

NOTICE OF MEETING

The 52nd Annual General Meeting (AGM) of Perpetual Limited (Perpetual) will take place at 10.00am on **Thursday, 5 November 2015, at Perpetual Limited, Level 12, Angel Place, 123 Pitt Street, Sydney, NSW, 2000.**

Dear Fellow Shareholders

A copy of the Notice of Meeting is attached.

There are a number of items on the agenda for this year's AGM.

We will consider:

- our financial and statutory reports for 2015
- the re-appointment to the Board of Directors of Mr Craig Ueland
- the appointment to the Board of Directors of Ms Nancy Fox
- the appointment to the Board of Directors of Mr Ian Hammond
- adoption of the Remuneration Report
- approval of the terms of the 2015 long-term incentive grant for the Managing Director and CEO
- approval of the existing proportional takeover provisions in the Constitution.

All resolutions are explained in more detail in the Notice of Meeting and the Explanatory Memorandum enclosed with this letter.

I look forward to welcoming you to the AGM and providing you with a progress report on Perpetual. If you are unable to attend in person, you can vote by appointing a proxy to attend and vote on your behalf. You can appoint a proxy using the enclosed proxy form or lodging your proxy vote on-line at www.linkmarketservices.com.au. We also encourage you to submit any questions you have in advance of the meeting using the enclosed form.

For those shareholders unable to attend the AGM, the meeting will be available via live webcast on our website at www.perpetual.com.au. Further information about how to access the webcast is contained in the attached Notice of Meeting.



PETER SCOTT
Chairman

30 September 2015

Perpetual 

NOTICE OF MEETING

Notice is given that the 52nd Annual General Meeting of Perpetual Limited ABN 86 000 431 827 (“Perpetual” or the “Company”) will be held at Perpetual Limited, Level 12, Angel Place, 123 Pitt Street, Sydney, NSW, 2000 on Thursday, 5 November 2015, commencing at 10:00am. Registration will open at 9:00am. The following business will be conducted:

FINANCIAL AND STATUTORY REPORTS

To receive and consider the financial report and the reports of the Directors and of the auditor for the financial year ended 30 June 2015.

RE-APPOINTMENT OF NON-EXECUTIVE DIRECTOR

1. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
‘That Mr Craig Ueland, retiring from the office of Director in accordance with clause 20.9.1 of the Company’s Constitution and, being eligible, is re-appointed as a Director of the Company.’
Mr Ueland was last elected as a Director at the Company’s 2012 AGM and accordingly must retire and seek re-election at this year’s AGM in accordance with the Constitution.
Information about Mr Ueland appears in the Explanatory Memorandum attached to this Notice of Meeting.

APPOINTMENT OF NEW NON-EXECUTIVE DIRECTORS

2. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
‘That Ms Nancy Fox, having been appointed as a director of the Company in September 2015, be confirmed in that office in accordance with clause 20.2.2 of the Company’s Constitution.’
Information about Ms Fox appears in the Explanatory Memorandum attached to this Notice of Meeting.
3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
‘That Mr Ian Hammond, having been appointed as a director of the Company in March 2015, be confirmed in that office in accordance with clause 20.2.2 of the Company’s Constitution.’
Information about Mr Hammond appears in the Explanatory Memorandum attached to this Notice of Meeting.

ADOPTION OF REMUNERATION REPORT

4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
‘That the Remuneration Report of the Company for the financial year ended 30 June 2015 is adopted.’
In accordance with section 250R of the *Corporations Act 2001* (Cth) (Corporations Act), the vote on Resolution 4 will be advisory only.

APPROVAL OF THE 2015 LTI GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
‘That approval is given for all purposes, including Australian Securities Exchange Listing Rule 10.14, for the issue of performance rights to Mr Geoff Lloyd as his annual long-term incentive grant in 2015 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.’
Information about the terms of the grant appears in the Explanatory Memorandum attached to this Notice of Meeting.

