

# Notice of Annual General Meeting

The 42nd Annual General Meeting of  
Perpetual Trustees Australia Limited  
will be held in the Heritage Ballroom  
at The Westin Sydney,  
1 Martin Place, Sydney, NSW  
on Tuesday 18 October 2005,  
commencing at 11:00am.  
Registration will open at 10:00am.

## Dear Fellow Shareholders

The 42nd Annual General Meeting of Perpetual Trustees Australia Limited (Perpetual) will take place on 18 October 2005 at The Westin Sydney at 1 Martin Place in Sydney. A copy of the Notice of Meeting is attached.

There are a number of items on the agenda of this year's Meeting.

As part of 'Ordinary business', we will consider our financial and statutory reports for 2005 and the election of a number of directors of the board, including Ms Meredith Brooks, Mr Philip Twyman and Mr Peter Scott. I will be retiring from the board, as will Ms Linda Nicholls and Ms Bonita Boezeman AO. Your new Chairman will be Mr Robert Savage, who has been on the Perpetual board since 2001 and has brought to the board many years' experience as an executive and board member of a number of large publicly-listed companies.

You will also be asked to cast a non-binding vote for the adoption of the remuneration report. The report, which is available on pages 49 to 75 of the 2005 Annual Report, details our remuneration policy and discloses the remuneration of Perpetual's senior executives and board members.

To gain a better understanding of our remuneration policy, it is important to understand the highly competitive nature of our industry. Our competitive advantage is the high performance of our people and the returns they make for our shareholders. As a listed company, we have a duty to protect those assets over the long term by aligning the interests of our people with those of our shareholders. Our remuneration policy is performance-based, meaning that it encourages and rewards out-performance, but does not reward for under-performance. We would encourage you to read the remuneration report and the 2005 Annual Report prior to the Annual General Meeting.

On the agenda under 'Special business' is the resolution to change our company name from 'Perpetual Trustees Australia Limited' to 'Perpetual Limited'. We are proposing the name change for a number of reasons. First, the current name does not properly reflect the diversity and nature of our business; our business has changed significantly over the past years from a traditional trustee company to that of an international diversified financial services group. In some circumstances, continuing the use of the words 'Trustee' and 'Australia' in our name could be seen as an impediment to the future development of our business, especially our business in offshore markets.

Second, the name change also supports the greater emphasis we now place on our brand names, such as Perpetual Investments, Perpetual Corporate Trust and Perpetual Private Clients, in promotional material. For many of our stakeholders, these names are already synonymous with the organisation and we believe that the name change will further strengthen our brand and our reputation moving forward.

We will retain the names of our subsidiaries such as 'Perpetual Trustee Company Limited', 'Perpetual Investment Management Limited' and 'Perpetual Trust Services Limited', each of which holds an Australian financial services licence under the *Corporations Act 2001* for legal and regulatory purposes. Changing the name will not affect our ability to provide trustee services. The names of our subsidiaries will continue to be used on our product disclosure statements and on correspondence with our clients.

Should shareholders vote in favour of the resolution, the name change will be timed to coincide with our move to our new headquarters at Angel Place in Sydney in January 2006.

2005 was an exciting and rewarding year at Perpetual. We are pleased with the result at a group level and with the progress we have made with the implementation of our strategy at divisional levels.

We look forward to discussing these and other matters with you at the Annual General Meeting. If you are unable to attend, we would encourage you to appoint a proxy to attend and vote on your behalf.



Mr Charles Curran AO  
Chairman

8 September 2005

## Notice of Meeting

Notice is given that the 42nd Annual General Meeting of Perpetual Trustees Australia Limited ('the Company') will be held in the Heritage Ballroom at The Westin Sydney, 1 Martin Place, Sydney, NSW on Tuesday 18 October 2005, commencing at 11:00am. Registration will open at 10:00am.

## Ordinary business

### 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 2005.

### Election of non-executive directors

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. 'That Ms Meredith Brooks, a director appointed since the last annual general meeting and retiring in accordance with clauses 20.2.1 and 20.9.2 of the Company's constitution, being eligible, is elected as a director of the Company.'
2. 'That Mr Philip Twyman, a director appointed since the last annual general meeting and retiring in accordance with clauses 20.2.1 and 20.9.2 of the Company's constitution, being eligible, is elected as a director of the Company.'
3. 'That Mr Peter Scott, a director appointed since the last annual general meeting and retiring in accordance with clauses 20.2.1 and 20.9.2 of the Company's constitution, being eligible, is elected as a director of the Company.'

Information about the candidates for election as directors appears in the Explanatory Memorandum attached to this Notice of Meeting.

*Note: The chairman of the Company, Mr Curran AO, and Ms Nicholls and Ms Boezeman AO will retire at the conclusion of the meeting and will not offer themselves for re-election.*

### Adoption of remuneration report

4. 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 2005 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.*

## Special business

### Change of name

5. To consider and, if thought fit, to pass the following resolution as a special resolution:

'That the Company adopt the new name 'Perpetual Limited', with effect no earlier than 1 January 2006.'

