with ASIC to the findings of the 2017 Clayton Utz Report;

e. says that ASIC was not required to accept or rely on any of the findings in the 2017 Clayton Utz Report, and was free to, and in fact did, continue with its investigation;

f. says that Clayton Utz did not make any changes to the 2017 Clayton Utz Report as a result of communications with AMP that Clayton Utz did not agree with and that Clayton Utz had carefully verified the accuracy of the statements in the report; and

g. otherwise denies the allegations in the paragraph.

Particulars

AMP's 4 May 2018 Royal Commission Submissions at paragraphs 35, 36, 38-44, 55-57 and 100.

57 In answer to the allegations in paragraph 57 of the CLS, AMP:

a. repeats paragraphs 32 to 56 above;

b. says further that:

i. on 16 April 2015 ASIC announced that it was investigating multiple instances of licensees charging clients for financial advice, including annual advice reviews, where the advice was not provided;

ii. that in the period from around April 2015, ASIC has been conducting a detailed investigation in respect of AMP pursuant to its statutory investigatory powers in respect of the charging of fees for no service and that the investigation is ongoing;

Particulars

A. ASIC Media Release 15-081MR, "Update on Wealth Management Project – Investigation into charging of advice fees without providing advice", dated 16 April 2015.

B. Letter from ASIC to AMP dated 12 June 2015.

iii. during the course of ASIC's investigation, AMP has produced documents and information to ASIC;

iv. ASIC's investigation focused on the charging of fees for no service in two situations, one of which was where a customer who did not have a financial adviser (because, for example, the adviser departed the advice licensee or retired) was charged a fee for ongoing advice, which the customer did not receive;

v. says that each communication between AMP and ASIC needs to be considered as part of the whole of the communications made and in its proper context, including that an investigation was ongoing and had not been concluded; and

c. otherwise denies the allegations in the paragraph.

58 In answer to the allegations in paragraph 58 of the CLS, AMP:

a. repeats paragraphs 32 to 57 above; and

b. otherwise denies the allegations in the paragraph.

59 In answer to the allegations in paragraph 59 of the CLS, AMP:

a. repeats paragraph 58 above; and

b. otherwise denies the allegations in the paragraph.

D. RECEIPT OF LEGAL ADVICE

60 In answer to the allegations in paragraph 60 of the CLS, AMP:

a. admits that from time to time during the Relevant Period lawyers employed by companies within the AMP group provided written advice on the dates set out in the particulars to paragraph 60 of the CLS to employees within the AMP group; and

b. otherwise denies the allegations in the paragraph.

61 In answer to the allegations in paragraph 61 of the CLS, AMP:

a. repeats paragraph 60 above; and

b. otherwise denies the allegations in the paragraph.

E. ROYAL COMMISSION DISCLOSURES

62 In answer to the allegations in paragraph 62 of the CLS, AMP:

a. repeats paragraphs 26, 27, 27A and 60 - 61 above;

b. says that the Regan Statement was uploaded to the website for the Royal Commission on or about 16 April 2018;

c. admits that the cross-examination of Regan was conducted in public on 16 and 17 April 2018; and

d. otherwise denies the allegations in the paragraph.

63 In answer to the allegations in paragraph 63 of the CLS, AMP:

a. repeats paragraph 57 above; and

b. otherwise denies the allegations in the paragraph.

64 In answer to the allegations in paragraph 64 of the CLS, AMP:

a. says that insofar as paragraph 64 of the CLS pleads a "substantial" decline in price and does not specify the period of which that decline is alleged to have occurred, it is inadequate, ambiguous, vague and embarrassing;

b. says that in the period from 15 April 2018, AMP's share price both increased and decreased at various points in time; and

c. otherwise denies the allegations in the paragraph.

F. AMP's KNOWLEDGE

Group Leadership Team

65 In answer to the allegations in paragraph 65 of the CLS, AMP:

a. admits the allegations in subparagraph (a); and

b. in respect of subparagraph (b):

i. admits the allegations in subparagraph (i);

ii. says that the Group Leadership Team was subject to the oversight of the Board and the Chief Executive Officer of AMP; and

iii. otherwise denies the allegations in the subparagraph.

