
Corporate Governance Statement 2021

For the Year Ended 30 June 2021

Trust is earned.

Perpetual 

CONTENTS AND INTRODUCTION

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



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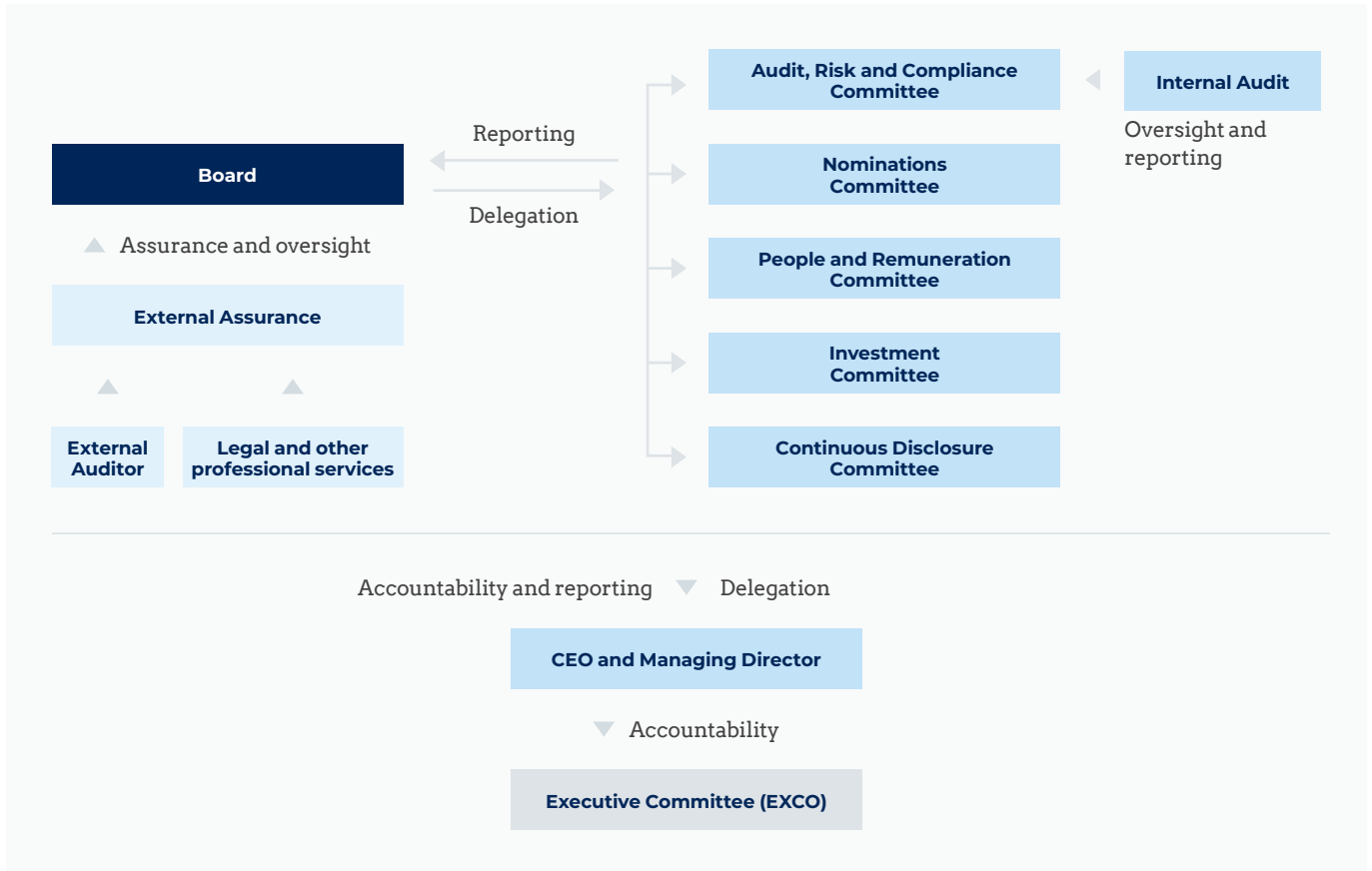
The Board and management of Perpetual Limited (**Perpetual**) have a long-standing commitment to good corporate governance. Indeed, success across Perpetual's business – the management of other people's money and the safekeeping of assets and securities – relies on this commitment. Perpetual is also 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)* 4th edition and has done so throughout the reporting period. This Corporate Governance Statement has been approved by the Board and is current at 19 August 2021, except where otherwise indicated.

