

# Perpetual Superannuation Limited Remuneration Disclosures

## About this report

This report sets out the remuneration arrangements for all Directors and Executive Officers of Perpetual Superannuation Limited (PSL) for the financial years ending 30 June 2022 and 30 June 2023. Under Section 29QB of the Superannuation Industry (Supervision) Act 1993 and Regulation 2.37 of the Superannuation Industry (Supervision) Regulations 1994, the remuneration details for the Executive Officers are required to be made publicly available.

Directors include both Non-Executive and Executive Directors of PSL. Executive Officers are those members of the management team who have been identified as having a degree of seniority and contribute to the development, implementation and oversight of PSL's strategy.

Fees for Directors and Executive Officers are paid by Perpetual Limited ("Perpetual"), the parent company of PSL and are governed by the remuneration policy of Perpetual which has been adopted by PSL.

Details of the current Directors and Executive Officers are provided over the page.

## 1. Directors and Executive Officers Details

Perpetual's Remuneration Policy for Non-Executive Directors aims to ensure that we attract and retain suitably skilled, experienced and committed individuals to serve on the Board.

Non-Executive Directors do not receive performance-related remuneration and are not entitled to receive performance shares or options over Perpetual shares as part of their remuneration arrangements.

### Fee framework

Non-Executive Directors receive a base fee, and fees for participating in Board Committees (other than the Nominations Committee), either as Chair or as a member of a committee.

Name	Position	Term
<b>Directors and Executive Officers for FY23</b>		
Janet Torney	Chair and Non-Executive Director	Full year
Kerry Adby	Non-Executive Director	Full year
Jocelyn Furlan	Non-Executive Director	Full year
Chris Green	Executive Director	Full year
Mark Smith	Executive Director	Full year
Amanda Gazal	Executive Officer	Ceased 23 November 2022
Sam Mosse	Executive Officer	Full year
Craig Squires	Executive Officer	Commenced 23 November 2022
<b>Directors and Executive Officers for FY22</b>		
Janet Torney	Chair and Non-Executive Director	Full year
Kerry Adby	Non-Executive Director	Full year
Jocelyn Furlan	Non-Executive Director	Commenced 1 February 2022
Virginia Malley	Non-Executive Director	Ceased 26 October 2021
Chris Green	Executive Director	Full year
Mark Smith	Executive Director	Full year
Amanda Gazal	Executive Officer	Full year
Sam Mosse	Executive Officer	Full year

## 2. Non-Executive Director Remuneration

Non-Executive Directors' fees	FY22	FY23
	\$	\$
Chair	125,000	128,000
Non-Executive Directors	80,000	82,000
Audit Risk and Compliance Committee Chair	20,000	20,000
Audit Risk and Compliance Committee Member	10,000	10,000
Investment Committee Chair	20,000	20,000
Investment Committee Member	10,000	10,000

Director fees are inclusive of superannuation, with details of superannuation contributions outlined in section 4. Non-Executive Directors may receive employer superannuation contributions in one of Perpetual's superannuation funds or in a complying fund of their choice. Non-Executive Directors may also salary-sacrifice superannuation contributions out of their base fee if they so wish.

### Approval process

Perpetual's People and Remuneration Committee (PARC) as PSL's delegated Board Remuneration Committee considers and makes recommendations to the PSL Board on Non-Executive Director Remuneration on an annual basis.

### **3. Executive Director and Executive Officers Remuneration**

Executive Directors and Executive Officers perform work for PSL and other entities within the Perpetual group. Accordingly, their remuneration has been pro-rated to reflect the portion of their remuneration that reflects their responsibilities and an estimate of their time spent on work performed for PSL.

Executive Directors and Executive Officers are eligible to receive performance related remuneration under Perpetual's Variable Incentive Scheme, in addition to their base salary. Variable Incentive payments are determined at the conclusion of the financial year and consist of cash and/or equity incentives as outlined below.

#### **Variable Incentive – cash**

- For all Executive Directors and Executive Officers except Mr Squires, a portion of the Variable Incentive is generally paid in cash shortly after the release of Perpetual's full year results.
- Mr Squires participates in Perpetual's Short Term Incentive plan, which is also paid in cash shortly after the release of Perpetual's full year results.

