

Perpetual Superannuation Limited Remuneration Disclosures

About this report

This report sets out the remuneration arrangements for all Directors and Executive Officers of Perpetual Superannuation Limited (PSL) for the financial years ending 30 June 2020 and 30 June 2021. Under Section 29QB of the Superannuation Industry (Supervision) Act 1993 and Regulation 2.37 of the Superannuation Industry (Supervision) Regulations 1994 ("SIS Regulations"), the remuneration details for the Executive Officers are required to be made publicly available.

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

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

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

1. Directors and Executive Officers Details

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

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

Fee framework

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

Name	Position	Term
Directors and Executive Officers for FY21		
Janet Torney	Chairman and Non-Executive Director	Full year
Kerry Adby	Non-Executive Director	Full year
Virginia Malley	Non-Executive Director	Full year
Chris Green	Executive Director	Full year
Mark Smith	Executive Director	Full year
Amanda Gazal	Executive Officer	Full year
Sam Mosse	Executive Officer	Full year
Directors and Executive Officers for FY20		
Janet Torney ¹	Chairman and Non-Executive Director	Commenced 19 August 2019
Micheline Collopy	Chairman and Non-Executive Director	Ceased 15 August 2019
Kerry Adby ²	Non-Executive Director	Commenced 1 January 2020
Jay Bonnington	Non-Executive Director	Ceased 31 October 2019
Virginia Malley	Non-Executive Director	Full year
Rob Adams ³	Executive Director	Ceased 31 March 2020
Chris Green ⁴	Executive Director	Commenced 9 April 2020
Mark Smith	Executive Director	Full year
Amanda Gazal ⁵	Executive Officer	Commenced 7 April 2020
Chris Green	Executive Officer	Ceased 8 April 2020
David Lane ⁶	Executive Officer	Ceased 18 August 2019
Sam Mosse	Executive Officer	Full year
Rebecca Nash ⁷	Executive Officer	Ceased 18 October 2019
Andrew Wallace ⁸	Executive Officer	From 19 August 2019 to 19 April 2020

1. Ms Torney commenced as Chair on 19 August 2019 following the cessation of Ms Collopy

2. Ms Adby commenced as a Non-Executive Director effective 1 January 2020, following cessation of Ms Bonnington

3. Mr Adams ceased as an Executive Director on 31 March 2020

4. Mr Green was appointed an Executive Director on 9 April 2020. Prior to this he was an Executive Officer.

5. Ms Gazal joined Perpetual on 7 April 2020 in the newly created role of Chief Operating Officer, and is therefore an Executive Officer from her date of appointment.

6. Mr Lane ceased as an Executive Officer when appointed to his new role of Group Executive, International Asset Management

7. Ms Nash ceased as an Executive Officer following her role of Group Executive, People and Culture being made redundant and her cessation with Perpetual, effective 18 October 2019.

8. Mr Wallace was appointed to the role of Acting Chief Operating Officer on 19 August 2019, a role created as part of the new operating model for Perpetual Group. He held this role until 19 April 2020. Mr Wallace and Ms Gazal shared the role from 7-19 April 2020. Mr Wallace ceased with Perpetual effective 30 June 2020 at which time he was no longer in a KMP role.

2. Non-Executive Director Remuneration

Non-Executive directors fees

Non-Executive Directors' fees	FY20	FY21
	\$	\$
Chairman	113,000	113,000
Non-Executive Directors	80,000	80,000
Audit Risk and Compliance Committee Chairman	12,000	12,000
Audit Risk and Compliance Committee Member	6,000	6,000
Investment Committee Chairman	n/a	12,000
Investment Committee Member	n/a	6,000

The PSL Investment Committee was established as a Board Committee on 1 July 2020. The following appointments were made to the new PSL Investment Committee:

- PSL Investment Committee Chair: Kerry Adby
- PSL Investment Committee Member: Janet Torney

To reflect the additional time and accountabilities associated with the newly formed PSL Investment Committee, fees are payable consistent with the fees provided for the PSL Audit and Risk Committee

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

Approval process

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

3. Executive Director and Executive Officers Remuneration

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

Executive Directors and Executive Officers are eligible to receive performance related remuneration under Perpetual's Variable Incentive Scheme, in addition to their base salary. Variable incentive payments are made at the conclusion of each financial year, subject to Perpetual Limited and individual performance and based on a balanced scorecard of short and long-term financial and non-financial measures. Variable incentive payments consist of cash and/or equity incentives as outlined below.