01 Foundations for Management and Oversight

ROLES AND RESPONSIBILITIES OF BOARD AND MANAGEMENT

Perpetual’s corporate governance framework during the 2021 financial year, including its Board Committees, is represented in the diagram below:



Perpetual’s governance framework applies to Perpetual and its subsidiaries.

The Perpetual Board has its own Board Charter which sets out the functions and responsibilities reserved to the Board and delegations made to management. The Board delegates day-to-day responsibility for the management and operation of Perpetual to the CEO and Managing Director but remains responsible for overseeing management’s performance. The CEO and Managing Director 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 Perpetual 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;

01 Foundations for Management and Oversight

- monitoring that management has an appropriate framework in place to identify and effectively manage all aspects of strategic and enterprise risk including financial and non-financial risk, setting and regularly reviewing the Group's risk profile and appetite, and reviewing (at least annually) the Group's risk management framework in respect of both financial and non-financial risk to satisfy itself that it continues to be sound;
- monitoring the activities of the Group's licensed and regulated subsidiaries;
- overseeing the integrity of internal audit;
- monitoring the Group's Workplace, Health and Safety framework and reviewing the effectiveness of that framework on an annual basis;
- monitoring the Group's compliance management framework and oversight of compliance with regulatory, prudential, legal and ethical standards;
- monitoring business performance and the Group's financial position;
- overseeing the Group's taxation policies and practices and tax risk management framework;
- overseeing the integrity of the Group's financial accounts and reporting systems and the preparation of the Group's financial statements, including the external audit;
- monitoring Perpetual's continuous disclosure obligations, reviewing and approving price sensitive announcements to the ASX and ensuring that management has an appropriate framework in place to manage investor relations;
- monitoring management's investment performance, strategies and processes in respect of investment activities which the Group performs for third parties;
- ensuring that the Group's remuneration policy is aligned with the Group's performance, purpose, values, strategic objectives and risk appetite;
- appointing (including, from time to time, determining the remuneration, and terms and conditions of appointment), reviewing the performance of, and terminating, the CEO and Managing Director, and reviewing and approving the CEO's succession plan;
- on the recommendation of the CEO and Managing Director, appointing and terminating the Chief Financial Officer (**CFO**);
- reviewing and approving recommendations for the appointment, remuneration of, and the assessment of the performance of, the CEO and Managing Director's direct reports and other employees who are deemed to be individuals who may affect Perpetual's financial soundness, and reviewing their succession plans (including the succession plans of senior management);

- approving the appointment and replacement of the company secretary; and
- setting the Group's diversity strategy and establishing measurable objectives related to gender diversity and overseeing progress against them.

The Board Charter is reviewed periodically and was recently reviewed in June 2021 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 (**ARCC**), Nominations Committee (**NC**), People and Remuneration Committee (**PARC**), Investment Committee (**IC**) and the Continuous Disclosure Committee. Each Committee has a Terms of Reference.

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

Aside from the NC, the CEO and Managing Director 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 NC 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.

01 Foundations for Management and Oversight

Indemnity of Directors and Officers

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

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

Access to Independent Advice and Information

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

All Directors have unrestricted access to company records and information.

