



**CORPORATE
GOVERNANCE
STATEMENT**

For the Year Ended
30 June 2020

CONTENTS AND INTRODUCTION

The Board and management of Perpetual Limited have a long-standing commitment to good corporate governance. The success of our businesses relies on this commitment.

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The Board and management of Perpetual Limited (**Perpetual or the Company**) have a long-standing commitment to good corporate governance. Indeed, success in Perpetual's businesses - the management of other people's money and the safekeeping of assets and securities - relies on this commitment. 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.

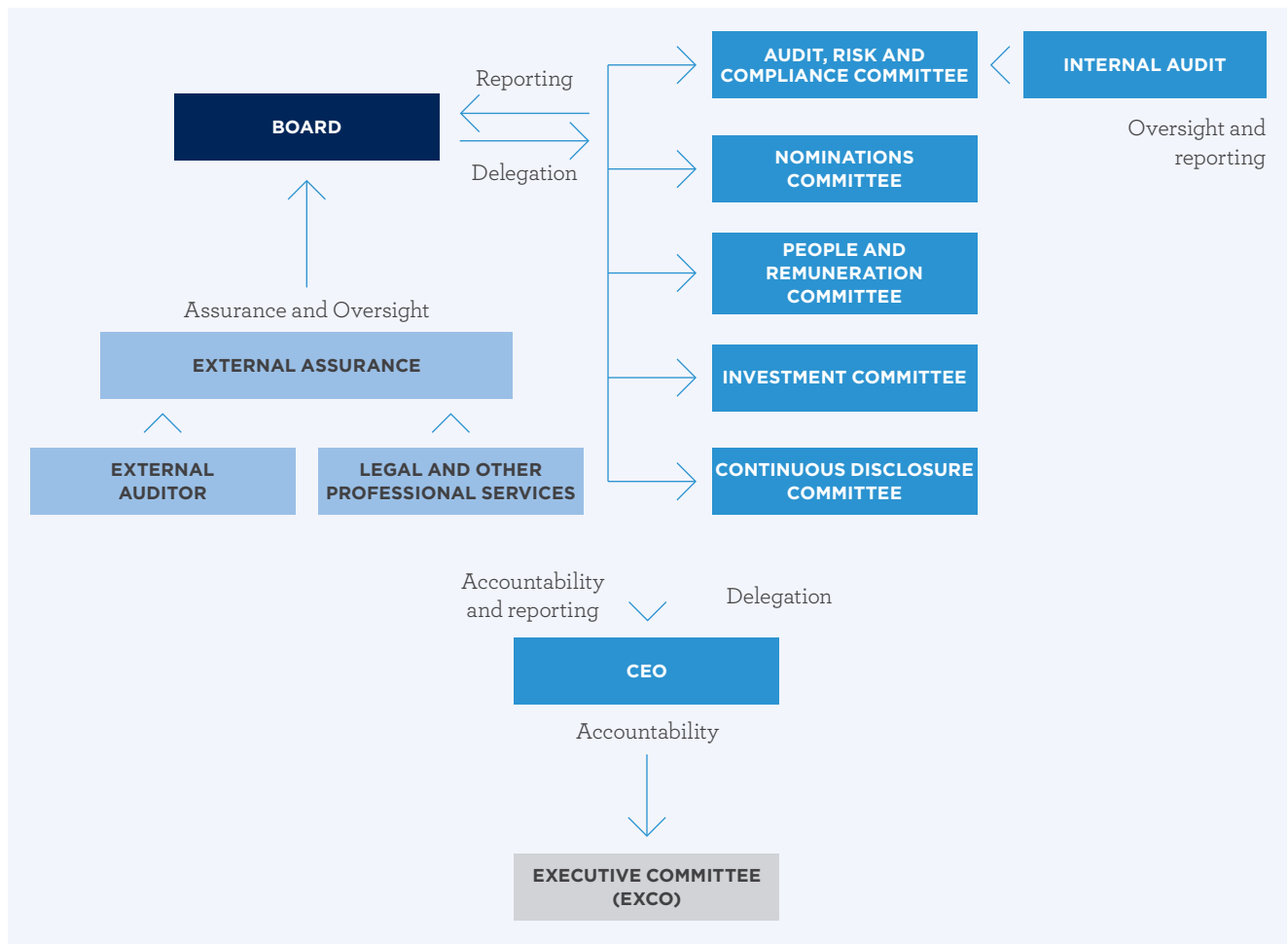
The Board considers that it complies with all ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (**ASX Recommendations**) 3rd edition and has done so throughout the reporting period. We have reviewed our governance framework against the 4th edition of the ASX Recommendations and will report in compliance with those Recommendations for the financial year ending 30 June 2021. This Corporate Governance Statement has been approved by the Board and is current at 20 August 2020, except where otherwise indicated.

