

25 August 2022

ASX Limited  
ASX Market Announcements Office  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

## **Perpetual FY22 Financial Results**

The following announcements to the market are provided:

FY22 Appendix 4E

FY22 ASX Announcement

FY22 Full Year Statutory Accounts

FY22 Results Presentation

FY22 Operating and Financial Review

Appendix 4G

✓ FY22 Corporate Governance Statement

Yours faithfully,



Sylvie Dimarco  
Company Secretary  
(Authorising Officer)

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# Corporate Governance Statement 2022

For the Year Ended 30 June 2022

Trust is earned.

Perpetual 

## CONTENTS AND INTRODUCTION

The Board and management of Perpetual Limited is committed to upholding high standards of corporate governance. The success of Perpetual's business and delivering on Perpetual's strategy relies on this commitment.



### Contents

2	Introduction
3	01. Foundations for Management and Oversight
8	02. Structure the Board to be Effective and Add Value
12	03. A Culture of Acting Lawfully, Ethically and Responsibly
14	04. Integrity of Corporate Reports
17	05. Timely and Balanced Disclosure
18	06. Respecting the Rights of Shareholders
19	07. Recognising and Managing Risk
21	08. Remunerate Fairly and Responsibly
22	09. Appendices

The Board (the **Board**) and management of Perpetual Limited (**Perpetual**) are committed to the execution of Perpetual's strategy which seeks to build on the foundations of Perpetual's core businesses to deliver sustained quality growth over time and focuses on three strategic imperatives – Client First, Future Fit and New Horizons. Effective governance is key to Perpetual's ability to deliver on Perpetual's strategy.

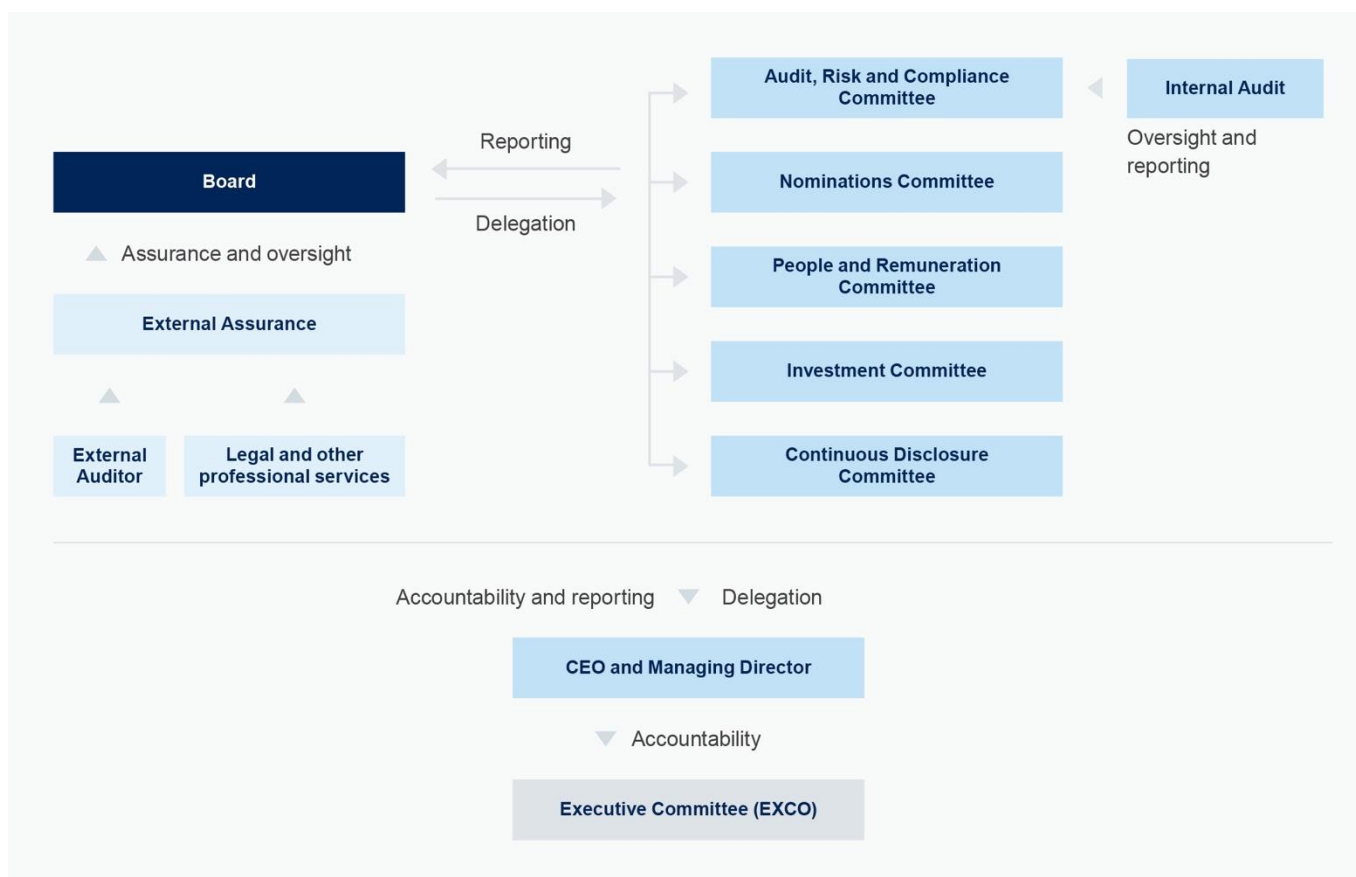
Perpetual is also committed to transparent reporting on environmental, social and governance risks and how the Executive Committee and Board are mitigating these risks in pursuit of sustainable business performance.

The Board considers that it complies with all ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (**ASX Recommendations**) 4th edition and has done so throughout the year ended 30 June 2022. This Corporate Governance Statement was approved by the Board on 25 August 2022.

# 01 Foundations for Management and Oversight

## ROLES AND RESPONSIBILITIES OF BOARD AND MANAGEMENT

Perpetual's corporate governance framework during the 2022 financial year, including its Board Committees, is represented in the diagram below:



## Perpetual's Policies

Perpetual's corporate governance framework applies to Perpetual and its subsidiaries. Policies play a key role of Perpetual in communicating principles and obligations to guide decision making and to set standards for expected employee behaviour in particular situations. Policies can be set at a group or divisional level and are one type of document used at Perpetual alongside frameworks, programs, procedures (or business rules), methodologies and guidelines. Group policies are mandatory and binding on all employees and are circulated, rolled out and accessible to all staff (**Group Policy**). A divisional policy is mandatory and binding on the employees of the relevant division dealing with matters specific to that division (**Divisional Policy**). Perpetual's offshore offices may also develop policies which deal with matters specific to their location.

## Board Charter

The Perpetual Board has its own Board Charter which sets out the functions and responsibilities reserved to the Board and delegations made to management. The Board delegates day-to-day responsibility for the management and operation of Perpetual to the CEO and Managing Director (**CEO**) but remains responsible for overseeing management's performance. The CEO may make further delegations within the parameters specified by the Board but is accountable for the exercise of delegated powers and management's performance.

