

Compliance Committee

Terms of Reference

THE TRUST COMPANY (RE SERVICES) LIMITED

This document was reviewed by the Compliance Committee on 20 March 2014

COMPLIANCE COMMITTEE Terms of Reference

THE TRUST COMPANY (RE SERVICES) LIMITED

## Purpose

This Schedule for The Trust Company (RE Services) Limited, governs the key aspects of appointment of members of the Compliance Committee. The Responsible Entity has adopted this Schedule for the Responsible Entity's Compliance Committee by resolution of its Board or the Board's delegated committee. A Member who agrees to become a member of the Compliance Committee agrees to do so on the terms and conditions set out in this Schedule. To the extent of any inconsistency between this Schedule and a Compliance Plan, the provisions of the Compliance Plan will prevail.

### 1. Definitions

1.1 The following words have these meanings in this Schedule:

Act means the Corporations Act 2001 (Cwlth) and includes any statutory modification or re-enactment of, or legislative provision substituted for, any subordinate legislation under, that legislation or legislative provision.

ASIC means the Australian Securities and Investments Commission and includes any successor or replacement body.

Compliance Committee means, in respect of the Responsible Entity, the Compliance Committee of one of the Responsible Entity's Schemes.

Compliance Plan means, in respect of a Scheme, the compliance plan of the Scheme as amended from time to time.

Member means, in respect of a Compliance Committee, a member of the Compliance Committee appointed as such by the Responsible Entity.

Perpetual Group means the group of companies in respect of which PL is the parent company.

PL means Perpetual Limited ABN 86 000 431 827.

Responsible Entity means The Trust Company (RE Services) Limited in respect of the Schemes for which the entity is the responsible entity.

Scheme means, in respect of the Responsible Entity, a registered managed investment scheme in respect of which the Responsible Entity is the responsible entity from time to time.

### 2. Members

2.1 The membership of the Compliance Committee will consist of not less than three members at least two of whom satisfy the external member test under section 601JB(2) of the Act.

2.2 Each Member must, as soon as practicably possible, inform the Responsible Entity where the Member becomes aware that they may no longer satisfy the eligibility criteria set out in Part 5C.5 of the Act.

2.3 The Responsible Entity appoints the Members as members of the Compliance Committee for the Schemes of which the Responsible Entity is responsible entity, on the terms and conditions as set out in this Schedule.

2.4 The appointment of each Member commences on the date on which the board of the Responsible Entity or the board's delegated committee resolves to appoint the Member to the Compliance Committee. The appointment continues until terminated under clause 7 of this Schedule.

2.5 The Member agrees to:

(a) perform the functions and make the disclosure required of a Compliance Committee member as contemplated by the Act;

(b) comply with, and perform the functions and responsibilities assigned to them by, the relevant Compliance Plan; and

(c) consult with the board of directors of the Responsible Entity and relevant officers of the Perpetual Group with respect to compliance matters.

2.6 In accordance with the Act, the Member agrees to:

(a) act honestly;

(b) exercise the degree of care and diligence that a reasonable person would exercise if they were in the Member's position;

(c) not make use of information acquired through being a Member of a Compliance Committee in order to:

(i) gain an improper advantage for the Member or another person; or

(ii) cause detriment to the members of the relevant Scheme;

(d) not make improper use of their position as a member of a Compliance Committee to gain, directly or indirectly, an advantage for themselves or for any other person or to cause detriment to the members of the relevant Scheme;

(e) take all reasonable steps to assist ASIC in carrying out a surveillance check under section 601FF(1) of the Act as may occur from time to time; and

(f) disclose to the Compliance Committee any direct or indirect pecuniary interest that he/she has in a matter being considered, or about to be considered, by the Compliance Committee if his/her interest could conflict with the proper performance of their duties in relation to the consideration of the matter. Any such disclosure must occur at the first meeting of the Compliance Committee after the relevant facts have come to the Member's knowledge and must be recorded in the minutes of the meeting.

2.7 The Member agrees, subject to any duties or obligations to the contrary imposed by the Act and any other relevant law, that in performing the duties of a Compliance Committee member for each relevant Scheme to act only in accordance with the lawful directions of the Responsible Entity.