01

Foundations for Management and Oversight

ROLES AND RESPONSIBILITIES OF BOARD AND MANAGEMENT

Perpetual’s corporate governance framework during the 2020 financial year, including its Board Committees, is represented in the diagram below:



The Board has its own Board Charter which sets out the functions and responsibilities reserved to the Board and delegations made to management. The Board delegates day-to-day responsibility for the management and operation of the Company to the Managing Director and CEO but remains

responsible for overseeing management’s performance. The Managing Director and CEO may make further delegations within the parameters specified by the Board but is accountable for the exercise of delegated powers.

The Board's specific responsibilities include:

- demonstrating leadership and defining the purpose of the Company and its wholly owned 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;
- 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 the Company'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 CFO; and
- reviewing and approving recommendations for the appointment, remuneration of, and the assessment of the performance of, the CEO's direct reports and other employees who are deemed to be individuals who may affect the Company's financial soundness, and reviewing their succession plans (including the succession plans of senior management);
- approving the appointment and replacement of the company secretary; and
- setting the Group's diversity strategy and establishing measurable objectives related to gender diversity and overseeing progress against them.

The Board Charter is reviewed periodically and was recently reviewed in June 2020 to ensure the balance of responsibilities remains appropriate to Perpetual. The Board Charter can be found at www.perpetual.com.au/corporate-governance.

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, Nominations Committee, People and Remuneration Committee, Investment Committee and the Continuous Disclosure Committee. Each Committee has a Terms of Reference.

All Committees, except the Nominations Committee, 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 Nominations Committee, the Managing Director and 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 Board chairs these sessions.

Perpetual's Subsidiary Boards

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 include:

- Perpetual Superannuation Limited, which carries out Perpetual's superannuation activities;
- Queensland Trustees Pty Limited, which acts as trustee for Perpetual's employee share plans; and
- The Trust Company (Sydney Airport) Limited, which is the responsible entity of the Sydney Airport Trust 1, a trust whose units are stapled to shares in Sydney Airport Limited, the company that owns a lease to operate Sydney Airport.

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

Perpetual's corporate governance framework applies to all wholly owned subsidiaries. Subsidiary boards are a key component of Perpetual's Risk Management Framework.

Indemnity of Directors and Officers

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

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

Access To Independent Advice and Information

Perpetual has a formal policy allowing the Board or an individual Director to seek independent professional advice at the Perpetual Group's expense, provided that the Director has obtained the prior approval of the Chairman, or if the relevant Director is the Chairman, the prior approval of a majority of Perpetual's Non-executive Directors.

All Directors have unrestricted access to Company records and information.

Election and Selection of New Directors

Under Perpetual's Constitution, all Directors who have been in office without re-election for three years since their last appointment must retire and seek re-election at the Company's annual general meeting (**AGM**). In addition, any Director appointed to fill a casual vacancy must stand for election at the AGM. In each case, Perpetual provides shareholders with information in relation to a Director's biographical details, qualifications, skills and experience, as well as details of any other directorships or material interests that they hold. The Board also provides its recommendation in relation to any proposed re-election in the accompanying information sent with the relevant notice of meeting.

The Nominations Committee is responsible for administering Perpetual's policy on the appointment of directors, which sets out the selection process and criteria for identifying candidates to fill Board vacancies. The policy is disclosed in full on our website at www.perpetual.com.au/role-of-board. The Nominations Committee also takes diversity considerations into account when recommending any new appointment to the Board. More information in respect of Perpetual's approach to diversity is provided later in this section.

If a Board vacancy arises, the Nominations Committee 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 Nominations Committee. External consultants may be engaged to assist with the identification of appropriate candidates. Prospective candidates are subject to appropriate and prudent background checks.

