

24 August 2023

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

Perpetual FY23 Financial Results

The following announcements to the market are provided:

FY23 Appendix 4E

FY23 ASX Announcement

FY23 Full Year Statutory Accounts

FY23 Results Presentation

FY23 Operating and Financial Review

Appendix 4G

✓ FY23 Corporate Governance Statement

Yours faithfully,



Sylvie Dimarco
Company Secretary
(Authorising Officer)

Corporate Governance Statement

For the Year Ended 30 June 2023

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.



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Perpetual Limited (**Perpetual**) is an ASX listed (ASX:PPT) global financial services firm. The Perpetual Group operates a multi-boutique asset management business, as well as wealth management and trustee services businesses.

In January 2023, Perpetual completed the Pandal Group acquisition to create a global leader in multi-boutique asset management with approximately A\$212 billion of assets under management¹. Perpetual's governance and risk management frameworks continue to be integrated across Pandal to create a cohesive and uniform approach to governance. Integration activities are progressing into FY24 with the aim to leverage synergies between Perpetual and Pandal.

Perpetual's strategy and purpose is to create 'enduring prosperity'. Perpetual's vision is to be the 'most trusted in financial services' which sets the tone for Perpetual's strategy and the way Perpetual does business across its global footprint. Perpetual's Board (the **Board**) and management are committed to the execution of Perpetual's strategy against three strategic imperatives – Client First, Future Fit and New Horizons. Effective governance is key to the ability to deliver on this 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 2023. This Corporate Governance Statement was approved by the Board on 24 August 2023.

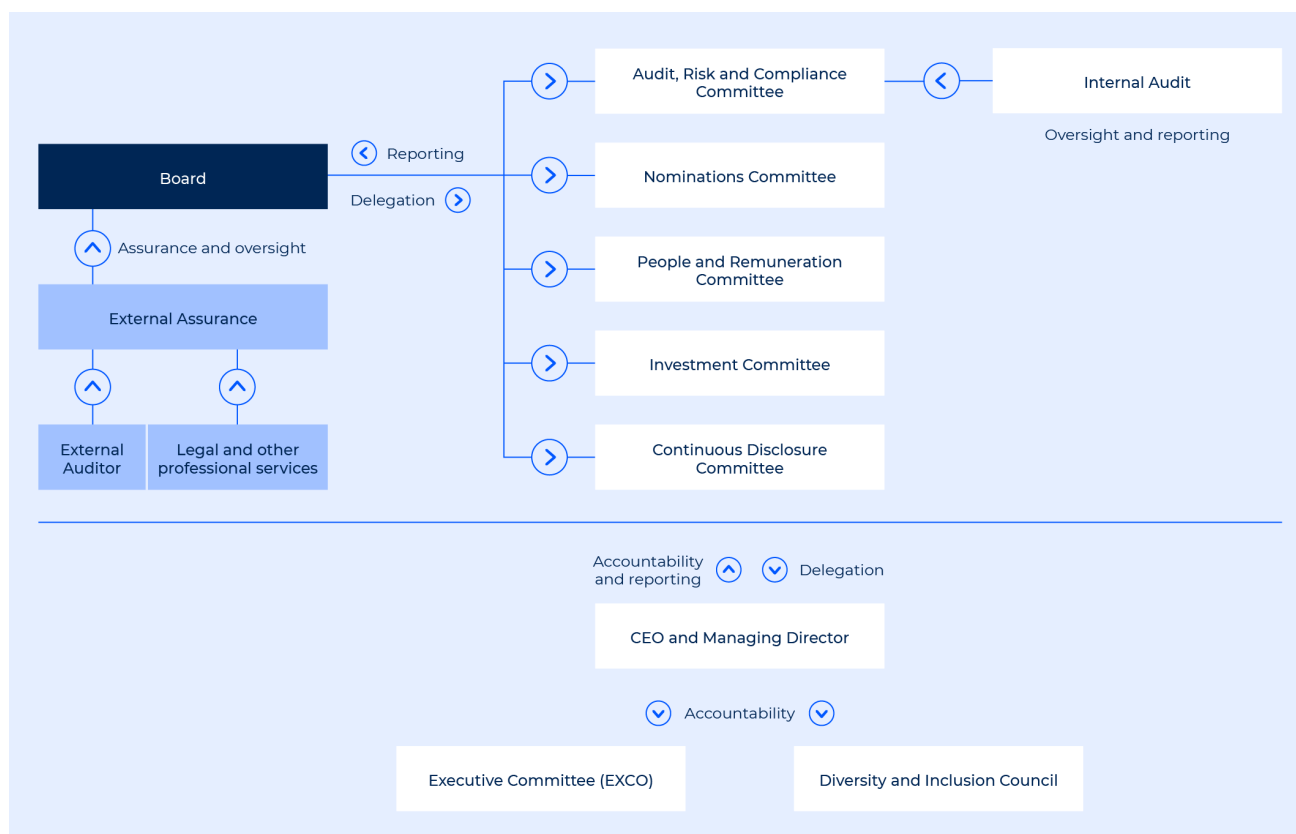
Perpetual Limited
ABN 86 000 431 827

¹ As announced in the Fourth Quarter Business Update on 27 July 2023.