### Proxies

A member who is entitled to attend and vote at the meeting 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 meeting 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 of the member's votes. Fractions 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 meeting as proxy and does not direct the Chairman how to vote on an item of business, then, if a poll is called on that item, the Chairman will vote as proxy for that member in favour of that item of business.

Proxies must be returned:

to the Company's share registrar at:

ASX Perpetual Registrars Limited  
Level 8, 580 George Street  
Sydney NSW 2000  
Locked Bag A14, Sydney South, NSW 1235  
Facsimile number: 61 2 9287 0309

or to the Company's registered office at:

Level 7, 39 Hunter Street  
Sydney NSW 2000  
Facsimile number: 61 2 9229 9371

or by lodging the proxy appointment online by visiting the Company's share registry website at [www.asxperpetual.com.au](http://www.asxperpetual.com.au) and following the prompts and instructions. To use the online lodgement 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.

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 11.00am (Sydney time) on Sunday 16 October 2005. Proxies received after that time will not be effective for the scheduled meeting.

#### **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 its representative at the meeting. 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 it is signed, unless the evidence has previously been given to the Company.

#### **Determination of entitlements to attend and vote at the meeting**

Under the *Corporations Regulations 2001*, the Company has determined that the shares of the Company on issue as at 7.00pm (Sydney time) on Sunday 16 October 2005 will be taken, for the purposes of the meeting, to be held by the persons who held them at that time. Accordingly, the persons entitled to attend and vote at the meeting will be the registered holders of the Company's shares at that time.

#### **Shareholder questions**

This year, the Company is offering a facility for shareholders to submit written questions in advance of the meeting. To submit a written question, please complete and return the accompanying form, or submit the question online, in accordance with the instructions on the form. The form must be received by the Company's share registrar by no later than Tuesday 11 October 2005. Questions should relate to matters that are relevant to the business of the meeting, as outlined in this Notice of Meeting and the attached Explanatory Memorandum.

Questions will be collated and, during the meeting, 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 meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

#### **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 order of the board.



Joanne Hawkins  
Company Secretary

8 September 2005

## **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 2005 will be laid before the meeting, as required by section 317 of the *Corporations Act 2001*. The Company's 2005 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)) and has been sent to shareholders in accordance with the *Corporations Act 2001*.

During this item of business, the members as a whole at the meeting 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 as a whole at the meeting 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 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. Shareholders may also submit a written question to KPMG if the question is relevant to the content of the auditor's report for the financial year ended 30 June 2005 or the conduct of the audit of the financial report for that year. Relevant questions may be submitted to KPMG using the form accompanying this document and ensuring that it is received by the Company by no later than Tuesday 11 October 2005. At the meeting, KPMG's representative will be given the opportunity to answer, or table written answers to, relevant questions.

### **Resolution 1:**

#### **Election of Ms Meredith Brooks, BA, Fellow of the Institute of Actuaries Australia (Age 43)**

Ms Brooks was appointed as an independent director of the Company in November 2004. She was formerly Managing Director, US Institutional Investor Services for the Frank Russell Company based in New York. Prior to that, she held the position of Managing Director of Frank Russell Australasia for five years and was previously Director, European Funds based in London.

Ms Brooks is a member of the Company's Investment Committee and Audit Risk and Compliance Committee.

Ms Brooks brings to the board over 20 years of senior funds management experience both in Australia and overseas.

Ms Brooks resides in Sydney.

The directors (other than Ms Brooks) recommend that shareholders vote in favour of resolution 1.

### **Resolution 2:**

#### **Election of Mr Philip Twyman, BSc, MBA (Age 61)**

Mr Twyman was appointed as an independent director in November 2004. He was formerly Group Executive Director of Aviva plc. and Chairman of Aviva's funds management arm, Morley Funds Management in the United Kingdom until March 2004. Prior to the mergers which formed Aviva, he was the Group Finance Director at General Accident plc. Prior to that, he held various positions at AMP for over 30 years, completing his tenure as Chief General Manager, AMP Retail Financial Services in 1995.

Mr Twyman is a member of the Company's Investment Committee and Audit Risk and Compliance Committee.

Mr Twyman brings to the board over 40 years' experience in financial services together with his experience as an executive director of major Australian and international companies.

Mr Twyman resides in Sydney.

The directors (other than Mr Twyman) recommend that shareholders vote in favour of resolution 2.

### **Resolution 3:**

#### **Election of Mr Peter Scott, BE (Hons), Master of Engineering Science (Age 51)**

Mr Scott was appointed as an independent director in July 2005. He was formerly the Chief Executive Officer of MLC, an Executive General Manager of National Australia Bank Limited and held a number of senior positions with Lend Lease.