#### **Variable Incentive – Unhurdled equity**

- For Executive Directors and Executive Officers except for Mr Squires, the equity component of the Variable Incentive is delivered as a grant of Share Rights. Share Rights are held for two years at which point they are converted to Restricted shares for an additional two years.
- Mr Squires is eligible to participate in Perpetual's group Long Term Incentive plan, which offers unhurdled equity vesting after three years.

#### **Variable Incentive – Hurdled equity**

- For Executive Directors and Executive Officers except for Mr Squires, a hurdled Long Term Incentive is issued as Performance Rights.
  - Half of the Performance Rights (Variable Incentive equity – hurdled) will vest after three years, subject to a three-year Compound Annual Growth Rate (CAGR) absolute Total Shareholder Return (TSR) hurdle and convert to Restricted Shares for an additional 12 months; and
  - The remaining half of the Performance Rights will vest after four years subject to a four-year CAGR absolute TSR hurdle and convert to unrestricted shares.

For all equity awards, dividends are not payable on Share Rights or Performance Rights; however, they are payable on Restricted Shares during the holding lock period.

Awards will be granted on a face value basis using a five-day Volume Weighted Average Price in September each year following Perpetual's full year results.

#### **Approval process**

The CEO and Managing Director of Perpetual, together with the Chair of the PARC, made recommendations to the PARC on the Variable Incentive allocations for the Executive Directors and Executive Officers. Once endorsed, the PARC make recommendations for the Executive Directors and Executive Officers to the Perpetual Board and for relevant Executives to the Perpetual Superannuation Limited Board for final approval.

## Termination of employment

Treatment upon termination of employment is as follows:

Event	Awards not yet granted		Awards granted, but not yet vested		Vested but restricted
	VI Cash & VI Unhurdled Equity	Hurdled Equity	VI Unhurdled Equity	VI Hurdled Equity	Restricted Shares (yet to be released)
Resignation Termination for poor performance	No further variable incentive is payable in respect of the current or prior performance years as at the date of notice		Forfeited		Retained under the plan with restriction periods continuing to apply
Summary dismissal	No further variable incentive is payable in respect of the current or prior performance years as at the date of notice of termination		Forfeited		Forfeited
Death	A pro-rated variable incentive based on the period of the performance year completed (excluding notice paid in lieu or gardening leave) and full year performance score will be delivered at the normal time. If an Executive is employed for only a short period of the year, the Board may determine to award no Variable Incentive.	No additional Hurdled Equity Performance Rights will be granted.	Immediate vesting and conversion to unrestricted shares (subject to Board approval)		Immediate conversion to unrestricted shares (subject to Board approval)
Mutual agreement Retirement (requires Board approval) Redundancy Total and permanent disablement (TPD)	A pro-rated variable incentive based on the period of the performance year completed (excluding notice paid in lieu or gardening leave) and full year performance score will be delivered at the normal time. If an Executive is employed for only a short period of the year, the Board may determine to award no Variable Incentive.	No additional Hurdled Equity Performance Rights will be granted.	Retained under the plan with restriction periods and hurdles (where applicable) continuing to apply	A pro-rated number of units based on proportion of vesting period served to termination date are retained under the plan with restriction periods and hurdles continuing to apply	Retained under the plan with restriction periods continuing to apply

This approach to treatment of incentives on termination of employment in conjunction with the broader plan design strengthens the alignment of interests between Executive KMP and shareholders over the long term. The extended vesting and restriction periods encourage Executive KMP to make decisions that are in the long-term interests of shareholders, with implications of those decisions extending beyond an Executive KMP's tenure at Perpetual while they continue to have shares retained in the plan.

## Claw-back provisions

The Perpetual Board retains discretion to claw back Variable Incentive equity awarded to Executive Directors or Executive Officers prior to the Share Rights or Performance Rights vesting or Restricted Shares being released. The Perpetual Board may exercise claw-back provisions if it becomes aware of any information that, had it been available at the time Variable Incentive awards were determined, would have resulted in a different (or zero) Variable Incentive amount being awarded.