AMP's Directors, Officers and Employees

66 AMP admits the allegations in paragraph 66 of the CLS.

67 In answer to the allegations in paragraph 67 of the CLS, AMP:

a. in respect of the allegations in subparagraph (a):

i. admits that Britt was a Senior Legal Counsel, Litigation and Dispute Resolution in the period from October 2014 to January 2017; and

ii. otherwise denies the allegations in the subparagraph;

b. in respect of the allegations in subparagraph (b):

i. admits that Britt was Head of Advice Compliance from July 2017 to the end of the Relevant Period; and

ii. otherwise denies the allegations in the subparagraph; and

c. denies the allegations in subparagraph (c).

68 In answer to the allegations in paragraph 68 of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. in respect of the allegations in subparagraph (b):

i. admits the allegations in subparagraphs (i) and (ii); and

ii. denies the allegations in subparagraph (iii);

c. denies the allegations in subparagraph (c);

d. denies the allegations in subparagraph (d); and

e. in respect of the allegations in subparagraph (e):

i. does not admit that Caprioli was an officer of AMP within the meaning of section 9 of the Corporations Act as applied by ASX Listing Rule 19.3 from 1 January 2014 to 31 December 2016; and

ii. otherwise denies the allegations in the subparagraph.

69 In answer to the allegations in paragraph 69 of the CLS, AMP:

a. admits the allegations in subparagraph (a); and

b. denies the allegations in subparagraph (b).

70 In answer to the allegations in paragraph 70 of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. does not admit the allegations in subparagraph (b);

c. denies the allegations in subparagraph (c); and

d. in respect of the allegations in subparagraph (d):

i. does not admit that Goedhart was an officer of AMP within the meaning of section 9 of the Corporations Act as applied by ASX Listing Rule 19.3 in the period from 1 July 2017 to 9 February 2018; and

ii. otherwise denies the allegations in the subparagraph.

71 In answer to the allegations in paragraph 71 of the CLS, AMP:

a. in respect of subparagraph (a):

i. admits that Guggenheimer was Managing Director of AMPFP from 2010 to 27 April 2017; and

ii. otherwise denies the allegations in the subparagraph;

b. admits the allegations in subparagraph (b);

c. denies the allegations in subparagraph (c);

d. in answer to the allegations in subparagraph (d):

i. admits that Guggenheimer held the position of Managing Director of Hillross from 20 January 2014 to 31 March 2017; and

ii. otherwise denies the allegations in the subparagraph;

e. in respect of subparagraph (e):

i. admits that Guggenheimer was Executive Director for Advice from 28 April 2017; and

ii. otherwise denies the allegations in the subparagraph;

f. does not admit the allegations in subparagraph (f); and

g. denies the allegations in subparagraphs (g) and (h).

72 In answer to the allegations in paragraph 72 of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. in respect of subparagraph (b)(i):

i. admits that Helmich was an Advice and Services Director from 16 July 2004 to 31 December 2007; and

ii. otherwise does not admit the allegations in the subparagraph;

c. denies the allegations in subparagraph (b)(ii);

d. in respect of subparagraph (c):

i. admits that Helmich was Executive Director Financial Planning from 18 February 2014 to 5 September 2015; and

ii. otherwise denies the allegations in the subparagraph; and

e. denies the allegations in subparagraph (d).

73 In answer to the allegations in paragraph 73 of the CLS, AMP:

a. in respect of the allegations in subparagraph (a):

i. admits that Himmelhoch was Director of FOFA and Advice Integration from around November 2012 to April 2014; and

ii. otherwise denies the allegations in the subparagraph; and

b. denies the allegations in subparagraph (b).

74 In answer to the allegations in paragraph 74 of the CLS, AMP:

a. In respect of subparagraph (a):

i. admits the allegations in subparagraphs (i) and (ii); and

ii. otherwise does not admit the allegations in the subparagraph; and

b. does not admit the allegations in subparagraph (b).

75 In answer to the allegations in paragraph 75 of the CLS, AMP:

a. in respect of subparagraph (a):

    i. does not admit that Meller was the Managing Director of AMPFS from 1 October 2007 to 31 December 2013; and

    ii. otherwise denies the allegations in the subparagraph;

b. in respect of subparagraph (b):

    i. admits that Meller was identified as an executive in the Annual Reports for 2012 and 2013 for AMP; and

    ii. otherwise does not admit the allegations in the subparagraph;

c. admits the allegations in subparagraph (c); and

d. in respect of the allegations in subparagraphs (d) and (e):

    i. admits that Meller was an officer of AMP within the meaning of section 9 of the Corporations Act as applied by ASX Listing Rule 19.3 in the period from 1 January 2014 to 13 April 2018; and

    ii. otherwise does not admit the allegations in the subparagraphs.