Mr Scott has been a director of Stockland Corporation Limited since August 2005, and is also a director of SKM. He is a member of the Strategic Advisory Panel of the Project Management Graduate Programme at the University of Sydney and a board member for the Centre of Engineering Leadership and Management at the Institution of Engineers, Australia.

Mr Scott is a member of the Company's Investment Committee and Audit Risk and Compliance Committee.

Mr Scott has more than 20 years of in-depth senior business experience in publicly-listed companies and extensive knowledge of the wealth management industry, particularly the retail distribution sector.

Mr Scott resides in Sydney.

The directors (other than Mr Scott) 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 2005 is set out on pages 49 to 75 of the Company's 2005 Annual Report (which is available on the Company's website ([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 2005. The remuneration report contains information required by section 300A of the *Corporations Act 2001* and AASB 1046: Director and Executive Disclosures by Disclosing Entities, including:

- discussion of the board's policy in relation to the nature and level of remuneration paid to directors and executives (including secretaries and 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; and
- 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 2005.

The board's executive remuneration policy is based on the following five principles (which were developed following research conducted by the Company and after incorporating the results of a review performed by Towers Perrin and Egan Associates in the year ended 30 June 2004):

- variable pay should form a significant part of overall remuneration, whilst keeping fixed remuneration competitive;
- variable pay should be linked to shareholder wealth creation;
- short-term incentive ('STI') payments should be uncapped to allow for recognition of performance exceeding expectations;
- STI payments should be made out of the realised profits of the organisation, rather than being budgeted as a fixed cost; and
- equity participation within the organisation should be increased to encourage an ownership mindset and be appropriately tied to challenging hurdles.

The Company's approach to executive performance and remuneration management can be characterised as:

- aligning remuneration outcomes with shareholder wealth creation, thus underpinning the critical link between the Company's performance, individual performance and individual reward;
- actively supporting the execution of business strategy and the development of an entrepreneurial, team-based culture;
- assisting in attracting and retaining senior employees;
- being competitive with contemporary marketplace practice;
- providing clarity and transparency; and
- being in keeping with the Company's commitment to good corporate governance.

The remuneration structure for senior employees involves three components:

- a fixed remuneration component;
- a short-term incentive component; and
- a component related to longer term performance and retention.

The board's remuneration policy for non-executive directors aims to ensure that it can attract and retain suitably skilled, experienced and committed individuals to serve on the board. Non-executive directors do not receive performance related remuneration and are not entitled to receive performance shares or options over the Company's shares.

For detailed information about the Company's remuneration arrangements for directors and group executives, shareholders are encouraged to read the remuneration report.

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 meeting. In accordance with section 250R, the vote on resolution 4 will be advisory only and will not bind the directors or the Company.

During this item of business, the members as a whole at the meeting will be given a reasonable opportunity to ask questions about, and make comments on, the remuneration report.

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

**Resolution 5:****Change of name**

The directors propose that the Company change its name from 'Perpetual Trustees Australia Limited' to 'Perpetual Limited' for several reasons. The directors consider that the current name does not properly reflect the diversity and nature of the Company's business. The Company's business has changed significantly over the past years from a traditional trustee company to that of an international diversified financial services group. In some circumstances, continuing the use of the words 'Trustee' and 'Australia' in our name could be seen as an impediment to the future development of the Company's business, especially its business in offshore markets.

The name change also supports the greater emphasis placed on business names, such as Perpetual Investments, Perpetual Corporate Trust and Perpetual Private Clients, in promotional material. For many stakeholders, these names are already synonymous with the organisation and the directors consider that the name change will further strengthen the Company's brand and reputation.

The names of the Company's subsidiaries will be retained including 'Perpetual Trustee Company Limited', 'Perpetual Investment Management Limited' and 'Perpetual Trust Services Limited', each of which holds an Australian financial services licence under the *Corporations Act 2001* for legal and regulatory purposes. Changing the name will not affect the Company's ability to provide trustee services. The names of its subsidiaries will continue to be used on product disclosure statements and on correspondence with clients.

For the Company to change its name, its proposed new name needs to be adopted by a special resolution - that is, a resolution passed by at least 75% of the votes cast by or on behalf of members entitled to vote on the resolution.

If resolution 5 is passed, it is intended that the Company's change of name will take effect no earlier than 1 January 2006. The exact date on which the change of name will take effect will be the date on which the Australian Securities and Investments Commission alters details of the Company's registration to reflect the change (which will occur no earlier than 1 January 2006).

The timing of the name change is intended to coincide (as nearly as practicable) with the move to the Company's new premises in Angel Place, Sydney, which is scheduled to occur in January 2006.

The directors unanimously recommend that shareholders vote in favour of resolution 5.

## **PERPETUAL TRUSTEES AUSTRALIA LIMITED**

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