## Total Variable Incentive outcome received for FY23 and FY22

The table below provides the total Variable Incentive outcomes (both the cash and equity portions) received by the Executive Directors and Executive Officers for the FY23 and FY22 performance years.

Non-Executive Directors of PSL are not eligible to receive a variable incentive payment and are therefore not included in the tables below.

Name	Variable Incentive Cash	Variable Incentive Unhurdled Equity <sup>1</sup>	Total Variable Incentive (Cash + Unhurdled)	Variable Incentive (as % of Target) <sup>2</sup>	Percentage Forfeited	FY23 Maximum Opportunity @175% of target <sup>3</sup>	Target Hurdled Equity	Actual Hurdled Equity Awarded
	\$	\$	\$	%	%	\$	\$	\$
<b>Current Executive Directors and Executive Officers</b>								
C Green								
FY23	3,735	3,735	7,469	50%	50%	26,142	7,763	7,763
FY22	14,073	15,386	29,459	100%	0%	51,553	15,386	15,386
M Smith								
FY23	3,061	3,768	6,828	50%	50%	23,899	7,535	7,535
FY22	11,780	14,501	26,281	92%	8%	49,991	15,762	14,501
A Gazal <sup>6</sup>								
FY23	1,684	999	2,684	50%	50%	9,393	1,656	1,656
FY22	6,495	6,495	12,990	100%	0%	22,733	6,495	6,495
S Mosse								
FY23	2,915	2,915	5,831	54%	46%	18,897	5,693	5,693
FY22	7,482	7,482	14,964	108%	0%	24,248	6,928	7,482
C Squires <sup>4, 5</sup>								
FY23	745	2,484	3,229	N/A	N/A	N/A	-	-
FY22	-	-	-	-	-	-	-	-
<b>Total FY23</b>	<b>12,140</b>	<b>13,901</b>	<b>26,041</b>			<b>78,329</b>	<b>22,646</b>	<b>22,646</b>
Total FY22	39,830	43,864	83,694			148,524	44,571	43,864

1. For Key Management Personnel of Perpetual Limited, 50% of the Variable Incentive equity value is awarded as Performance rights with an absolute Total Shareholder Return hurdle

2. Represents the total Cash and Unhurdled Variable Incentive outcome for FY23 (and FY22) as a percentage of target Variable Incentive.

3. Maximum opportunity Executives may earn under the Group Executive Variable Incentive Plan (for the Cash and Unhurdled components).

4. Mr Squires operates on the Perpetual discretionary short-term incentive plan where targets are not applicable.

5. Ms Gazal and Mr Squires are partial year executive officers therefore the figures have been pro-rated for the portion of the year they were operating as an Executive Officer of

## 4. Details of Directors' and Executive Officer's remuneration

### 4.1 Remuneration of Non-Executive Directors

Name	Short-term benefits				Post-employment benefits		Equity-based benefits			Termination payments	Total
	Cash salary <sup>1</sup>	Variable Incentive Cash	Non-monetary benefits	Other	Superannuation	Other long-term benefits	Variable Incentive Equity	Shares	Performance rights		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors</b>											
J Torney											
<b>FY23</b>	<b>133,937</b>	-	-	-	<b>14,063</b>	-	-	-	-	-	<b>148,000</b>
FY22	131,818	-	-	-	13,182	-	-	-	-	-	145,000
K Adby <sup>2</sup>											
<b>FY23</b>	<b>101,358</b>	-	-	-	<b>10,643</b>	-	-	-	-	-	<b>112,000</b>
FY22	106,134	-	-	-	10,613	-	-	-	-	-	116,747
V Malley <sup>3</sup>											
<b>FY23</b>	-	-	-	-	-	-	-	-	-	-	-
FY22	29,570	-	-	-	2,957	-	-	-	-	-	32,527
J Furlan											
<b>FY23</b>	<b>92,308</b>	-	-	-	<b>9,692</b>	-	-	-	-	-	<b>102,000</b>
FY22	34,091	-	-	-	3,409	-	-	-	-	-	37,500
<b>Total FY23</b>	<b>327,602</b>	-	-	-	<b>34,398</b>	-	-	-	-	-	<b>362,000</b>
Total FY22	301,613	-	-	-	30,161	-	-	-	-	-	331,774

1. Cash salary is the ordinary cash salary received in the year including payment for annual, long service, sick or other types of paid leave taken.