The Board's specific responsibilities include:

- demonstrating leadership and defining the purpose of Perpetual and its subsidiaries (together **Group**);
- setting the Group's direction, strategies and financial objectives and monitoring management's implementation of these;
- ensuring that the necessary financial, IT and human resources are in place for the Group to meet its objectives;

## 01 Foundations for Management and Oversight

- setting the values and standards of conduct and service for the Group and ensuring that these are adhered to, in the interests of shareholders, employees, customers, suppliers and the communities in which the Group operates and generally safeguarding the reputation of the Group;
- overseeing the Group's corporate governance framework and monitoring implementation of this;
- satisfying itself that an appropriate reporting framework exists for relevant information to be reported by management to the Board and, whenever required, challenging management and holding it to account;
- setting the Group's statement of values and Code of Conduct and monitoring management's instilling of the Group's values;
- ensuring that the performance of the Board, its committees and management is regularly assessed and monitored to ensure that both the Board, its committees and management have the required competencies and application to discharge their respective responsibilities;
- monitoring the performance of the boards of the Group's subsidiaries;
- monitoring that management has an appropriate framework in place to identify and effectively manage all aspects of strategic and enterprise risk including financial and non-financial risk, setting and regularly reviewing the Group's risk profile and appetite, and reviewing (at least annually) the Group's risk management framework in respect of both financial and non-financial risk to satisfy itself that it continues to be sound;
- monitoring the activities of the Group's licensed and regulated subsidiaries;
- overseeing the integrity of internal audit;
- monitoring the Group's Workplace, Health and Safety framework and reviewing the effectiveness of that framework on an annual basis;
- monitoring the Group's compliance management framework and oversight of compliance with regulatory, prudential, legal and ethical standards;
- monitoring business performance and the Group's financial position;
- overseeing the Group's taxation policies and practices and tax risk management framework;
- overseeing the integrity of the Group's financial accounts and reporting systems and the preparation of the Group's financial statements, including the external audit;
- monitoring Perpetual's continuous disclosure obligations, reviewing and approving price sensitive announcements to the ASX and ensuring that management has an appropriate framework in place to manage investor relations;
- monitoring management's investment performance, strategies and processes in respect of investment activities which the Group performs for third parties;
- ensuring that the Group's remuneration policy is aligned with the Group's performance, purpose, values, strategic objectives and risk appetite;
- appointing (including, from time to time, determining the remuneration, and terms and conditions of appointment), reviewing the performance of, and terminating, the CEO, and reviewing and approving the CEO's succession plan;
- on the recommendation of the CEO, appointing and terminating the Chief Financial Officer (**CFO**);
- reviewing and approving recommendations for the appointment, remuneration of, and the assessment of the performance of, the CEO's direct reports that are Key Management Personnel and other employees who are deemed to be individuals who may affect Perpetual's financial soundness, and reviewing their succession plans (including the succession plans of senior management);
- approving the appointment and replacement of the Company Secretary; and
- setting the Group's diversity strategy and establishing measurable objectives related to gender diversity and overseeing progress against them.

The Board Charter is reviewed periodically and was recently reviewed in June 2022 to ensure the balance of responsibilities remains appropriate to Perpetual. The Board Charter can be found [here](#).

A key component of the Board's governance structure is the delegation of certain responsibilities to its five Board Committees, being the Audit, Risk and Compliance Committee (**ARCC**), Nominations Committee (**NC**), People and Remuneration Committee (**PARC**), Investment Committee (**IC**) and the Continuous Disclosure Committee. Each Committee has a Terms of Reference.

All Committees, except the NC, meet at least quarterly, and more frequently if required. All Directors have a standing invitation to attend any of the Committee meetings.

Aside from the NC, the CEO is invited to attend all Committee meetings except where matters relating to his own remuneration and performance are discussed. Committee members regularly confer without management present and the Chairman of the relevant Committee chairs these sessions.

## 01 Foundations for Management and Oversight

### Perpetual's Subsidiary Boards

Perpetual is a global organisation with subsidiaries across jurisdictions including Australia, Hong Kong, Singapore, the Netherlands, the United States, and the United Kingdom.

The ability for employees to sit as directors on a subsidiary board or a member of a subsidiary board-delegated committee is an important career development and progression opportunity. The boards of Perpetual's subsidiaries are generally made up of Executive Directors. The composition of Perpetual's subsidiary boards is subject to a Group Policy.

There are a number of subsidiary boards which are composed of a majority, or entirely, of Non-executive Directors. These boards are

- Perpetual Superannuation Limited, which carries out Perpetual's superannuation activities;
- Queensland Trustees Pty Limited, which acts as trustee for Perpetual's employee share plans; and
- The Trust Company (Sydney Airport) Limited, which is the responsible entity of the Sydney Airport Trust 1, a trust whose units are stapled to shares in Sydney Airport Limited, which holds a 100% economic interest in Sydney (Kingsford Smith) Airport.

Except for two subsidiary boards, the NC considers and recommends for approval to the Perpetual Board, the appointment of any Non-executive Director to a subsidiary board.

Perpetual's corporate governance framework applies to all entities controlled by Perpetual. Subsidiary boards are a key component of Perpetual's Risk Management Framework.

### Indemnity of Directors and Officers

Perpetual has entered into deeds to indemnify Directors and Officers of the Group, to the extent permissible by law, from all liabilities incurred as Directors or Officers. Liabilities to the Group, and liabilities that arise out of conduct that was not in good faith, are not covered by the indemnities.

In addition, Perpetual has Directors' and Officers' insurance against claims Perpetual may be liable to pay under these indemnities. This policy insures Directors and Officers directly. Each year prior to renewal of the insurance cover, a benchmarking exercise is conducted to determine if any changes are required to the amount of cover.

### Access to Independent Advice and Information

Perpetual has a formal policy allowing the Board or an individual Director to seek independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director of Perpetual. The costs of the independent professional advice are at the Group's expense, provided that the Director has obtained the prior approval of the Chairman, or if the relevant Director is the Chairman, the prior approval of a majority of Perpetual's Non-executive Directors.

All Directors have unrestricted access to company records and information.

### Election and Selection of New Directors

Under Perpetual's Constitution, all Directors who have been in office without re-election for three years since their last appointment must retire and seek re-election at Perpetual's annual general meeting (AGM). In addition, Directors are provided details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party. Where it is the first time a Director stands for election, confirmation Perpetual has conducted appropriate checks into the Director's background and experience with all adverse findings presented to shareholders. The Board also provides its recommendation in relation to any proposed election or re-election in the accompanying information sent with the relevant notice of meeting.

The purpose of the NC is to ensure that candidates selected to be directors of Perpetual, or to be a Non-executive Director of a subsidiary board or a subsidiary committee have an appropriate mix of skills, diversity and experience to be an effective decision-making body in order to promote successful stewardship of the Group. The NC is responsible for administering Perpetual's policy on the appointment of Directors, which sets out the selection process and criteria for identifying candidates to fill Board vacancies. The policy is disclosed in full on Perpetual's website [here](#). More information in respect of Perpetual's approach to diversity is provided later in this section.

## 01 Foundations for Management and Oversight

If a Board vacancy arises, the NC will conduct a search in accordance with the policy and the Board will appoint the most suitable candidate, having regard to the recommendation of the NC. External consultants may be engaged to assist with the identification of appropriate candidates. Prospective candidates are subject to appropriate and prudent background checks including police, bankruptcy and reference checks, assessment of employment history, experience, education and directorships.

### Service Agreements

Upon appointment, new Directors receive a detailed service agreement which sets out the terms of their appointment, including the required time commitment, remuneration arrangements including superannuation, the requirement to disclose material interests and the requirement to comply with key company policies including Perpetual's Code of Conduct. Senior Executives also receive contracts of employment that set out their terms of employment, including rights and obligations in respect of the termination of their employment and the circumstances in which summary termination may occur. Appropriate checks are undertaken prior to appointing Senior Executives including criminal record and bankruptcy checks and checks for employment history.

### Company Secretary

The Board has access to the services and advice of the Company Secretary. The Company Secretary is appointed by the Board. The Company Secretary attends Board and Board Committee meetings and is responsible for providing the Board and Board Committees with advice on corporate governance matters. The Company Secretary is responsible for the operation of the company secretariat function and is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board.

Details of the experience and qualifications of the Group Company Secretary are set out in the 2022 Directors' Report.