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.

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 with advice on corporate governance issues. The Company Secretary is responsible for the operation of the company secretariat function and is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board.

During the period the Board had access to the services and advice of Eleanor Padman, the Company Secretary. Eleanor Padman was also the General Counsel. Eleanor Padman resigned as Company Secretary on 27 September 2019.

Christopher Green, Perpetual’s Chief Financial Officer was appointed Company Secretary on 27 September 2019. This was an interim appointment. On 8 April 2020, Christopher Green resigned as Company Secretary and Sylvie Dimarco was appointed on the same day.

Details of the experience and qualifications of Eleanor Padman, Christopher Green and Sylvie Dimarco are set out in the 2020 Directors’ Report.

Diversity Policy

At Perpetual we are passionate about creating a fulfilling, diverse and inclusive place to work. Given our strategic ambitions and our commitment to create enduring prosperity for our people, our clients and, in the communities within which we work, this has never been more critical. Our approach to diversity and inclusion focuses on gender equality, workplace flexibility, cultural diversity and building an inclusive environment where our people can thrive.

Striving for Gender Equality

We know that gender diverse teams deliver better business results and so we have committed to a goal to achieve 40% female representation in our senior leader cohort by 2024. In FY20, we fell just short of this target with 36% of our senior leaders being female.

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

TABLE 1: PERPETUAL WOMEN IN LEADERSHIP BREAKDOWN (SENIOR LEADER COHORT) AS AT JULY 2020		
SENIOR LEADER COHORT	MEN	WOMEN
Key Management Personnel	66.6%	33.3%
Other Executives/General Managers	54.2%	45.8%
Senior Managers	67.9%	32.1%
Total	63.9%	36.1%

In FY20, we extended our 40% gender representation target to Perpetual’s Board and Perpetual Superannuation Limited Board.

With the appointment of two new Board members during this time, Fiona Trafford-Walker and Greg Cooper, the representation of women on the Perpetual Board has remained stable at 29%. Also, Perpetual has renewed its membership to the AICD ‘30% Directors Club’, advocating in the public domain for greater gender diversity in Boardrooms in Australia.

Perpetual is proud to have maintained its Employer of Choice for Gender Equality WGEA (**Workplace Gender Equality Agency**) citation, for the past three consecutive years. We are committed to continuing to develop a gender diverse talent pipeline to ensure achievement of our 40% women in leadership target, by 2024.

A copy of both our most recent WGEA Compliance submission and Perpetual’s Diversity and Inclusion policy can be found on the Perpetual website at www.perpetual.com.au/diversity.

To find out more about Perpetual’s diversity and inclusion strategy, please refer to the ‘Supporting our people’ section, in our Sustainability Report.

Review of Board and Director Performance

The Board undertakes ongoing self-assessment as well as a formal annual review of the performance of the Board, individual Directors and its committees. As part of this process in FY20:

- Directors were provided with questions to consider on the Board’s performance and the Chairman met with each Director to discuss;
- In relation to the Chairman, a nominated Director took responsibility to obtain and collate feedback from other Directors; and
- The Chairman then led a discussion to identify areas for improvement and to implement action items.

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

Review of Senior Executive Performance

Each year, the People and Remuneration Committee oversees the performance review process for the Managing Director and CEO and Group Executives. The Group Executives report directly to the Managing Director and CEO.

The Managing Director and 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 Managing Director and CEO’s performance against his goals with input from all Board members.

The Managing Director and CEO sets performance objectives for each Group Executive at the beginning of each financial year. The Board’s People and Remuneration Committee reviews the performance objectives set for the Group Executives. The Managing Director and CEO carries out the performance review of each Group Executive against their objectives with input from appropriate stakeholders, including Board members.

02

Structure the Board to Add Value

Nominations Committee

Perpetual's Nominations Committee is comprised of four members, being the Chairman of the Perpetual Board and the chairpersons of each of the Audit, Risk and Compliance Committee, People and Remuneration Committee and Investment Committee. Its current members are Mr Tony D'Aloisio, Ms Nancy Fox, Mr Ian Hammond and Mr Craig Ueland, all of whom Perpetual regards as independent Non-executive Directors.