Election and Selection of New Directors

Under Perpetual's Constitution, all Directors who have been in office without re-election for three years since their last appointment must retire and seek re-election at Perpetual's annual general meeting (AGM). In addition, 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 NC is responsible for administering Perpetual's policy on the appointment of Directors, which sets out the selection process and criteria for identifying candidates to fill Board vacancies. The policy is disclosed in full on our website at www.perpetual.com.au/role-of-board. The NC 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 NC will conduct a search in accordance with the policy and the Board will appoint the most suitable candidate, having regard to the recommendation of the NC. External consultants may be engaged to assist with the identification of appropriate candidates. Prospective candidates are subject to appropriate and prudent background checks.

Service Agreements

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

Company Secretary

The Board has access to the services and advice of the Company Secretary, Sylvie Dimarco. 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.

Details of the experience and qualifications of Sylvie Dimarco are set out in the 2021 Directors' Report.

Diversity and Inclusion Policy

At Perpetual we are committed to 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. This year, we launched our new Diversity and Inclusion Strategy. We have created seven employee-led working groups to take a lead on ensuring our workplace is fully inclusive for a range of diverse areas of identity – gender equality, cultural diversity, age and life stages, LGBTIQ+, disability, parents and carers and cognitive diversity.

01 Foundations for Management and Oversight

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 FY21, female representation of this cohort remained stable at 35.6%.

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) ¹ AS AT JULY 2021		
SENIOR LEADER COHORT	MEN	WOMEN
Key Management Personnel	62.5%	37.5%
Other Executives/General Managers	65.2%	34.8%
Senior Managers	64.3%	35.7%
Total	64.4%	35.6%

Perpetual's 40% gender representation target also applies to the Perpetual Board. Also, Perpetual has renewed its membership to the AICD '30% Directors Club', advocating in the public domain for greater gender diversity in Boardrooms across Australia. With the appointment of Mona Aboelnaga Kanaan to the Perpetual Board during the 2021 financial year, the representation of women on the Perpetual Board has increased to 37.5%.

Perpetual is proud to have maintained its Employer of Choice for Gender Equality WGEA (Workplace Gender Equality Agency), each consecutive year since the 2017–2018 citation year. 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 <https://www.perpetual.com.au/about/corporate-governance/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 FY21 the Board commenced an externally facilitated Board effectiveness review which will be completed in FY22. The review will consist of:

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

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

In addition, the annual review process considers whether there is any need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their roles as Directors effectively.

Review of Senior Executive Performance

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

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

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

Performance reviews for the CEO and Managing Director and Group Executives were undertaken in FY21 in accordance with the above process.

¹ Includes employees based in Asia Pacific only.

02 Structure the Board to be Effective and Add Value

Nominations Committee (NC)

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

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

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

Details of the number of meetings held by the NC and attendance by committee members is set out in Perpetual's 2021 Directors' Report. Further information in relation to the NC and a full copy of its terms of reference can be found at www.perpetual.com.au/board-composition.

Board Skills Assessment

As noted above, the NC 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.

02 Structure the Board to be Effective and Add Value

The mix of skills, experience and diversity represented on the Board as at 30 June 2021 is shown in Table 2. The Board considers that this level of skills and experience is appropriate for Perpetual's needs.

TABLE 2: SKILLS AND BACKGROUND			
BOARD SKILLS MATRIX			
NAME	SKILLS AND BACKGROUND	APPOINTED	ELECTED/ RE-ELECTED
Mr T D'Aloisio AM	<p>Held CEO, Chairman and NED roles.</p> <p>Experience relevant to Perpetual as a NED and Chairman:</p> <ul style="list-style-type: none"> – Financial markets including wealth and funds management in Australia and overseas and ASX and trustee services – Strategic planning and execution including change management and M&A (both local and in key international markets such as UK and USA) – Public company governance and regulation (including fiduciaries) of financial markets both in Australia and overseas – Executive performance and culture and diversity – ESG/Sustainability and reporting trends and stakeholder expectations 	13 December 2016	<p>2 November 2017</p> <p>15 October 2020</p>
Ms M Aboelnaga Kanaan	<p>Held CEO, Managing Partner and NED roles.</p> <p>Experience relevant to Perpetual as a NED:</p> <ul style="list-style-type: none"> – Global financial markets – Managing and acquiring global asset management businesses – Corporate strategy development and execution including change management and M&A – Private and Public company investment and governance 	28 June 2021	Not applicable
Mr G Cooper	<p>Held CEO, Chairman and NED Roles.</p> <p>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 N Fox AM	<p>Held Managing Director and NED roles.</p> <p>Experience relevant to Perpetual as a NED:</p> <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	<p>5 November 2015</p> <p>1 November 2018</p>