2. Ms. Adby was temporarily Chair of the PSL Audit and Risk Committee from 29 October 2021 to 30 June 2022, resulting in slightly higher fees payable in FY22.

3. Ms. Malley retired from the PSL board effective 26 October 2021.

## 4.2 Remuneration of Executive Directors and Executive Officers

Name	Short-term benefits				Post-employment benefits		Equity-based benefits <sup>5</sup>			Termination payments	Total
	Cash salary <sup>1</sup>	Variable Incentive Cash <sup>2</sup>	Non-monetary benefits <sup>3</sup>	Other <sup>4</sup>	Superannuation	Other long-term benefits <sup>6</sup>	Variable Incentive Equity <sup>7</sup>	Shares	Performance rights		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current Executive Directors and Executive Officers</b>											
C Green											
FY23	14,222	3,735	-	628	524	474	7,340	-	2,202	-	29,125
FY22	27,966	14,073	-	71	1,083	652	10,290	-	-	-	54,135
M Smith											
FY23	12,551	3,061	-	141	524	218	6,658	-	1,888	-	25,040
FY22	26,267	11,780	-	913	1,083	456	9,003	-	-	-	49,502
A Gazal <sup>8</sup>											
FY23	4,483	1,684	-	25	209	95	1,061	-	755	-	8,312
FY22	21,361	6,495	-	688	1,083	415	3,002	999	-	-	34,043
S Mosse											
FY23	15,476	2,915	-	591	524	349	3,761	-	1,888	-	25,504
FY22	23,635	7,482	-	-	1,083	458	4,399	892	-	-	37,949
C Squires <sup>9</sup>											
FY23	5,637	745	-	60	314	80	-	351	-	-	7,477
FY22	-	-	-	-	-	-	-	-	-	-	-
<b>Total FY23</b>	<b>52,369</b>	<b>12,140</b>	<b>-</b>	<b>1,446</b>	<b>2,094</b>	<b>1,216</b>	<b>18,820</b>	<b>351</b>	<b>6,733</b>	<b>-</b>	<b>95,458</b>
Total FY22	99,229	39,830	-	1,672	4,330	1,981	26,694	1,891	-	-	175,629

1. Cash salary is the ordinary cash salary received in the year including payment for annual, long service, sick or other types of paid leave taken.

2. Variable Incentive cash payments consist of cash payments to be made in September 2023 for the CEO and Group Executives.

3. Non-monetary benefits represents those amounts salary sacrificed from fixed remuneration to pay for benefits such as leased motor vehicles, car parking, and purchased leave.

4. Other short-term benefits relate to:

- salary continuance and death and total and permanent disability insurance provided as part of the remuneration package; and
- the value of accrued annual leave for FY23 less leave taken which is depicted as cash salary.

5. Share-based remuneration has been valued using the binomial method, which considers the performance hurdles relevant to each issue of equity instruments. The value of each equity instrument has been provided by PricewaterhouseCoopers. Share-based remuneration is the amount expensed in the financial statements for the year and includes adjustments to reflect the most current expectation of vesting of LTI grants with non-market condition hurdles. For grants with non-market conditions including earnings per share hurdles, the number of shares expected to vest is estimated at the end of each reporting period and the amount to be expensed in the financial statements is adjusted accordingly. For grants with market conditions such as total shareholder return hurdles, the number of shares expected to vest is not adjusted during the life of the grant and no adjustment is made to the amount expensed in the financial statements (except if service conditions are not met). The accounting treatment of non-market and market conditions are in accordance with accounting standards.

6. The value of accrued long service leave for FY23 less leave taken, which is depicted as cash salary.

7. Variable incentive equity includes costs incurred in FY23 for the FY19, FY20, FY21, FY22 Variable Incentive equity grants.