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

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

Details of the number of meetings held by the Nominations Committee and attendance by committee members is set out in Perpetual's 2020 Directors' Report. Further information in relation to the Nominations Committee and a full copy of its terms of reference can be found at www.perpetual.com.au/board-composition.

Board Skills Matrix

As noted above, the Nominations Committee is responsible for reviewing the size and structure of the Board. 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.

In terms of skills and experience, the Board values the following attributes:

- a strong understanding of funds management;
- a demonstrated high level of commercial acumen and ASX listed experience;
- the ability to act as a steward of the organisation, setting the tone and steering the organisation forward;
- a good understanding of current corporate governance and risk management requirements and experience in applying sound risk management approaches to drive outcomes;
- experience in strategic planning and organisational change leadership;
- broad corporate experience delivering results with a particular focus on people, culture and performance;
- experience in mergers and acquisitions and growth strategies domestically and internationally;
- experience in ASX remuneration practices;
- an understanding of technology, including identifying and enabling opportunities to improve outcomes through technology solutions; and
- experience in international funds management.

The mix of skills, experience and diversity represented on the Board as at 30 June 2020 is shown in Table 2. The Board considers that this level of skills and experience is appropriate for Perpetual's needs.

02 STRUCTURE THE BOARD TO ADD VALUE

TABLE 2: SKILLS AND BACKGROUND

NAME	SKILLS AND BACKGROUND	APPOINTED	ELECTED/ RE-ELECTED	GENERAL CONSISTENCY WITH SOUGHT AFTER SKILLS
Mr A D'Aloisio AM	Held CEO, Chairman and NED roles. Experience relevant to Perpetual as a NED: <ul style="list-style-type: none"> - Financial markets including wealth and funds management and ASX and trustee services - Strategic planning and execution including change management and M&A - Public company governance and regulation (including fiduciaries) of financial markets - Executive performance and culture and diversity 	13 December 2016	2 November 2017	✓
Ms N Fox	Held Managing Director and NED roles. Experience relevant to Perpetual as a NED: <ul style="list-style-type: none"> - Financial markets and products, including securitisation, in US, Asian and Australian markets - Development of financial services businesses - Regulatory frameworks, risk management and governance 	28 September 2015	5 November 2015 1 November 2018	✓
Mr I Hammond	Held Lead Partner and NED roles. Experience relevant to Perpetual as a NED: <ul style="list-style-type: none"> - Accounting and auditing of financial institutions - Accounting industry regulatory body memberships in Australia and internationally - Financial reporting, risk management and risk assessment frameworks and governance - M&A 	24 March 2015	5 November 2015 1 November 2018	✓
Mr C Ueland	Held CEO, CFO, COO and NED roles. Experience relevant to Perpetual as a NED: <ul style="list-style-type: none"> - Global financial markets - International and domestic investment management industry, including multi-manager investing - Leadership development - Corporate strategy development and execution 	25 September 2012	1 November 2012 3 November 2015 1 November 2018	✓

02 STRUCTURE THE BOARD TO ADD VALUE

TABLE 2: SKILLS AND BACKGROUND

NAME	SKILLS AND BACKGROUND	APPOINTED	ELECTED/ RE-ELECTED	GENERAL CONSISTENCY WITH SOUGHT AFTER SKILLS
Mr G Cooper	<p>Held CEO, Chairman and NED Roles. Experience relevant to Perpetual as a NED:</p> <ul style="list-style-type: none"> - Detailed global and domestic funds management experience across distribution, investment and infrastructure, broader financial markets including wealth - Strategic planning and execution including change management and M&A - Public company governance - Executive remuneration (particularly in a funds management context), leadership development, performance, culture and diversity 	11 September 2019	17 October 2019	✓
Ms F Trafford-Walker	<p>Held Managing Director and NED roles. Experience relevant to Perpetual as a NED:</p> <ul style="list-style-type: none"> - Global financial markets including investment advice and management - Corporate strategy development and execution including change management, M&A and technology - Public company governance and regulation - Leadership development and executive performance - Culture and diversity 	9 December 2019	Not applicable	✓
Mr R Adams	<p>Held Managing Director and CEO roles. Experience relevant to Perpetual:</p> <ul style="list-style-type: none"> - Executive performance, leadership development, culture and diversity - Financial markets, including wealth and funds management in Australia and Internationally - Strategic planning and execution including change management and M&A 	24 September 2018	Not applicable	✓

Independence and Length of Service of Directors

The Board considers all Non-executive Directors to be Independent Directors, including the Company’s Chairman.