02 Structure the Board to be Effective and Add Value

TABLE 2: SKILLS AND BACKGROUND			
BOARD SKILLS MATRIX			
NAME	SKILLS AND BACKGROUND	APPOINTED	ELECTED/ RE-ELECTED
Mr I Hammond	<p>Held Lead Partner and NED roles.</p> <p>Experience relevant to Perpetual as a NED:</p> <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	<p>5 November 2015</p> <p>1 November 2018</p>
Ms F Trafford-Walker	<p>Held Managing Director and NED roles.</p> <p>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	15 October 2020
Mr C Ueland	<p>Held CEO, CFO, COO and NED roles.</p> <p>Experience relevant to Perpetual as a NED:</p> <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	<p>1 November 2012</p> <p>3 November 2015</p> <p>1 November 2018</p>
Mr R Adams	<p>Held CEO and Managing Director roles.</p> <p>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

02 Structure the Board to be Effective and Add Value

Independence and Length of Service of Directors

The Board considers all Non-executive Directors to be Independent Directors, including Perpetual's Chairman.

In assessing the independence of each Director, the Board adopts the factors relevant to assessing Director independence contained in Box 2.3 of the ASX Recommendations. Consistent with the emphasis on 'substance over form' advocated by the ASX Recommendations, Perpetual takes a qualitative approach to materiality rather than setting strict quantitative thresholds and considers each Director's individual circumstances on its merits.

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

TABLE 3: INDEPENDENCE AND LENGTH OF SERVICE				
BOARD MEMBER	POSITION	INDEPENDENT	DATE OF APPOINTMENT	LENGTH OF SERVICE
Mr T D'Aloisio AM	Independent Chairman	Yes	13 December 2016	4.5 years
Ms M Aboelnaga Kanaan	Non-Executive Director	Yes	28 June 2021	0.1 year
Mr G Cooper	Non-Executive Director	Yes	11 September 2019	2 years
Ms N Fox AM	Non-Executive Director	Yes	28 September 2015	6 years
Mr I Hammond	Non-Executive Director	Yes	24 March 2015	6 years
Ms F Trafford-Walker	Non-Executive Director	Yes	9 December 2019	1.5 years
Mr C Ueland	Non-Executive Director	Yes	25 September 2012	9 years
Mr R Adams	Executive Director	No	24 September 2018	3 years

02 Structure the Board to be Effective and Add Value

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

- Mr Tony D'Aloisio was Director and Chairman of IRESS Ltd until 6 May 2021. IRESS Ltd is 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 affected his ability to act in the best interests of Perpetual.
- Mr Greg Cooper is Chairman of Colonial First State Investments Limited and Avanteos Investments Limited (collectively known as CFS Group) for which Perpetual is a supplier of funds management services. The Board does not consider that Mr Cooper's role at CFS Group affects his independence.
- Ms Nancy Fox is also a Director and Chairman of Perpetual Equity Investment Company Limited (PIC), an ASX listed investment company. PIC is a separate legal entity and Perpetual Investment Management Limited, a subsidiary of Perpetual, provides services to PIC at arm's length. The Board does not consider that Ms Fox's role at PIC affects her independence. Ms Fox is a Director of Lawcover Pty Ltd, which insures Perpetual Legal Services Pty Ltd. The Board does not consider that Ms Fox's directorship with Lawcover affects her independence.
- Mr Ian Hammond receives post-termination benefits from his former employer, PricewaterhouseCoopers (PwC). PwC has been appointed as Perpetual's remuneration consultant and occasionally provides consulting services to Perpetual, which are not considered material in nature or quantity. The Board does not believe that this appointment of PwC affects the independence of Mr Hammond.
- Ms Fiona Trafford-Walker is a Director of Link Group which provides share registry and other related services to Perpetual however Ms Trafford-Walker has no role or visibility of the appointment process for Perpetual's share registry vendor. The Board does not consider that Ms Trafford-Walker's directorship with Link Group affects her independence.