76 In answer to the allegations in paragraph 76 of the CLS, AMP:

a. admits the allegations in subparagraph (a); and

b. denies the allegations in subparagraph (b).

77 In answer to the allegations in paragraph 77 of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. denies the allegations in subparagraph (b);

c. in respect of subparagraph (c):

    i. says that Paff was the Managing Director of AMPFP & AMP Advice from 26 May 2017; and

    ii. otherwise denies the allegations in the subparagraph;

d. admits the allegations in subparagraph (d); and

e. denies the allegations in subparagraphs (e) and (f).

78 In answer to the allegations in paragraph 78 of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. in respect of subparagraph (b):

i. admits the allegations in subparagraphs (i) and (ii); and

ii. denies the allegations in subparagraph (iii);

c. admits the allegations in subparagraph (c); and

d. in respect of subparagraphs (d) and (e):

i. does not admit that Regan was an officer of AMP within the meaning of section 9 of the Corporation Act as applied by ASX Listing Rule 19.3 in the period from 1 January 2017 to 13 April 2018; and

ii. otherwise denies the allegations in the subparagraphs.

79 In answer to the allegations in paragraph 79 of the CLS, AMP:

a. In respect of subparagraph (a):

i. admits that Thornton held the position Director, Group Risk from 27 June 2011 to April 2013;

ii. says that Thornton held the position Director, Group Risk Management in May 2013; and

iii. otherwise denies the allegations in the subparagraph;

b. admits the allegations in subparagraph (b); and

c. denies the allegations in subparagraphs (c) and (d).

80 In answer to the allegations in paragraph 80 of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. in respect of subparagraph (b):

i. admits the allegations in subparagraph (i);

ii. admits that Thorpe was a member of the Group Leadership Team in the period from 1 January 2014 to 31 December 2016; and

iii. otherwise does not admit the allegations in the subparagraph;

c. denies the allegations in subparagraph (c); and

d. in respect of subparagraphs (d) and (e):

i. does not admit that Thorpe was an officer of AMP within the meaning of section 9 of the Corporations Act as applied by ASX Listing Rule 19.3 in the period from 1 January 2014 to 31 December 2016; and

ii. otherwise denies the allegations in subparagraphs (c) and (d).

80A In answer to the allegations in paragraph 80A of the CLS, AMP:

a. admits the allegations in subparagraph (a);

b. admits the allegations in subparagraph (b); and

c. denies the allegations in subparagraph (c).

81 In answer to the allegations in paragraph 81 of the CLS, AMP does not admit that Salter was a "nominated executive" as that term is undefined and otherwise admits the allegations in the paragraph.

82 In answer to the allegations in paragraph 82 of the CLS, AMP:

a. repeats paragraph 28 above; and

b. otherwise denies the allegations in the paragraph.

82A In answer to the allegations in paragraph 82A of the CLS, AMP:

a. repeats paragraph 27A above; and

b. otherwise denies the allegations in the paragraph.

83 In answer to the allegations in paragraph 83 of the CLS, AMP:

a. repeats paragraphs 32 to 56 above; and

b. otherwise denies the allegations in the paragraph.

84 In answer to the allegations in paragraph 84 of the CLS, AMP:

a. repeats paragraphs 60 and 61 above; and

b. otherwise denies the allegations in the paragraph.

G. AMP'S STATEMENTS AND REPRESENTATIONS TO THE MARKET

2012 Compliance Statements

85 AMP admits the allegations in paragraph 85 of the CLS and relies on the terms of the 2012 Compliance Statements for their full force and effect.

86 In answer to the allegations in paragraph 86 of the CLS, AMP:

a. repeats paragraph 85 above; and

b. otherwise denies the allegations in the paragraph.

2013 Compliance Statements

87 AMP admits the allegations in paragraph 87 of the CLS and relies on the terms of the 2013 Compliance Statements for their full force and effect.

88 In answer to the allegations in paragraph 88 of the CLS, AMP:

a. repeats paragraph 87 above; and

b. otherwise denies the allegations in the paragraph.

2014 Compliance Statements

89 AMP admits the allegations in paragraph 89 of the CLS and relies on the terms of the 2014 Compliance Statements for their full force and effect.

90 In answer to the allegations in paragraph 90 of the CLS, AMP:

a. repeats paragraph 89 above; and

b. otherwise denies the allegations in the paragraph.

2015 Compliance Statements

91 AMP admits the allegations in paragraph 91 of the CLS and relies on the terms of the 2014 Compliance Statements for their full force and effect.