REINSERTION OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

6. To consider and, if thought fit, to pass the following resolution as a special resolution:
‘That proportional takeover provisions in the form of clause 11.9 and Schedule 2 of the Company’s Constitution (as last approved by shareholders) be included in the Company’s Constitution for a further period of three years, commencing from the date of this Annual General Meeting.’
Information about the proportional takeover provisions appears in the Explanatory Memorandum attached to this Notice of Meeting.

VOTING

The Chairman intends to put Resolutions 1 to 6 to a poll at the meeting. Voting results on the resolutions that are put to the meeting (including the relevant proxy votes) will be announced to the Australian Securities Exchange (ASX) as soon as practicable after the meeting.

VOTING EXCLUSION STATEMENT

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (KMP) of the Company (being Resolutions 4 and 5 of this Notice of Meeting), the Corporations Act restricts KMP and their closely related parties from voting in some circumstances. Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

Additionally, a voting restriction applies to Resolution 5 under the ASX Listing Rules.

RESOLUTION 4 (REMUNERATION REPORT)

The Company will disregard any votes cast on Resolution 4:

- by or on behalf of a KMP named in the Company's Remuneration Report for the financial year ended 30 June 2015, or their closely related parties (regardless of the capacity in which the vote is cast) or
- as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote:

- in accordance with a direction on the proxy form or
- by the Chairman of the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected with the remuneration of the Company's KMP.

RESOLUTION 5 (GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR AND CEO)

The Company will disregard any votes cast on Resolution 5:

- by or on behalf of Mr Geoff Lloyd (being the only Director of the Company eligible for participation in the employee incentive scheme in respect of which shareholder approval is sought) and any of his associates (regardless of the capacity in which the vote is cast) or
- as proxy by a person who is a member of the KMP on the date of the Annual General Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote:

- in accordance with a direction on the proxy form or
- by the Chairman of the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though the resolution is connected with the remuneration of the Company's KMP.

PROXIES

A member who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote at the meeting on behalf of that member. A proxy may be an individual or body corporate and is not required to be a member of the Company. A member who is entitled to cast two or more votes at the AGM may appoint two proxies.

Where a member appoints two proxies, the member may specify the proportion or number of votes each proxy is appointed to exercise.

Where a member appoints two proxies but does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half the appointing member's votes. Fractions of votes will be disregarded.

A member who is entitled to vote on a resolution may direct the member's proxy how to vote on the resolution by following the instructions on the proxy form that accompanies this Notice of Meeting.

A proxy may decide whether or not to vote on any proposed resolution, except where required by law or the Company's Constitution to vote. If the member appointing the proxy:

- directs the proxy how to vote on a proposed resolution, then the proxy may vote on that resolution only in the way directed or
- does not direct the proxy how to vote on a proposed resolution, then the proxy may vote on that resolution as the proxy thinks fit, subject to any voting exclusions that apply to the proxy.

If a member appoints the Chairman of the AGM as proxy, or the Chairman is appointed by default, and the Chairman is not directed as to how to vote on an item of business, then, on the poll for that item, the Chairman intends to vote all available proxies for that member in favour of that item of business. Please note that if the Chairman of the AGM is a member's proxy and the member does not direct him how to vote on Resolution 4 (Remuneration Report) or Resolution 5 (Grant of performance rights to Managing Director and CEO), then by completing and submitting the proxy form the member will be expressly authorising the Chairman to exercise their proxy on the relevant resolution even though it is connected with the remuneration of the Company's KMP.

If a member does direct the Chairman how to vote on an item of business, the Chairman must vote on a poll in accordance with the direction.

If you wish to appoint a proxy, you must complete the proxy form accompanying this Notice of Meeting and return the completed proxy form to the Company's share registrar by:

- hand delivery at Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138
- post to Perpetual Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235
- fax to +61 2 9287 0309

or to the Company's registered office by:

- hand delivery or post to Level 12, Angel Place, 123 Pitt Street, Sydney, NSW, 2000
- fax to +61 2 8256 1461

or by lodging the proxy appointment online through the Company's share registry website at www.linkmarketservices.com.au.

To use the online proxy appointment facility, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), which is shown on the top right hand side of your personalised proxy form accompanying this Notice of Meeting and then follow the prompts and instructions.

