



## Notice of Annual General Meeting



**The 47th Annual General Meeting of Perpetual Limited**

will be held in the Heritage Ballroom at The Westin Sydney, 1 Martin Place, Sydney, NSW on Tuesday, 26 October 2010, commencing at 10.00am. Registration will open at 9.00am.

## Dear Fellow Shareholders

The 47th Annual General Meeting (AGM) of Perpetual Limited (Perpetual) will take place on Tuesday, 26 October 2010 at The Westin Sydney, 1 Martin Place, Sydney. 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 2010, the re-appointment of director Paul McCiintock AO to the Board and confirmation of the appointment of two new directors, Paul Brasher and Philip Bullock.

You will be asked to cast a non-binding vote for the adoption of the remuneration report. The report, which is included in the Annual Report 2010, details our remuneration policy and discloses the remuneration of Perpetual's senior executives and board members.

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

I will be retiring from the Board at the end of the AGM. Your new Chairman will be Mr Peter Scott, who has been on the Perpetual Board since 2005 and has significant experience in the financial services industry and property sector both as a senior executive and non-executive director.

I look forward to welcoming you to the AGM and providing you with a progress report on Perpetual. We encourage you to submit any questions you have in advance of the meeting using the enclosed form. If you are unable to attend, we encourage you to appoint a proxy to attend and vote on your behalf. Also, for those shareholders unable to attend the AGM, the meeting will be available via live webcast. Information about how to access the webcast is contained in the attached Notice of Meeting.



Robert Savage AM  
Chairman  
22 September 2010

# Notice of Meeting

Notice is given that the 47th Annual General Meeting (AGM) of Perpetual Limited ABN 86 000 431 827 (Company) will be held in the Heritage Ballroom at The Westin Sydney, 1 Martin Place, Sydney, NSW on Tuesday, 26 October 2010, 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 of the Company and the reports of the directors and of the auditor for the financial year ended 30 June 2010.

## Re-appointment of non-executive director

1. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr E Paul McClintock AO, 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 McClintock AO was first elected as a director at the Company’s 2004 AGM and accordingly must retire and seek re-election at this year’s AGM in accordance with the Constitution.

Information about Mr McClintock AO appears in the Explanatory Memorandum attached to this Notice of Meeting.

## Appointment of non-executive directors

2. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr Paul V Brasher, having been appointed as a director of the Company in November 2009, be confirmed in that office in accordance with clause 20.2.2 of the Company’s Constitution.’

Information about Mr Brasher 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 Philip Bullock, having been appointed as a director of the Company in June 2010, be confirmed in that office in accordance with clause 20.2.2 of the Company’s Constitution.’

Information about Mr Bullock 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:

‘That the remuneration report of the Company for the financial year ended 30 June 2010 is adopted.’

Note: In accordance with section 250R of the *Corporations Act 2001*, the vote on resolution 4 will be advisory only and will not bind the Directors or the Company.

## Voting

The Chairman will put resolutions 1 to 4 to a poll at the meeting. Voting results (including the relevant proxy votes) will be announced to the Australian Securities Exchange as soon as the poll is finalised after the meeting.

## 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 may direct the member’s proxy how to vote on the proposed resolutions 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
- 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.

If a member appoints the Chairman of the AGM as proxy and does not direct the Chairman how to vote on an item of business, then, on the poll for that item, the Chairman will vote as proxy for that member in favour of that item of business.

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, Level 12, 680 George Street, Sydney NSW 2000
- post to 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

- lodging the proxy appointment online through the Company's share registry website at [www.linkmarketservices.com.au](http://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 facsimile number specified above, or by online lodgement at the website specified above, by no later than 10.00am (Sydney time) on Sunday, 24 October 2010. Proxies received after that time will not be effective for the AGM.

### **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 2001*. 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 10.00am (Sydney time) on Sunday, 24 October 2010 (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 Friday, 8 October 2010. 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-line. For information about how to access the webcast of the AGM please go to: <http://shareholders.perpetual.com.au>

### **Explanatory Memorandum**

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

By the order of the Board.



Joanne Hawkins  
Company Secretary  
22 September 2010

# Explanatory Memorandum

## Financial and statutory reports

The financial reports and the reports of the directors and of the auditor for the financial year ended 30 June 2010 will be laid before the AGM, as required by section 317 of the *Corporations Act 2001*. The *Corporations Act 2001* does not require a vote of shareholders on these reports.

The Company's 2010 Annual Report (which includes the directors', auditor's and financial reports) is available on the Company's website: [www.perpetual.com.au](http://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 E Paul McClintock AO, BA, LLB (Age 61)

Mr McClintock was first appointed as a director of the Company in April 2004. He is also a director of investment banking firm McClintock Associates, a role he has held since 1985 apart from the period between July 2000 and March 2003 when he was Secretary to the Cabinet and Head of the Cabinet Policy Unit in the Australian Government. He is the Chairman of Thales Australia, Intoll Management Limited, Medibank Private Limited and the Council of Australian Governments (COAG) Reform Council.

Mr McClintock is the Chairman of Perpetual's Investment Committee and a member of the Nominations and People and Remuneration Committees.