92 In answer to the allegations in paragraph 92 of the CLS, AMP:

a. repeats paragraph 91 above; and

b. otherwise denies the allegations in the paragraph.

2016 Compliance Statements

93 AMP admits the allegations in paragraph 93 of the CLS and relies on the terms of the 2016 Compliance Statements for their full force and effect.

94 In answer to the allegations in paragraph 94 of the CLS, AMP:

a. repeats paragraph 93 above; and

b. otherwise denies the allegations in the paragraph.

2017 Compliance Statements

95 AMP admits the allegations in paragraph 95 of the CLS and relies on the terms of the 2017 Compliance Statements for their full force and effect.

96 In answer to the allegations in paragraph 96 of the CLS, AMP:

a. repeats paragraph 95 above; and

b. otherwise denies the allegations in the paragraph.

2018 Compliance Statements

97 AMP admits the allegations in paragraph 97 of the CLS and relies on the terms of the 2018 Compliance Statements for their full force and effect.

98 In answer to the allegations in paragraph 98 of the CLS, AMP:

a. repeats paragraph 97 above; and

b. otherwise denies the allegations in the paragraph.

AMP's Compliance Representations

99 In answer to the allegations in paragraph 99 of the CLS, AMP:

a. denies that the 2013, 2014, 2015, 2016, 2017 and 2018 Compliance Statements give rise to the Regulatory Compliance Representations;

b. says that if the alleged Regulatory Compliance Representations were made (which is denied), any such representations should be read in their proper context and did not convey that AMP's systems would unfailingly guarantee that there would not be instances in which AMP did not comply with relevant regulatory requirements;

c. says that if the alleged Regulatory Compliance Representations were made (which is denied), they were statements of opinion; and

d. otherwise denies the allegations in the paragraph.

100 AMP admits the allegations in paragraph 100 of the CLS and further says that:

a. the Ethical Conduct Representations should be read in their proper context and did not convey that AMP would unfailingly guarantee that it had in all circumstances complied with the letter of the law, but rather it was committed to complying with the law; and

b. the Ethical Conduct Representations were statements of opinion.

101 In answer to the allegations in paragraph 101 of the CLS, AMP:

a. denies that the 2012, 2013, 2014, 2015, 2016, 2017 and 2018 Compliance Statements (as particularised in paragraph 101 of the CLS) give rise to the Continuous Disclosure Representation;

b. says, further or in the alternative, that to the extent the Continuous Disclosure Representation was made (which is denied), any such representation was a representation of opinion; and

c. otherwise denies the allegations in the paragraph.

102 In answer to the allegations in paragraph 102 of the CLS, AMP:

a. repeats paragraphs 99 to 101 above; and

b. otherwise denies the allegations in the paragraph.

H. ALLEGED CONTRAVENTIONS

Continuous Disclosure Contraventions

Alleged Fees for No Service Policy Information Contraventions

103 In answer to the allegations in paragraph 103 of the CLS, AMP:

a. denies that the Fees for No Service Policy Information existed;

b. says that to the extent the Plaintiffs rely on matters or information which it alleges AMP or officers of AMP ought to have been (but were not) aware, such matters or information was not information required to be disclosed under section 674(2) of the Corporations Act by reason of the fact that the alleged

information was in the nature of an opinion and no relevant person had formed that opinion;

c. says that to the extent the Fee for No Service Policy Information (as pleaded) existed (which is denied) and to the extent the Fee for No Service Policy Information (as pleaded) was information of which AMP was aware (which is denied) that information:

    i. insofar as it comprised information about the 90 Day Exception, was not information that as and from the commencement of the Relevant Period, a reasonable person would expect to have a material effect on the price or value of AMP Shares within the meaning of ASX Listing Rule 3.1 and section 674(2)(c) of the Corporations Act, including because the 90 Day Exception:

        1. related to the charging of Ongoing Service Fees in the limited circumstances and on the limited occasions referred to in subparagraph 26b above;

        2. the 90 Day Exception related to Ongoing Service Fees in respect of no more than approximately 2,188 customer accounts (which in combination with transactions involving Ringfencing related to no more than approximately 40 transactions) during the Relevant Period, in circumstances where AMP's Advice Business serviced between 1.3 and 1.7 million customers in each of the years during the Relevant Period;

        3. the total Ongoing Service Fees charged by reason of the operation of the 90 Day Exception was no more than approximately $376,000, a financially immaterial amount;

