



Perpetual Limited

GROUP POLICY - CONTINUOUS DISCLOSURE

11 October 2016

Perpetual 

Perpetual Limited
ABN 86 000 431 827

PURPOSE

Perpetual is committed to meeting its investors' expectations for open and transparent communication. It is also committed to promoting investor confidence in the Company by ensuring that trading in its securities takes place in an informed market. It expects to achieve these objectives by disseminating information in a fair, timely and balanced manner.

This policy sets out how Perpetual aims to meet its continuous disclosure obligations.

SCOPE

This policy applies to Perpetual's continuous disclosure obligations, which arise under the ASX Listing Rules and the Corporations Act. These obligations relate to information concerning Perpetual that a reasonable person would expect to have a material effect on the price or value of the Company's securities. Attachment C summarises these legal obligations, and provides guidance as to what information may require disclosure in accordance with these obligations.

This policy does not apply to the continuous disclosure obligations, if any, of any funds/trusts of which a Perpetual entity is the responsible entity/trustee or Perpetual Equity Investment Company Limited or The Trust Company (Sydney Airports) Limited.

In the event of any inconsistency between this policy and the Group Policy – Media, this policy will prevail.

DEFINITIONS

ASX means the Australian Securities Exchange Limited.

ASIC means Australian Securities and Investments Commission.

Board means the board of Perpetual Limited.

Company means Perpetual Limited.

Corporations Act means Corporations Act 2001 (Cwth).

Employee includes an employee, director, contractor or representative of Perpetual.

Perpetual means Perpetual Limited and its related entities.

POLICY

It is Perpetual's policy:

- to comply with its continuous disclosure obligations
- that all matters that may potentially require disclosure are communicated through established reporting channels in a timely manner
- that Employees are required to deal with potential continuous disclosure issues as a priority.

This policy is supported by the procedures set out in Attachment A.

CONTINUOUS DISCLOSURE COMMITTEE (COMMITTEE)

The Committee is a Perpetual management committee and is responsible for:

- ensuring that there is an adequate system in place for the disclosure of all material information to the ASX in a timely fashion
- deciding whether information must be disclosed by Perpetual under the ASX Listing Rules or the Corporations Act and, if information is to be disclosed, authorising the Company Secretary to release it
- responding to ASX and ASIC queries in relation to Perpetual's continuous disclosure obligations, including any requests to correct or prevent a 'false market' in Perpetual's securities, and for deciding when a trading halt should be requested
- reporting to the Board at each of its meetings on any continuous disclosure issues which have arisen since the last board meeting
- reporting to the Board on the operation of the continuous disclosure system generally.

The procedures that the Committee employs are set out in Attachment A and the Committee's terms of reference are set out in Attachment B.

CONTINUOUS DISCLOSURE OFFICER

The Company Secretary is Perpetual's continuous disclosure officer, who is responsible for overseeing, coordinating and authorising disclosure of information where approved by the Committee. The Company Secretary is also responsible for co-ordinating a response to general queries from the ASX and ASIC in relation to Perpetual's continuous disclosure obligations.

COMPLIANCE

Compliance with this policy is mandatory and a breach is considered to be a serious matter that may result in disciplinary action. Disciplinary action will be based on the severity of the matter and may include dismissal. A breach of the policy may also involve potential civil or criminal liability for both Perpetual and the Employee.

NEED MORE INFORMATION?

This policy is administered by the Committee. Should you have a query in relation to the policy, please contact the Company Secretary.

Further information is also available in ASX Guidance Note 8 "Continuous Disclosure", ASIC Regulatory Guide 62 "Better disclosure for investors" and ASIC guidance and discussion paper "Heard it on the grapevine".

ATTACHMENTS

Attachment A – Procedures

Attachment B – Continuous Disclosure Committee Terms of Reference

Attachment C – Legal Framework

RELATED POLICIES

Group Policy – Confidential Information

Group Policy – Media

Group Policy – Personal Trading in Perpetual Securities

ATTACHMENT A - PROCEDURES

A. REPORTING OF INFORMATION

All Employees are required to immediately inform a Group Executive or member of the Committee of any information that may require disclosure. This information is what a reasonable person might expect would have a material effect on the price or value of the Company's securities. Attachment C contains further guidance on what that information may be. When in doubt as to whether a matter requires disclosure, Employees are nonetheless required to advise a Group Executive or member of the Committee of the matter. Group Executives must immediately brief a member of the Committee in regard to the information.

Continuous disclosure is a standing agenda item at all fortnightly ELT meetings at which Group Executives confirm that there are no matters which require disclosure to the ASX. Group Executives also provide semi-annual certifications to Group Risk confirming that all matters which required disclosure to the ASX have been disclosed over the previous 6 months.

B. DETERMINING IF INFORMATION IS TO BE DISCLOSED

When information has been reported to a member of the Committee as described above, the member must convene a meeting of the Committee without delay. The Committee must meet as soon as possible to assess whether the information should be disclosed to the ASX and ASIC, including considering whether it is necessary to seek a trading halt to facilitate an orderly, fair and informed market in the Company's securities, and coordinating the actual form of disclosure with the relevant members of management.

