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30 June 2016

The Companies Office  
Australian Securities Exchange  
Sydney Exchange Centre  
20 Bridge St  
SYDNEY NSW 2000

Dear Sir/Madam,

**Lodgement of Trading Policy**

In accordance with listing rule 12.10, attached is Perpetual's updated Policy with respect to trading in Perpetual securities by directors and employees, as approved by Perpetual's board on 23 June 2016.

Yours sincerely,

**Joanne Hawkins**  
Company Secretary

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## Group Policy – Personal Trading in Perpetual Securities

### 1. Objective

This policy aims to ensure that personal **trading** in **Perpetual Securities** is conducted lawfully and appropriately and that legal, regulatory and reputational risk to Perpetual, its directors and employees is minimised.

In dealing with conflicts of interest the separate [Group Policy – Personal Conflicts of Interest](#) should also be consulted.

Expressions in bold are defined in Attachment A to this policy.

### 2. Scope

This policy applies to each of the directors of Perpetual Limited and its employees when **trading** in **Perpetual securities** in a **personal capacity**. This will include situations where the director or employee exercises control over the investment decision of another person, legal entity or structure.

All temporary staff and contractors, regardless of the period of their engagement, are also required to comply with this policy as it applies to employees generally.

This policy does not apply to any proprietary **trading** by Perpetual, or its related entities, including **trading** by the relevant trustee or Perpetual for the purposes of the employee and director incentive plans.

### 3. Policy

#### *Rule 1 - Prohibition on insider trading*

Perpetual directors and employees must not **trade** in **Perpetual securities** when they are in possession of **inside information**. This prohibition applies even if there is a trading window or the director or employee has been given approval to **trade** under this policy.

#### *Rule 2 - Prohibition on procuring or encouraging third parties to **trade***

Perpetual directors and employees must not:

- procure a third party to **trade** in **Perpetual securities** on their behalf which could result in circumventing the application of this policy; or
- encourage third parties to **trade**, if the director or employee has **inside information** regarding **Perpetual securities**

#### *Rule 3 - Prohibition on speculative **trading**, lending, short selling or **trading** in associated products*

Perpetual directors and employees must not **trade** in **Perpetual securities** for short term or speculative gain. All positions (with the exception of shares acquired as the result of exercising options under incentive plans) must be held for a minimum period of one month.

Short selling or taking short positions in or lending **Perpetual securities** is not permitted.

Entering into arrangements and/or trading in financial products issued over **Perpetual securities** by third parties or **trading** in associated products which operate to limit the economic risk of holding **Perpetual securities** is also prohibited.

#### *Rule 4 – Prohibition on directors and employees taking, arranging or facilitating margin loans over their Perpetual shares*

Perpetual directors and employees must not take or otherwise facilitate margin loans over their Perpetual shares.

#### *Rule 5 - Personal trading not permitted during **Prohibited Periods***

Perpetual directors and employees must not **trade** during **Prohibited Periods**, which means any period which is not a designated trading window. Further details on the procedure for **trading** are set out at Attachment B.

*Rule 6 - Personal **trading** not to adversely impact Perpetual's reputation, and the individual's professional reputation and ability to perform duties*

Perpetual directors and employees should ensure that personal **trading** in **Perpetual securities**:

- does not interfere with their responsibilities as an officer or employee of Perpetual; and
- is on a scale consistent with their financial capacity.

Perpetual directors and employees should be mindful of the way in which any personal **trading** in **Perpetual securities** could be perceived by the market and the significant reputational damage to themselves and to Perpetual that could be caused by the appearance of **insider trading**.

*Rule 7 - No preferential treatment*

Perpetual directors and employees may participate in new share issues, rights issues and dividend reinvestment plans related to **Perpetual securities**, provided that they are treated the same as other shareholders and do not obtain any advantage over other shareholders.

*Rule 8 – Pre-clearance for Designated Officers*

Despite the existence of a trading window, **trading** by Perpetual directors and **Designated Officers** is subject to pre-clearance by Company Secretariat. All **trading** in **Perpetual securities** by **Designated Officers** is to be notified and approved in accordance with the procedures for Trading in Perpetual Securities before a trade is placed.