Variable Incentive – cash

A portion of the variable incentive will generally be paid in cash shortly after the release of Perpetual's full year results.

Variable Incentive – equity

The balance (being a significant portion of the Variable Incentive) is delivered as equity. For Executive Directors and Executive Officers, the equity component is delivered as a grant of Share Rights and Performance Rights as follows:

- Share Rights are held for two years at which point they are converted to Restricted shares for an additional two years;

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

Dividends are not payable on Share Rights or Performance Rights; however, they are payable on Restricted Shares during the holding lock period.

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

Approval process

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

When determining Mr Adams’ Variable Incentive allocation, the Chairman of the Board and the Chairman of the PARC made recommendations on Mr Adams’ Variable Incentive allocation to the PARC. Once endorsed, the PARC makes a recommendation to the Perpetual Board for final approval.

Termination of employment

Treatment upon termination of employment is as follows:

EVENT	UNPAID VARIABLE INCENTIVE	SHARE AND PERFORMANCE RIGHTS	RESTRICTED SHARES
<ul style="list-style-type: none"> Resignation Termination for poor performance 	No further variable incentive is payable in respect of the current or prior performance years as at the date of notice	Forfeited	Retained under the plan with restriction periods continuing to apply
<ul style="list-style-type: none"> Termination by Perpetual on notice 	<p>A pro-rated variable incentive based on the period of the performance year completed (excluding notice paid in lieu) and full year performance score will be delivered at the normal time.</p> <p>The Performance Tested Equity Component will be granted as Performance Rights (subject to normal terms and conditions) and the remaining incentive will be paid in cash.</p>	Retained under the plan with restriction periods and hurdles (where applicable) continuing to apply	Retained under the plan with restriction periods continuing to apply
<ul style="list-style-type: none"> Summary dismissal 	No further variable incentive is payable in respect of the current or prior performance years as at the date of notice of termination	Forfeited	Forfeited
<ul style="list-style-type: none"> Death 	<p>A pro-rated variable incentive based on the period of the performance year completed and full year performance score will be delivered at the normal time.</p> <p>The Performance Tested Equity Component will be granted as Performance Rights (subject to normal terms and conditions) and the remaining incentive will be paid in cash.</p>	Immediate vesting (subject to Board approval)	Immediate conversion to unrestricted shares (subject to Board approval)
<ul style="list-style-type: none"> Mutual agreement Retirement 	A pro-rated variable incentive based on the period of the performance year completed (excluding notice paid in lieu) and full year performance score will be delivered at	Retained under the plan with restriction periods and hurdles	Retained under the plan with restriction periods continuing to apply

<p>(requires Board approval) *</p> <ul style="list-style-type: none"> • Redundancy • Total and permanent disablement (TPD) 	<p>the normal time.</p> <p>The Performance Tested Equity Component will be granted as Performance Rights (subject to normal terms and conditions) and the remaining incentive will be paid in cash.</p>	<p>(where applicable) continuing to apply</p>	
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*In circumstances where the Board concludes at its absolute discretion that a participant is retiring. The Board needs to be satisfied that the Executive does not intend to engage in any work similar to their role at Perpetual. Six months after retirement, the Executive must provide a signed declaration affirming that this requirement has been adhered to, subject to the approval of the Board, otherwise all rights will lapse. The Board may also decide to delay payment of any unpaid variable incentive until this requirement has been satisfied. Restricted shares under the Variable Incentive Plan are not impacted by the 6-month declaration requirement and will convert to unrestricted shares in accordance with the terms of the Variable Incentive Plan.

Claw-back provisions

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

Total Variable Incentive outcome received for FY21 and FY20

The table below provides the total Variable Incentive outcomes (both the cash and equity portions) received by the Executive Directors and Executive Officers for the FY21 and FY20 performance years.