### Diversity and Inclusion Policy

Perpetual has a strong commitment to diversity and inclusion. Perpetual is committed to building a sustainable workplace environment that is open and accepting of individual differences, where Perpetual's people have the opportunity to thrive and realise their full potential.

Perpetual's values, policies, development opportunities and practices all promote diversity and equal opportunity and create an environment where individual differences are harnessed for business success. Read Perpetual's Diversity Policy [here](#).

### Diversity and Inclusion Strategy

Perpetual is committed to creating a fulfilling, diverse and inclusive place to work. Given Perpetual's strategic ambitions and commitment to create enduring prosperity for Perpetual's people, clients and, in the communities within which Perpetual works, this has never been more critical. In 2021, Perpetual launched a new Diversity and Inclusion Strategy. Since then, Perpetual has progressed the Strategy by prioritising and delivering key initiatives across seven employee-led working groups that focus on a range of diverse areas of identity – gender equality, cultural diversity, age and life stages, LGBTQ+, disability, parents and carers and cognitive diversity.

## 01 Foundations for Management and Oversight

### Striving for Gender Equality

Perpetual knows that gender diverse teams deliver better business results and so they have committed to a goal to achieve 40% female representation in Perpetual's senior leader cohort by 2024. In FY22, female representation of this cohort is 33.6%. Despite challenges, Perpetual continue to focus on female talent development, attraction and retention through several initiatives, including the roll-out of inclusive leadership training across the business, the implementation of an enhanced parental leave benefit, and a regular internal reporting rhythm.

At Perpetual, the senior leadership cohort is defined using the top three levels of the Australian Workplace Gender Equality Agency's (WGEA) standardised occupational categories (below CEO). Refer to Table 1 for the gender split at each level.

TABLE 1: PERPETUAL WOMEN IN LEADERSHIP BREAKDOWN (SENIOR LEADER COHORT <sup>1</sup> ) AS AT JULY 2022		
SENIOR LEADER COHORT	MEN	WOMEN
Key Management Personnel	57.1%	42.9%
Other Executives/General Managers	73.5%	26.5%
Senior Managers	66.4%	36.1%
<b>Total</b>	<b>66.4%</b>	<b>33.6%</b>

Perpetual's 40% gender representation target also applies to the Perpetual Board. Also, Perpetual has renewed its membership to the AICD '30% Directors Club', advocating in the public domain for greater gender diversity in boardrooms across Australia. The representation of women on the Perpetual Board is 37.5%.

Perpetual is proud to have maintained its Employer of Choice for Gender Equality WGEA each consecutive year since the 2017–2018 citation year. Perpetual is committed to continuing to develop a gender diverse talent pipeline to ensure achievement of their 40% women in leadership target by 2024. A copy of Perpetual's most recent WGEA Compliance submission can be found [here](#).

To find out more about Perpetual's approach to diversity and inclusion strategy, please refer to the 'People' section, in Perpetual's Sustainability Report.

### Review of Board and Director Performance

The Board recognises the importance of continuously monitoring and improving its performance and the performance of its Committees.

The Board undertakes ongoing self-assessment as well as a formal annual review of the performance of the Board, individual Directors and its committees. As part of this process, in FY21 the Board commenced an externally facilitated Board effectiveness review and the results were made available to the Board in FY22. The review process involved:

- a tailored online questionnaire completed by Board members and the Executives, enabling quantitative and qualitative feedback;
- 1:1 individual interviews with Board members and the Executives;
- a desk review of key governance documentation;
- a report reflecting analysed quantitative and qualitative data, including leading practice recommendations; and
- a presentation of the report to the Board.

The review process aims to ensure that individual Directors continue to contribute effectively to the Board's performance and that the Board as a whole, and its Committees, continue to function effectively.

### Review of Senior Executive Performance

Each year, the PARC and the Board oversee the performance review process for the CEO and Group Executives. The Group Executives report directly to the CEO.

The CEO's performance objectives are set by the Board at the beginning of each financial year. At the end of the financial year, the Chairman of the Board reviews the CEO's performance against his goals with input from all Board members.

The CEO sets performance objectives for each Group Executive at the beginning of each financial year. The Board's PARC reviews the performance objectives set for the Group Executives. The CEO carries out the performance review of each Group Executive against their objectives with input from appropriate stakeholders, including Board members.

Performance reviews for the CEO and Group Executives were undertaken in FY22 in accordance with the above process.

<sup>1</sup> Includes employees based in Asia Pacific only.



## 02 Structure the Board to be Effective and Add Value

### Nominations Committee (NC)

Perpetual's NC is comprised of four members, being the Chairman of the Perpetual Board and the chairpersons of each of the ARCC, PARC and IC. Its current members are Mr Tony D'Aloisio, Ms Nancy Fox, Mr Ian Hammond and Mr Craig Ueland, all of whom Perpetual regards as independent Non-executive Directors.

The Committee's role is to review and recommend to the Board:

- Non-executive nominees for appointment to the Board or a subsidiary company board or subsidiary committee (including re-election of existing Board members) and the terms of invitation to potential new Directors, including length of tenure;
- the terms of the invitation to potential Directors of Perpetual or a subsidiary board or subsidiary committee including period of office;
- the formal evaluation of the Perpetual Board's performance and the program of Director education;
- the size and structure of the Perpetual Board to ensure that it comprises appropriately qualified and experienced people;
- the composition of the Perpetual Board against best practice corporate governance criteria including independence;
- Board succession planning; and
- a shortlist of candidates for the role of CEO and Managing Director.

Details of the number of meetings held by the NC and attendance by committee members is set out in Perpetual's 2022 Directors' Report. Further information in relation to the NC and a full copy of its terms of reference can be found [here](#).

### Board Skills Assessment

As noted above, the NC is responsible for reviewing the size and structure of the Board to ensure that it comprises of appropriately qualified and experienced people. The aim is to ensure that the Board comprises an appropriate balance of skills, diversity, experience and independence in order to enhance Board performance and maximise value for shareholders.

The table below (Table 2) sets out the key skills and experience that the Perpetual Board seeks to achieve in its Board membership. It is reviewed annually to ensure the prescribed skills and experience address Perpetual's existing and emerging business and governance issues.

The Board believes that this collective mix of skills and experience will enable the Board to maximise value to shareholders and other important stakeholders for Perpetual for all its businesses both domestic and internationally. The selection process, in addition to skills and experience, values individuals who can operate as a team and who focus on medium to long term success. Another consideration is a Board that comprises of different personalities and viewpoints and different backgrounds and geography who will respectfully challenge management and each other and participate in robust discussion.

TABLE 2	
SKILLS AND EXPERIENCE	DESCRIPTION
Strategy and commercial acumen	Experience in charting and monitoring the development and implementation of strategic objectives for Perpetual's current businesses and new opportunities and always using commercial judgement.
Funds management and wealth and trustee	Experience in funds management, wealth management and trustee services domestically and internationally together with experience in both organic and inorganic (mergers and acquisitions) growth.
Financial Acumen	A demonstrated high level and stock exchange company experience in financial, accounting and capital management. This includes financial statements of overseas businesses and related financial and risk controls for an ASX listed company.
Technology	Knowledge and experience in the application and development within enterprises of major technology, data, technology related innovation or digital infrastructure or applications.
Leadership Role	Held CEO or senior executive position in a listed company or large/complex organisation or Government entity.
Workplace culture and Remuneration	Oversight and management experience at senior level for workplace culture including diversity and for remuneration practices, in particular, senior executive remuneration practices relevant to Perpetual.
Corporate Governance, Risk management and Compliance and Sustainability	Experience in and not limited to the design and application of frameworks and related practices for Corporate Governance (such as ethical behaviour), Risk management and Compliance (such as cyber security and pandemics) and Sustainability (such as ESG).
Regulatory and Government and industry policy	Experience in relation to the development of regulation and Government and industry policies relevant to Perpetual's businesses.
Stakeholder and shareholder engagement	Experience in understanding shareholders and broader stakeholders relevant to Perpetual.