Pre-clearance is not required for participating in Perpetual dividend reinvestment plans, rights issues, new share issues or where securities are issued pursuant to employee incentive plans.

*Rule 9 – Register of **trading***

Perpetual directors and employees must keep a register of **trading** in Perpetual shares. (Attachment D).

#### **4. Procedures**

The procedures for **trading** in Perpetual Securities (Attachment B) set out the process for implementing and complying with this policy. All directors and employees must be familiar with these procedures and the personal obligations that arise from them.

#### **5. Monitoring Compliance**

An audit of **trading** activity may be conducted by the Risk Group at any time to assess whether directors and employees are complying with the requirements of this policy. The audit will require employees to provide the register of personal **trading** (as required under the accompanying procedures) on 24-hours' notice.

#### **6. Consequences of Non-Compliance with Policy**

A breach of the insider trading laws is a serious offence that may attract both civil and criminal penalties under the Corporations Act.

Compliance with this policy is mandatory and a breach is considered to be a serious matter that will result in disciplinary action, including possible immediate dismissal.

Perpetual directors and employees must ensure that they not only comply with the letter of this policy but also the spirit, and at all times consider the risk to both Perpetual's and their own reputation when conducting their personal **trading** activities. They must not structure arrangements or procure third parties to trade to circumvent the operation of this policy.

**7. Additional Information**

This policy is administered by Corporate Services. Should you have a query in relation to the policy please contact Company Secretariat.

**8. Attachments**

Attachment A - Definitions

Attachment B - Procedure – Personal **Trading** in Perpetual Securities

Attachment C - Summary of Legal Prohibition on Insider trading

Attachment D – Register of **trading**

## Attachment A

### Definitions

#### **Designated Officers**

Those officers and employees of Perpetual who by virtue of their position have, or are likely to have, access to **inside information**.

While **Designated Officers** may vary from time to time depending on those persons who are involved in material transactions or special projects concerning Perpetual, the core group of **Designated Officers** is:

- directors of Perpetual Limited and its subsidiaries, including committees of subsidiary boards as relevant;
- Perpetual group executives;
- personal assistants to group executives;
- direct reports to group executives;
- finance division (select persons);
- legal services division (all persons);
- risk & compliance (all persons);
- company secretariat (all persons).

The definition of a **Designated Officer** includes the definition of **Key Management Personnel** as separately defined below.

Written notification will be provided to each individual identified as a **Designated Officer**.

**Exceptional Circumstances:** means circumstances which may give rise to an exemption from the prohibition against **trading** within a **Prohibited Period**. Such circumstances will generally be limited to cases of severe financial hardship of the applicant, but may include any circumstances that the person or people assessing an application to **trade** during a Prohibited Period deems to be of sufficient gravity to warrant the granting of an exemption from the prohibition against trading within a **Prohibited Period**. In assessing severe financial hardship, the assessor will have reference to, but not be limited by, both the definition and applicable guidance applied by the Australian Prudential Regulation Authority in assessing claims for the early release of superannuation on similar grounds.

#### **Inside Information**

Information concerning Perpetual's financial position, strategy or operations which if made public would be likely to have a material impact on the price of **Perpetual securities**. Refer to (Attachment C) for details of the Corporations Act definition.

#### **Insider trading**

The **trading** of securities based on price sensitive information that is not generally available.

**Key Management Personnel** Those people having authority and responsibility for planning, directing and controlling the activities of Perpetual, directly or indirectly including any executive or non-executive director.

### **Personal Capacity**

A person will be deemed to be acting in a **personal capacity** in respect of personal **trading**, where either, the person themselves, their partner or financial dependents (including minor children) can:

- exercise control over the **trading**; or
- substantially influence the investment decision.

A person may be acting in a **personal capacity** even though the trade is conducted in the name of another person or legal entity, including a corporation, trust or personal superannuation fund.

**Perpetual securities** means:

- shares issued by Perpetual (ordinary, preference, contributing, non-voting);
- options or performance rights granted by Perpetual to acquire shares.

**Prohibited Periods** means any period which is not a designated trading window. A trading window is a period of up to six weeks following the release to the market of information. The dates of trading windows may vary from year to year depending on the timing of the release of information. Further details on the procedure for **trading** is set out at Attachment B.