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

Name	Variable Incentive Cash	Variable Incentive Equity ¹	Total Variable Incentive	Variable Incentive (as % of Target) ²	Percentage Forfeited	FY21 Maximum Opportunity @175% of target ³
	\$	\$	\$			
Current Executive Directors and Executive Officers						
C Green						
FY21	15,771	34,487	50,258	87%	13%	101,677
FY20	-	38,200	38,200	48%	52%	138,470
M Smith						
FY21	12,857	31,653	44,510	78%	22%	100,506
FY20	-	28,650	28,650	37%	63%	136,874
A Gazal ⁴						
FY21	6,527	13,054	19,582	90%	10%	38,288
FY20	-	-	-	-	-	-
S Mosse						
FY21	7,646	15,291	22,937	97%	3%	41,381
FY20	-	19,100	19,100	69%	31%	48,533
Total FY21	42,801	94,485	137,286			
Total FY20	-	85,950	85,950			

1. For Group Executives, 50% of the Variable Incentive equity value will be awarded as Performance rights with an absolute Total Shareholder Return hurdle and 50% awarded as Share Rights with tenure based hurdles only.

2. Represents the total Variable Incentive outcome for FY21 as a percentage of target Variable Incentive.

3. Maximum opportunity Executives may earn under the CEO or Group Executive Variable Incentive Plan.

4. Ms Gazal was not eligible for an incentive payment in FY20 due to insufficient service.

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

4.1 Remuneration of Non-Executive Directors

Name	Short-term benefits				Post-employment benefits		Equity-based benefits ⁵			Termination payments	Total
	Cash salary ¹	Variable Incentive Cash ²	Non-monetary benefits ³	Other ⁴	Superannuation	Other long-term benefits ⁶	Variable Incentive Equity ⁷	Shares	Performance rights		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Non-Executive Directors											
J Torney											
FY21	114,155	-	-	-	10,845	-	-	-	-	-	125,000
FY20	94,361	-	-	-	8,964	-	-	-	-	-	103,325
K Adby											
FY21	89,498	-	-	-	8,502	-	-	-	-	-	98,000
FY20	39,269	-	-	-	3,731	-	-	-	-	-	43,000
V Malley											
FY21	84,018	-	-	-	7,982	-	-	-	-	-	92,000
FY20	82,192	-	-	-	7,808	-	-	-	-	-	90,000
Total 2021	287,671	-	-	-	27,329	-	-	-	-	-	315,000
Total 2020	215,822	-	-	-	20,503	-	-	-	-	-	236,325

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

2. Variable Incentive cash payments consist of cash payments to be made in September 2021 for the Executive Directors and Executive Officers.

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

4. Other short-term benefits relate to:

- salary continuance and death and total and permanent disability insurance provided as part of the remuneration package; and
- the value of accrued annual leave for FY21 less leave taken which is depicted as cash salary.

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

6. The value of accrued long service leave for FY21 less leave taken, which is depicted as cash salary.

7. Variable incentive equity includes costs incurred in FY21 for the FY18, FY19, FY20 Variable Incentive equity grants.

4.2 Remuneration of Executive Directors and Executive Officers

Name	Short-term benefits				Post-employment benefits		Equity-based benefits ⁵			Termination payments	Total
	Cash salary ¹	Variable Incentive Cash ²	Non-monetary benefits ³	Other ⁴	Superannuation	Other long-term benefits ⁶	Variable Incentive Equity ⁷	Shares	Performance rights		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current Executive Directors and Executive Officers											
C Green											
FY21	33,247	15,771	-	(693)	1,403	608	15,186	-	-	-	65,522
FY20	47,761	-	-	126	1,908	473	23,555	-	-	-	73,823
M Smith											
FY21	32,260	12,857	-	(998)	1,403	591	11,941	-	-	-	58,054
FY20	46,346	0	-	126	1,908	3,287	20,584	-	-	-	72,251
A Gazal											
FY21	24,446	6,527	-	513	1,403	454	1,440	10,611	-	-	45,394
FY20	8,263	-	-	29	478	144	-	6,090	-	-	15,004
S Mosse											
FY21	26,525	7,646	-	(1,305)	1,403	584	3,155	4,254	-	-	42,262
FY20	35,919	-	-	-	1,908	848	1,448	11,317	-	-	51,440
Total FY21	116,478	42,801	-	(2,483)	5,610	2,237	31,722	14,865	-	-	211,232
Total FY20	138,290	-	-	282	6,202	4,752	45,588	17,407	-	-	212,518

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

2. Variable Incentive cash payments consist of cash payments to be made in September 2021 for the Executive Directors and Executive Officers.

