

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

All Registry communications to:
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Telephone: +61 1800 421 712
Facsimile: +61 2 9287 0303
ASX Code: PIC
Email: pic@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

22 July 2015

Dear Shareholder

Dividend Reinvestment Plan (DRP) Offer

On behalf of the directors of Perpetual Equity Investment Company Limited ('the Company'), I am pleased to offer you the opportunity to participate in the Company's Dividend Reinvestment Plan (DRP).

This DRP provides you the choice to receive some or all of your future dividends as ordinary shares in the Company instead of cash, which is an efficient way of increasing your investment in the Company.

A key feature of this offer is that at the commencement of the DRP, shares issued under the DRP will be issued at a discount of 2.5% of the market price of the Company's shares. The Company will announce its annual financial results in late August this year and at that time will declare whether a dividend will be payable to shareholders for the period to 30 June 2015.

In addition, other benefits of the DRP include:

- Shares allocated under the DRP are free of brokerage, commission and stamp duty costs
- Shares issued under the DRP rank equally with existing shares, and
- You can participate, vary your participation or withdraw from the DRP at any time.

A booklet is enclosed which contains important information which may help you understand the DRP, along with a DRP election form for shareholders who wish to participate.

As with any investment, there are risks involved in share ownership and being invested in the current market conditions. This is particularly important when investing in global listed securities, as the Company has the ability to do under its investment guidelines.

Before deciding to participate in the DRP, it is important to understand the risks that can affect the value of your investment and may mean the value of your investment may rise or fall. We advise you to carefully read the enclosed booklet. You should also consider seeking independent professional advice as to the financial and tax implications of the DRP for your own specific circumstances.

Option exercise

I would also like to take this opportunity to remind those shareholders who acquired shares in the Company under the Initial Public Offer that they received one Option for every one share exercisable at \$1.00.

Options carry an entitlement to receive dividends as soon as they are exercised. Options must be exercised before 5pm on 10 June 2016. We have included an Option exercise form for the convenience of any shareholder wishing to exercise this Option now or in the future.

You also have the right to request to receive from the Company, free of charge, copies of the Company's latest annual report, financial statements and the auditor's report on those financial statements (if applicable). These documents are available online at www.perpetualequity.com.au, alternatively you may contact Link Market Services (see below for contact details) to request copies of these documents.

Keeping you informed

Finally, we have also included an email nomination form in this pack. Providing us with your preferred email address will help us keep you better informed about your shareholding in the Company. In addition, you can elect to receive email notifications, including monthly updates about the portfolio and the holdings of the Company, by visiting '**Shareholder services**' > '**Email Alerts**' on the website at www.perpetualequity.com.au.

Alternatively, if you need any assistance or further information about your shareholding, please contact Link Market Services on +61 1800 421 712 or email pic@linkmarketservices.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Scott', with a stylized flourish at the end.

Peter Scott

Chairman and Non-executive Director



X99999999999

A

REINVESTMENT PLAN APPLICATION OR VARIATION

Please use a BLACK pen. Print CAPITAL letters inside the shaded areas.

A B C

1 2 3

Where a choice is required, mark the box with an 'X'

X

This form is to be completed where the securityholder wishes to have their payments reinvested under the rules of the Reinvestment Plan.

I/We being the above named holder of registered securities wish to participate in the Plan as indicated below.

I/We authorise the application of the payment to me/us with respect to the number of securities participating in the Plan at the price and subject to the rules of the Plan.

I/We hereby agree to be bound by the rules of the Plan in subscribing for additional securities.

I/We acknowledge that I/we may vary or cancel my/our participation in the Plan, in accordance with the rules of the Plan. This will cancel any earlier Plan instructions and take priority over any direct credit instructions.

Degree of Participation (cross appropriate box):

☐

FULL PARTICIPATION

— Including any further acquisitions.

or

☐

PARTIAL PARTICIPATION —

Please specify the number of securities to participate in the Plan

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B

SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

--

Sole Director and Sole Company Secretary/Director (delete one)

Joint Securityholder 2 (Individual)

--

Director/Company Secretary (delete one)

Joint Securityholder 3 (Individual)

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Date ____/____/____

Signing Instructions: This form should be signed by the securityholder. If a joint holding, all securityholders should sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth) (or for New Zealand companies, the *Companies Act 1993*).