In assessing the independence of each Director, the Board adopts the factors relevant to considering Director independence contained in Box 2.3 of the 3rd edition 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.

The independence of each Director is formally reviewed annually and at any time when a change occurs that may affect a Director’s independence. Non-executive Directors also formally advise the Company Secretary of any relevant information and update the Company Secretary if their circumstances change at any time. To refresh the composition of the Board, Directors agree not to seek re-election after three terms of three years unless the Board requests them to do so. The nine-year principle does not displace shareholders’ rights to vote on the appointment and removal of Directors, as set out in the ASX Listing Rules and the Corporations Act.

The length of service of each member of the current Board is as follows:

TABLE 3: LENGTH OF SERVICE		
BOARD MEMBER	DATE OF APPOINTMENT	LENGTH OF SERVICE
Mr T D’Aloisio AM	13 December 2016	3.5 years
Mr G Cooper	11 September 2019	1 year
Ms N Fox	28 September 2015	5 years
Mr I Hammond	24 March 2015	5 years
Ms Trafford-Walker	9 December 2019	0.5 year
Mr C Ueland	25 September 2012	8 years
Mr R Adams	24 September 2018	2 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 Tony D’Aloisio is Director and Chairman of IRESS Ltd, an ASX listed software company specialising in the development of software systems and services for financial markets and wealth management. IRESS Limited provides services to Perpetual which are not considered material in nature or quantity. The Board does not consider that Mr D’Aloisio’s role at IRESS Limited affects his ability to act in the best interests of Perpetual.
- 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.
- Mr Ian Hammond receives post-termination benefits from his former employer, PricewaterhouseCoopers (PwC). PwC has been appointed as Perpetual’s remuneration consultant and occasionally provides consulting services to Perpetual, which are not considered material in nature or quantity. The Board does not believe that this appointment of PwC affects the independence of Mr Hammond.

- Ms Trafford-Walker is a Director of Link Group which provides share registry and other related services to Perpetual however Ms Trafford-Walker has no role or visibility of the appointment process for Perpetual’s share registry vendor. The Board does not consider that Ms Trafford-Walker’s directorship with Link Group affects her independence.

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.

In the 2020 financial year, no Director disclosed a material personal interest in any contract entered into by any member of the Perpetual Group other than the remuneration paid to the Directors, as outlined in the Annual Report and the deeds of indemnity described above.

02 STRUCTURE THE BOARD TO ADD VALUE

Majority of Independent Directors

The composition of the Board is guided by the Company's Constitution and the Board Charter which requires that the Board shall be comprised of a majority of independent Non-executive Directors. During the 2020 financial year, the Board comprised seven Directors, six of whom were independent Non-executives, and the Managing Director and CEO.

During the year, the composition of the Board underwent various changes, namely that Mr Philip Bullock and Ms Sylvia Falzon both resigned on 17 October 2019. Mr Greg Cooper was appointed as a Non-executive Director on 11 September 2019 and Ms Fiona Trafford-Walker was appointed as a Non-executive Director on 9 December 2019.

Independent Chairman

During the 2020 financial year, the roles of Chairman and Managing Director and CEO were held by separate Directors. The Chairman is an independent Non-executive Director and responsible for leadership of the Board and ensuring that it performs its role and functions. The Chairman is also responsible for facilitating the effective contribution of Directors by ensuring that each Director fully participates in Board activities.

Induction of New Directors

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.

Directors receive regular updates on changes in the regulatory environment affecting Perpetual and the financial services industry. Directors are also encouraged to continue their education by attending relevant conferences and seminars.

03

Ethical and Responsible Decision-Making

Code of Conduct

Perpetual has a Code of Conduct which draws from and expands on Perpetual's Values. The three core values are Integrity, Partnership and Excellence.

The Code of Conduct was reviewed in June 2020 against the 4th edition of the *Corporate Governance Principles and Recommendations* and we will seek to report on this compliance for the financial year ending 30 June 2021.