Duly completed proxies (and any necessary supporting documents) must be received by the Company at an address or fax number specified above, or by online lodgement at the website specified above, by no later than **10:00am (Sydney time) on Tuesday, 3 November 2015**. Proxies received after that time will not be effective.

NOTICE OF MEETING CONTINUED

CORPORATE REPRESENTATIVES

A body corporate that is a member, or that has been appointed as a proxy of a member, may appoint an individual to act as representative at the AGM. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including the authority under which the appointment is signed, unless that evidence has previously been given to the Company.

DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE AT THE MEETING

The Company has determined that for the purpose of ascertaining entitlements to attend and vote at the AGM, the shares in the Company on issue as at 7:00pm (Sydney time) on Tuesday, 3 November 2015 (Entitlement Time) will be taken, for the purposes of the AGM, to be held by the persons who hold them as registered members at that time.

This means that if you are not the registered holder of a share in the Company at the Entitlement Time, you will not be entitled to attend or vote at the AGM.

SHAREHOLDER QUESTIONS

The Company is offering a facility for members to submit written questions in advance of the AGM.

To submit a written question, please complete and return the accompanying form, or submit the question online through the share registrar's website, in accordance with the instructions on the form. The form must be received by the Company's share registrar by no later than 5:00pm (Sydney time) on Monday, 26 October 2015. Questions should relate to matters that are relevant to the business of the AGM, as outlined in this Notice of Meeting and the attached Explanatory Memorandum.

Questions that are relevant to:

- the contents of the auditor's report or
- the conduct of the audit of the Company's financial report

may be addressed to the Company's auditor.

Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible and, where appropriate, will give a representative of KPMG, the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

WEBCAST OF THE AGM

For shareholders who are unable to attend the AGM in person, the AGM, including the addresses of the Chairman and CEO, will be available live via webcast. Any slides will also be available on the Company's website. For information about how to access the webcast of the AGM please go to: <https://www.perpetual.com.au/About/Shareholders>

EXPLANATORY MEMORANDUM IS PART OF THIS NOTICE OF MEETING

Please refer to the Explanatory Memorandum attached to this Notice of Meeting for further details in relation to the items of business set out in this Notice.

By order of the Board.



JOANNE HAWKINS
Company Secretary

30 September 2015

EXPLANATORY MEMORANDUM

FINANCIAL AND STATUTORY REPORTS

The financial report and the reports of the Directors and of the auditor for the financial year ended 30 June 2015 will be laid before the AGM, as required by section 317 of the Corporations Act. The Corporations Act does not require a vote of shareholders on these reports.

The Company's 2015 Annual Report (which includes the Directors', auditor's and financial reports) is available on the Company's website: www.perpetual.com.au

During this item of business, the members as a whole at the AGM will be given a reasonable opportunity to ask questions about, and make comments on, those reports and the business and management of the Company.

Members will also be given a reasonable opportunity to ask a representative of the Company's auditor, KPMG, questions relevant to the conduct of the audit, the preparation and the content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of financial statements or the independence of the auditor in relation to the conduct of the audit.

RESOLUTION 1: RE-APPOINTMENT OF MR CRAIG UELAND, INDEPENDENT DIRECTOR, BA (HONS AND DISTINCTION), MBA (HONS), CFA (AGE 57)

Mr Ueland was appointed as a Director of Perpetual in September 2012. Mr Ueland was formerly President and Chief Executive Officer of Russell Investments, a global leader in multi-manager investing. He previously served as Russell's Chief Operating Officer, Chief Financial Officer, and Managing Director of International Operations, which he led from both London and the firm's headquarters in the US. Earlier in his career he opened and headed Russell's first office in Australia. Mr Ueland chairs the Endowment Investment Advisory Committee for The Benevolent Society, is a member of the board of the Stanford Australia Foundation and the Supervisory Board of OneVentures Innovation and Growth Fund II. He is Chairman of Perpetual's Investment Committee and a member of Perpetual's Audit Risk and Compliance Committee and Nominations Committee.