8. Ms Gazal ceased as an Executive Officer of PSL with effect from 23 November 2022. Amounts have been pro-rated for the period of time Ms Gazal served as an Executive Officer of PSL.

9. Mr Squires commenced as an Executive Officer of PSL with effect from 23 November 2022. Amounts have been pro-rated for the period of time Mr Squires served as an Executive Officer of PSL.

### 4.3 Unvested equity holdings of the Executive Directors and the Executive Officers

The table below summarises the unvested equity holdings by number granted to the Executive Directors and the Executive Officers of PSL, for the year ended 30 June 2023.

Name	Instrument	Grant date	Grant price	Vesting date	Held at 1 July 2022	Movement During the Year <sup>1</sup>			Held at 30 June 2023	Fair value of instrument at grant date	
						Granted	Forfeited	Vested			
			\$		Number of instruments	Number of instruments			Number of instruments	\$	
<b>Current Executives</b>											
C Green	Performance Rights <sup>3</sup>	1 September 2020	31.15	1 September 2023	166	-	-	-	166	12.09	
	Performance Rights <sup>3</sup>	1 September 2020	31.15	1 September 2024	166	-	-	-	166	12.42	
	Share Rights <sup>2</sup>	1 September 2021	41.23	1 September 2023	154	-	-	-	154	34.07	
	Performance Rights <sup>3</sup>	1 September 2021	41.23	1 September 2024	77	-	-	-	77	20.14	
	Performance Rights <sup>3</sup>	1 September 2021	41.23	1 September 2025	77	-	-	-	77	17.05	
	Share Rights <sup>2</sup>	1 September 2022	27.52	1 September 2024	-	267	-	-	267	21.84	
	Performance Rights <sup>3</sup>	1 September 2022	27.52	1 September 2025	-	134	-	-	134	12.70	
	Performance Rights <sup>3</sup>	1 September 2022	27.52	1 September 2026	-	134	-	-	134	11.03	
	Performance Rights <sup>4</sup>	1 September 2022	8.90	1 September 2025	-	543	-	-	543	8.44	
	Performance Rights <sup>4</sup>	1 September 2022	8.25	1 September 2026	-	585	-	-	585	7.85	
	Performance Rights <sup>4</sup>	1 September 2022	7.63	1 September 2027	-	633	-	-	633	7.28	
		Aggregate value				-	\$ 29,202	-	-	-	
	M Smith	Performance Rights <sup>3</sup>	1 September 2020	31.15	1 September 2023	125	-	-	-	125	12.09
Performance Rights <sup>3</sup>		1 September 2020	31.15	1 September 2024	125	-	-	-	125	12.42	
Share Rights <sup>2</sup>		1 September 2021	41.23	1 September 2023	142	-	-	-	142	34.07	
Performance Rights <sup>3</sup>		1 September 2021	41.23	1 September 2024	71	-	-	-	71	20.14	
Performance Rights <sup>3</sup>		1 September 2021	41.23	1 September 2025	71	-	-	-	71	17.05	
Share Rights <sup>2</sup>		1 September 2022	27.52	1 September 2024	-	252	-	-	252	21.84	
Performance Rights <sup>3</sup>		1 September 2022	27.52	1 September 2025	-	126	-	-	126	12.70	
Performance Rights <sup>3</sup>		1 September 2022	27.52	1 September 2026	-	126	-	-	126	11.03	
Performance Rights <sup>4</sup>		1 September 2022	8.90	1 September 2025	-	465	-	-	465	8.44	
Performance Rights <sup>4</sup>		1 September 2022	8.25	1 September 2026	-	502	-	-	502	7.85	
Performance Rights <sup>4</sup>		1 September 2022	7.63	1 September 2027	-	543	-	-	543	7.28	
		Aggregate value				-	\$ 26,285	-	-	-	
A Gazal		Share Rights <sup>2</sup>	1 September 2021	41.23	1 September 2023	58	-	-	-	58	34.07
	Performance Rights <sup>3</sup>	1 September 2021	41.23	1 September 2024	29	-	-	-	29	20.14	
