

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

NOTICE OF 2016
ANNUAL GENERAL
MEETING

Perpetual 

Dear Shareholder

It is my pleasure to invite you to attend the second Annual General Meeting (“AGM”) of Perpetual Equity Investment Company Limited (“the Company”). The AGM will be held at 2.00pm (Sydney time) on Thursday, 3 November 2016 at Angel Place, Level 18, 123 Pitt Street, Sydney, New South Wales.

There are a number of items on the agenda for the AGM. We will consider:

- the financial and statutory reports for the financial year ended 30 June 2016;
- the election of Mr Geoff Lloyd;
- the re-election of Mr John Edstein; and
- an advisory vote on the adoption of the Remuneration Report.

Full details of each item of business are set out in the enclosed Notice of Meeting and Explanatory Memorandum.

I look forward to welcoming you to the AGM and providing you with a progress report on the Company. This year, our Portfolio Manager, Vince Pezzullo, will also provide you with an investor update on the performance of the Company. 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 AGM using the enclosed form.



A handwritten signature in black ink, which appears to read 'P. Scott'.

Peter Scott
Chairman

28 September 2016

NOTICE OF MEETING

Notice is given that the 2nd Annual General Meeting of Perpetual Equity Investment Company Limited ACN 601 406 419 (“the Company”) will be held at Angel Place, Level 18, 123 Pitt Street, Sydney, New South Wales on Thursday, 3 November 2016 at 2.00pm (Sydney time). Registration will open at 1.30pm.

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.

ELECTION OF DIRECTOR

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

‘That Mr Geoff Lloyd, having been appointed as a Director of the Company in September 2016, be elected in accordance with clause 15.10 of the Company’s Constitution.’

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

RE-ELECTION OF DIRECTOR

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

‘That Mr John Edstein, who retires by rotation from the office of Director in accordance with clause 15.6 of the Company’s Constitution and being eligible, is re-elected as a Director of the Company.’

Mr Edstein was last elected as a Director at the Company’s 2015 AGM and is retiring by rotation.

Information about Mr Edstein 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 - RESOLUTION 3 (REMUNERATION REPORT)

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (“KMP”) of the Company, 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.

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 3 (Remuneration Report):

- 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 shareholder who is entitled to vote at the AGM may appoint a proxy to attend and vote at the AGM on behalf of that shareholder. A proxy may be an individual or body corporate and is not required to be a shareholder of the Company.

On a poll, each proxy has one vote for each share carrying the right to vote. A shareholder may appoint two proxies, and may specify the proportion or number of votes that the proxy may exercise on a poll.

If a shareholder appoints two proxies and does not specify the proportion or number of votes that the proxy may exercise, each proxy appointed may exercise half the shareholders’ votes.

A shareholder who is entitled to vote on a resolution may direct their 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. If the shareholder 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) and may abstain from voting, except where required by law or the Company’s Constitution to vote.

If a shareholder appoints the Chairman of the AGM as proxy, or the Chairman is appointed by default, and the Chairman is not directed how to vote on a resolution, then, on the poll for that resolution, the Chairman intends to vote all available proxies for that shareholder in favour of that resolution. Please note that if the Chairman of the AGM is a shareholder’s proxy and the shareholder does not direct the Chairman how to vote on Resolution 3 (Remuneration Report), then by completing and submitting the proxy form the shareholder 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 shareholder does direct the Chairman how to vote on a resolution, the Chairman must vote on a poll in accordance with that 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 Equity Investment Company Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235
- facsimile to +61 2 9287 0309

or to the Company's registered office by:

- hand delivery or post to Angel Place, Level 18, 123 Pitt Street, Sydney, NSW, 2000
- facsimile to +61 2 9287 0303

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 proxy forms (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 **2.00pm (Sydney time) on Tuesday, 1 November 2016**. Proxy forms received after this time will not be effective.

CORPORATE REPRESENTATIVES

A body corporate that is a shareholder, or that has been appointed as a proxy of a shareholder, may appoint an individual to act as its 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 holders 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 shareholders 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.