Mr Ueland brings to the Board detailed knowledge of global financial markets and the investment management industry, gleaned from more than 20 years as a senior executive of a major investment firm, along with a strong commitment to leadership development and corporate strategy development and execution.

After a review of Mr Ueland's contribution to the Board by the Nominations Committee, the Directors (with Mr Ueland abstaining) unanimously support the re-appointment of Mr Ueland to the Board, and recommend that shareholders vote in favour of Resolution 1.

RESOLUTION 2: APPOINTMENT OF MS NANCY FOX, INDEPENDENT DIRECTOR, BA, JD, FAICD (AGE 58)

Ms Fox was appointed as a Director of Perpetual in September 2015. Ms Fox has more than 30 years' experience in financial services, securitisation and risk management gained in Australia, the US and across Asia. Ms Fox was Managing Director for Ambac Assurance Corporation from 2001 to 2011 and previously Managing Director of ABN Amro Australia from 1997 to 2001. A lawyer by training, Ms Fox is admitted to the New York Bar and the New Jersey Bar, but has retired from practice. She is a member of Perpetual's Audit Risk and Compliance Committee and People and Remuneration Committee.

Ms Fox is currently a director of HCF Life, APA Ethane Limited and Kinetic Superannuation Ltd and also sits on the Boards of the Taronga Conservation Society Australia and the Australian Theatre for Young People.

The Directors (with Ms Fox abstaining) unanimously support the appointment of Ms Fox to the Board, and recommend that shareholders vote in favour of Resolution 2.

RESOLUTION 3: APPOINTMENT OF MR IAN HAMMOND, INDEPENDENT DIRECTOR, BA (HON), FCA, FCPA, GAICD (AGE 57)

Mr Hammond was appointed as a Director of Perpetual in March 2015. Mr Hammond was a partner at PricewaterhouseCoopers for 26 years and during that time, held a range of senior management positions including lead partner for several major financial institutions. He has previously been a member of the Australian Accounting Standards Board and represented Australia on the International Accounting Standards Board. Mr Hammond is a board member of a number of not-for-profit organisations including the Chris O'Brien Lifehouse. He is the Chairman of Perpetual's Audit Risk and Compliance Committee and a member of the Nominations Committee and the Investment Committee.

Mr Hammond has deep knowledge of the financial services industry and brings to the board expertise in financial reporting and risk management.

After a review of Mr Hammond's contribution to the Board by the Nominations Committee, the Directors (with Mr Hammond abstaining) unanimously support the appointment of Mr Hammond to the Board, and recommend that shareholders vote in favour of Resolution 3.

RESOLUTION 4: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the financial year ended 30 June 2015 is set out on pages 28 to 54 of the Annual Report 2015, which is available at www.perpetual.com.au

The Remuneration Report forms part of the Directors' Report for the financial year ended 30 June 2015. The Remuneration Report provides information relating to:

- the Board's policy in relation to the nature and amount of remuneration paid to Directors and executives (including senior managers of the Company and the group)
- the relationship between the Board's remuneration policy and the Company's performance, including information about performance hurdles applicable to the short-term and long-term incentive components of the remuneration of senior managers, and
- details of the remuneration paid to each Director of the Company (including the Managing Director) and to the key management personnel of the Company for the financial year ended 30 June 2015.

EXPLANATORY MEMORANDUM

CONTINUED

REMUNERATION POLICY

Perpetual's remuneration philosophy is that the remuneration strategy should align with and support the achievement of our business strategy, while ensuring remuneration outcomes are aligned with shareholder interests and are market competitive. To that end, Perpetual has created six guiding principles that direct our remuneration approach:

1. The remuneration structure should attract, motivate and retain the desired talent within Perpetual.
2. The remuneration structure should align value creation for shareholders, clients and employees.
3. The remuneration structure should embed sound risk management.
4. Incentive arrangements should motivate performance.
5. Remuneration should be delivered efficiently and effectively considering the level of administration required.
6. The remuneration structure should be supported by a governance framework that avoids conflict of interest and ensures proper controls are in place.