        4. the 90 Day Exception was disclosed to ASIC by no later than August 2015 and is the subject of ASIC's ongoing investigation;

        5. the 90 Day Exception was not applied by an AMP Advice Licensee after November 2016;

        6. the customers charged Ongoing Service Fees in respect of the 90 Day Exception were remediated or are in the process of being remediated by AMP pursuant to the remediation program referred to in subparagraph 26b.vi above;

7. the conduct of some of the AMP Advice Licensees in charging Ongoing Service Fees had been the subject of an ongoing industry-wide investigation from at least April 2015;

8. the conduct of some of the AMP Advice Licensees in charging Ongoing Services Fees (along with the conduct of other large financial institutions) had been the subject of a publicly available report by ASIC in October 2016; and

Particulars

AMP repeats paragraph 57 above.

ASIC Report 499, "Financial Advice: Fees for no service" dated October 2016.

9. the conduct of some of the AMP Advice Licensees in charging Ongoing Service Fees was canvassed extensively during the Royal Commission hearing on 16 April 2018 (including during Regan's cross-examination), without causing any material price reaction in AMP's shares during the course of that day; and

Particulars

Transcript on 16 April 2018 at T1053.9-1099.35.

ii. insofar as it comprised information about Ringfencing, was not information that as and from the commencement of the Relevant Period, a reasonable person would expect to have a material effect on the price or value of AMP Shares within the meaning of section 674(2)(c) of the Corporations Act, including because:

1. Ringfencing related to the charging of Ongoing Service Fees in the limited circumstances and on the limited occasions referred to in subparagraph 26c above;

2. Ringfencing related to Ongoing Service Fees in respect of no more than approximately 1,148 customer accounts during the Relevant Period (which in combination with transactions involving the 90 Day Exception related to no more than approximately 40 transactions), in circumstances where AMP's Advice Business provided services to approximately 1.3 to 1.7 million customers in each of the years during the Relevant Period;

3. the total Ongoing Service Fees in respect of Ringfencing is estimated to be no more than approximately $124,000, a financially immaterial amount;

4. Ringfencing was disclosed to ASIC by no later than 3 May 2017 and is the subject of ASIC's ongoing investigation;

Particulars

Letter to ASIC dated 3 May 2017.

5. Ringfencing was not applied after November 2016;

6. the customers charged Ongoing Service Fees by reason of Ringfencing were remediated or are in the process of being remediated by AMP pursuant to the remediation program referred to in subparagraph 26c.v.2 above;

7. the conduct of some of the AMP Advice Licensees in charging Ongoing Service Fees had been the subject of an ongoing industry-wide investigation from at least April 2015;

8. the conduct of some of the AMP Advice Licensees in charging Ongoing Services Fees (along with the conduct of other large financial institutions) had been the subject of a publicly available report by ASIC in October 2016; and

Particulars

ASIC Report 499, "Financial Advice: Fees for no service" dated October 2016.

9. the conduct of some of the AMP Advice Licensees in charging Ongoing Service Fees was canvassed extensively during the Royal Commission hearing on 16 April 2018 (including during Regan's cross-examination), without causing any material price reaction in AMP Shares during the course of that day; and

Particulars

Transcript on 16 April 2018 at T1053.9-1099.35.

d. says further that to the extent the Fee for No Service Policy Information existed (which is denied), and to the extent the Fee for No Service Policy Information was information of which AMP was aware (which is denied):

i. the Fee for No Service Policy Information was not information that as at and from the commencement of the Relevant Period a reasonable person would expect to have a material effect on the price or value of AMP Shares, within the meaning of ASX Listing Rule 3.1, including for the reasons outlined in subparagraph c above; and

ii. even if the Fee for No Service Policy Information was information that a reasonable person would expect to have a material effect on the price of value of AMP Shares, within the meaning of ASX Listing Rule 3.1, then the Fee for No Service Policy Information was within an exception to ASX Listing Rule 3.1 by reason of ASX Listing Rule 3.1A because as at and from the commencement of the Relevant Period:

1. the Fee for No Service Policy Information (as pleaded) comprised information, some or all of which was:

A. insufficiently definite to warrant disclosure; and/or

B. was generated for the internal management purposes of AMP;

2. the Fee for No Service Policy Information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and

3. a reasonable person would not have expected AMP to disclose the Fee for No Service Policy Information,

and accordingly, by virtue of ASX Listing Rule 3.1A, Listing Rule 3.1 did not apply to the Fee for No Service Policy Information; and

e. otherwise denies the allegations in the paragraph.