Further information of the skills and experience of each Director is set out in the Financial Statements for the year ended 30 June 2022.

## 02 Structure the Board to be Effective and Add Value

### Independence and Length of Service of Directors

The Board considers all Non-executive Directors to be Independent Directors, including Perpetual's Chairman. Rob Adams is the CEO and is therefore not considered to be independent.

In assessing the independence of each Director, the Board adopts the factors relevant to assessing Director independence contained in Box 2.3 of the ASX Recommendations. Consistent with the emphasis on 'substance over form' advocated by the ASX Recommendations, Perpetual takes a qualitative approach to materiality rather than setting strict quantitative thresholds and considers each Director's individual circumstances on its merits. In considering the independence of the current Non-executive Directors, the Board considered each Director's tenure and concluded that none have held office for such a period as to compromise their independence. In reaching this conclusion the Board noted that each Director retained independence of character and judgement and had not formed associations with management (or others, including substantial holders) that might compromise their ability to exercise independent judgement.

The independence of each Director is formally reviewed annually and at any time when a change occurs that may affect a Director's independence. Non-executive Directors also formally advise the Company Secretary of any relevant information and update the Company Secretary if their circumstances change at any time.

To refresh the composition of the Board, Directors agree not to seek re-election after three terms of three years unless the Board requests them to do so. The nine-year principle does not displace shareholders' rights to vote on the appointment and removal of Directors, as set out in the ASX Listing Rules and the Corporations Act. At the 2021 AGM, Mr Craig Ueland whose tenure was nine years at the time, sought re-election at the Board's request. The resolution was passed at the AGM. The Board asked Mr Craig Ueland to stay for what will be his final term in line with the Board's rotation policy. The Board considers that Mr Craig Ueland's extensive overseas experience, including his US experience, to be highly relevant and beneficial given the Company's acquisition of two US asset management firms. The Board considers Mr Craig Ueland to be independent.

The independence and tenure of each member of the current Board is as follows:

TABLE 3: INDEPENDENCE AND LENGTH OF SERVICE				
BOARD MEMBER	POSITION	INDEPENDENT	DATE OF APPOINTMENT	LENGTH OF SERVICE
Mr T D'Aloisio AM	Non-executive Chairman	Yes	13 December 2016	5.5 years
Ms M Aboelnaga Kanaan	Non-executive Director	Yes	28 June 2021	1 year
Mr G Cooper	Non-executive Director	Yes	11 September 2019	3 years
Ms N Fox AM	Non-executive Director	Yes	28 September 2015	7 years
Mr I Hammond	Non-executive Director	Yes	24 March 2015	7 years
Ms F Trafford-Walker	Non-executive Director	Yes	9 December 2019	2.5 years
Mr C Ueland	Non-executive Director	Yes	25 September 2012	10 years
Mr R Adams	Executive Director and CEO	No	24 September 2018	4 years

## 02 Structure the Board to be Effective and Add Value

At each Board meeting, a standing declaration of interests register is tabled. The register notes holdings in Perpetual managed funds and any external directorships. It is the Board's view that no Directors currently have any interests, positions, associations or relationships that materially affect their ability to exercise independent judgement in the interests of Perpetual shareholders. Of note:

- Mr Greg Cooper is Chairman of Avanteos Investments Limited (known as Colonial First State) for which Perpetual is a supplier of funds management services. The Board does not consider that Mr Cooper's role at Colonial First State affects his independence.
- Ms Nancy Fox is also a Director and Chairman of Perpetual Equity Investment Company Limited (**PIC**), an ASX listed investment company. PIC is a separate legal entity and Perpetual Investment Management Limited, a subsidiary of Perpetual, provides services to PIC at arm's length. The Board does not consider that Ms Fox's role at PIC affects her independence.
- Ms Fox is a Director of Lawcover Pty Ltd, which insures Perpetual Legal Services Pty Ltd. The Board does not consider that Ms Fox's directorship with Lawcover affects her independence.
- Mr Ian Hammond receives post-termination benefits from his former employer, PricewaterhouseCoopers (**PwC**). PwC has been appointed as Perpetual's remuneration consultant and occasionally provides consulting services to Perpetual, which are not considered material in nature or quantity. The Board does not believe that this appointment of PwC affects the independence of Mr Hammond.
- Mr Ian Hammond is a Director of Suncorp Group and Perpetual Corporate Trust provides debt trustee services to Suncorp Group. The Board does not believe that this arrangement affects the independence of Mr Hammond.
- Mr Ian Hammond and Ms Nancy Fox are Directors of Mission Australia and Perpetual Private provides investment management services to Mission Australia. The Board does not believe that this arrangement affects the independence of Mr Hammond or Ms Fox.
- Ms Fiona Trafford-Walker is a Director of Link Group which provides share registry and other related services to Perpetual. However Ms Trafford-Walker has no role or visibility of the appointment process for Perpetual's share registry vendor. The Board does not consider that Ms Trafford-Walker's directorship with Link Group affects her independence.
- Ms Fiona Trafford-Walker is a Director of Prospa Group which engages Perpetual for trustee-related services and Ms Trafford-Walker was not part of the decision-making process. The Board does not believe that this arrangement affects the independence of Ms Trafford-Walker.

- Ms Fiona Trafford-Walker is a Director of the Victorian Funds Management Corporation and Perpetual was appointed as an investment manager. Ms Trafford-Walker was not part of the decision-making process. The Board does not believe that this arrangement affects the independence of Ms Trafford-Walker.

From time to time, funds managed by the Perpetual Group may take holdings, including substantial holdings, in securities of listed entities. Perpetual Directors may also serve as Non-executive Directors on the Boards of these entities.

This factor alone is not considered to impact a Director's independence as investment decisions are not made by the Board of Perpetual but by Perpetual's asset management team in accordance with client or fund investment mandates.

From time-to-time Directors may purchase products and services from the Perpetual Group as customers, for example by acquiring interests in funds managed by the Perpetual Group or receiving financial advice or other financial services from the Perpetual Group, and these are disclosed to the Board. The Board does not consider that these customer relationships impact the independence of Directors where they occur at arm's length and on standard terms and are not material in nature or quantity.

### Majority of Independent Directors

The composition of the Board is guided by Perpetual's Constitution and the Board Charter which requires that the Board shall be comprised of a majority of independent Non-executive Directors. During the 2022 financial year, the Board comprised eight Directors, seven of whom were independent Non-executives, and the CEO.

### Independent Chairman

During the 2022 financial year, the roles of Chairman and CEO and Managing Director were held by separate Directors.

The role of the Chairman is to:

- provide leadership to the Board;
- facilitate the effective contribution of all Directors;
- manage the relationship between the Board and the CEO;
- promote constructive and respectful relations between the Directors and between the Board and management;
- promote the interests of the Group as a whole;
- ensure constructive and respectful relations with shareholders, public organisations, government, other companies and the public in general; and
- set the Board's agenda to ensure that adequate time is available for discussion of all agenda items, and in particular those agenda items of strategic importance.

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## Director Induction and Education

All new Directors participate in a comprehensive induction program designed to familiarise them with Perpetual's business, strategy, operations, Group Executives and Senior Management Team. The induction includes a digital Induction Pack containing all relevant corporate governance documents and previous Annual Reports as well as meetings with the Chairman, the CEO, the Board Committee Chairs and each Group Executive. The new Director also has access to previous Board and Committee minutes.

Ongoing Director education is provided through regular updates on changes in the regulatory environment affecting Perpetual and the financial services industry. In the 2022 Financial Year, Directors received training and briefings on matters including Anti-Money Laundering Rules, industry trends driving technology change and ASIC's review of governance of responsible entities.

Directors are encouraged to continue their education by attending relevant conferences and seminars and undertaking external education and professional development training.