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 underpins Perpetual's culture.

The Code of Conduct is based on the following principles:

- conducting business in accordance with the highest ethical standards;
- showing genuine care and sensitivities to others;
- giving the best possible service to our clients;
- promoting an effective risk culture, in particular one that creates an environment of risk awareness and responsiveness;
- conducting its business in accordance with the highest ethical standards;
- acting in the best interests of clients and on the belief that doing so is in the best interests of its shareholders;
- adhering to applicable legal and regulatory requirements and to comply with the spirit as well as the letter of the law;
- committing to the fight against terrorism and money laundering;
- developing a culture that will not tolerate fraud and to assist employees to detect fraud;
- prohibiting, 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;
- protecting and safeguarding the personal information of its clients;
- managing conflicts of interests;
- respecting Perpetual's property including equipment, IT systems and services;
- maintaining a fair and safe workplace;
- commitment to clear, open and transparent communications with external parties;
- continuing 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.

A full copy of Perpetual's Code of Conduct can be found at www.perpetual.com.au/code-of-conduct.

Perpetual's Chief Risk Officer 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 new Perpetual employees are required to familiarise themselves with the Code of Conduct as part of their induction training requirements.

Perpetual also has a Whistleblowing Policy to protect Directors, Executives, employees (including current and former), contractors and suppliers (and 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; 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.

Integrity in Financial Reporting

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee's members are appointed by the Board. During the 2020 financial year, the Committee had four members, all independent Non-executive Directors. The current members are Mr Ian Hammond (Chairman), Mr Greg Cooper, Ms Nancy Fox and Mr Craig Ueland. Mr Greg Cooper was appointed a member of the Committee following Mr Philip Bullock's retirement in October 2019.

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 People and Remuneration Committee 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 Committee (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.

Details of the number of meetings held by the Audit, Risk and Compliance Committee and attendance by committee members is set out in Perpetual's 2020 Directors' Report. Further information in relation to the Audit, Risk and Compliance Committee and a full copy of its terms of reference can be found at www.perpetual.com.au/board-composition.

Senior Executive Assurance

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

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

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

- the financial records of the Company have been properly maintained in accordance with section 286 of the Corporations Act; and
- the financial statements and notes comply with the accounting standards and present a true and fair view of the Company'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 Managing Director and CEO and the Chief Financial Officer 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 the Company; and
- the Company'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 Chief Financial Officer is present when the Board considers financial matters.

In relation to financial reporting for the half-year end 31 December 2019 and the full-year end 30 June 2020, the Board received the declarations and statements referred to above.

External Auditors

The Perpetual 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 Audit, Risk and Compliance Committee oversees this process on behalf of the Board, in accordance with its Terms of Reference.

During the 2020 financial year, the Group's external auditor was KPMG. The lead audit partner is Mr Brendan Twining and the engagement partner is Ms Karen Hopkins.

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

External Auditor Independence

The Board has policies in place relating to the independence of Perpetual's external auditor. These policies include an annual review of the external audit firm's fees and performance, as well as the independence of the external audit firm, the results of which are reported to the Audit, Risk and Compliance Committee 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 judgment 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 SEC Rules:

- Book-keeping or other services related to the accounting records or financial statements.
- Financial information systems design and implementation.
- Valuation or appraisal services in relation to matters that are material to the audit.
- Actuarial services.
- Outsourced internal audit services.
- Management functions, including acting as an employee and secondment arrangements, where the secondees performs 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, a Consolidated Entity or a Fund in litigation or in regulatory or administrative proceedings or investigations.
- The marketing, planning or positively opining on the tax treatment of potential transactions.
- Tax services to a person in a financial reporting oversight role.
- Any secondment to Perpetual of a partner or professional employee who has been engaged in conducting Perpetual's statutory audits in the past two years.

During the 2020 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.

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Continuous Disclosure

Perpetual is committed to giving all shareholders timely and equal access to information. Perpetual has a Continuous Disclosure Policy to ensure compliance with its continuous disclosure obligations, a copy of which can be found at www.perpetual.com.au/market-and-share-dealings.