Foundations for Management and Oversight

Roles and responsibilities of Board and Management

Perpetual's corporate governance framework during the 2023 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 for the Perpetual Group 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 Board has its own Board Charter which sets out the functions and responsibilities reserved for 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;

Foundations for Management and Oversight (continued)

- 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 reviewed in 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 which is regularly reviewed with change recommendations approved by the Board, as required.

In August 2023, the Board established two new Board delegated Committees. To assist the Board in monitoring post-acquisition activities enterprise wide, the Board established an Integration Committee which will be chaired by Ms Fiona Trafford-Walker. Acknowledging the increasing sophistication of cyber threats, the Board has also taken steps to strengthen its oversight of Perpetual's Technology and Cyber Risk, through the establishment of a Technology and Cyber Security Committee, to be chaired by Ms Mona Aboelnaga Kanaan.

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.

Foundations for Management and Oversight (continued)

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, responsible for 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 trustee 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 as they oversee aspects of risk management relevant to their specific functions and/or geographic location. This includes the boards of regulatory licensed entities and committees of relevant subsidiary companies of Perpetual.

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 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. As per the Board Charter, 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 the Chairman of ARCC.

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 must disclose 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. The first time a Director stands for election, Perpetual will conduct the appropriate checks to verify the director's background and expertise. These checks and screenings are conducted periodically for all directors within the Group. The Board also provides its recommendation in relation to any proposed election of a Director in the notice of meeting for the AGM.

The purpose of the NC is to ensure that candidates selected to be directors of Perpetual, 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 on Perpetual's website [here](#). More information in respect of Perpetual's approach to diversity is provided later in this section.

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.

Foundations for Management and Oversight (continued)

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 global 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 2023 Directors' Report.

Diversity and Inclusion Policy

Perpetual has a strong commitment to diversity and inclusion. By building a sustainable workplace environment that is open and accepting of individual differences, 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 & Inclusion Policy [here](#).

Diversity and Inclusion Strategy

Perpetual is committed to building a fulfilling, diverse and inclusive place to work. Given Perpetual's strategic ambitions and commitment to creating enduring prosperity for Perpetual's people, clients and local communities, this has never been more relevant. Perpetual champions diversity and inclusion through progressing a dedicated Diversity and Inclusion Strategy with three strategic focus areas – Inclusion, Equity and Identity. This strategy is monitored and delivered by Perpetual's Diversity and Inclusion Council, chaired by the Perpetual Group CEO. Key initiatives are delivered 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.

Striving for Gender Equality

Perpetual recognises that gender diverse teams deliver better business results and so has committed to a goal to achieve 40% female representation in Perpetual's senior leader cohort by 2024. In FY23, female representation of this cohort is 32.8%. Perpetual continues to focus on female talent development, attraction and retention through several initiatives, including the implementation of an enhanced parental leave benefit, partnering with Women in Banking and Finance to develop female leaders, a dedicated Women at Perpetual network, and enhanced leadership accountability for gender equality via regular monitoring and reporting of key gender equality metrics.

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 Cohort²) as at July 2023

Senior Leader Cohort	Men	Women
Key Management Personnel	57.1%	42.9%
Other Executives/General Managers	74.4%	25.6%
Senior Managers	64.4%	35.6%
Total	67.2%	32.8%

In relation to female leadership representation by region, Perpetual has 33.3% in Asia Pacific, 37.5% in the USA, 28.6% in Europe, and 33.8% globally. Perpetual's 40% gender representation target also applies to the Perpetual Board. In FY23, the representation of women on the Perpetual Board increased to 50.0%, exceeding the 40% target.