### **Restriction Period**

- Shares issued to employees which have vested but remain in the trust can be held in the trust for a maximum period of seven years (for shares granted on or after 1 July 2009) and 10 years (for shares granted before 1 July 2009) after the shares in question have been issued.

*\* Releasing of shares after this period is not deemed to be trading, as the release is mandatory after this period, however if the release takes place outside of a trading window the employee must not trade in these released securities until the next trading window opens.*

**Trade/trading** includes, relevantly:

- buying or selling **Perpetual securities**;
- granting, acquiring or disposing of any beneficial interest in **Perpetual securities** (or any option or other right to acquire or dispose of Perpetual shares);
- acquiring, transferring or exercising options or performance rights over Perpetual shares;
- trading in **Perpetual securities** acquired as a result of exercising options or as a result of the vesting or transfer of performance rights or shares under the director or employee incentive plans;
- releasing of vested shares held in the trust acquired through the director or employee incentive plans;

- acquiring Perpetual shares under any Perpetual employee share plan (such as the Perpetual Long-term Incentive Plan or the Deferred Share Plan), including acquiring Perpetual shares after the exercise of options or performance rights;
- applying to participate, or varying participation, in the Perpetual Dividend Reinvestment Plan;
- agreeing to do any of the above things.

However, Rules 2 to 9 of this policy do not apply to **trading** in the following categories:

- participation in a director or employee incentive plan operated by Perpetual, including:
  - accepting an offer under an employee or director incentive plan and the subsequent grant of shares, options or performance rights pursuant to such an offer; and
  - vesting of any shares, options or performance rights under an employee or director incentive plan,
- the following categories of passive trades:
  - acquisition of **Perpetual securities** through a dividend reinvestment plan;
  - acquisition of **Perpetual securities** through a share purchase plan available to all retail shareholders;
  - acquisition of **Perpetual securities** through a rights issue; and
  - the disposal of **Perpetual securities** through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of **Perpetual securities** already held into a superannuation fund or trust of which the person is a beneficiary, including where shares are released from a Perpetual director or employee share trust following a **Restriction Period**);

**However, such dealings are still subject to rule 1 of the Policy.**

## Attachment B

### Procedure for trading in Perpetual Securities

#### 1. Trading windows

Perpetual permits personal **trading** in **Perpetual securities** by directors and employees during designated trading windows. However, despite the existence of trading windows, Perpetual directors and employees who trade during these periods still have a legal obligation to satisfy themselves that they are not in possession of **inside information**.

Trading windows are periods, usually following company public announcements, when Perpetual considers that all relevant information regarding the company is likely to be in the public domain. During these periods, the risk of directors and employees being in possession of, and **trading** on the basis of, **inside information** is minimised.

**REMEMBER: Whenever a person is in possession of inside information, trading is prohibited - even during trading windows.**

Trading windows Applying to All Directors and All Employees			
Public Announcement	Window Opens	Window Closes	Period Open*
Half Year Results	At the commencement of the trading day after the day on which the ASX announcement is released	At the close of trading on the trading day that is one month after the day on which the window opens	One month
Full Year Results	At the commencement of the trading day after the day on which the ASX announcement is released	At the close of trading on the day that is six weeks after the day on which the window opens	Six weeks
Annual General Meeting - Chairman's and Managing Director's Address	At conclusion of meeting	At the close of trading on the day that is one month after the day on which the window opens	One month

\* Trading window periods may be subject to change. The exact timing of the periods will depend on the date of the ASX announcement. Directors and employees are responsible for ensuring that a trading window is open prior to notifying or placing a personal **trade** in **Perpetual securities**.

The board of Perpetual Limited may also declare ad-hoc trading windows in circumstances where the board considers the market to be fully informed.



The open and close of trading windows will be advised to all directors and employees by email/in writing, by Perpetual's Company Secretariat. A trading window may be closed early or **trading** may be embargoed for all or particular directors and employees, at anytime where this is necessary to manage a potential insider trading risk, or the appearance of insider trading, as detailed in Section 3.

Directors and employees subject to this policy are required to familiarise themselves with the timing of the trading windows and are responsible for ensuring their compliance. Refer to Section 6 for information about how to apply for an exemption to **trade** outside the trading windows.