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 2021 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.

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

Majority of Independent Directors

The composition of the Board is guided by Perpetual's Constitution and the Board Charter which requires that the Board shall be comprised of a majority of independent Non-executive Directors. During the 2021 financial year, the Board comprised eight Directors, seven of whom were independent Non-executives, and the CEO and Managing Director.

During the year, Ms Mona Aboelnaga Kanaan was appointed as a Non-executive Director on 28 June 2021.

Independent Chairman

During the 2021 financial year, the roles of Chairman and CEO and Managing Director 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.

Director Induction and Education

All new Directors participate in a comprehensive induction program designed to familiarise them with Perpetual's business, strategy, operations, Group Executives and Senior Management Team.

Ongoing Director education is provided through regular updates on changes in the regulatory environment affecting Perpetual and the financial services industry. Annual Directors' duties training is provided to Directors.

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

03 A Culture of Acting Lawfully, Ethically and Responsibly

Culture

Perpetual's culture is underpinned by our three core values:

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

Code of Conduct

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

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

The Code of Conduct is based on the following principles:

- conducting business in accordance with the highest ethical standards;
- 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;
- 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. Material breaches of the Code of Conduct are reported to the ARCC by the Chief Risk Officer (**CRO**). A full copy of Perpetual's Code of Conduct can be found at www.perpetual.com.au/code-of-conduct.

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

Whistleblowing Policy

Perpetual has a Whistleblowing Policy to protect Directors, Executives, employees (including current and former), contractors 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;
- any conduct that amounts to modern slavery, such as debt bondage and human trafficking of employees; and
- any other conduct which could cause loss to, or be detrimental to the interests or reputation of, Perpetual or its clients.

03 A Culture of Acting Lawfully, Ethically and Responsibly

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

Any disclosures made under the Whistleblowing Policy are reported to the ARCC. A full copy of Perpetual's Whistleblowing Policy can be found at www.perpetual.com.au/code-of-conduct.

Anti-bribery and Corruption

Perpetual has a Gifts, Political Donations, Bribery and Corrupt Practices Policy that supports Perpetual's commitment to conducting business in accordance with the highest ethical and legal standards. Any material incidents of bribery or corruption are reported to the ARCC by the CRO.

A full copy of Perpetual's Gifts, Political Donations, Bribery and Corrupt Practices Policy can be found at www.perpetual.com.au/code-of-conduct.

Client Advocacy

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

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

Where issues of concern are identified, the Team works with the relevant operational business to ensure that the underlying cause is appropriately remediated. Further information can be found at <https://www.perpetual.com.au/about/client-advocacy>.

04 Integrity of Corporate Reports

Audit, Risk and Compliance Committee (ARCC)

The ARCC's members are appointed by the Board. During the 2021 financial year, the Committee had four members, all independent Non-executive Directors. The current members are Mr Ian Hammond (Chairman), Mr Greg Cooper, Ms Nancy Fox and Mr Craig Ueland.

The Committee's purpose is to assist the Board to carry out the following functions more efficiently:

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

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

Details of the number of meetings held by the ARCC and attendance by committee members is set out in Perpetual's 2021 Directors' Report. Further information in relation to the ARCC 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 CEO and Managing Director and the CFO provide the Board with a written declaration that, in their respective opinions:

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

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

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

04 Integrity of Corporate Reports

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

In relation to financial reporting for the half-year end 31 December 2020 and the full-year end 30 June 2021, the Board received the declarations and statements referred to above.