² Includes employees based in Asia Pacific only

Foundations for Management and Oversight (continued)

Perpetual is proud to have maintained its Employer of Choice for Gender Equality WGEA citation each consecutive year since the 2017–2018 citation year. Perpetual has a gender equality strategy that targets several gender equality indicators, including improving female representation in underrepresented areas across the business, striving for pay equity, female talent identification and development, enabling flexible working arrangements, and mitigating sex-based harassment and discrimination. Perpetual submits data and information on the measures being taken to progress gender equality annually to WGEA. 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. Early 2022, the Board commenced an externally facilitated Board effectiveness review and the results were made available to the Board in October 2022. 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 and discussion of findings 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. Areas for improvement are identified and addressed accordingly.

Earlier in 2023, the Board engaged the same external facilitator to conduct a follow-up review which provided an opportunity for additional reflection on the review conducted during 2022 as well as identifying new opportunities for improvement.

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 the 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 FY23 in accordance with the above process.

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 (Chairman), Mr Ian Hammond, Ms Nancy Fox, and Mr Greg Cooper, 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 2023 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. 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: Board Skills Assessment

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 responsible investment).
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 2023.

Structure the Board to be Effective and Add Value (continued)

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 Non-executive 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 Non-executive 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 Non-executive 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 2001 (Cth)*.

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	6.5 years
Ms M Aboelnaga Kanaan	Non-executive Director	Yes	28 June 2021	2 years
Mr G Cooper	Non-executive Director	Yes	11 September 2019	4 years
Ms N Fox AM	Non-executive Director	Yes	28 September 2015	8 years
Mr Christopher Jones	Non-executive Director	Yes	24 January 2023	0.5 years
Ms Kathryn Matthews	Non-executive Director	Yes	24 January 2023	0.5 years
Mr I Hammond	Non-executive Director	Yes	24 March 2015	8 years
Ms F Trafford-Walker	Non-executive Director	Yes	9 December 2019	3.5 years
Mr R Adams	Executive Director and CEO	No	24 September 2018	5 years

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 Colonial First State and Avanteo Investments Limited (collectively known as CFS Group) for which Perpetual is a supplier of funds management services. The Board does not consider that Mr Cooper's role at CFS Group 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 Nancy 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.

Structure the Board to be Effective and Add Value (continued)

- Mr Ian Hammond receives post-termination benefits from his former employer, PricewaterhouseCoopers (PwC). Mr Hammond left PwC in April 2015. PwC occasionally is engaged by Perpetual to provide 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 and Suncorp Group has an investment mandate with Pandal. The Board does not believe that these arrangements affect 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 Non-executive Director of Link Group which provides share registry, listed 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 Non-executive Director of Prospa Group which engages Perpetual for trustee-related services and ancillary 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 Non-executive Director of the Victorian Funds Management Corporation and Perpetual has been 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.

The purchase of Perpetual products and services 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. Currently the Board comprised nine Directors, eight of whom are independent Non-executives, and the CEO.

Independent Chairman

During the 2023 financial year, the roles of Chairman and CEO 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.

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.

Ongoing Director education is provided through regular updates on changes in the regulatory environment affecting Perpetual and the financial services industry. In the 2023 Financial Year, Directors received training and briefings on matters including conflict management, greenwashing, and work, health and safety regulations.

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

A Culture of Acting Lawfully, Ethically and Responsibly

Culture

Perpetual's culture is underpinned by three core values:



Perpetual's core values extend across the breadth of the organisation and defines who we are as an organisation.

Building on Perpetual's values, in FY23 Perpetual refreshed its Behaviours. These Behaviours are how our people live and breathe Perpetual's purpose and values through day-to-day interactions with colleagues and clients; the way we approach decision-making, the questions we ask and the problems we solve.

Our values and behaviours form the basis of our culture and directly impact the experience our clients have with us.

All employees receive training on Perpetual's values and corporate governance standards, including the Code of Conduct and the Whistleblowing Policy.

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 with detecting 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;

A Culture of Acting Lawfully, Ethically and Responsibly (continued)

- 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 & Sustainability Officer (**CRSO**). A full copy of Perpetual's Code of Conduct can be found [here](#).

Perpetual's CRSO 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.

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 an Anti-Bribery and Corruption 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 Anti-Bribery and Corruption Policy can be found [here](#).

Client Advocacy

Perpetual has a dedicated Client Advocacy Team (**the CA 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 CA 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 CRSO.

The CA Team is also responsible for analysing 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 CA Team works with the relevant operational business to ensure that the underlying cause is appropriately remediated. Further information can be found [here](#).

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 2023 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 Ms Kathryn Matthews. 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. All members are financially literate with substantial experience and understanding of financial services and investment markets

Details of the number of meetings held by the ARCC, attendance by Committee members and the qualifications of the members are set out in Perpetual's 2023 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 2001 (Cth)*, 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; 2002 (Cth)* 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.