## 03 A Culture of Acting Lawfully, Ethically and Responsibly

### Culture

Perpetual's culture is underpinned by three core values:

- Excellence – delivering exceptional outcomes;
- Integrity – doing what's right; and
- Partnership – succeeding together.

Perpetual's core values extend across the breadth of the organisation and defines the type of organisation Perpetual is and the behaviours it expects.

All employees receive training on Perpetual's values and corporate governance standards, including the Code of Conduct, the Whistleblower Policy, the Harassment and Workplace Bullying Prevention Policy and Perpetual's Diversity and Inclusion strategy.

In addition, the Board and management continually reference and reinforce the Company's values and desired culture in their interactions with employees.

### Code of Conduct

Perpetual has a Code of Conduct that is in compliance with Recommendation 3.2 of the 4th edition of the *Corporate Governance Principles and Recommendations*.

The Code of Conduct applies to all Directors, Executives, employees, contractors and representatives and sets out the way Perpetual expects employees to do business. The Code of Conduct draws from and expands on Perpetual's values.

The Code of Conduct is based on the following principles:

- conducting business in accordance with the highest ethical standards;
- promoting an effective risk culture, in particular one that creates an environment of risk awareness and responsiveness;
- acting in the best interests of clients on the belief that doing so is in the best interests of Perpetual's shareholders;
- adhering to applicable legal and regulatory requirements and complying with the spirit as well as the letter of the law;
- committing to the fight against terrorism and money laundering by implementing an AML/CTF program;
- implementing a fraud control program to develop a culture that will not tolerate fraud and to assist employees to detect fraud;
- Perpetual is prohibited, by various global organisations, from conducting transactions with certain foreign governments and designated nationals from those countries, such as terrorists, terrorist organisations or countries involved in weapons of mass destruction;
- to safeguard confidential information and not to inappropriately use or disclose confidential information. In some cases, Perpetual may have in place information barriers or separation protocols to protect one client's confidential information from another part of Perpetual;

- protecting and safeguarding the personal information of Perpetual's clients;
- managing conflicts of interests;
- employees respecting Perpetual's property including equipment, IT systems and services, and not using IT systems in an inappropriate way;
- maintaining a fair and safe workplace;
- commitment to clear, open and transparent communications with external parties;
- commitment to good corporate governance and delivering shareholder value; and
- protecting those who report wrongdoing.

Additional policies deal with a range of issues such as the obligation to maintain client confidentiality and to protect confidential information, the need to make full and timely disclosure of any price sensitive information and to provide a safe workplace for employees, which is free from discrimination.

Compliance with Perpetual's Code of Conduct is mandatory for all employees. A breach is considered to be a serious matter that may impact an employee's performance and reward outcomes and may result in disciplinary action, including dismissal. Material breaches of the Code of Conduct are reported to the ARCC by the Chief Risk Officer (**CRO**). A full copy of Perpetual's Code of Conduct can be found [here](#).

Perpetual's CRO is the contact officer for Perpetual's Code of Conduct and is available to all employees for a confidential discussion in relation to Code of Conduct matters. All Perpetual employees are required to familiarise themselves with the Code of Conduct as part of their induction and ongoing training requirements.

### Whistleblowing Policy

Perpetual has a Whistleblowing Policy to protect Directors, Executives, employees (including current and former), contractors or representatives of Perpetual and suppliers (and employees of suppliers) relatives and dependants of any of these people who report misconduct, including:

- conduct that breaches any law, regulation, regulatory licence or code that applies to Perpetual;
- fraud, corrupt practices or unethical behaviour;
- bribery;
- unethical behaviour which breaches Perpetual's Code of Conduct or policies;
- inappropriate accounting, control or audit activity, including the irregular use of Perpetual or client monies;
- any conduct that amounts to modern slavery, such as debt bondage and human trafficking of employees; and
- any other conduct which could cause loss to, or be detrimental to the interests or reputation of, Perpetual or its clients.

## 03 A Culture of Acting Lawfully, Ethically and Responsibly

As part of Perpetual's Whistleblowing Policy, a third party has been engaged to provide an independent and confidential hotline for whistleblowers who prefer to raise their concern with an external organisation.

Any disclosures made under the Whistleblowing Policy are reported to the ARCC. A full copy of Perpetual's Whistleblowing Policy can be found [here](#).

### Anti-bribery and Corruption

Perpetual has a Gifts, Political Donations, Bribery and Corrupt Practices Policy that supports Perpetual's commitment to conducting business in accordance with the highest ethical and legal standards. Bribery and corrupt practices will not be tolerated by Perpetual under any circumstances and any allegations will be assigned to a senior employee in Perpetual's Risk or Compliance team who will investigate and provide a response. A full copy of Perpetual's Gifts, Political Donations, Bribery and Corrupt Practices Policy can be found [here](#).

### Client Advocacy

Perpetual has a dedicated Client Advocacy Team (**the Team**) which is committed to making it easier for clients when things don't go as they expect in their dealings with Perpetual's Australian domiciled businesses. As the custodians of Perpetual's Internal Dispute Resolution (**IDR**) standards, the Team is responsible for assisting Perpetual's clients achieve a responsive, timely and fair resolution to complaints they raise with Perpetual. A Head of Client Advocacy has also been appointed who, organisationally, is separate from Perpetual's operational businesses and reports directly to the CRO.

The Team is also responsible for analysis and reporting on key complaint trends and bringing any systemic or underlying concerns to the Board's attention.

Where issues of concern are identified, the Team works with the relevant operational business to ensure that the underlying cause is appropriately remediated. Further information can be found [here](#).

## 04 Integrity of Corporate Reports

### Audit, Risk and Compliance Committee (ARCC)

The Board has established an ARCC. The ARCC's members are appointed by the Board. During the 2022 financial year, the Committee had four members, all independent Non-executive Directors. The current members are Mr Ian Hammond (Chairman), Mr Greg Cooper, Ms Nancy Fox and Mr Craig Ueland. The Committee's purpose is to assist the Board to carry out the following functions more efficiently:

- oversight of the integrity of the Group's statutory financial reports and statements, reporting systems and the preparation of the Group's financial statements, including external audit;
- monitoring that management has an appropriate framework in place (for both financial and non-financial risk) to identify and effectively manage risk and that management ensures that the Group operates within the risk appetite set by the Board;
- make recommendations to the Board in relation to changes that should be made to the Group's risk management framework or to the risk appetite set by the Board;
- make recommendations to the PARC in relation to the risk management overlay to be considered as part of the Group's performance and reward framework;
- monitoring that management has an appropriate compliance management framework in place to ensure compliance with regulatory, prudential, legal and ethical standards and monitoring the efficacy of that framework;
- monitoring the activities of the Group's licensed and regulated subsidiaries and overseeing the integrity of internal audit;
- reviewing compliance with internal risk and compliance guidelines, policies and procedures and other internal standards of behaviour; and
- monitoring trends on the state of risk culture and satisfying itself that the Group's risk management framework deals adequately with emerging risks such as conduct risk, digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

All members of the ARCC (of which there must be at least three) are required to be financially literate. At least one member must have accounting or finance related expertise. Members are also required to have an understanding of the financial services industry in which Perpetual operates. The Chairman of the Committee cannot be the Chairman of the Board.

All members of the ARCC are Independent Non-Executive Directors and the Chairman of the ARCC is an Independent Non-Executive Director, who is not the Chairman of the Board.

Details of the number of meetings held by the ARCC, attendance by Committee members and the qualifications of the members is set out in Perpetual's 2022 Directors' Report. Further information in relation to the ARCC and a full copy of its terms of reference can be found [here](#).

### Senior Executive Assurance

The Board has adopted policies designed to ensure that Perpetual's financial reports:

- are true and fair;
- meet high standards of disclosure and audit integrity; and
- when read with Perpetual's other reports to shareholders, provide all material information necessary to understand Perpetual's financial performance and position.