The Board has appointed a Continuous Disclosure Committee to assist it in meeting its continuous disclosure obligations, the current members of which are the Managing Director and CEO, Chief Financial Officer, Company Secretary and the General Manager Corporate Affairs & Investor Relations. The Board considers its disclosure obligations as a standing item at each scheduled Board meeting. Perpetual also ensures that all senior management give regular approval as to whether there are matters that require disclosure to the ASX.

Respecting the Rights of Shareholders

Publication of Information

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

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

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

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

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

Investor Relations Program

Perpetual's investor relations program is designed to engage with its key stakeholders including retail shareholders, institutional investors (domestically and internationally), buy-side and sell-side research analysts and individual investors. The program includes scheduled engagements following the release of its Half and Full Year Results, as well as other engagements including presenting at/or attending industry conferences, strategy and operational updates. Since March 2020 these engagements have been held as virtual meetings in line with the Government's COVID-19 guidelines.

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

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

- the Operating and Financial Review and Financial Statements for the Half and Full Year Results;
- the Annual Report;
- the Sustainability Report (previously referred to as the Corporate Responsibility and Sustainability report);

- the Chairman's and Managing Director and CEO's addresses to the AGM;
- market briefings and other significant information;
- presentations made at relevant investment bank and industry conferences; and
- ASX announcements.

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

Shareholder Engagement at the AGM

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

- distributing a copy of the annual report and the notice of meeting to shareholders directly to shareholders via their nominated means of communication;
- enabling the use of online proxy voting for shareholders who are unable to attend; and
- 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.

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.

For the 2020 AGM, Perpetual intends to conduct a virtual meeting due to restrictions imposed on the physical attendance of shareholders at the meeting by COVID-19.

Electronic Communications

Perpetual has a continuing commitment to electronic communications with shareholders and stakeholders generally including via its website. Shareholders may elect to receive information from the Company's share registry electronically and all collective communications with shareholders are published on the Company's website. Electronic on-line proxy voting is also made available for shareholders.

Recognising and Managing Risk

Risk Management

The Audit, Risk and Compliance Committee is responsible for overseeing and managing risk.

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

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

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

Details of the number of meetings held by the Audit, Risk and Compliance Committee and Investment Committee and attendance by committee members is set out in Perpetual's 2020 Directors' Report. Further information in relation to the Audit, Risk and Compliance Committee and Investment Committee and a full copy of their terms of reference can be found at www.perpetual.com.au/board-composition.

Annual Review of Risk Management Framework

The Board and the Group Executives seek to ensure that the Group's Risk Management Framework remains consistent with industry best practice. The Risk Management Framework was reviewed, updated and approved by the Board during the 2020 financial year. The Framework consists of programs and policies which are designed to address specific risk categories – strategic, financial, operational, information technology, outsourcing, investment, people, compliance and legal and conduct risk. Programs supporting the Framework are regularly reviewed to confirm their appropriateness.

Perpetual's Risk Appetite Statement (**RAS**) seeks to define the amount of risk the Board is willing 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 the Company, referenced against the indicators and measures set out in the RAS.

The Board is committed to effective risk management and promoting an effective risk culture where all Group Executives are accountable for managing risk, embedding risk management into business processes within their area of responsibility and creating an environment of risk awareness and responsiveness.

The Risk Management Framework is underpinned by the 'Three Lines of Defence' model. This model sees the first line, being business unit management, accountable for the day to day identification and management of risks. The Group Risk & Compliance functions represent the second line and consists of risk and compliance management professionals who provide the framework, tools, advice and assistance to enable management to effectively identify, assess and manage risk and is responsible for overseeing first line activities. Internal Audit provides independent assurance, representing the third line, and reports to the Audit, Risk and Compliance Committee.

Internal Controls Framework

Consistent with the Three Lines of Defence model, management is responsible for developing and implementing appropriate controls to manage their risks and processes. A Risk and Control Self-Assessment (**RCSA**) Program is in place to identify business risks and mitigating controls and test the effectiveness of these controls on at least an annual basis, or more regularly where appropriate and supported by a second line controls assurance function. The RCSA Program is subject to Group Risk oversight.