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 2022 and the full-year end 30 June 2023, the Board received the declarations and statements referred to above.

Integrity of Corporate Reports (continued)

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 2023 financial year, the Group's external auditor was KPMG. The lead audit partner was Mr Brendan Twining and the engagement partner was 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 presented 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;
- actuarial services;
- 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 services;
- legal services;
- providing expert opinion or other expert service for the purpose of advocating the interests of Perpetual, or a Controlled 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 secondments of any professional staff.

During the 2023 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.

Timely and Balanced Disclosure

Perpetual is committed to meeting its investors' expectations for open and transparent communication. It is 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 Continuous Disclosure Policy supports Perpetual's commitment to adhering to its continuous disclosure obligations in accordance with ASX Listing Rule 3.1.

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, Group 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.

Directors are provided with copies of all material announcements made in compliance with the Perpetual's continuous disclosure obligations promptly after the 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 soon after being disclosed to the market.

Respecting the Rights of Shareholders

Publication of Information

The Board is 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 provide symmetrical information to the market using various mediums, including market announcements, 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, notification of scheduled analyst briefings is provided to shareholders in advance. 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 'Key Dates' 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).

Shareholder communications, including invitations for the AGM are sent out via individual shareholder 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. 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, broker conferences, strategy and operational updates.

The Board understands the importance of these interactions as it allows Perpetual to communicate business milestones, significant corporate events as well as provide more detail on 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](#), which are also lodged on the ASX, include:

- the Operating and Financial Review, Financial Statements, Investor Presentations for the half and full year results;
- quarterly business updates;
- the Annual Report;
- the Sustainability Report;
- the Chairman's and CEO's addresses to the AGM;

- investor day event presentations;
- presentations made at conferences; and
- other ad hoc ASX announcements.

Webcasts of Perpetual events (results, AGM and investor days) are made available on the shareholders page of our website.

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 via their nominated means of communication;
- enabling the use of online proxy voting for shareholders who are unable to attend the AGM on the day;
- 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 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 2023 AGM Perpetual intends to conduct a hybrid meeting to maximise shareholder engagement by providing flexible attendance options.

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 the [shareholder centre](#) for further information.

All collective communications with shareholders are published on Perpetual's website. Electronic on-line proxy voting is also made available for shareholders.

Recognising and Managing Risk

Risk Management

The ARCC is responsible for overseeing and managing risk under delegation from the Board.

The CRSO is responsible for overseeing risk from a management perspective. The CRSO is a member of the Perpetual Executive Committee (**EXCO**) reporting directly to the CEO and is a standing invitee to the ARCC meetings. The CRSO 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 through the Investment Committee (**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 Greg Cooper (Chairman);
- Ms Mona Aboelnaga Kanaan;
- Mr Ian Hammond;
- Mr Christopher Jones;
- Ms Kathryn Matthews; and
- Ms Fiona Trafford-Walker.

Details of the number of meetings held by the ARCC and IC and attendance by committee members is set out in Perpetual's 2023 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 at least 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 on 26 July 2023 to inform timely key changes required to ensure it remains fit-for-purpose following the acquisition of Pandal Group. The RMF consists of supporting frameworks, programs and policies designed to effectively manage the specific risks considered material to Perpetual defined within the following risk categories – strategy and execution; management of change; financial; market and treasury; business resilience; operational and fraud; information technology, cyber / data security, outsourcing, investment, product and distribution; people, compliance and legal; sustainability and responsible investing and conduct. 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, ownership and responsiveness by all Perpetual employees.

The RMF is underpinned by the 'Three Lines of Accountability (3LOA) 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. Perpetual's Risk, Compliance and Client Advocacy functions represent the second line who provide the risk and compliance governing documents, systems, tools, advice and assistance to enable management to proactively and effectively identify, assess, monitor and manage risk and meet their compliance obligations, and are responsible for reviewing and challenging first line activities. Internal Audit provides independent assurance, representing the third line, and reports to the ARCC.

Recognising and Managing Risk (continued)

Internal Controls Framework

Consistent with the 3LOA model, management is responsible for developing and implementing appropriate controls to manage their risks and processes. The Risk and Control Self-Assessment (**RCSA**) Program is one of the core components of the RMF and sets out Perpetual's approach to risk and control management, with key risks and controls identified, assessed, managed, monitored and reported in accordance with this Program. The Program provides detailed guidance on key risk management activities, including how risk profiling and controls testing is required to be conducted in line with Perpetual's 3LOA, and how Perpetual's companywide risk system, Archer supports this activity. The RCSA Program is subject to Risk & Compliance monitoring and oversight and is supported by a dedicated second line Controls Assurance (**CA**) team. The CA team provides 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 Global Head of Internal Audit reports functionally to the ARCC, and administratively to the CRSO 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, CRSO and Global Head of Internal Audit has the right to, and does, meet with the ARCC, or its Chairman, without other management present.