**Trades** must be executed by the close of the trading window. Settlement may occur afterwards.

## 2. Pre-clearance Procedure for Designated Officers

### 2.1. Notification of Intention to Trade

**Designated Officers** are to provide notification of intended **trading** to Perpetual's Company Secretary.

Notification of an intended **trade** must be given in writing, and may be provided by email or memorandum. The following information regarding the **Perpetual securities** to be **traded** must be included in the communication:

- type of **Perpetual security**, eg ordinary shares, options;
- number of **Perpetual securities**;
- whether the **trade** is a sale or purchase;
- broker details;
- name of person/entity intending to **trade**.

### 2.2. Approval of Trades

Notification of intended **trading** will be referred by Company Secretariat to the following persons for approval:

Designated Officer Intending to Trade	Person to Approve Trading**
Chairman	Nominated Director *
Directors (inc Managing Director)	Chairman
Group Executive	Managing Director
Other Designated Officers	Managing Director or Company Secretary

\* The Nominated Director is to be appointed by the Perpetual Limited Board from time to time.

\*\* The Nominated Director is appointed to approve **trading** in the Chairman's absence (except in relation to him/herself). The Chief Financial Officer is to approve **trades** (except in relation to him/herself) in the absence of the Managing Director or the Company Secretary.

Applications by **Designated Officers**, under section 6 of this policy to **trade** within a **Prohibited Period** by reason of an **Exceptional Circumstance** are to be referred to the Company Secretariat in accordance with the table above.

Requests to **trade** will be considered as soon as possible, in order of receipt. Perpetual's Company Secretariat will advise in writing (including by email) whether approval to **trade** has

been granted. **Designated Officers** must receive approval before they can proceed with the **trade**. It is the responsibility of the **Designated Officer** to follow-up a response to their request to **trade** with Company Secretariat. Company Secretariat will maintain a record of all written approvals or denials to **trade**.

Approvals to **trade** will be valid for five business days following the day on which approval was granted. Approval to **trade** is not an endorsement of the proposed **trade** and the **Designated Officer** is responsible for their compliance with insider trading laws.

Approvals may be withdrawn, varied or the period of approval shortened where:

- the power of veto has been exercised and communicated to the **Designated Officer** in accordance with Section 3 of these procedures;
- approval is granted within five days of the close of a trading window, in which case the approval will expire at the end of the trading window.

Approval to **trade** may be denied at the absolute discretion of the person charged with approving the **trade**. The person approving the **trade** may consider any reasons he/she considers appropriate, including the appearance of insider trading and the significant reputational damage that may cause Perpetual and the **Designated Officer**.

The **Designated Officer** is not entitled to receive any reasons for why the **trade** is denied. If approval is denied, the **Designated Officer** must keep that information confidential and not disclose it to anyone.

Where approval to **trade** is denied, or the approval period has expired, the **Designated Officer** may reapply. If a **Designated Officer** wants to reapply, it is their responsibility to make further requests to **trade** until such time as a trade is permitted.

Details of completed **trades**, and copies of relevant contract notes, are to be maintained in the Register of Personal **Trading** in accordance with Sections 4 and 5 of these procedures.

### 3. Power of Veto

Despite the fact that a trading window is open, or that an individual **Designated Officer** has been given approval for an intended **trade**, it may be necessary to veto **trading** for legal or perception reasons. The veto may apply to an individual, group, division or all directors or employees.

The power of veto is reserved to the Chairman and the Managing Director. Jointly they can:

- overturn any approval to a **Designated Officer** to **trade**; or
- close a trading window without prior notice.

This power of veto may be exercised where a matter has arisen which renders it inappropriate for personal **trading** in **Perpetual securities** to be conducted by an individual, group, division or all directors and employees. This may occur in the following situations:

- significant outflows in Perpetual Investments;
- a takeover approach is made;
- significant **trading** by Perpetual and related entities in **Perpetual securities**.

Where the Chairman or Managing Director is not available, or the veto involves one of them personally (eg overturning their approval to trade) the veto decision should be considered by whichever of them is not personally involved and a nominated director.

Where the power of veto has been exercised this will be immediately communicated in writing to the individual or group affected.

#### **4. Trading through Brokers of Choice/Contract Notes**

Perpetual directors and employees can place their personal **trades** in **Perpetual securities** with any broker of their choice.