In accordance with section 295A of the Corporations Act, for each half and full year financial period the CEO and the CFO provide the Board with a written declaration that, in their respective opinions:

- the financial records of Perpetual have been properly maintained in accordance with section 286 of the Corporations Act; and
- the financial statements and notes comply with the accounting standards and present a true and fair view of Perpetual's financial condition and performance.

To underpin the integrity of Perpetual's financial reporting and Risk Management Framework, it is also Perpetual's practice for the CEO and the CFO to state to the Board in writing that, in their respective opinions:

- the statements made regarding the integrity of the financial statements are founded on a sound system of risk management and internal compliance and control systems which implement the policies adopted by the Board of Directors;
- the risk management and internal compliance and control systems, to the extent they relate to financial reporting, are operating effectively and efficiently, in all material respects, based on the Risk Management Framework adopted by Perpetual; and
- Perpetual's material business risks (including non-financial risks) are being managed effectively.



## 04 Integrity of Corporate Reports

The statements referred to above are supported by written statements from senior management, detailed financial analysis and Perpetual's Risk Management Framework. The CFO is present when the Board considers financial matters.

In relation to financial reporting for the half-year end 31 December 2021 and the full-year end 30 June 2022, the Board received the declarations and statements referred to above.

### External Auditors

The Group's full year financial reports are subject to an annual audit by an independent, professional auditor, who also reviews the Group's half-yearly financial statements.

The ARCC oversees this process on behalf of the Board, in accordance with its Terms of Reference.

During the 2022 financial year, the Group's external auditor was KPMG. The lead audit partner is Mr Brendan Twining and the engagement partner is Ms Karen Hopkins.

The Group's external auditor attends each meeting of the ARCC and it is the Committee's policy to meet with the auditor for part of these meetings without management present. The ARCC Chairman meets with the audit partner at least once every quarter, also in the absence of management. The auditor attends the Board meetings at which the annual and half-yearly financial reports are adopted and at these meetings the Non-executive Directors have an opportunity to meet with the auditor without management present.

### External Auditor Independence

The Board has policies in place relating to the independence of Perpetual's external auditor. These policies include an annual review of the external audit firm's fees and performance, as well as the independence of the external audit firm, the results of which are reported to the ARCC and the Board. Specifically:

- the lead audit partner on each Perpetual audit must be rotated at least every five years. There must be a period of at least three years before the partner can again be involved in a Perpetual audit. Note: For periods beginning on or after 1 January 2024 this will be extended to five years;
- former audit partners involved in Perpetual's audit cannot become Directors or employees of Perpetual Group companies for at least two years;
- any employment (or potential employment) by Perpetual of a member of the audit team, other than the partner, must be discussed with the audit firm to ensure independence is maintained; and
- the external audit firm is prohibited from providing non-audit services that may materially conflict with its ability to exercise objective and impartial judgement on issues that may arise within Perpetual's audit. Generally, these are services where the external auditor:
  - participates in activities that are normally undertaken by management;
  - is remunerated by way of success fees, contingent fees or commission;
  - acts in an advocacy role for Perpetual; and
  - where the auditor may be required to audit their own work.

The concepts of independence and integrity rely on a state of mind and professional judgement and, as such, are not conducive to prescription by detailed rules. The following services are prohibited and cannot be provided by the external auditor to Perpetual, its Consolidated Entities or Funds as defined within Australian and Securities and Exchange Commission Rules:

- book-keeping or other services related to the accounting records or financial statements;
- financial information systems design and implementation;
- valuation or appraisal services in relation to matters that are material to the audit;
- actuarial services;
- outsourced internal audit services;
- management functions, including acting as an employee and secondment arrangements, where the secondees perform any decision-making, supervisory or ongoing monitoring functions;
- human resource and recruitment services;
- broker-Dealer, investment adviser or investment banking service;
- legal services;
- providing expert opinion or other expert service for the purpose of advocating the interests of Perpetual, a Consolidated Entity or a Fund in litigation or in regulatory or administrative proceedings or investigations;
- the marketing, planning or positively opining on the tax treatment of potential transactions;
- tax services to a person in a financial reporting oversight role; and
- any secondment to Perpetual of a partner or professional employee who has been engaged in conducting Perpetual's statutory audits in the past two years.



## 04 Integrity of Corporate Reports

During the 2022 financial year, the greater part of fees paid to KPMG for work other than the audit of the Group's statutory accounts was for audit services provided in relation to the investment funds for which Perpetual companies act as the responsible entity, manager or trustee. It is the Board's view that these services are consistent with KPMG's appointment as auditor and are not services of a kind that might impair their impartial judgement in relation to the Perpetual Group's audit.

### Verification of Periodic Corporate Reports

Where periodic corporate reports are not audited or reviewed by external auditors, an internal verification and approval process is undertaken to ensure the accuracy and completeness of the reports. The verification process generally involves that reports are prepared by internal subject matter experts and material statements in the reports are reviewed by internal stakeholders and/or divisional heads. Confirmation from management that periodic reports, such as this Corporate Governance Statement, the Operating and Financial Review and Perpetual's Sustainability Report, are true and accurate is required prior to approval by the Board.

## 05 Timely and Balanced Disclosure

Perpetual is committed to meeting its investors' expectations for open and transparent communication. It is also committed to promoting investor confidence in Perpetual by ensuring that trading in its securities takes place in an informed market. It expects to achieve these objectives by disseminating information in a fair, timely and balanced manner. Perpetual has a Continuous Disclosure Policy to ensure compliance with its continuous disclosure obligations, a copy of which can be found [here](#).

The Board has established a Continuous Disclosure Committee to assist it in meeting its continuous disclosure obligations, the current members of which are the CEO, CFO, Company Secretary and the General Manager Corporate Affairs & Investor Relations.

The Board considers its disclosure obligations as a standing item at each scheduled Board meeting. Perpetual also ensures that all senior management give regular approval as to whether there are matters that require disclosure to the ASX.

Directors are provided with copies of all material announcements made in compliance with the Perpetual's continuous disclosure obligations promptly after ASX has confirmed the announcement has been released on the Market Announcements Platform.

All investor and analyst presentations given by Perpetual are lodged with the ASX ahead of the presentation.

Market briefings, investor presentations and other significant information are made publicly available on Perpetual's website as soon as it is disclosed to the market.

## 06 Respecting the Rights of Shareholders

### Publication of Information

The Board remains committed to ensuring that investors and investment market participants are fully informed of material matters concerning Perpetual's strategy, financial performance and governance. The Board seeks to communicate effectively and regularly with investors and investment market participants to ensure they are fully informed on these matters using various mediums, including electronic communication, webcasts and keeping the website updated in a timely manner.

Perpetual's website includes copies of announcements lodged with the ASX by Perpetual. In addition, advance notification of scheduled analyst briefings is provided to shareholders. The briefings are webcast live with recordings available following each event. These can be found on Perpetual's website along with media releases, briefings and annual reports for the last five years.

The Board is committed to giving all shareholders timely and equal access to information to enable them to exercise their rights as investors effectively.

Perpetual publishes 'Upcoming Events' on its website which sets out important dates relevant to shareholders (for example, the date Perpetual releases its half and full year results and the date of its AGM). Shareholders can submit their email addresses to [investor\\_relations@perpetual.com.au](mailto:investor_relations@perpetual.com.au) if they wish to receive a reminder of these dates.

Shareholder communications, including invitations for the AGM are sent out via their nominated means of communication (electronically or in the mail).

### Investor Relations Program

Perpetual's investor relations program is designed to engage with its key stakeholders including retail shareholders, institutional investors (domestically and internationally), buy-side and sell-side research analysts and individual investors. The program includes scheduled engagements following the release of its half and full year results, as well as other engagements including presenting at, or attending, industry conferences, strategy and operational updates.