Economic, Environmental and Social Sustainability

At Perpetual Group, creating enduring prosperity has been at the heart of what we do for over 135 years. This means seeking to help our clients navigate the low carbon transition, building an inclusive, high-performance culture, strengthening local communities, and working to uphold good governance, accountability and integrity in all we do.

In September 2022, Perpetual launched our sustainability strategy, *Perpetual's Prosperity Plan*. This consists of 35 commitments across four pillars of Planet, People, Communities and Governance.

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

In FY23, Perpetual published its Group 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](#).

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 corporate social responsibility;
- 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 and Prudential Standard CPS 511.

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),
- Ms Mona Aboelnaga Kanaan;
- Mr Greg Cooper;
- Mr Christopher Jones; and
- Ms Fiona Trafford-Walker.

Details of the number of meetings held by the PARC and attendance by committee members is set out in Perpetual's 2023 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 2023 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 or to contact Perpetual by email at info@perpetual.com.au or investor.relations@perpetual.com.au.

Comments and suggestions from shareholders are welcome.

Appendices

Appendix 4G (ASX Corporate Governance Council Principles and Recommendations, 4th edition)

ASX Recommendations		Comply
1	Lay solid foundations for management and oversight	
1.1	A listed entity should have and disclose a board charter setting out: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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	<p>A listed entity should:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving these objectives; and (3) Either: <ul style="list-style-type: none"> (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. <p>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.</p>	Comply
1.6	A listed entity should: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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

Appendices (continued)

ASX Recommendations		Comply
2	Structure the board to be effective and add value	
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
3	Instil a culture of acting lawfully, ethically and responsibly	
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

Appendices (continued)

ASX Recommendations		Comply
4	Safeguard the integrity of corporate reports	
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"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (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. 	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
5	Make timely and balanced disclosure	
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
6	Respect the rights of security holders	
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

Appendices (continued)

ASX Recommendations		Comply
7 Recognise and manage risk		
7.1	The board of a listed entity should:	Comply
(a)	have a committee or committees to oversee risk, each of 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.	
7.2	The board or a committee of the board should:	Comply
(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	
(b)	disclose, in relation to each reporting period, whether such a review has taken place.	
7.3	A listed entity should disclose:	Comply
(a)	if it has an internal audit function, how the function is structured and what role it performs.	
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
8 Remunerate fairly and responsibly		
8.1	The board of a listed entity should:	Comply
(a)	have a remuneration 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.	
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	A listed entity which has an equity-based remuneration scheme should:	Comply
(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	
(b)	disclose that policy or a summary of it.	

Appendices (continued)

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.

TABLE 5: Relevant documents

Governance structure	Supporting documents
Key governance documents	Perpetual Limited – Constitution Corporate Governance Statement Perpetual Appendix 4G 2023
Governance – General	Code of Conduct Appointment of Directors Policy Continuous Disclosure Policy Diversity & Inclusion Policy Anti-Bribery and Corruption Policy Online Security Policy Performance & Tenure Policy Perpetual Private Responsible Investments Policy Personal Trading Policy Privacy Policy Whistleblowing Policy Modern Slavery Statement Sustainability Report
Charters and terms of reference	Board Charter Audit, Risk and Compliance Committee Terms of Reference People and Remuneration Committee Terms of Reference Investment Committee Terms of Reference Nominations Committee Terms of Reference

About Perpetual

Perpetual Limited ("Perpetual") is an ASX listed (ASX:PPT) global financial services firm operating a multi-boutique asset management business, as well as wealth management and trustee services businesses.

Perpetual owns leading asset management brands including Perpetual, Pandal, Barrow Hanley, J O Hambro, Regnan, Trillium and TSW.

Perpetual's wealth management business services high-net worth clients, not for profits, and small businesses through brands such as Perpetual Private, Jacaranda Financial Planning and Fordham.

Perpetual's corporate trust division provides services to managed funds, the debt market and includes a growing digital business, encompassing Laminar Capital.

Headquartered in Sydney, Perpetual services its global client base from offices across Australia as well as internationally from Asia, Europe, the United Kingdom and United States.

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