Contract notes for trades must be kept and attached to the Register of Personal **Trading**, to be maintained in accordance with Section 5 of these procedures.

#### **5. Register of Personal Trading**

All Perpetual directors and employees are required to maintain details of **trading** in **Perpetual securities** in a **personal capacity** in a Register of Personal **Trading**, in the approved form (Attachment D).

The Register is to be made available for inspection as required by relevant regulators or for review by Risk Group.

#### **6. Exemptions**

Requests for exemption from the requirements of these procedures should be directed in writing to the Company Secretary. Exemptions will only be granted in **Exceptional Circumstances** and only where:

- there is no legal risk of insider trading and no risk of the appearance of insider trading;
- trading is not prohibited by virtue of Part 3 of these procedures; and
- the person requesting the exemption has certified, in such form as is required, that they are not in possession of **inside information** regarding Perpetual.

Exemptions will be considered:

- for **Designated Officers**, in accordance with the table in section 2.2; or
- for all other employees, by the Managing Director and the Company Secretary, acting jointly. Where the Managing Director or the Company Secretary is not available, the exemption will be considered by the Chairman.

Where the exemption is made in respect of a **Designated Officer** who is a director of Perpetual Limited and the director then deals in **Perpetual Securities** in accordance with the exemption, the ASX will be notified of the **trade** in accordance with the requirements of the ASX Listing Rules.

#### **7. Further Disclosure Requirements**

**Trading** in **Perpetual securities** in a **personal capacity** may result in disclosure obligations to regulators. These include notification to the ASX of:

- any **trading** in **Perpetual's securities** by directors (within five days of the trade);

- changes to substantial shareholdings as a result of **trading** by directors and executive officers in a **personal capacity**.

## Attachment C

### Summary of Legal Prohibition on Insider trading

This description of the legal prohibition on insider trading is provided for information purposes only and is not intended as legal advice, and is not to be relied upon as such. Perpetual directors and employees are responsible for ensuring their actions comply with relevant legal and regulatory requirements.

Part 7.10 (Division 3) of the Corporations Act, 2001 ('Act') regulates the prohibition on insider trading. Generally insider trading refers to **trading** of financial products that can be traded on a financial market, based on price sensitive information that is not generally available.

#### (a) Information

Information is defined in Section 1042A of the Act ([Corporations Act Section 1042A](#)). It may be obtained verbally or in writing.

Information includes:

- matters of supposition and other matters that are insufficiently definite to warrant being made known to the public (that is, inferences or conclusions drawn from potential outcomes); and
- matters relating to the intentions, or likely intentions of a person.

Examples include:

- merger and takeover discussions;
- possible profit warnings;
- possible departure of key personnel.

#### (b) Information which is not generally available

Section 1042C of the Act provides that information is generally available when:

- it consists of a readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in financial products whose price might be affected by the information (and deductions, conclusions or inferences made or drawn as a result of such), and since it has been made known, a reasonable period for it to be disseminated among such persons has elapsed.

Accordingly information will be **not generally available** where it does not satisfy either of the above criteria. Employees are likely to have access to information that is not generally available during the course of their employment.

Examples include:

- details of applications and redemptions
- details of client or fund transactions, including business won or lost

- information regarding a change in a clients' scale of operations or circumstances
- profit announcements and warnings

**(c) Price sensitive**

Information is price sensitive if a reasonable person would expect the information to have a 'material effect' on the price or value of the financial product. Under Section 1042D of the Act, this will be the case if the information would, or would be likely to, influence people who commonly acquire financial products in deciding whether or not to subscribe for, buy or sell the financial product.

**(d) Prohibited conduct by a person in possession of price sensitive information**

Perpetual directors or employees who possess price sensitive information in relation to financial products that is not generally available must not:

- subscribe for, purchase or sell (or agree to subscribe for, purchase or sell) those financial products;
- procure another person to do so; or
- directly or indirectly, communicate the information or cause the information to be communicated to another person if the employee knows, or ought reasonably to know, that the other person would or would be likely to:
  - subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such financial products; or
  - procure a third person to subscribe for, purchase or sell, or to enter into an agreement to subscribe for, purchase or sell, any such financial products.

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