2.8 The Member agrees to be available to participate in meetings of the Compliance Committee at the times and places reasonably determined with the Responsible Entity or, if the Responsible Entity agrees, by the Compliance Committee.

### 3. Meetings

3.1 The minimum quorum for a meeting of the Compliance Committee is two Members.

3.2 The Responsible Entity will appoint a Member of the Compliance Committee to act as chairman of the Compliance Committee.

3.3 The Compliance Committee may invite senior executives as it sees appropriate. The external auditors of Compliance Plans will attend as required

3.4 The secretary of the Compliance Committee is a Perpetual Group staff member appointed by the Committee.

3.5 The Compliance Committee must meet quarterly, and on any other occasions which it considers necessary to carry out its functions.

3.6 An agenda is to be prepared by the Secretary, and issued to Members prior to meetings. Minutes of all meetings are taken by the Secretary and distributed to Members.

3.7 Meetings may be held using any technology agreed to by all Members.

3.8 Decisions of the Compliance Committee will be made by majority vote. The chairman does not have a casting vote.

### 4. Committee Functions and Reporting

4.1 The Compliance Committee's function is to:

(a) monitor compliance by the Responsible Entity with the Compliance Plan of the relevant Scheme and report its findings to the board of directors of the Responsible Entity.

(b) report as soon as practicable to the board of directors of the Responsible Entity:

(i) any breach of the Corporations Act involving the relevant Scheme; and

(ii) any breach of the provisions included in the Scheme's constitution or Compliance Plan,

of which the Compliance Committee becomes aware, or that it suspects.

(c) report to ASIC if it is of the view that the board of directors has not taken, or does not propose to take, appropriate action to deal with a matter reported under 4.1(b).

4.2 On a quarterly basis the Compliance Committee is required to report to the Responsible Entity its findings on compliance by the Responsible Entity with each relevant Compliance Plan and constitution including action being taken to address any exceptions, the time frame to undertake the action and the person responsible for completing the action. This will be done by the secretary circulating a report from the Compliance Committee together with the minutes and actions plans from each meeting to the board of the Responsible Entity.

4.3 At least annually, the Compliance Committee must report to the Responsible Entity:

(a) on the adequacy of each relevant Compliance Plan; and

(b) its recommendations as to any changes that it considers should be made to the Compliance Plan.

4.4 The Compliance Committee must report to the PL Audit Risk & Compliance Committee at least on a quarterly basis, in a form agreed between the Chairman of the Compliance Committee and the PL Audit Risk & Compliance Committee.

## 5. Information and Assistance

### 5.1 The Responsible Entity must ensure that:

- (a) at the request of the Compliance Committee, it gives to the Members, all necessary explanations and information about the relevant Scheme and access to the books of the relevant Scheme;
- (b) regular reports are provided to the relevant Members in respect of the relevant Schemes and compliance by the Responsible Entity with the relevant Compliance Plans;
- (c) information is provided on a regular basis to enable the Members of the Compliance Committee to understand the operation of the Compliance Plan and to assess the adequacy of the Compliance Plans; and
- (d) all reasonable assistance is provided to the Members to enable them to perform their functions under this Schedule.

5.2 At the reasonable expense of, and after receiving the consent of the Responsible Entity, which shall not be unreasonably withheld, the Compliance Committee is entitled to commission independent legal, accounting or other expert advice.

5.3 At the reasonable expense of, and after giving reasonable notice to, the Responsible Entity, the Compliance Committee is entitled to:

- (a) request attendance at a meeting of the Compliance Committee or a report by:
  - (i) an auditor of each relevant Scheme, each relevant Scheme's Compliance Plan or the Responsible Entity; or
  - (ii) an officer, employee or agent of the Perpetual Group with responsibility for any matter relating to each relevant Scheme.

5.4 The Responsible Entity and the Compliance Committee must comply with any directions from ASIC concerning a relevant Scheme including with respect to the provision of information. They must take reasonable steps to notify the other if such a request is received.