Mr McClintock brings to the Board over 30 years of experience as a legal adviser, investment banker and senior policy adviser to both Government and corporations.

The Directors, other than Mr McClintock, support the reappointment and recommend that shareholders vote in favour of resolution 1. This recommendation follows a review of Mr McClintock's contribution to the Board by the Nominations Committee, from which Mr McClintock abstained.

## Resolution 2: Appointment of Mr Paul V Brasher, BEc (Hons), FCA (Age 60)

Appointed as a director in November 2009, Mr Brasher was formerly Chairman of the Global board of PricewaterhouseCoopers International. He previously chaired the board of PricewaterhouseCoopers' Australian firm and held a number of other senior management and client services roles during his career with the firm. Mr Brasher was Client Service Partner and/or Lead Engagement Partner for some of the firm's most significant clients. Mr Brasher also spent significant periods working with PricewaterhouseCoopers in the US and UK.

He is currently Chairman of the Reach Foundation, a board member of the Victorian Arts Centre Trust and Honorary Treasurer of Vision Australia's i-access project.

He is a member of Perpetual's Audit Risk and Compliance Committee, and People and Remuneration Committee.

Mr Brasher brings to the Board his local and global experience as a senior executive and director, particularly in the areas of strategy, audit and risk management and public company governance.

After review of Mr Brasher's contribution to the Board by the Nominations Committee, the Directors, other than Mr Brasher, support the appointment and recommend that shareholders vote in favour of resolution 2.

## Resolution 3: Appointment of Philip Bullock, BA, MBA, Dip Ed (Age 57)

Appointed as a director in June 2010, Mr Bullock was formerly Vice President, Systems and Technology Group, IBM Asia Pacific, Shanghai, China. Prior to that he was CEO and Managing Director of IBM Australia and New Zealand in a career spanning almost 30 years in the Asia Pacific region. Mr Bullock is a director of CSG Limited and Healthscope Limited. He also provides advice to the Federal Government through his role as Chair of Skills Australia, as a member of the Education Investment Fund and a member of the recently concluded National Resources Sector Task Force.

Mr Bullock brings to the Board his broad management experience in Australia and Asia in technology, sales and client management, product and brand management, industry solutions and equity joint ventures.

After a review of Mr Bullock's contribution to the Board by the Nominations Committee, the Directors, other than Mr Bullock, support the appointment 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 2010 is set out on pages 34 to 59 of the Annual Report 2010, which is available at [www.perpetual.com.au](http://www.perpetual.com.au).

The remuneration report forms part of the directors' report for the financial year ended 30 June 2010. The remuneration report contains information required by section 300A of the *Corporations Act 2001*, including:

- discussion of 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)
- discussion of 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
- details of the remuneration paid to each director of the Company (including the Managing Director) and to the employees with the greatest authority for managing and setting the strategic direction of the Company (which include the five highest paid Group Executives) for the financial year ended 30 June 2010.

### Remuneration Policy

The Board has approved a remuneration policy for employees based on the following five key principles:

- Variable pay should be a feature of all employees' remuneration. For the Managing Director and Group Executives variable pay forms a significant part of overall remuneration. Fixed remuneration should be competitive with comparable jobs in appropriate comparator organisations.
- Variable pay is linked to shareholder wealth creation and individuals are clear on performance criteria.
- Short-term incentive (STI) payments are based on yearly performance and uncapped to allow for recognition of performance.
- STI payments should be made out of the net profit of the Company, provided appropriate performance thresholds are met.
- Equity participation within the Company should be used to encourage a sense of ownership, be appropriately tied to stretch targets and encourage retention of key individuals.

### Remuneration structure

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

- a fixed remuneration component
- an STI component
- a component related to longer-term performance and retention.

The aim is to ensure that remuneration is fair, reasonable and aligned to performance.

The target remuneration mix is determined having regard to the principle that the proportion of performance-based incentives should generally increase with the level of responsibility and criticality of the executive's role.

The structure of Perpetual's remuneration ensures that risk management is a key performance metric in determining at-risk elements of remuneration, through specific performance goals and targets. Sound risk management practices include strict governance and deferred elements of remuneration to ensure a long-term focus and alignment with the interests of shareholders.

Section 250R of the *Corporations Act 2001* requires the Company to put a resolution for adoption of the remuneration report to the vote at the AGM. In accordance with section 250R, the vote on resolution 4 will be advisory only and will not bind the directors or the Company.

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

The Directors unanimously recommend that shareholders vote in favour of resolution 4.

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## Shareholder enquiries

If you have any questions about your shareholding or matters such as dividend payments, tax file numbers or change of address please contact the Company's share registry office or visit their website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or email [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

### Link Market Services Limited

Level 12  
680 George Street  
Sydney NSW 2000  
Australia

Locked Bag A14  
Sydney South NSW 1235  
Australia

### Perpetual Shareholder Information Line

Phone 1300 732 806 or +61 2 8280 7620

For any other enquiries about the Company please contact the Company's registered office or visit our website.

### Principal registered office

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[www.perpetual.com.au](http://www.perpetual.com.au)