Perpetual also has an Internal Audit function. The Head of Internal Audit reports to the Audit, Risk and Compliance Committee, and administratively to the Chief Risk Officer and is independent from the external auditor. Internal Audit provides independent assurance over the effectiveness of Perpetual's risk management, internal control, and governance processes in accordance with an annual plan approved and overseen by the Audit, Risk & Compliance Committee.

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

Each of the Chief Financial Officer, Chief Risk Officer and Head of Internal Audit has the right to, and does, meet with the Audit, Risk and Compliance Committee, or its Chairman, without other management present.

Economic, Environmental and Social Sustainability

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

In FY20, we strengthened how environmental, social and governance (**ESG**) factors are considered within our RAS and wider risk management approach. This includes setting out the Board's appetite and position on ESG risks, and the expected behaviours, measures and tolerances on ESG issues that management are to consider when setting and implementing strategy and running their day-to-day areas of responsibility.

Further information on our approach to sustainability and our performance is on our website and in our Sustainability Report.

Remunerate Fairly and Responsibly

People And Remuneration Committee

The People and Remuneration Committee's role is to assist the Board:

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

In addition, the Committee 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.

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

All members of the Committee (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. During the 2020 financial year, up to October 2019, the Committee's members were Ms Sylvia Falzon (Chairman), Mr Philip Bullock and Ms Nancy Fox. In October 2019, Ms Sylvia Falzon and Mr Philip Bullock resigned. Ms Nancy Fox was appointed the Chairman and Mr Greg Cooper and Ms Fiona Trafford-Walker joined the Committee.

Details of the number of meetings held by the People and Remuneration Committee and attendance by committee members is set out in Perpetual's 2020 Directors' Report. Further information in relation to the People and Remuneration Committee and a full copy of its terms of reference can be found at www.perpetual.com.au/board-composition.

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 2020 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, 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 the Company when trading in Perpetual securities. The Board considers it desirable that Directors and employees of Perpetual hold securities in the Company 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 at www.perpetual.com.au/market-and-share-dealings.

Shareholders who wish to know more about Perpetual's corporate policies are invited and encouraged to review our website www.perpetual.com.au or to contact us by email at info@perpetual.com.au. Comments and suggestions from shareholders are welcome.

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Appendices

Summary of ASX Principles Compliance

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 3RD EDITION		
ASX RECOMMENDATIONS	COMPLY/NON-COMPLY	
1	LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Comply
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Comply
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Comply
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Comply
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined 'senior executive' for these purposes); or (2) 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.	Comply
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Comply
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Comply

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 3RD EDITION		
ASX RECOMMENDATIONS		COMPLY/NON-COMPLY
2	STRUCTURE THE BOARD TO 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 and diversity 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, association 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, association 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 provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Comply
3	ACT ETHICALLY AND RESPONSIBLY	
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Comply

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 3RD EDITION	
ASX RECOMMENDATIONS	COMPLY/NON-COMPLY
4 SAFEGUARD INTEGRITY IN CORPORATE REPORTING	
4.1 The board of a listed entity should:	Comply
(a) have an audit committee which:	
(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;	
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 that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Comply
5 MAKE TIMELY AND BALANCED DISCLOSURE	
5.1 A listed entity should:	Comply
(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and	
(b) disclose that policy or a summary of it.	
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 design and implement an investor relations program to facilitate effective two-way communication with investors.	Comply
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Comply
6.4 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

TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 3RD EDITION	
ASX RECOMMENDATIONS	COMPLY/NON-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	
(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 economic, environmental and social sustainability 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.	

Relevant Documents

Copies or summaries of the Company 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
Governance – General	Code of Conduct Continuous Disclosure Policy Securities Trading Policy
Board of Directors	Board Charter Policy on the Appointment of Directors Board Tenure and Performance Policy
Board Committee	Audit, Risk and Compliance Committee Terms of Reference Nominations Committee Terms of Reference Investment Committee Terms of Reference People and Remuneration Committee Terms of Reference
Performance evaluation and remuneration	Board Charter Board Tenure and Performance Policy People and Remuneration Committee Terms of Reference
Risk Management and Internal Control	Board Charter Audit, Risk and Compliance Committee Terms of Reference Risk Management Framework



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Canberra ACT 2601

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Melbourne VIC 3000

SOUTH AUSTRALIA

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Adelaide SA 5000

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