External Auditors

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

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

During the 2021 financial year, the Group's external auditor was KPMG. The lead audit partner is Mr Brendan Twining and the engagement partner is Ms Karen Hopkins.

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

External Auditor Independence

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

- the lead audit partner on each Perpetual audit must be rotated at least every five years. There must be a period of at least three years before the partner can again be involved in a Perpetual audit. Note: For periods beginning on or after 1 January 2024 this will be extended to five years;
- former audit partners involved in Perpetual's audit cannot become Directors or employees of Perpetual Group companies for at least two years;
- any employment (or potential employment) by Perpetual of a member of the audit team, other than the partner, must be discussed with the audit firm to ensure independence is maintained; and

- the external audit firm is prohibited from providing non-audit services that may materially conflict with its ability to exercise objective and impartial 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 Securities and Exchange Commission Rules:

- Book-keeping or other services related to the accounting records or financial statements.
- Financial information systems design and implementation.
- Valuation or appraisal services in relation to matters that are material to the audit.
- Actuarial services.
- Outsourced internal audit services.
- Management functions, including acting as an employee and secondment arrangements, where the secondee 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.

04 Integrity of Corporate Reports

During the 2021 financial year, the greater part of fees paid to KPMG for work other than the audit of the Group's statutory accounts was for audit services provided in relation to the investment funds for which Perpetual companies act as the responsible entity, manager or trustee. It is the Board's view that these services are consistent with KPMG's appointment as auditor and are not services of a kind that might impair their impartial judgement in relation to the Perpetual Group's audit.

Verification of Periodic Corporate Reports

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

05 Timely and Balanced 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 <https://www.perpetual.com.au/about/corporate-governance/informed-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 CEO and Managing Director, CFO, Company Secretary and the General Manager Corporate Affairs & Investor Relations.

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

The Board receives a copy of all material market announcements after release to the ASX.

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

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

06 Respecting the Rights of Shareholders

Publication of Information

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

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

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

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

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

Investor Relations Program

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

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

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

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

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

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

Shareholder Engagement at the AGM

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

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

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

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

For the 2021 AGM, Perpetual intends to conduct a hybrid meeting depending on any restrictions imposed on the physical attendance of shareholders at the meeting by COVID-19.

Electronic Communications

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

07 Recognising and Managing Risk

Risk Management

The ARCC is responsible for overseeing and managing risk.

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

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

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

Details of the number of meetings held by the ARCC and IC and attendance by committee members is set out in Perpetual's 2021 Directors' Report. Further information in relation to the ARCC and IC 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 ExCo seek to ensure that the Group's Risk Management Framework (**RMF**) remains consistent with industry best practice. The RMF was reviewed, updated and approved by the Board during the 2021 financial year. The RMF consists of programs and policies which are designed to address specific risk categories considered material to Perpetual – strategic, financial, operational, information technology, outsourcing, investment, people, compliance and legal, environmental, social and governance and conduct risk. Programs supporting the RMF are regularly reviewed to confirm their appropriateness. Details of the RMF can be found at the website at <https://www.perpetual.com.au/about/corporate-governance/audit-and-risk>.

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

The Board 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 ownership by all Perpetual employees.

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

Internal Controls Framework

Consistent with the Three Lines of Defence model, management is responsible for developing and implementing appropriate controls to manage their risks and processes. A Risk and Control Self-Assessment (**RCSA**) Program is in place to identify 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 monitoring and oversight.

Perpetual also has an Internal Audit function. The Head of Internal Audit reports functionally to the ARCC, and administratively to the CRO and is independent from the external auditor. Internal Audit provides independent and objective assurance over the effectiveness of Perpetual's risk management, internal control, and governance processes in accordance with an Annual Audit Plan approved and overseen by the ARCC.

