



Perpetual Limited (Perpetual)

# BOARD CHARTER SUMMARY

**Perpetual's Board Charter (Charter) sets out:**

- powers and responsibilities of the board
- matters specifically reserved to the board and those delegated to the chief executive officer and managing director (CEO)
- procedures aimed at ensuring the effective operation of the board.

## RESPONSIBILITIES OF THE BOARD

The Charter includes the following responsibilities of Perpetual's board:

- setting Perpetual's values and standards
- monitoring that management has an appropriate framework in place to identify and effectively manage business risks
- monitoring business performance and the group's financial position
- setting Perpetual's direction, strategies and financial objectives
- ensuring that the performance of management and the board is regularly assessed
- monitoring the integrity of financial accounts and reporting
- overseeing investment activities
- monitoring compliance with regulatory, prudential, legal and ethical standards
- appointing the CEO and reviewing the performance of the CEO and his direct reports

The Charter also sets out specific responsibilities of the chairman and company secretary.

## DELEGATIONS TO CEO AND COMMITTEES

The Charter provides that the CEO is responsible for the management and operation of Perpetual. Those powers not specifically reserved to the board under law or the Charter and which are required for the management and operation of Perpetual, are conferred on the CEO.

The Charter notes that under Perpetual's constitution the board may delegate its responsibilities to committees. The board's standing committees are the Audit Risk and Compliance Committee, the Nominations Committee, the Investment Committee and the People and Remuneration Committee, each of which has its own charter.

## BOARD COMPOSITION

The Charter requires that the board be comprised of a majority of non-executive directors who are assessed to be independent.

In determining the independence of a director, the board will consider all the circumstances relevant to the director, bearing in mind that an independent director should be able to exercise unfettered judgement in the best interests of Perpetual's shareholders. Those factors that the board will consider in assessing independence include those set out in the ASX Corporate Governance Council's Governance Principles and Recommendations. The board reviews the independence of each director annually and whenever a change occurs which may affect a director's independence.

The Charter provides that non-executive directors retire after serving three terms of three years. The board may invite a director to continue in office beyond nine years for reasons such as board leadership or continuity. The board elects an independent non-executive director as chairman who is responsible for leadership of the board.

## **CONDUCT OF DIRECTORS**

Under the Charter each non-executive director must comply with Perpetual's Values and Code of Conduct and Perpetual's policy for trading in Perpetual's securities.

## **INDEPENDENT ADVICE**

The board may obtain independent professional advice to assist it in the proper exercise of its powers and responsibilities, at Perpetual's cost. Individual directors may also obtain independent professional advice to assist them in the proper exercise of powers as a Perpetual director. The costs of the independent professional advice obtained by a director will be paid for by Perpetual provided that the director obtained the prior approval of the chairman, or if the director is the chairman, the prior approval of a majority of Perpetual's non-executive directors.

## **BOARD MEETINGS**

The board is required to meet regularly and at least eight times a year. The non-executive directors meet at least two times a year for discussion of management issues without the presence of the CEO or management.

## **PERFORMANCE ASSESSMENT**

The Charter acknowledges the board's commitment to undertake ongoing self-assessment and to annually review the performance of the board, its committees and individual directors.

## **DIRECTOR ENGAGEMENT, INDUCTION AND ONGOING PROFESSIONAL DEVELOPMENT**

Non-executive directors are engaged through a written letter of appointment. Appropriate background checks are made before a new director is appointed.

Upon appointment, new directors participate in a comprehensive induction program. Under the Charter, directors are required to participate in all induction and orientation programs and any continuing education or training arranged for them.