REMUNERATION STRUCTURE

The structure of Perpetual's remuneration for the Managing Director and Group Executives comprises the following components:

- fixed remuneration
- short-term incentive payable in cash and deferred shares, and
- long-term incentive in the form of Perpetual securities (including performance rights) for which vesting is subject to performance conditions.

When determining the variable (or 'at risk') elements of remuneration, Perpetual ensures that risk management is a key performance metric in determining at-risk elements of remuneration.

In accordance with section 250R of the Corporations Act, the vote on Resolution 4 will be advisory only and does not bind the Company or its Directors. Notwithstanding the 'advisory' status of the vote, the Board will take the outcome of the vote into account when considering the future remuneration arrangements of the Company.

Members will be given a reasonable opportunity at the AGM to ask questions about, and make comments on, the Remuneration Report.

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Meeting.

The Directors unanimously recommend that shareholders vote in favour of adopting the Remuneration Report.

RESOLUTION 5: APPROVAL OF THE 2015 LTI GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

BACKGROUND

The Board believes that long-term incentives form a key part of remuneration for senior executives and assist to align the interests of executives with the longer term interests of shareholders. As foreshadowed in Perpetual's 2014 Notice of Meeting, in 2015 Mr Geoff Lloyd is eligible to receive a long-term incentive (LTI) grant with a value of 100% of his gross employment cost (GEC).

APPROVAL SOUGHT

ASX Listing Rule 10.14 permits a Director of the Company to acquire securities under an employee incentive scheme if that Director's participation in the employee incentive scheme has been approved by shareholders. Accordingly, this resolution is being put to shareholders to seek approval for the annual LTI grant to be made to Mr Lloyd in 2015.

OVERVIEW

It is proposed that in 2015 Mr Lloyd be granted performance rights with a value of 100% of his GEC. Mr Lloyd's current GEC (as of 1 September 2015) is \$1,168,000 and this will be used to determine the number of performance rights he will receive for his 2015 grant.

Each performance right will give Mr Lloyd the right to acquire one fully paid ordinary share in Perpetual, or cash to the same value, if the performance hurdles (described below) are met at the end of a three-year performance period. Performance rights are granted at no cost to the recipient. Performance rights do not carry dividend or voting rights or the right to participate in new issues of shares (such as rights or bonus issues), but these rights will attach to any shares allocated to Mr Lloyd if his performance rights vest.

It is not possible to specify the maximum number of performance rights to be granted to Mr Lloyd as the number will be calculated by reference to the Company's share price at the time of the grant. The number will be determined by dividing 100% of Mr Lloyd's GEC by the volume weighted average price of the Company's shares traded on the ASX over the five trading days up to and including the effective date of grant, discounted for the non-payment of dividends during the performance period, as calculated by an independent external advisor.

As an illustrative example, if the volume weighted average price of Perpetual's shares traded on the ASX over the five trading days prior to the effective date of grant, discounted for the non-payment of dividends during the performance period, was \$40.00 per share, the number of performance rights granted to Mr Lloyd would be 29,200 (that is, \$1,168,000, divided by \$40.00).

Subject to shareholder approval, the effective grant date for the grant of performance rights will be on or about 1 October 2015.

The 2015 grant of performance rights is expected to be issued to Mr Lloyd in November 2015, and in any event no later than 12 months after the Annual General Meeting.

The grant will be made under the Company's LTI Plan.

PERFORMANCE HURDLES

The performance rights will be divided into two equal portions with each portion being subject to a different hurdle. These hurdles are based on the Company's relative total shareholder return (TSR) and earnings per share (EPS) and will be tested at the end of a three year performance period. Any performance rights that remain unvested following testing of the performance hurdles will be forfeited.

TSR HURDLE

The TSR hurdle requires the Company's TSR over a three year performance period commencing on 1 October 2015 to be at or above the median of the Company's comparator group for vesting to occur in accordance with the sliding vesting scale outlined below. The comparator group comprises the 100 companies with the largest market capitalisation in the ASX200 (excluding property trusts).

