

# 2016

## NOTICE OF MEETING

**The 53rd Annual General Meeting (AGM) of Perpetual Limited (Perpetual) will take place at 10:00am on Thursday, 3 November 2016 at Perpetual Limited, Level 18, 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 2016
- the re-appointment to the Board of Directors of Mr Philip Bullock
- the re-appointment to the Board of Directors of Ms Sylvia Falzon
- adoption of the Remuneration Report

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 online at [www.linkmarketservices.com.au](http://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](http://www.perpetual.com.au). Further information about how to access the webcast is contained in the attached Notice of Meeting.



Peter Scott

Chairman  
28 September 2016

Perpetual 

# 2016

## NOTICE OF MEETING

Notice is given that the 53rd Annual General Meeting of Perpetual Limited ABN 86 000 431 827 (“Perpetual” or the “Company”) will be held at Perpetual Limited, Level 18, Angel Place, 123 Pitt Street, Sydney NSW 2000 on Thursday, 3 November 2016, 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 2016.

### RE-APPOINTMENT OF NON-EXECUTIVE DIRECTORS

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

‘That Mr Philip Bullock, 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 Bullock was last appointed as a Director at the Company’s 2013 AGM and accordingly must retire and seek re-appointment at this year’s AGM in accordance with the Constitution.

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

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

‘That Ms Sylvia Falzon, 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.’

Ms Falzon was last appointed as a Director at the Company’s 2013 AGM and accordingly must retire and seek re-appointment at this year’s AGM in accordance with the Constitution.

Information about Ms Falzon appears in the Explanatory Memorandum attached to this Notice of Meeting.

### ADOPTION OF REMUNERATION REPORT

3. 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 2016 is adopted.’

In accordance with section 250R of the Corporations Act 2001 (Cth) (Corporations Act), the vote on Resolution 3 will be advisory only.

### VOTING

The Chairman intends to put Resolutions 1 to 3 to a poll at the AGM. 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 AGM.

### 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 Resolution 3 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.

### RESOLUTION 3 (REMUNERATION REPORT)

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of a KMP named in the Company's Remuneration Report for the financial year ended 30 June 2016, 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 AGM or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 3:

- in accordance with a direction on the proxy form or
- by the Chairman of the AGM, 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 AGM 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 a resolution, then, on the poll for that resolution, the Chairman intends to vote all available proxies for that member in favour of that resolution. 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 3 (Remuneration Report) then by completing and submitting the proxy form the member will be expressly authorising the Chairman to exercise their proxy on the 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 18, 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](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 fax number specified above, or by online lodgement at the website specified above, by no later than 10:00am (Sydney time) on Tuesday, 1 November 2016. Proxies received after that time will not be effective.

## 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 AGM 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 AGM

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, 1 November 2016 (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 Wednesday, 26 October 2016.

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:

[www.perpetual.com.au/About/Shareholders](http://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  
28 September 2016

## 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 2016 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 2016 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 PHILIP BULLOCK, INDEPENDENT DIRECTOR, BA, MBA, GAICD, Dip Ed

Mr Bullock was 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 Chief Executive Officer and Managing Director of IBM Australia and New Zealand. His career with IBM spanned almost 30 years in the Asia Pacific region. Mr Bullock is a Non-executive Director of Hills Limited and formerly of Healthscope Limited and CSG Limited. He also provided advice to the Federal Government, through a number of organisations, most notably as Chair of Skills Australia. He is a member of Perpetual's Audit, Risk and Compliance Committee and People and Remuneration Committee.

Mr Bullock brings to the Board extensive management experience in Australia and Asia in technology, client relationships, marketing, talent development and government.

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

### RESOLUTION 2: RE-APPOINTMENT OF MS SYLVIA FALZON, INDEPENDENT DIRECTOR, MIR (Hons), BBus, GAICD, SF Fin

Ms Falzon was appointed as a Director in November 2012. Ms Falzon has worked in the financial services industry for over 27 years and during that time has held senior executive positions responsible for institutional and retail funds management businesses, both domestically and internationally. Her roles have included Head of Business Development at Aviva Investors Australia, an equity partner at Alpha Investment Management and Chief Manager International Sales & Service at National Mutual Funds Management/AXA. Ms Falzon is currently a Non-executive Director of SAI Global Limited, Regis Healthcare Limited, Cabrini Health Ltd and the Museums Board of Victoria.

She is Chairman of Perpetual's People and Remuneration Committee and a member of Perpetual's Investment Committee and Nominations Committee.

Ms Falzon brings to the Board her extensive knowledge and insight in the development of asset management businesses with a particular focus on marketing, sales/distribution, client service and operations including risk and compliance.

After a review of Ms Falzon's contribution to the Board by the Nominations Committee, the Directors (with Ms Falzon abstaining) unanimously support the re-appointment of Ms Falzon to the Board, and recommend that shareholders vote in favour of Resolution 2.

### RESOLUTION 3: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report for the financial year ended 30 June 2016 is set out on pages 26 to 55 of the Annual Report 2016, 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 2016. 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 2016.

## REMUNERATION POLICY

Perpetual's remuneration philosophy seeks to align with and support the achievement of our business strategy, while ensuring remuneration outcomes are aligned with shareholder interests and are market competitive.

Our remuneration policy is designed around the following guiding principles:

1. The remuneration structure should attract, motivate and retain the desired talent within Perpetual.
2. The remuneration structure should balance value creation for shareholders, clients and employees.
3. The remuneration structure should facilitate the meaningful accumulation of Perpetual shares that drives an ownership mentality.
4. The remuneration structure should embed sound risk management.
5. The remuneration structure should be simple, transparent and easily understood and administered.
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 up to 30 June 2016 comprises the following components:

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

However, due to a comprehensive review of the remuneration structure by the Board, Perpetual's remuneration for the Managing Director and Group Executives from 1 July 2016 comprises the following components:

- fixed remuneration
- a single variable incentive that is subject to performance conditions. If the performance conditions are satisfied, part of the variable incentive will be paid in cash and the majority will be delivered in the form of Perpetual securities (including performance rights) which vest over four years following the end of the performance period.

Hence, at the AGM this year, in contrast to previous years, due to the new variable incentive plan introduced with effect from 1 July 2016, Perpetual is not requesting shareholder approval for a grant of LTI performance rights for the Managing Director. At the end of FY2017, the Board will review the performance of the Managing Director and the Group Executives against the Balanced Scorecard and performance rights may be allocated subject to the performance measures being achieved.

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.

Further details about the FY2017 remuneration framework can be found in the Company's Remuneration Report for the financial year ended 30 June 2016 and is set out on pages 26 to 55 of the Annual Report 2016, which is available at [www.perpetual.com.au](http://www.perpetual.com.au)

In accordance with section 250R of the Corporations Act, the vote on Resolution 3 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 Resolution 3.