104 In answer to the allegations in paragraph 104 of the CLS, AMP:

a. repeats paragraphs 28, 82 and 103 above; and

b. otherwise denies the allegations in the paragraph.

105 In answer to the allegations in paragraph 105 of the CLS, AMP:

a. repeats paragraphs 28, 82, 103 and 104 above;

b. says that investors were aware of the information pleaded in paragraphs 27.b, 57b, 103c.i.7, 103c.i.8, 103c.ii.7 and 103c.ii.8 above; and

c. otherwise denies the allegations in the paragraph.

106 In answer to the allegations in paragraph 106 of the CLS, AMP:

a. repeats paragraphs 28, 82 and 103 to 105 above; and

b. otherwise denies the allegations in the paragraph.

107 In answer to the allegations in paragraph 107 of the CLS, AMP:

a. repeats paragraph 106 above; and

b. otherwise denies the allegations in the paragraph.

Alleged No Monitoring Systems Information Contravention

107A In answer to the allegations in paragraph 107A of the CLS, AMP:

a. repeats paragraph 27A above;

b. says that to the extent the Plaintiffs rely on matters or information of which it is alleged AMP or officers of AMP ought to have been (but were not) aware, such matters or information was not information required to be disclosed under section 674(2) of the Corporations Act by reason of the fact that the alleged information was in the nature of an opinion and no relevant person had formed that opinion;

c. says that to the extent the No Monitoring Systems Information existed (which is denied) and to the extent the No Monitoring Systems Information was information of which AMP was aware (which is denied) that information was not information that as and from the commencement of the Relevant Period, a reasonable person would expect to have a material effect on the price or value of AMP Shares within the meaning of ASX Listing Rule 3.1 and section 674(2)(c) of the Corporations Act, including because of the matters pleaded in paragraph 103c above;

d. says further that to the extent the No Monitoring Systems Information existed (which is denied), and to the extent the No Monitoring Systems Information was information of which AMP was aware (which is denied):

i. the No Monitoring Systems Information was not information that as at and from the commencement of the Relevant Period a reasonable person would expect to have a material effect on the price or value of AMP Shares, within the meaning of ASX Listing Rule 3.1, including for the reasons outlined in subparagraph c above; and

ii. even if the No Monitoring Systems Information was information that a reasonable person would expect to have a material effect on the price of value of AMP Shares, within the meaning of ASX Listing Rule 3.1, then the No Monitoring Systems Information was within an exception to ASX Listing Rule 3.1 by reason of ASX Listing Rule 3.1A because as at and from the commencement of the Relevant Period:

1. the No Monitoring Systems Information comprised information some or all of which:

A. was insufficiently definite to warrant disclosure; and/or

B. was generated for the internal management purposes of AMP;

2. the No Monitoring Systems Information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and

3. a reasonable person would not have expected AMP to disclose the No Monitoring Systems Information,

and accordingly, by virtue of ASX Listing Rule 3.1A, Listing Rule 3.1 did not apply to the No Monitoring Systems Information; and

e. otherwise denies the allegations in the paragraph.

107B In answer to the allegations in paragraph 107B of the CLS, AMP:

a. repeats paragraphs 27A, 82A and 107A above; and

b. otherwise denies the allegations in the paragraph.

107C In answer to the allegations in paragraph 107C of the CLS, AMP:

a. repeats paragraphs 27A, 82A, 107A and 107B above; and

b. otherwise denies the allegations in the paragraph.

107D In answer to the allegations in paragraph 107D of the CLS, AMP:

a. repeats paragraphs 27A, 82A and 107A to 107C above; and

b. otherwise denies the allegations in the paragraph.

107E In answer to the allegations in paragraph 107E of the CLS, AMP:

a. repeats paragraph 107D above; and

b. otherwise denies the allegations in the paragraph.