	Performance Rights <sup>3</sup>	1 September 2021	41.23	1 September 2025	29	-	-	-	29	17.05	
	Share Rights <sup>2</sup>	1 September 2022	27.52	1 September 2024	-	113	-	-	113	21.84	
	Performance Rights <sup>3</sup>	1 September 2022	27.52	1 September 2025	-	56	-	-	56	12.70	
	Performance Rights <sup>3</sup>	1 September 2022	27.52	1 September 2026	-	56	-	-	56	11.03	
	Performance Rights <sup>4</sup>	1 September 2022	8.90	1 September 2025	-	465	-	-	465	8.44	
	Performance Rights <sup>4</sup>	1 September 2022	8.25	1 September 2026	-	502	-	-	502	7.85	
	Performance Rights <sup>4</sup>	1 September 2022	7.63	1 September 2027	-	543	-	-	543	7.28	
		Aggregate value				-	\$ 18,630	-	-	-	
S Mosse	Performance Rights <sup>3</sup>	1 September 2020	31.15	1 September 2023	83	-	-	-	83	12.09	
	Performance Rights <sup>3</sup>	1 September 2020	31.15	1 September 2024	83	-	-	-	83	12.42	
	Share Rights <sup>2</sup>	1 September 2021	41.23	1 September 2023	68	-	-	-	68	34.07	
	Performance Rights <sup>3</sup>	1 September 2021	41.23	1 September 2024	34	-	-	-	34	20.14	
	Performance Rights <sup>3</sup>	1 September 2021	41.23	1 September 2025	34	-	-	-	34	17.05	
	Share Rights <sup>2</sup>	1 September 2022	27.52	1 September 2024	-	130	-	-	130	21.84	
	Performance Rights <sup>3</sup>	1 September 2022	27.52	1 September 2025	-	65	-	-	65	12.70	
	Performance Rights <sup>3</sup>	1 September 2022	27.52	1 September 2026	-	65	-	-	65	11.03	
	Performance Rights <sup>4</sup>	1 September 2022	8.90	1 September 2025	-	465	-	-	465	8.44	
	Performance Rights <sup>4</sup>	1 September 2022	8.25	1 September 2026	-	502	-	-	502	7.85	
	Performance Rights <sup>4</sup>	1 September 2022	7.63	1 September 2027	-	543	-	-	543	7.28	
		Aggregate value				-	\$ 19,574	-	-	-	
	C Squires	Restricted Shares <sup>5</sup>	1 October 2022	23.47	1 October 2025	-	175	-	-	175	
Share Rights <sup>6</sup>		1 March 2023	23.24	1 March 2024	-	45	-	-	45		
Share Rights <sup>6</sup>		1 March 2023	20.65	1 September 2025	-	50	-	-	50		
		Aggregate value				-	\$ 6,178	-	-	-	

1. Granted aggregate value is calculated by multiplying the number of instruments by the grant price. Vested and forfeited aggregate value is calculated by multiplying the number of shares by the Perpetual

2. Share Rights granted to KMP in September 2019, 2021 and 2022 convert to Restricted Shares 2 years after the grant date. The holding lock is removed 4 years after the grant date, as per the terms of the Executive Leadership Team Variable Incentive Plan. These Share Rights are not included in the Table after vesting.

3. Performance Rights granted to KMP in September 2019, 2020, 2021 and 2022 were issued as 2 tranches with a TSR hurdle. T1 is subject to a 3 year performance period before vesting into Restricted Shares

4. Performance Rights issued under the "KMP LTI Growth Plan" were issued as 3 tranches with a TSR hurdle. T1 is subject to a 3 year performance period before vesting into Restricted Shares for two years. T2 is subject to a 4 year performance period before vesting into Restricted Shares for one year. T3 is subject to a 5 year performance period before vesting.

5. Restricted shares granted to Mr Squires for his FY22 employee annual review LTI outcome.

6. Share Rights granted to Mr Squires as part of a retention award. The award was granted in two tranches vesting after 12 and 30 months.