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

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

07 Recognising and Managing Risk

Economic, Environmental and Social Sustainability

At Perpetual, sustainability is about creating enduring prosperity for our clients, people, communities and the environment. This means delivering excellent service, providing a safe and inclusive workplace, helping increase investment in vulnerable 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.

Further information on our approach to sustainability and our performance is in our Sustainability Report and on our website at www.perpetual.com.au/sustainability.

In FY21, Perpetual published a Modern Slavery Statement in accordance with the requirements of the *Modern Slavery Act 2018* (Cth). The statement outlines our approach to identify and assess the risks of modern slavery and the actions we are taking internally to manage those risks. This approach has been formalised in our Modern Slavery Framework and is facilitated by a dedicated working group which oversees our activities on this important issue. Our Modern Slavery Statement can be found at www.perpetual.com.au/Corporate-Governance.

08 Remunerate Fairly and Responsibly

People and Remuneration Committee (PARC)

The PARC's role is to assist the Board:

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

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

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

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

Details of the number of meetings held by the PARC and attendance by committee members is set out in Perpetual's 2021 Directors' Report. Further information in relation to the PARC 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 2021 Directors' Report.

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

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

Dealings in Perpetual Securities

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

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

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

A full copy of Perpetual's personal trading policy can be found at <https://www.perpetual.com.au/about/corporate-governance/informed-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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Summary of ASX Principles Compliance

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

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TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 3RD EDITION		
ASX RECOMMENDATIONS		COMPLY/ NON-COMPLY
2	STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE	
2.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have a nomination committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. 	Comply
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Comply
2.3	A listed entity should disclose: <ul style="list-style-type: none"> (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director. 	Comply
2.4	A majority of the board of a listed entity should be independent directors.	Comply
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Comply
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Comply
3	INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY	
3.1	A listed entity should articulate and disclose its values.	Comply
3.2	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	Comply
3.3	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	Comply
3.4	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy. 	Comply

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

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TABLE 4: SUMMARY OF ASX RECOMMENDATIONS COMPLIANCE 3RD EDITION		COMPLY/ NON-COMPLY
ASX RECOMMENDATIONS		
7	RECOGNISE AND MANAGE RISK	
7.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (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
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place. 	Comply
7.3	A listed entity should disclose: <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs. 	Comply
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Comply
8	REMUNERATE FAIRLY AND RESPONSIBLY	
8.1	The board of a listed entity should: <ul style="list-style-type: none"> (a) have a remuneration committee which: <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (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
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: <ul style="list-style-type: none"> (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. 	Comply

09 Appendices

Relevant Documents

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

TABLE 5: RELEVANT DOCUMENTS	
GOVERNANCE STRUCTURE	SUPPORTING DOCUMENTS
Governance – General	<ul style="list-style-type: none"> Code of Conduct Continuous Disclosure Policy Personal Trading Policy Whistleblowing Policy Gifts, Political Donations, Bribery and Corrupt Practices Policy Modern Slavery Statement Sustainability Report
Board of Directors	<ul style="list-style-type: none"> Board Charter Policy on the Appointment of Directors Board Tenure and Performance Policy
Board Committee	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Board Charter Board Tenure and Performance Policy People and Remuneration Committee Terms of Reference
Risk Management and Internal Control	<ul style="list-style-type: none"> Board Charter Audit, Risk and Compliance Committee Terms of Reference Risk Management Framework Modern Slavery Statement

Directory

NEW SOUTH WALES

Angel Place
Level 18, 123 Pitt Street
Sydney NSW 2000

QUEENSLAND

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

AUSTRALIAN CAPITAL TERRITORY

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

VICTORIA

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

SOUTH AUSTRALIA

Level 11, 101 Grenfell Street
Adelaide SA 5000

WESTERN AUSTRALIA

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Level 29, 2 The Esplanade
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Portland, OR 97209
USA

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20 North Audley Street
London W1K 6LX
United Kingdom

Edinburgh

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United Kingdom

BARROW HANLEY GLOBAL INVESTORS:

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