

11 May 2018

ASX Announcement

Rob Adams appointed CEO of Perpetual

Rob Adams will be the new Managing Director and Chief Executive Officer of Perpetual Limited (ASX: PPT) from 24 September 2018.

Mr Adams will join Perpetual from Janus Henderson Group PLC, a global investment management company, where he is Head of Pan-Asia and a member of the Global Executive Committee, having previously held Chief Executive positions at Challenger Funds Management and First State Investments (UK). He has also held senior positions in Wealth Management at Challenger and in Marketing and Distribution at Colonial First State.

Perpetual Chairman, Tony D'Aloisio, said Mr Adams is an exceptional leader with three decades of local and global experience in financial services including funds management, financial advice and fiduciary services.

"Following a rigorous process, the Board is delighted Rob will lead Perpetual," said Mr D'Aloisio.

"Rob brings to Perpetual's people, clients, shareholders and stakeholders a track record of leading successful teams and diligently building and growing businesses organically and through acquisition.

"Throughout his career in asset management and financial services more broadly he has articulated and delivered on clear corporate growth strategies. This will suit our next stage of growth and development of our core offerings including our global initiatives," he said.

Mr Adams joined Henderson in 2012 to establish and build an Australian business and then oversee their operations across Asia. Following the merger between Janus and Henderson, Janus Hendersons' Pan-Asia businesses now manage nearly \$80bn, with the Australian business representing half of that total.

Before Henderson, Mr Adams was Chief Executive of Challenger Funds Management from 2005 to 2011 where he played a key role in the establishment and growth of the business, including creating the multi-boutique business now operating as Fidante. This built on his experience as Deputy Chief Executive of Challenger Wealth Management where he led their funds management, platforms and financial planning businesses including the creation of a significant wealth advice business.

Previously as CEO of First State Investments (UK) he helped lay the foundations for the development and growth of Colonial First State Global Asset Management's international operations, after almost a decade helping build Colonial First State in Australia in the 1990s.

"Rob is deeply versed in the opportunities and challenges of today's rapidly evolving funds management and wealth management sectors. His leadership style is based on an enduring commitment to delivering for clients and leading people to be their best," Mr D'Aloisio said.

Mr Adams will succeed Geoff Lloyd who steps down on 30 June 2018, while remaining available to the company for the purposes of leadership transition.

Mr D'Aloisio said, "Through his six years as CEO Geoff has led the company through transformational change, laid solid foundations for the future and consistently delivered for our people, our clients, and our shareholders.

"The Board thanks Geoff for his dedication to Perpetual and wishes him all the best for the future."

A summary of the terms of Mr Adams' employment agreement is attached.

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About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au

ATTACHMENT

Summary of main terms and conditions of employment agreement for Mr Rob Adams

Summary

The employment agreement for Rob Adams is largely in line with the previous agreement with Geoff Lloyd, with changes to the variable incentive which is weighted towards equity and includes an additional long-term performance hurdle of compound annual growth in absolute total shareholder return. An overview of the package is as follows with further detail provided below:

Fixed Remuneration (Gross Employment Cost)	Variable Incentive targets ("at risk" subject to performance against the scorecard for the year ended 30 June 2019 "FY19")		
	Variable Incentive Cash	Variable Incentive Equity (face value)	Variable Incentive Equity – New additional hurdle (face value)
\$1,302,630	\$500,000	\$888,943	\$888,943

1. Appointment

The appointment is to the position of Managing Director and Chief Executive Officer of Perpetual Limited on 24 September 2018 (commencement date). Rob Adams will join the Board of Directors of Perpetual Limited.

2. Term

The appointment has no fixed term. It is subject to termination provisions in the agreement.

3. Remuneration

There are two components to Rob Adams' remuneration.

Fixed remuneration

The fixed remuneration component is \$1,302,630 per annum, inclusive of cash salary and superannuation (Gross Employment Cost). This will be reviewed annually.

Variable incentive

Rob Adams will be eligible to participate in Perpetual's current Variable Incentive Plan which is described in detail in the remuneration report in the 2017 Annual Report. The CEO's arrangements for FY19 will be more heavily weighted towards equity, half of which will be subject to a new additional long-term performance hurdle (compound annual growth in absolute total shareholder return). The performance period for half of the new long-term performance hurdle is 3 years from grant, and 4 years for the other half. The achievement scale is: 0% for performance less than 7% absolute TSR growth (3 and 4 year CAGR); with a sliding scale from 50% achievement for 7% growth to 100% achievement for 10% growth.

No Variable Incentive will be payable if performance in FY19 does not meet threshold requirements that will be set out in the scorecard for FY19. The Variable Incentive can be increased for "above target" performance up to a maximum of 175% of the Variable Incentive target.

The CEO will be eligible to participate in Perpetual's future incentive arrangements (as amended or replaced) from time to time on terms to be decided by the Board.

4. Sign on

A sign-on equity incentive will be granted to Rob Adams as Restricted Shares with a face value of \$900,000. Provided Rob Adams does not give notice of resignation and is not terminated for cause before the relevant vesting date, half of the sign-on incentive will vest on

the second anniversary of commencement and the other half will vest on the fourth anniversary of commencement.

The value of equity to be granted for the sign-on incentive and FY19 variable incentive will be based on the face value of Perpetual's shares on the trading day preceding the commencement date using a 5 day volume weighted average price.

5. Termination

Employment may be terminated on 9 months' notice by either party. Perpetual may elect to make a payment in lieu of some or all of the notice period. If the CEO ends his employment because there is a fundamental change in his role or responsibilities without his consent, the CEO will receive a payment equivalent to 9 months' GEC.

Perpetual may immediately terminate the CEO's employment for cause in a number of specified circumstances including material breach of contract, serious or persistent misconduct or wilful neglect of duty. The CEO is not entitled to any payment in lieu of notice in these circumstances

6. Restrictions

The agreement contains post-employment restraints. For 12 months from the date of termination of employment Rob Adams must not work for a competitor or solicit clients, prospective clients, suppliers, staff or independent contractors.

7. Other

Consistent with all of Perpetual's equity incentive arrangements, the Board will have power to clawback vested and unvested equity (for example, in the event of fraud, dishonesty or breach of obligations).