The Board understands the importance of these interactions as it allows Perpetual to clearly articulate its strategy and receive feedback from investors and investment market participants on its strategy, financial performance and reporting, and governance.

Key information released and available via the [shareholder centre](#) include:

- ☐ the Operating and Financial Review and Financial Statements for the half and full year results;
- ☐ the Annual Report;
- ☐ the Sustainability Report;
- ☐ the Chairman's and CEO's addresses to the AGM;

- ☐ market briefings and other significant information;
- ☐ presentations made at relevant investment bank and industry conferences; and
- ☐ ASX announcements.

A webcast of Perpetual events, as well as any presentations to shareholders and investment market participants, are made available on the website and lodged with the ASX.

### Shareholder Engagement at the AGM

The Board promotes shareholder engagement and encourages their participation at Perpetual's AGM. Engagement is facilitated by:

- ☐ distributing a copy of the annual report to shareholders directly via their nominated means of communication;
- ☐ enabling the use of online proxy voting for shareholders who are unable to attend;
- ☐ encouraging shareholders to submit written questions in advance of the AGM either by returning the question form provided with the notice of AGM or through an online facility that enables shareholders to submit questions via their investor centre log-in. The Chairman seeks to address as many of the more frequently raised topics as possible in his AGM address; and
- ☐ seeking to answer all questions raised by shareholders during the meeting.

The formal addresses at the AGM are webcast for those shareholders who are unable to be present. A representative of the external auditor, KPMG, attends the AGM for the purpose of answering shareholder questions about the audit report and audit process.

All substantive resolutions being considered at the AGM are decided by a poll rather than a show of hands. The AGM voting result is lodged with the ASX as soon as practicable after the AGM and published on Perpetual's website.

For the 2022 AGM, Perpetual intends to conduct a hybrid meeting depending on any restrictions imposed on the physical attendance of shareholders at the meeting by COVID-19.

### Electronic Communications

Perpetual has a continuing commitment to electronic communications with shareholders and stakeholders generally including via its website. Shareholders may elect to receive information from Perpetual's share registry in physical or electronic form. Please visit [Perpetual Shareholder Centre | Perpetual](#). All collective communications with shareholders are published on Perpetual's website. Electronic on-line proxy voting is also made available for shareholders.

## 07 Recognising and Managing Risk

### Risk Management

The ARCC is responsible for overseeing and managing risk.

The CRO is responsible for overseeing risk from a management perspective. The CRO is a member of the Perpetual Executive Committee (**EXCO**) reporting directly to the CEO and is a standing invitee to the ARCC meetings. The CRO provides regular reporting on Risk, Compliance & Legal matters to the ARCC and Board.

In addition, the Board is assisted in monitoring the effectiveness of Perpetual's investment governance framework in relation to investment activities the Perpetual Group performs for its clients by the IC. The IC has no management role and has no involvement in investment decisions which are the responsibility of Perpetual's Asset Management Teams and its subsidiaries.

All members of the IC (of which there must be at least three) are independent Non-executive Directors. The Chairman of the Committee cannot be the Chairman of the Board. The Committee's members are Mr Craig Ueland (Chairman), Ms Fiona Trafford-Walker, Mr Greg Cooper, Mr Ian Hammond and Ms Mona Aboelnaga Kanaan.

Details of the number of meetings held by the ARCC and IC and attendance by committee members is set out in Perpetual's 2022 Directors' Report. Further information in relation to the ARCC and IC and a full copy of their terms of reference can be found [here](#).

### Annual Review of Risk Management Framework

The Board and EXCO seek to ensure that the Group's Risk Management Framework (**RMF**) remains consistent with industry best practice. The RMF is reviewed annually to ensure it continues to be adequate and that the Group is operating with consideration of the risk appetite set by the Board. The review is undertaken by the ARCC with any changes recommended to the Board for adoption.

The RMF was last reviewed, updated and approved by the Board in 2021, with the 2022 annual RMF review process currently underway and due to be completed in September 2022. The RMF consists of programs and policies which are designed to address specific risk categories considered material to Perpetual – strategic, financial, operational, information technology, outsourcing, investment, people, compliance and legal, environmental, social and governance and conduct risk. Programs supporting the RMF are regularly reviewed to confirm their appropriateness. Details of the RMF can be found [here](#).

Perpetual's Risk Appetite Statement (**RAS**) seeks to define the amount of risk the Board permits management to take in the pursuit of its strategic vision and objectives. An annual review of the RAS takes place to consider the current strategic direction of Perpetual, referenced against the indicators and measures set out in the RAS.

The Board sets a clear tone from the top regarding its commitment to effective risk management by promoting an effective risk culture where all Group Executives are accountable for managing risk, embedding risk management into business processes within their area of responsibility and creating an environment of risk awareness and ownership by all Perpetual employees.

The RMF is underpinned by the 'Three Lines of Defence' model to implement best practice risk management. This model sees the first line, being business unit management, accountable for the day-to-day identification, ownership and management of risks. The Group Risk, Compliance and Client Advocacy functions represent the second line and consists of risk and compliance management professionals who provide the framework, tools, advice and assistance to enable management to effectively identify, assess, monitor and manage risk and meet their compliance obligations, and is responsible for overseeing and monitoring first line activities. Internal Audit provides independent assurance, representing the third line, and reports to the ARCC.

### Internal Controls Framework

Consistent with the Three Lines of Defence model, management is responsible for developing and implementing appropriate controls to manage their risks and processes. A Risk and Control Self-Assessment (**RCSA**) Program is in place to identify, assess, manage, monitor and report on key business risks and the effectiveness of mitigating controls and periodic testing of these controls on at least an annual basis, or more regularly where appropriate. The RCSA Program is subject to Group Risk monitoring and oversight and is supported by a second line Controls Assurance (**CA**) function. The CA function provides independent assurance over the effectiveness of Perpetual's internal controls in accordance with an Annual CA Plan which is integrated with Perpetual's Internal Audit and external audit provider activity and communicated to the ARCC. Perpetual also has an Internal Audit function. The Head of Internal Audit reports functionally to the ARCC, and administratively to the CRO and is independent from the external auditor. Internal Audit provides independent and objective assurance over the effectiveness of Perpetual's risk management, internal control, and governance processes in accordance with an Annual Audit Plan approved and overseen by the ARCC.

The Internal Audit team operates independently of Perpetual management and does not make management decisions or engage in other activities which could be perceived as compromising its independence.

Each of the CFO, CRO and Head of Internal Audit has the right to, and does, meet with the ARCC, or its Chairman, without other management present.

## 07 Recognising and Managing Risk

### Economic, Environmental and Social Sustainability

At Perpetual, sustainability is about creating enduring prosperity for Perpetual's clients, people, communities and the environment. This means delivering excellent service, providing a safe and inclusive workplace, helping increase investment in communities and reducing Perpetual's impact on the environment. Perpetual's approach is built on strong foundations of good corporate governance, prudent risk management and investment longstanding commitment to ESG principles.

Further information on Perpetual's approach to sustainability and its performance is in the Sustainability Report and on Perpetual's website [here](#).

In FY22, Perpetual published a second Modern Slavery Statement in accordance with the requirements of the *Modern Slavery Act 2018* (Cth). The statement outlines Perpetual's approach to identify and assess the risks of modern slavery and the actions Perpetual is taking internally to manage those risks. This approach has been formalised in Perpetual's Modern Slavery Framework and is facilitated by a dedicated working group which oversees the activities on this important issue. Perpetual's Modern Slavery Statement can be found [here](#).

