

PERPETUAL LIMITED
INVESTMENT COMMITTEE
TERMS OF REFERENCE

1. Objective

1.1 The Investment Committee (committee), is a committee of the board of directors of Perpetual Limited (Perpetual). The purpose of the committee is to assist the board to carry out the following functions more efficiently and fully:

- (a) to monitor that management has in place and carries out appropriate investment strategies and processes in respect of investment activities which Perpetual and its subsidiaries (Perpetual Group) perform for third parties; and
- (b) to oversee the investment activities which the Perpetual Group carries out on its own behalf.

1.2 The committee has no management role.

2.0 Membership and Meetings

Membership

- 2.1 The board will nominate the committee members and the chairman of the committee.
- 2.2 The committee will have a minimum of three non-executive director members, the majority of whom are independent directors.
- 2.3 The chairman of the committee is to be an independent director who is not chairman of the board of directors.
- 2.4 The managing director and chief executive officer is an ex-officio member of the committee.
- 2.5 The chairman of the committee will ensure that there is an appropriate induction process for completion by each new member.
- 2.6 The secretary of the committee will be the company secretary, or such other person as nominated by the board.
- 2.7 The skills and performance of all committee members will be reviewed annually by the board.

Meetings

- 2.8 Other members of the board are invited to committee meetings under a standing invitation.
- 2.9 Meetings shall be held quarterly on pre-arranged dates.
- 2.10 Special meetings may be convened as required or requested by a director.
- 2.11 Attendance by members at committee meetings must be disclosed in the annual report.
- 2.12 A quorum for any meeting will be two non-executive director members of the committee.
- 2.13 The draft minutes of each committee meeting are to be approved by the committee chairman and circulated to all committee members by the company secretary within two weeks of the committee meeting.
- 2.14 Once the minutes have been approved by the committee chairman, a copy of the committee minutes will be included in the papers for the next board meeting.
- 2.15 Minutes are not to be a verbatim recording of the meeting but should accurately record the resolutions of the committee, key reasons for those decisions (where appropriate) and actions arising.
- 2.16 The action list from each committee meeting will be approved by the committee chairman and circulated to all committee members with the minutes of the meeting.
- 2.17 The action statement will include accountabilities and the nature and timing of subsequent reporting.
- 2.18 The agenda and supporting papers should be delivered to the committee members by the company secretary at least five days in advance of each meeting.
- 2.19 Reports and other papers of the committee shall be made available to all directors upon request, provided no conflict of interest exists.

3.0 Responsibilities

3.1 Investment Activities Carried out for Third Parties

In relation to the investment activities which the Perpetual Group performs for third parties, the committee will:

- (a) monitor the strategic context (such as customer requirement and competitive strategies) for the development and maintenance of the group's investment products;
- (b) review the appropriateness of investment strategies which are used to support the group's investment products;
- (c) monitor whether the investment processes (including investment systems) effectively support the chosen investment strategies;
- (d) review the policies (such as brokerage, soft dollars, transition management, media interaction and voting policy) which are adopted to implement the investment processes;

- (e) review whether investment performance appropriately reflects the chosen investment strategies;
- (f) monitor in conjunction with Perpetual's People and Remuneration Committee, succession planning and resourcing levels for the Perpetual Group's asset management team.

3.2 Group Investment Portfolio

In relation to the investment activities which the Perpetual Group carries out on its own behalf with assets owned by the Perpetual Group, the committee will:

- (a) review the appropriateness of allocations of assets from time to time and make recommendations to the Perpetual board;
- (b) monitor the investment of assets in accordance with the approved asset allocation and any other specific directions of the Perpetual board;
- (c) review the group's cash requirements to identify investable funds;
- (d) approve initial investments of up to \$10 million each for a total of not more than \$20 million in each financial year by Perpetual in new funds managed by Perpetual or related companies.

3.3 General

The committee will carry out any other responsibilities and functions that may be delegated by the board.

4. Reporting responsibilities

- 4.1 The committee will through its chairman, regularly update the board about matters relevant to the committee's role and responsibilities and make appropriate recommendations for approval by the board.

5. Evaluating performance

- 5.1 In order to ensure that the committee is fulfilling its duties to Perpetual and its shareholders, the committee will:
 - (a) obtain feedback from the board on the committee's performance periodically and implement any agreed actions; and
 - (b) provide any information the board may request to facilitate its review of the committee's performance.

6. Review of the Terms of Reference

- 6.1 The committee will review the committee's Terms of Reference periodically, discuss any required changes with the board and ensure any revisions to the Terms of Reference are approved by the Perpetual board.