Personal Information Collection Notification Statement: Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

PIC DRP002

Conversion Ratio:	1 for 1
Exercise Price:	\$1.00
Expiry date:	10 June 2016

NOTICE OF EXERCISE OF OPTIONS

PLEASE COMPLETE BELOW (using block letters) – refer overleaf for details and further instructions on how to complete this form.

I/We being the registered holders, hereby exercise my/our option to apply for the following number of ordinary shares in Perpetual Equity Investment Company Limited (Perpetual Equity Investment Company or Company) in accordance with the Terms and Conditions of my/our Perpetual Equity Investment Company Options.

I/We request that you allot such shares to me/us and I/We undertake to be bound by Perpetual Equity Investment Company Constitution, and I/We authorise you to place my/our name on the Register of Members. If this application is signed by an Attorney, the Attorney hereby declares that no notice of revocation has been received.

A NUMBER OF ORDINARY FULLY PAID
SHARES

[illegible]

at \$1.00 per
Option Exercised \$A

B TOTAL PAYMENT REQUIRED
(\$1.00 per PICO Option exercised)

C PLEASE INSERT YOUR CHEQUE/BANK DRAFT OR MONEY ORDER DETAILS

I/We enclose my/our cheque for the amount specified below. Cheques must be drawn on an **Australian branch** of a financial institution in **Australian currency** and made payable to "Perpetual Equity Investment Company Limited" and crossed "Not Negotiable".

Cheque Number

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BSB

□ □ □ □ □ □

Account Number

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D YOUR CONTACT DETAILS

Telephone Number

()

Telephone Number – after hours

()

Contact Name (PRINT)

E SIGNATURE OF OPTIONHOLDER(S) – this MUST be signed

I/We authorise you to act in accordance with my/our instructions above.

Optionholder 1

Sole Director and Sole Company Secretary

Optionholder 2

Director/Company Secretary

Optionholder 3

Director

This form should be signed by the optionholder(s). Where the optionholder is an **individual**, a single signature is required. In the case of a **joint holding**, the signatures of each holder are required. Where the notice is signed by an **attorney under power of attorney**, please print the name of the attorney and state that the notice is signed under power of attorney and produce the power of attorney for noting purposes. **Companies** need to sign in accordance with their constitution, and the *Corporations Act 2001* (Clth).

Date _____

/ /

PIC OPT001

HOW TO COMPLETE THE NOTICE OF EXERCISE OF OPTIONS

Please complete all relevant sections of this form USING BLOCK LETTERS. These instructions are cross referenced to each section of the notice.

A. Application for Shares under the Notice of Exercise of Options

You may exercise either part of, or all of, your Options holding. Please write in Box A the number of Options that you wish to exercise.

If exercised in part, multiples of 2,500 must be exercised on each occasion. Where less than 2,500 Options are held, all Options must be exercised.

If you do not indicate the number of Options you wish to Exercise, the Company will exercise as many Options as your accompanying cheque will pay for. The number of Options exercised, however, will not exceed the number of Options that you hold.

B. Total Payment Required for Options Exercise

Please enter in Box B the total amount of the cheque required for the payment of the Options you wish to exercise at the Exercise Price of \$1.00 per Option.

C. Payment Details

Please enter your cheque details in Section C.

Cheques must be drawn on an Australian branch of a financial institution in Australian currency and made payable to "Perpetual Equity Investment Company Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received.

D. Contact Details

Please enter your contact telephone number so we can contact you regarding your notice, if necessary.

E. Signature of Optionholder(s)

Please enter the signature(s) of Registered Optionholder(s).

- Individual or joint Optionholders – each joint Optionholder must sign.
- Attorneys – if this notice is signed by an attorney, the attorney declares they have no notice of revocation of the power under which this notice is signed.
- Companies – must execute this notice in accordance with the laws of their jurisdiction.

Note: These options are tradeable on the ASX under the code PICO and can be sold up until 10 June 2016.

How to Lodge the Notice of Exercise of Options

The completed notice with the accompanying payment must be mailed or delivered to the address set out below.

Mailing Address

Perpetual Equity Investment Company Limited
Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

If you require information on how to complete this form please contact Perpetual Equity Investment Company Limited Information Line on +61 1800 421 712 (free call within Australia), between 8:30am and 5:00pm (AEST) Monday to Friday.

If you are unsure as to whether or not to participate in the Exercise of Options, please consult your investment, financial, taxation or other professional adviser.

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