Alleged Misleading ASIC Information Contraventions

108 In answer to the allegations in paragraph 108 of the CLS, AMP:

a. repeats paragraph 83 above;

b. says that to the extent the Plaintiffs rely on matters or information of which it is alleged AMP or officers of AMP ought to have been (but were not) aware, such matters or information was not information required to be disclosed under section 674(2) of the Corporations Act by reason of the fact that the alleged information was in the nature of an opinion and no relevant person had formed that opinion;

c. says that to the extent the Misleading ASIC Information existed (which is denied) and to the extent that information was information of which AMP was aware (which is denied) that information was not information that as and from the commencement of the Relevant Period, a reasonable person would expect to have a material effect on the price or value of AMP Shares within the meaning of ASX Listing Rule 3.1 and section 674(2)(c) of the Corporations Act, including because:

i. ASIC was in the process of conducting its own investigation of the conduct of AMP and/or some of the AMP Advice Licensees, which had not, and has not, been concluded;

ii. any communications between AMP, the AMP Advice Licensees and ASIC were in connection with that ongoing investigation and were reasonably considered by AMP at least to have been made in circumstances involving an obligation of confidentiality;

iii. the Misleading ASIC Information concerned regulatory dealings between AMP and ASIC of a kind that are not ordinarily the subject of disclosure by way of an ASX announcement; and

iv. the Misleading ASIC Information was not information that as at and from the commencement of the Relevant Period would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of AMP Shares, within the meaning of section 677 of the Corporations Act;

d. says further that to the extent the Misleading ASIC Information existed (which is denied), and to the extent that information was information of which AMP was aware (which is denied):

i. the information was not information that as at and from the commencement of the Relevant Period a reasonable person would expect to have a material effect on the price or value of AMP Shares, within the meaning of ASX Listing Rule 3.1, including for the reasons outlined in subparagraph c above; and

ii. even if the information was information that a reasonable person would expect to have a material effect on the price of value of AMP Shares, within the meaning of ASX Listing Rule 3.1, then the information was within an exception to ASX Listing Rule 3.1 by reason of ASX Listing Rule 3.1A because as at and from the commencement of the Relevant Period:

1. the information comprised information some or all of which:

A. was insufficiently definite to warrant disclosure; and/or

B. was generated for the internal management purposes of AMP;

2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and

3. a reasonable person would not have expected AMP to disclose the information,

and accordingly, by virtue of ASX Listing Rule 3.1A, Listing Rule 3.1 did not apply to the information; and

f. otherwise denies the allegations in the paragraph.

109 In answer to the allegations in paragraph 109 of the CLS, AMP:

a. repeats paragraphs 83 and 108 above; and

b. otherwise denies the allegations in the paragraph.

110 In answer to the allegations in paragraph 110 of the CLS, AMP:

a. repeats paragraphs 83, 108 and 109 above; and

b. otherwise denies the allegations in the paragraph.

111 In answer to the allegations in paragraph 111 of the CLS, AMP:

a. repeats paragraphs 83 and 108 to 110 above; and

b. otherwise denies the allegations in the paragraph.

112 In answer to the allegations in paragraph 112 of the CLS, AMP:

a. repeats paragraph 111 above; and

b. otherwise denies the allegations in the paragraph.

Alleged Receipt of Legal Advice Information

113 In answer to the allegations in paragraph 113 of the CLS, AMP:

a. repeats paragraphs 60 and 61 above;

b. says that to the extent the Plaintiffs rely on matters or information of which it is alleged AMP or officers of AMP ought to have been (but were not) aware, such matters or information was not information required to be disclosed under section 674(2) of the Corporations Act by reason of the fact that the alleged information was in the nature of an opinion and no relevant person had formed that opinion;

c. says that to the extent the Receipt of Legal Advice Information existed (which is denied) and to the extent that information was information of which AMP was aware (which is denied) that information was not information that as and from the commencement of the Relevant Period, a reasonable person would expect to have a material effect on the price or value of AMP Shares within the

meaning of ASX Listing Rule 3.1 and section 674(2)(c) of the Corporations Act, including because:

i. the legal advice received from AMP group lawyers must be considered in its proper context and in light of all the circumstances;

ii. the Receipt of Legal Advice Information allegedly concerned internal legal advice that AMP received of a kind that is not ordinarily the subject of disclosure by way of an ASX announcement;

iii. the Receipt of Legal Advice Information was not information that as at and from the commencement of the Relevant Period would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of AMP Shares, within the meaning of section 677 of the Corporations Act; and

iv. the Receipt of Legal Advice Information encompassed material that was subject to legal professional privilege;

d. says further that to the extent the Receipt of Legal Advice Information (as pleaded) existed (which is denied), and to the extent that information (as pleaded) was information of which AMP was aware (which is denied):

i. the Receipt of Legal Advice Information was not information that as at and from the commencement of the Relevant Period a reasonable person would expect to have a material effect on the price or value of AMP Shares, within the meaning of ASX Listing Rule 3.1, including for the reasons outlined in subparagraph c herein; and

ii. even if the Receipt of Legal Advice Information was information that a reasonable person would expect to have a material effect on the price of value of AMP Shares, within the meaning of ASX Listing Rule 3.1, then the information was within an exception to ASX Listing Rule 3.1 by reason of ASX Listing Rule 3.1A because as at and from the commencement of the Relevant Period:

1. the information (as pleaded) comprised information some or all of which:

A. was insufficiently definite to warrant disclosure; and/or

B. was generated for the internal management purposes of AMP;

2. the information was confidential and the ASX had not formed the view that the information had ceased to be confidential; and

3. a reasonable person would not have expected AMP to disclose the information,

and accordingly, by virtue of ASX Listing Rule 3.1A, Listing Rule 3.1 did not apply to the information; and

e. otherwise denies the allegations in the paragraph.

114 In answer to the allegations in paragraph 114 of the CLS, AMP:

a. repeats paragraphs 60, 61 and 113 above; and

b. otherwise denies the allegations in the paragraph.

115 In answer to allegations in paragraph 115 of the CLS, AMP:

a. repeats paragraphs 60, 61, 113 and 114 above; and

b. otherwise denies the allegations in the paragraph.

116 In answer to allegations in paragraph 116 of the CLS, AMP:

a. repeats paragraphs 60, 61, 113 to 115 above; and

b. otherwise denies the allegations in the paragraph.

117 In answer to allegations in paragraph 117 of the CLS, AMP:

a. repeats paragraph 116 above; and

b. otherwise denies the allegations in the paragraph.

Alleged Misleading or deceptive conduct

118 AMP denies the allegations in paragraph 118 of the CLS.

119 In answer to the allegations in paragraph 119 of the CLS, AMP:

a. repeats paragraphs 20 to 31 above; and

b. otherwise denies the allegations in the paragraph.

120 In answer to the allegations in paragraph 120 of the CLS, AMP:

a. repeats paragraphs 118 and 119 above; and

b. otherwise denies the allegations in the paragraph.

I. CONTRAVENING CONDUCT WHICH ALLEGEDLY CAUSED LOSS

121 In answer to the allegations in paragraph 121 of the CLS, AMP:

a. admits the allegations in subparagraph (a); and

b. does not admit the allegations in subparagraph (b).

122 AMP denies the allegations in paragraph 122 of the CLS.

123 AMP denies the allegations in paragraph 123 of the CLS.

124 In answer to the allegations in paragraph 124 of the CLS, AMP:

a. says that to the extent that the Plaintiffs and/or Group Members establish liability as alleged in the CLS:

i. shares and securities in AMP remained capable of being traded on 16 April 2018 and at all relevant times thereafter;

ii. the Plaintiffs and Group Members could have sold any AMP shares, securities or interests therein at any time on and from 16 April 2018;

iii. on the Plaintiffs' claim, all information said to found the Plaintiffs' and Group Members' claims was known or knowable on and from 16 April 2018 and/or 17 April 2018 or shortly thereafter; and

iv. to the extent that the Plaintiffs or Group Members suffered loss or damage after disclosure of the matters said to found liability (which is denied) on 16 April 2018 and/or 17 April 2018 or shortly thereafter that loss or damage:

1. arose as a result of the Plaintiffs' and Group Members' failure to mitigate their loss or damage; and/or

2. arose as a result of the Plaintiffs' or Group Members' failure to sell any AMP shares, securities or interests therein that they held as at 16 April 2018 and/or 17 April 2018 or shortly thereafter; and

v. any loss or damage to which the Plaintiffs or a Group Member is entitled (which is denied) is limited to the loss or damage assessed as at 16 April 2018 and/or 17 April 2018 or shortly thereafter; and

b. otherwise denies the allegations in paragraph 124 of the CLS.

D QUESTIONS APPROPRIATE TO REFERRAL TO A REFEREE

1 None at this time.

E STATEMENT AS TO WHETHER THE PARTIES HAVE ATTEMPTED MEDIATION

1 The parties have not attempted formal mediation.

2 AMP is willing to proceed to mediation at an appropriate time.

SIGNATURE OF LEGAL REPRESENTATIVE

I certify under clause 4 of Schedule 2 to the *Legal Profession Uniform Law Application Act 2014* that there are reasonable grounds for believing on the basis of provable facts and a reasonably arguable view of the law that the defence to the claim for damages in these proceedings has reasonable prospects of success.

Signature	
Capacity	Solicitor on the record
Date of signature	20 September 2019