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

4. Other short-term benefits relate to:

- salary continuance and death and total and permanent disability insurance provided as part of the remuneration package; and

- the value of accrued annual leave for FY21 less leave taken which is depicted as cash salary.

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

6. The value of accrued long service leave for FY21 less leave taken, which is depicted as cash salary.

7. Variable incentive equity includes costs incurred in FY21 for the FY18, FY19, FY20 Variable Incentive equity grants.

4.3 Unvested share and Performance rights holdings of the Executive Directors and the Executive Officers

The table below summarises the share and Performance rights holdings by number granted to the Executive Directors and the Executive Officers of PSL, for the year ended 30 June 2021.

Name	Instrument	Grant date	Grant price	Vesting date	Held at 1 July 2020	Movement During the Year ¹			Held at 30 June 2021	Fair value of instrument at grant date
						Granted	Forfeited	Vested		
			\$	Number of instruments		Number of instruments			Number of instruments	\$
Current Executives										
C Green	Share Rights ³	3 September 2018	44.29	1 September 2020	540	-	-	540	-	38.63
	Share Rights ³	2 September 2019	35.30	1 September 2021	677	-	-	-	677	28.89
	Performance Rights ⁴	1 September 2020	31.15	1 September 2023	-	450	-	-	450	12.09
	Performance Rights ⁴	1 September 2020	31.15	1 September 2024	-	450	-	-	450	12.42
	Aggregate value					\$	28,049	\$	-	\$
M Smith	Share Rights ³	3 September 2018	44.29	1 September 2020	549	-	-	549	-	38.63
	Share Rights ³	2 September 2019	35.30	1 September 2021	468	-	-	-	468	28.89
	Performance Rights ⁴	1 September 2020	31.15	1 September 2023	-	338	-	-	338	12.09
	Performance Rights ⁴	1 September 2020	31.15	1 September 2024	-	338	-	-	338	12.42
	Aggregate value					\$	21,037	\$	-	\$
A Gazal ²	Shares	7 April 2020	25.86	7 October 2020	273	-	-	273	-	25.86
	Shares	7 April 2020	25.86	7 October 2021	273	-	-	-	273	25.86
	Aggregate value					-	-	\$	7,967	-
S Mosse ²	Shares	18 February 2019	35.37	21 September 2021	261	-	-	-	261	35.37
	Share Rights ³	2 September 2019	35.30	1 September 2021	57	-	-	-	57	28.89
	Performance Rights ⁴	1 September 2020	31.15	1 September 2023	-	225	-	-	225	12.09
	Performance Rights ⁴	1 September 2020	31.15	1 September 2024	-	225	-	-	225	12.42
	Aggregate value					\$	14,022	\$	-	\$

1. Granted aggregate value is calculated by multiplying the number of shares by the issue price. Vested and forfeited aggregate value is calculated by multiplying the number of shares by the Perpetual closing share price on the vesting date.

2. Ms Gazal's and Ms Mosse's shares are sign-on shares.

3. Share Rights granted to KMP in September 2018 & 2019 convert to Restricted Shares 2 years after the grant date. The holding lock is removed 4 years after the grant date, as per the terms of the Executive Leadership Team Variable Incentive Plan. These Share Right are not included in the Table after vesting.

4. Performance Rights granted to KMP in September 2020 were issued as 2 tranches. T1 is subject to a 3 year performance period before vesting into Restricted Shares for one year. T2 was subject to a 4 year performance period before vesting. Vested Share Rights with a holding lock are not included in the Table after vesting.