TSR is defined as share price growth and dividends paid and reinvested on the ex-dividend date (adjusted for rights issues, bonus issues and any capital reconstructions) measured from three months prior to the date of the grant to the date of testing of the TSR hurdle.

The TSR hurdle was chosen as it is widely recognised as one of the best indicators of shareholder value creation. The stated comparator group was chosen as it best represents Perpetual's performance, which is influenced by equity market movements (given that Perpetual's revenue is significantly dependent on Funds Under Management and Funds Under Advice).

Company's TSR ranking relative to the comparator group	Percent of portion that vests
Less than median	0%
At the median	50%
Greater than median but less than 75th percentile	50% plus 2% for every one percentile increase in the Company's relative position
At the 75th percentile and above	100%

EPS HURDLE

The EPS hurdle requires that the Company's EPS growth over a three year performance period commencing on 1 July 2015 must be greater than the target set by the Board for vesting to occur in accordance with the vesting scale outlined below.

The threshold EPS hurdle has been set by the Board at 5.0% per annum compounded and the maximum EPS growth target is 10.0% per annum compounded.

The EPS measure was chosen as the achievement of annual earnings growth is aligned with shareholders' interests.

Growth in EPS is defined as compound average annual growth in the Company's earnings per share comprising basic earnings per share (after tax) before annual goodwill amortisation. The Board may adjust EPS for items such as those of a capital nature that do not reflect management and employee performance and day-to-day business operations and activities.

The proportion of the performance rights subject to the EPS hurdle will vest in accordance with the following schedule:

Company's EPS growth over the EPS growth performance period	Percentage of portion that vests
At or less than 5.0% EPS growth	0%
Greater than 5.0% but less than 10.0% EPS growth	Straight line vesting between 0% and 100%
At or above 10% EPS growth	100%

TREATMENT OF PERFORMANCE RIGHTS ON CESSATION OF EMPLOYMENT

In the event that Mr Lloyd ceases employment with the Company due to termination by Mr Lloyd (other than for illness or injury, mutual agreement between the Company and Mr Lloyd, or an agreed material diminution event) or due to termination by the Company for poor performance or for cause, all Mr Lloyd's unvested performance rights will lapse.

Should termination occur:

- due to termination by the Company with notice
- by Mr Lloyd because of illness or injury
- by mutual agreement between the Company and Mr Lloyd or
- due to an agreed material diminution event,

unvested performance rights granted within the 12 months prior to termination lapse immediately. Unvested performance rights granted more than 12 months prior to termination remain eligible for vesting, subject to the same performance conditions had Mr Lloyd remained employed with Perpetual.

In the event that termination occurs due to Mr Lloyd's death, all unvested performance rights will remain eligible for vesting subject to satisfaction of performance conditions.

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE ASX LISTING RULES

Performance rights do not entitle the holder to participate in any new issue of shares prior to vesting. However the LTI Plan Rules provide that the Board will adjust the number of underlying shares to which each participant is entitled upon vesting of a performance right if:

- before the performance right vests, Perpetual makes a rights issue, bonus issue or other corporate action such as a capital reconstruction, and
- the Board considers the adjustment appropriate in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from the corporate action.

The Board would have regard to relevant ASX Listing Rules in determining any such adjustment. For example, in determining the number of shares represented by a performance right following a discounted rights issue, the Board would take into account the principles underlying the formula in ASX Listing Rule 6.22.2 which calculates the foregone value of the opportunity to participate in the rights issue.

The ASX Listing Rules require information to be included about securities received by Directors under the LTI Plan since the last approval. Mr Geoff Lloyd is the only Director who has received securities under the LTI Plan since the last approval (29,815 performance rights and 10,611 deferred STI shares). There was no cost to Mr Lloyd on the grant of these securities.

EXPLANATORY MEMORANDUM CONTINUED

No loans will be made available by the Company in relation to the grant of performance rights to Mr Lloyd.

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without security holder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without security holder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if shareholder approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1. This means that securities issued to Mr Lloyd in accordance with this approval will not use up part of the 15% available under ASX Listing Rule 7.1.

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Meeting.

The Directors (with Mr Lloyd abstaining) unanimously recommend that shareholders vote in favour of Resolution 5.

