



Perpetual Limited
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The Announcements Officer
Australian Stock Exchange Limited
Australia Square
PO Box H224
SYDNEY NSW 1215

To whom it may concern

**Summary of Executive Service Agreement for Chief Executive Officer
and Managing Director**

Please find attached a summary of the terms of the Executive Service Agreement dated 24 September 2007, between Perpetual Limited and its Managing Director and Chief Executive Officer, Mr David Deverall, in accordance with ASX Listing Rule 3.1 and ASX Guidance Notes and Companies Updates.

Yours sincerely

Joanne Hawkins
Company Secretary
Perpetual Limited

Contract details	David Deverall, Chief Executive Officer and Managing Director
Term of contract	Mr Deverall's appointment as Chief Executive Officer and Managing Director continues from the date of the agreement until terminated in accordance with its terms.
Fixed remuneration	\$1,000,000 per annum, reviewable in accordance with Perpetual's policies.
Short term incentive	Short term incentive (STI) of up to STI for previous year multiplied by the change in the Profit Participation Pool. For 2008, the baseline STI is \$1,375 million. 20% of the STI will be subject to the Board's assessment annually of additional performance criteria.
Long term incentive - Group	<p>Currently eligible to receive long term incentive (LTI Group) grants equivalent to \$1,025,000 each year (or such greater amount as may be determined by the board from year to year).</p> <p>50% of the LTI Group benefit is provided by way of performance shares, 50% of by way of options. Grants are divided into 2 portions.</p> <p>The first portion is subject to a total shareholder return (TSR) hurdle. If Perpetual's growth in TSR relative to the comparative group is:</p> <ul style="list-style-type: none"> • less than the median, 0% vests; • at the median, 50% vests; • greater than the median but less than 75%, 50% plus 2% for every percentile increase vests; and • 75% or above, 100% vests. <p>The second portion is subject to an earnings per share (EPS) hurdle. If Perpetual's growth in EPS is:</p> <ul style="list-style-type: none"> • less than 10% per annum, 0% vests; and • at 10% or more, 100% vests. <p>The TSR and EPS Hurdles are first tested on the 3rd anniversary of the date of grant. If any portion remains unvested, it is retested on the 4th anniversary of the date of grant. After this date, any unvested portion is forfeited.</p>
Long term incentive – Business	<p>Long term incentive – Business (LTI Business) grant equivalent to up to \$6,000,000. 50% of the LTI Business benefit is provided by way of shares and 50% by way of options. LTI Business will vest on 30 June 2012 subject to compound annual growth in earnings per share (EPS) hurdles set out below and operating profit after tax (OPAT) hurdles.</p> <p>A threshold compound annual growth in EPS of 11% is required before any shares or options can vest in 2012. Once the threshold is achieved, vesting operates as follows:</p> <ul style="list-style-type: none"> • vesting of 10% of the total shares and options occurs upon achievement of compound annual growth in EPS of 11% and required OPAT target; • 100% of the shares and options will vest if compound annual growth in EPS is 20% and required OPAT target is achieved; • a sliding scale of vesting operates if compound annual growth in EPS is greater than 11% and below 20% and required OPAT targets are achieved. <p>There is an opportunity for accelerated vesting as at 30 June 2010 of up to 67% (\$4,000,000) of the original benefit. A threshold compound annual growth in EPS of 15% is required before any shares or options can vest in 2010.</p> <p>Once the threshold is achieved, vesting operates as follows:</p> <ul style="list-style-type: none"> • vesting of shares and options valued at \$2,000,000 occurs upon achievement of a compound annual growth in EPS of 15% and required OPAT target; • shares and options valued at a total of \$4,000,000 will vest upon achievement of a compound annual growth in EPS of 25% and required OPAT target;

- a sliding scale of vesting operates if compound annual growth in EPS is greater than 15% and below 25% and required OPAT targets are achieved.

Mr Deverall is not permitted to transfer or exercise any shares or options that vest under these accelerated vesting provisions until after 30 June 2011. If accelerated vesting is achieved, the balance of the LTI Business will vest on 30 June 2012 subject to the original hurdles outlined on page 1. There is no provision for retesting if performance hurdles are not achieved as of 30 June 2012. Any shares and options that do not vest will be forfeited as at 30 June 2012.

Termination of employment

Immediate termination without notice in certain circumstances

STI - no entitlement in respect of year in which termination occurs.

LTI Group - shares and options not vested at the termination date are forfeited.

LTI Business - shares and options not vested at the termination date are forfeited.

Termination by Perpetual on notice (illness or otherwise) - 12 months' written notice (or payment in lieu)

STI - pro-rata entitlement based on previous year's STI.

LTI Group - eligible to receive vesting of shares and options that have not vested at the termination date for a period of 24 months after the termination date, provided the performance hurdles above are met.

LTI Business - entitled to the greater of a pro-rata proportion of shares and options (subject to performance hurdles) and 1/10 of the LTI Business.

Termination by Perpetual for poor performance- 6 months' written notice (or payment in lieu)

STI - no entitlement in respect of year in which termination occurs.

LTI Group - shares and options not vested at the termination date are forfeited.

LTI Business – entitled to the greater of a pro-rata proportion of shares and options (subject to performance hurdles) and 1/10 of the LTI Business.

Resignation by Mr Deverall- 12 months' written notice (or payment in lieu)

STI - pro-rata entitlement based on previous year's entitlements.

LTI Group -shares and options not vested at the termination date are forfeited.

LTI Business - shares and options not vested at the termination date are forfeited.

Death of Mr Deverall

STI – pro-rata entitlement based on previous year's STI.

LTI Group - eligible to receive vesting of shares and options that have not vested at the termination date for a period of 24 months after the termination date, provided the performance hurdles above are met.

LTI Business - eligible to receive vesting of shares and options that have not vested at the termination date for a period of 24 months after the termination date, provided the performance hurdles above are met.

General

The agreement also contains provisions regarding Mr Deverall's leave entitlements, duties, confidentiality, intellectual property, post employment restraints, corporate governance requirements and other ancillary provisions.