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.



Sylvie Dimarco
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.perpetualequity.com.au.

During this item of business, shareholders 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.

Shareholders 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:

ELECTION OF MR GEOFF LLOYD, EXECUTIVE DIRECTOR

BARRISTER AT LAW LLM (DISTINCTION) (UTS)
ADV MGT PROGRAM (HARVARD)

Geoff joined Perpetual Limited in August 2010 and was appointed CEO and Managing Director in February 2012. In 2012, Geoff and his senior leadership team rolled out Perpetual's Transformation 2015 strategy designed to simplify, refocus and grow Perpetual. Growth initiatives put in place as part of this strategy include the successful acquisition of The Trust Company in December 2013 and the launch of a new Global Equity capability in September 2014.

Before being appointed Perpetual's CEO and Managing Director, Geoff was Group Executive of Private Wealth at Perpetual, where he led the development and implementation of the growth strategy for this business.

He took on the additional responsibility of head of retail distribution in September 2011.

Before commencing at Perpetual, Geoff held a number of senior roles at BT Financial Group and St. George's Wealth Management business including General Manager, Advice and Private Banking and Group Executive Wealth Management.

Geoff was appointed Chair of the Financial Services Council (FSC) in July 2016. Prior to this appointment, he held a number of positions in the FSC including Co-Deputy Chairman, Deputy Chairman of the FSC's Administration & Risk Board Committee, Deputy Chairman of the FSC's Nominations Board Committee and Co-Chairman of the FSC's Advice Board Committee.

Geoff is an Advisory Board member of The Big Issue, and the Patron of the Financial Industry Community Aid Program. He is a patron of the Emerge Foundation and also sits on the University of Technology Sydney Law Advisory Board.

BOARD RECOMMENDATION

The Directors (with Mr Lloyd abstaining) strongly support the election of Mr Lloyd, and unanimously recommend that shareholders vote in favour of Resolution 1.

RESOLUTION 2:

RE-ELECTION OF MR JOHN EDSTEIN, INDEPENDENT NON-EXECUTIVE DIRECTOR BEC, LLB, LLM (HONS)

John is the Chairperson of the Nomination and Corporate Governance Committee and a member of the Audit and Risk Committee of the Company. John was formerly a partner in the Tax and Superannuation Group of King & Wood Malletsons (formerly Malletsons Stephen Jaques) from 1990 to 2012 and was National Practice Team Leader of that group from 2006 to 2011. He was a member of the Law Council of Australia Superannuation Committee from 1988 to 2008 and is now an Emeritus Member, is a member of the Tax Institute of Australia and is a Chartered Tax Adviser.

He is currently a Director of Macquarie Investment Management Limited (appointed 1 July 2013) and Retail Employees Superannuation Pty Limited (Trustee of the Retail Employees Superannuation Trust, appointed 4 October 2013). He is also the Independent Member of the Australian Defence Forces Financial Services Consumer Centre (appointed 2008) and is a part time Special Counsel for Carroll & O’Dea Lawyers.

John has more than 35 years of experience as a legal practitioner. His primary practice areas have been superannuation, life insurance and trusts and the tax aspects of those areas. That experience has included extensive consideration of corporate law, corporate governance and the legal aspects of investment structures.

BOARD RECOMMENDATION

The Directors (with Mr Edstein abstaining) strongly support the re-election of Mr Edstein, and unanimously 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 contains details of the remuneration paid by the Company to its Directors, who are the Company’s key management personnel. The Company currently has no paid employees.

Non-executive Directors do not receive performance-related remuneration and are not entitled to participate in equity-based incentive plans. The Executive Director, Geoff Lloyd, is not entitled to Directors’ fees or any other form of remuneration from the Company for his services. Accordingly, the Remuneration Report for 2016 is simple and brief.

The Company’s Remuneration Report for the financial year ended 30 June 2016 is set out on pages 13 to 16 of the Annual Report 2016, which is available at www.perpetualequity.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 4 of this Notice of Meeting.

BOARD RECOMMENDATION

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

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