## 6. Confidentiality

6.1 Except as authorised or required by this Schedule or law but subject to clause 5.4, each Member must:

- (a) not use or disclose to any person outside of the Perpetual Group any confidential information concerning the Perpetual Group, the Schemes, the Responsible Entity or any company within the Perpetual Group, which may come to their knowledge in the performance of the Member's services for the Responsible Entity;
- (b) not disclose or communicate in any manner whatsoever, any trade secret, financial, business, confidential or other information concerning the business operations or affairs of the Perpetual Group's clients;
- (c) keep with complete secrecy all confidential information entrusted to the Member; and
- (d) not use or attempt to use any such information in any manner which may or may be likely to injure or cause loss either directly or indirectly:
  - (i) the Responsible Entity;

- (ii) the Schemes;
- (iii) the business of any member of the Perpetual Group; or
- (iv) the business of any client of the Perpetual Group.

6.2 This restriction continues to apply after the termination of the appointment of a Member but ceases to apply to information which may come into the public domain, other than as a result of the breach by the Member of this Schedule, or as a result of the breach by any other person of any obligation of confidentiality to which the Member is aware such person is subject.

## 7. Termination

7.1 The Responsible Entity may terminate the appointment of a Member of the Compliance Committee of any of the Responsible Entity's Schemes by 60 days' notice to the Member or on any shorter period of notice that they accept and, at the end of that period, their appointment ceases.

7.2 The Member may give 60 days' notice to the Responsible Entity of their intention to retire as a Member (or any shorter period of notice that the Responsible Entity accepts) and, at the end of that period, their appointment ceases.

7.3 If the Member's appointment ceases, they are released from their obligations under this Schedule from the date of cessation subject to any provision that is expressed to continue after termination.

7.4 Subject to law, the Responsible Entity may terminate the appointment of a relevant Member immediately by notice to the Member if, in the reasonable opinion of the Responsible Entity, the Member:

- (a) no longer satisfies the eligibility criteria for a Member as set out in Part 5C.5 of the Act;
- (b) has breached any of their duties as a member of the Compliance Committee under the Act;
- (c) has acted dishonestly;
- (d) breaches a material provision of this Schedule;
- (e) makes any arrangement or composition with any of their creditors or seeks to take advantage in any way of the laws relating to bankruptcy.

## 8. Remuneration

8.1 A Member is entitled to receive such remuneration in respect of the Member's service as a Member as is agreed with PL from time to time.

8.2 A Member is entitled to be reimbursed for all reasonable expenses incurred by the Member in connection with their role as Member with the consent of the Responsible Entity, such consent not to be unreasonably withheld.

## 9. Invalidity

9.1 If any part of this Schedule is for any reason declared invalid or unenforceable, the validity of the remaining portion is not to be affected and the remaining portion is to remain in full effect as if this Schedule had been adopted with the invalid portion eliminated. Despite any other provision of this Schedule, this Schedule only applies to the extent permitted under the Act.

## 10. Governing Law

10.1 The contents of this Schedule, its meaning and interpretation and the relationship of the parties are governed by the laws of New South Wales.

## 11. Amendment

11.1 This Schedule may be amended at any time in respect of the Compliance Committee by a written resolution of the directors of the Responsible Entity board or the board's delegated committee.

11.2 Written notice of any change in this Schedule must be given by the Responsible Entity to each relevant Member as soon as practicable after the change

is made.

## 12. Enforcement and Non-Derogation

12.1 This Schedule may be enforced by a Member notwithstanding that the Member is at the time of enforcement no longer a Member of the Compliance Committee. Subject to any written agreement, nothing in this Schedule creates any rights or obligations as between any Members.

12.2 This Schedule does not derogate from, or affect, the rights of the parties to make a claim under any insurance policy.

## 13. Notices

### Method of giving notices

13.1 A notice, consent or other communication under this document is only effective if it is in writing, signed and either left at the addressee's address or sent to the addressee by mail or fax. If it is sent by mail, it is taken to have been received 3 Business Days after it is posted. If it is sent by fax, it is taken to have been received when the addressee actually receives it in full and in legible form and a facsimile transmission confirmation report will be sufficient evidence to that effect.

13.2 Notices to a Member should be sent to the address and fax number notified by the Member to the Responsible Entity from time to time. Notices addressed to PL or any of the Responsible Entity should be sent to PL's registered address and marked for the attention of the Company Secretary.