## 08 Remunerate Fairly and Responsibly

### People and Remuneration Committee (PARC)

The Board has established the PARC. The PARC's role is to assist the Board:

- to monitor that management has in place and carries out appropriate talent management policies and practices in conformance with the Group's performance, values and risk appetite;
- ensure that the Group has adequate policies, programs and practices in place to attract and retain talent to meet its purpose and strategic objectives;
- monitor that management has a workplace, health and safety framework in place and satisfy itself that the framework is effective;
- set and monitor the Group's approach to diversity and inclusion and sustainability;
- review and recommend to the Board for approval non-executive remuneration policies and practices;
- to review and recommend to the Board for approval executive remuneration policies and practices; and
- to review succession and career plans for key roles.

In addition, PARC has been delegated authority by the board of Perpetual Superannuation Limited to assist with the implementation and oversight of remuneration policies and practices in accordance with Superannuation Prudential Standard 510 – Governance.

PARC is authorised to directly engage external remuneration advisers and, after obtaining their advice as and when appropriate, PARC recommends remuneration for Non-executive Directors, the CEO, the Group Executives and other senior managers, to the Board.

All members of PARC (of which there must be at least three) are independent Non-executive Directors. The Chairman of the Committee cannot be the Chairman of the Board. The Committee's members are Ms Nancy Fox (Chairman), Mr Greg Cooper, Ms Fiona Trafford-Walker and Ms Mona Aboelnaga Kanaan.

Details of the number of meetings held by the PARC and attendance by committee members is set out in Perpetual's 2022 Directors' Report. Further information in relation to the PARC and a full copy of its terms of reference can be found [here](#).

### Director and Executive Director Remuneration

Remuneration arrangements, policies and practices for non-executive and executive remuneration are set out in the Remuneration Report, found in Perpetual's 2022 Directors' Report.

Non-executive Directors do not receive performance-related remuneration and are not entitled to receive performance shares, rights or options over Perpetual shares.

Non-executive Directors are not entitled to receive any retirement benefits, other than superannuation for Australian based Directors, in accordance with Perpetual's statutory superannuation obligations.

### Dealings in Perpetual Securities

Perpetual has a personal trading policy which sets out the obligations of Directors and employees of Perpetual when trading in Perpetual securities. The Board considers it desirable that Directors and employees of Perpetual hold securities in Perpetual and that doing so aligns their interest with other shareholders.

The personal trading policy prohibits Directors and employees from entering into hedging arrangements in relation to Perpetual securities or entering into financial products aimed at limiting the economic risk of holding Perpetual securities.

Perpetual employees and Directors are also prohibited from entering into or facilitating margin loans in relation to Perpetual securities. Directors and employees are required to obtain pre-trade approval before trading in Perpetual shares.

A full copy of Perpetual's personal trading policy can be found [here](#).

Shareholders who wish to know more about Perpetual's corporate policies are invited and encouraged to review Perpetual's website [www.perpetual.com.au](http://www.perpetual.com.au) or to contact Perpetual by email at [info@perpetual.com.au](mailto:info@perpetual.com.au). Comments and suggestions from shareholders are welcome.

## 09 Appendices

### Summary of ASX Principles Compliance

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 4th EDITION		
ASX RECOMMENDATIONS		COMPLY/ NON-COMPLY
<b>1</b>	<b>LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>	
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Comply
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Comply
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Comply
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Comply
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board to set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving these objectives; and (3) Either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes); or (B) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.  If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	Comply
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken (c) in accordance with that process during or in respect of that period.	Comply
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken (c) in accordance with that process during or in respect of that period.	Comply

## 09 Appendices

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 4th EDITION		
ASX RECOMMENDATIONS		COMPLY/ NON-COMPLY
<b>2</b>	<b>STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>	
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Comply
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Comply
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Comply
2.4	A majority of the board of a listed entity should be independent directors.	Comply
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Comply
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Comply
<b>3</b>	<b>INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>	
3.1	A listed entity should articulate and disclose its values.	Comply
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Comply
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Comply
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Comply



## 09 Appendices

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 4th EDITION		
ASX RECOMMENDATIONS		COMPLY/ NON-COMPLY
<b>4</b>	<b>SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>	
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</li> </ul>	Comply
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Comply
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Comply
<b>5</b>	<b>MAKE TIMELY AND BALANCED DISCLOSURE</b>	
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Comply
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Comply
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Comply
<b>6</b>	<b>RESPECT THE RIGHTS OF SECURITY HOLDERS</b>	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Comply
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Comply
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Comply
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Comply
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Comply

## 09 Appendices

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 4th EDITION		
ASX RECOMMENDATIONS		COMPLY/ NON-COMPLY
<b>7</b>	<b>RECOGNISE AND MANAGE RISK</b>	
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</li> </ul>	Comply
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Comply
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs.</p>	Comply
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Comply
<b>8</b>	<b>REMUNERATE FAIRLY AND RESPONSIBLY</b>	
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</li> </ul>	Comply
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors and the remuneration of executive directors and other senior executives.	Comply
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Comply

## 09 Appendices

### Relevant Documents

Copies or summaries of Perpetual documents outlined in the table below can be found on Perpetual's website at [www.perpetual.com.au/Corporate-Governance](http://www.perpetual.com.au/Corporate-Governance).

TABLE 5: RELEVANT DOCUMENTS	
GOVERNANCE STRUCTURE	SUPPORTING DOCUMENTS
<b>Governance – General</b>	Code of Conduct Continuous Disclosure Policy Personal Trading Policy Whistleblowing Policy Gifts, Political Donations, Bribery and Corrupt Practices Policy Modern Slavery Statement Sustainability Report
<b>Board of Directors</b>	Board Charter Policy on the Appointment of Directors Board Tenure and Performance Policy
<b>Board Committee</b>	Audit, Risk and Compliance Committee Terms of Reference Nominations Committee Terms of Reference Investment Committee Terms of Reference People and Remuneration Committee Terms of Reference
<b>Performance evaluation and remuneration</b>	Board Charter Board Tenure and Performance Policy People and Remuneration Committee Terms of Reference
<b>Risk Management and Internal Control</b>	Board Charter Audit, Risk and Compliance Committee Terms of Reference Risk Management Framework Modern Slavery Statement

# Directory

**NEW SOUTH WALES**

Angel Place  
Level 18, 123 Pitt Street  
Sydney NSW 2000

**QUEENSLAND**

Central Plaza 1  
Level 15, 345 Queen Street  
Brisbane QLD 4000

**AUSTRALIAN CAPITAL TERRITORY**

Level 9, Nishi Building  
2 Phillip Law Street  
Canberra ACT 2601

**VICTORIA**

Level 28 and 29  
Rialto South Tower  
525 Collins Street  
Melbourne VIC 3000

**SOUTH AUSTRALIA**

Level 11, 101 Grenfell Street  
Adelaide SA 5000

**WESTERN AUSTRALIAN**

Exchange Tower  
Level 29, 2 The Esplanade  
Perth WA 6000

**SINGAPORE**

16 Collyer Quay #07-01  
Singapore 049318

**CHICAGO**

155 N Wacker Drive  
Suite 4250  
Chicago, IL 60606  
USA

**AMSTERDAM**

Apollolaan 151  
1077AR Amsterdam  
Netherlands

**LONDON**

20 North Audley Street  
London W1K 6LX  
United Kingdom

**HONG KONG**

Unit 22, Level 10  
BOC Group Life Assurance Tower  
139 Des Voeux Road Central  
Central Hong Kong

**TRILLIUM ASSET MANAGEMENT:****BOSTON**

Two Financial Center  
60 South Street, Suite 1100  
Boston, MA 02111  
USA

**SAN FRANCISCO**

160 Spear Street, Suite 250  
San Francisco, CA 94105  
USA

**EDINBURGH**

15 Queen Street  
Edinburgh EH2 1JE  
United Kingdom

**BARROW HANLEY GLOBAL INVESTORS:****DALLAS**

2200 Ross Avenue, 31st Floor  
Dallas, TX 75201  
USA