RESOLUTION 6: REINSERTION OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

Clause 11.9 and Schedule 2 of the Company's Constitution contain provisions relating to proportional takeovers (Proportional Takeover Provisions).

In essence, if this special resolution is approved and a takeover bid is subsequently made for some but not all of each shareholder's shares, the Proportional Takeover Provisions will enable shareholders as a whole to vote on whether the proportional bid should be allowed to proceed, independently from their individual decisions whether or not to accept the bid.

Under the Corporations Act, shareholder approval of provisions relating to proportional takeovers extend for a three year period. Once the three year period elapses those provisions cease to have effect unless shareholder approval is renewed by special resolution.

The Proportional Takeover Provisions were adopted at the Company's 2012 Annual General Meeting and were effective for three years.

Resolution 6 is a special resolution to re-insert the Proportional Takeover Provisions into the Constitution for a further three years.

More detail about the re-insertion of the Proportional Takeover Provisions is set out below.

WHAT IS A PROPORTIONAL TAKEOVER BID, AND WHY DO WE NEED THE PROPORTIONAL TAKEOVER PROVISIONS?

A proportional takeover bid (also referred to as a 'partial takeover bid') involves the bidder offering to buy a proportion of each shareholder's shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

In order to deal with this possibility, the Company may provide in its Constitution that:

- in the event of a proportional takeover bid being made for shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer, and
- the majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed. Such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

WHAT IS THE EFFECT OF THE PROPORTIONAL TAKEOVER PROVISIONS?

If a proportional takeover bid is made, the Directors must ensure that shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, with the exception of the bidder and its associates, who are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The Proportional Takeover Provisions do not apply to full takeover bids and only apply for three years after the date of approval. The provisions may be renewed, but only by a special resolution.

Similar provisions are commonly found in the constitutions of publicly-listed companies on the ASX, and are regularly renewed.

POTENTIAL ADVANTAGES AND DISADVANTAGES

The re-insertion of the Proportional Takeover Provisions will allow the Directors to ascertain members' views on a proportional takeover bid. It does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The provisions will ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including appropriate pricing. Similarly, knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids. It may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their shares.

The Board of Directors considers that the potential advantages for members of the Proportional Takeover Provisions outweigh the potential disadvantages.

At the date this statement was prepared, no Director is aware of a proposal by a person to acquire, or to increase, a substantial interest in the Company.

The Directors unanimously recommend that shareholders vote in favour of the special resolution to re-insert the Proportional Takeover Provisions in the Company's Constitution.

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
 Perpetual Limited
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

 **BY HAND**
 Link Market Services Limited
 1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
 Telephone: +61 1300 732 806



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PROXY FORM

I/We being a member(s) of Perpetual Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Sydney time) on Thursday, 5 November 2015 at Level 12, Angel Place, 123 Pitt Street, Sydney, NSW, 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, then by submitting this form you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Re-appointment of Non-Executive Director Mr Craig Ueland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of the 2015 LTI grant of performance rights to the Managing director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Appointment of New Non-Executive Director Ms Nancy Fox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Reinsertion of Proportional Takeover Provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Appointment of New Non-Executive Director Mr Ian Hammond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses subject to any voting restrictions that apply to the proxy. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL (KMP)

The KMP of the Company (which includes each of the Directors) and their closely related parties will not be able to vote as your proxy on Resolutions 4 and 5 unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you intend to appoint a member of the KMP or one of their closely related parties as your proxy, you can direct them how to vote by following the instructions on this Proxy Form.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Sydney time) on Tuesday, 3 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Perpetual Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

LODGE YOUR QUESTIONS

ONLINE
www.linkmarketservices.com.au

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Please use this form to submit any questions about Perpetual Limited ("the Company") that you would like us to respond to at the Company's 2015 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **5:00pm (Sydney time) Monday, 26 October 2015**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

My question relates to (please mark the most appropriate box)

- | | | |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

- | | | |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Sustainability/Environment | <input type="checkbox"/> Other |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> Future direction | |

QUESTIONS