C. TRADING HALTS AND VOLUNTARY SUSPENSIONS

Whilst the Committee may consider whether it is necessary to seek a trading halt or request voluntary suspension as part of its responsibilities, a trading halt may also be requested at the instruction of the Chief Executive Officer, Chairman of the Board, or, where appropriate, the Company Secretary. The Company Secretary (or their delegate) will have responsibility for liaising with the ASX to request the trading halt or voluntary suspension.

As a matter of general guidance, a trading halt may be necessary in the following scenarios:

- a) where there are indications that market sensitive information may have leaked ahead of an announcement and it is having, or is likely to have, a material effect on the market price or traded volumes of the Company's securities
- b) where Perpetual has been asked by the ASX to provide information to correct or prevent a false market, or
- c) where Perpetual becomes aware of market sensitive information that is likely to cause a significant move (either up or down) in the market price of the Company's securities (for example, information that the Board has resolved to appoint an administrator or Perpetual is about to make a material value accretive acquisition),

and in each such scenario:

- i. where the market is trading and Perpetual is not in a position to give an announcement to the ASX immediately, or
- ii. where the market is not trading and Perpetual will not be in a position to give an announcement to the ASX before trading next resumes.

D. ROLE OF PERPETUAL LIMITED BOARD

The Board performs an important oversight function with respect to continuous disclosure. At each of its meetings the Board considers continuous disclosure issues raised by management or the Committee. In accordance with Perpetual's obligations, the information being considered may already have been disclosed to the ASX and ASIC. However, the Board reserves the right to consider and determine any continuous disclosure matter without having to refer the matter to the Committee for its attention.

The usual disclosure process is through the Committee (as outlined above). In the event that an announcement that would ordinarily require Board approval must immediately be disclosed to the market in order for Perpetual to comply with its continuous disclosure obligations, all reasonable effort must be made to have the announcement considered and approved by the Board prior to release. However, if such approval cannot be obtained in advance, the usual procedure for making disclosures is to be followed to ensure compliance with the continuous disclosure laws. The announcement must then be considered by the Board at the first possible opportunity following its release to determine what, if any, further steps need to be taken by Perpetual.

E. REQUESTS FROM EXTERNAL PARTIES

Requests for comment from an investor, sell-side analyst or the media relating to any corporate matter concerning Perpetual should be directed to the following people:

- General Manager, Investor Relations and Corporate Finance– queries from institutional investors, retail investors, sell-side analysts and investment bankers in relation to Perpetual
- General Manager, Marketing and Communications – queries from media in relation to Perpetual, and
- Company Secretary– queries from individual shareholders and all other queries.

F. BRIEFINGS

The Managing Director and Chief Executive Officer, the Chief Financial Officer and the General Manager, Investor Relations and Corporate Finance are the only Employees authorised to hold investor and sell-side analyst briefings about Perpetual. The General Manager, Marketing and Communications and Senior Manager, Corporate Communications are authorised to brief the media and respond to questions about Perpetual. The General Manager, Marketing and Communications will maintain a list of the approved media spokespeople. On all occasions, briefings may not involve the disclosure of price-sensitive information unless this information has already been released to the ASX.

At least two hours before a briefing to shareholders, analysts or the media, any documents or presentations to be used must be given to the Company Secretary for release to the ASX, and must be posted on the Perpetual website once the ASX has confirmed that the information has been released to market.

If information which may be price sensitive is inadvertently disclosed during a briefing, the matter must be referred to the Committee for a decision on whether it must be immediately announced to the market and posted on Perpetual's website.

Either the Chief Financial Officer or the General Manager, Investor Relations and Corporate Finance should be present at all meetings with investors, sell-side analysts and /or investment bankers with respect to Perpetual. At all times, at least two members of Perpetual should be present. If the General Manager, Investor Relations and Corporate Finance is not present, then as soon as practicable, the General Manager, Investor Relations and Corporate Finance and the Company Secretary should be informed of the meeting and the matters discussed.

Perpetual should make every reasonable effort to record the matters discussed at meetings with investors, sell-side analysts and the media.

G. BLACK OUT PERIODS

Perpetual imposes communication blackout periods six weeks before the release of half-year and annual financial results. During these blackout periods Perpetual will not hold briefings with investors, analysts or the media to discuss financial information, other than to deal with matters that are the subject of a prior announcement to the ASX.

H. SELL-SIDE ANALYST'S REPORTS, FINANCIAL FORECASTS AND CONSENSUS ESTIMATES

Comments on sell-side analysts' reports and financial projections may only be made by the Chief Executive Officer, the Chief Financial Officer or the General Manager, Investor Relations and Corporate Finance (after discussions with the Chief Executive Officer and/or the Chief Financial Officer and/or the relevant Group Executive).

If Perpetual determines, in its discretion, to comment or provide feedback to an analyst in respect of that analyst's report, financial forecasts, conclusions or recommendations set out in that analyst's report, it will:

- restrict itself to correcting errors in the underlying data on which the conclusions are based and not the conclusions themselves, and
- only use information already in the public domain and not communicate previously undisclosed information.

No further comment, speculation or clarification is warranted.

Perpetual regularly monitors the published financial forecasts and collates consensus estimates of sell-side analysts covering Perpetual to assess their interpretations of its strategy and expectations of future financial performance. Market expectations reflect sell-side analysts' expectations and consensus estimates. Any potentially material divergence between market expectations (as reflected in consensus estimates) and Perpetual's own forecasts or estimates is to be immediately reported to a member of the Committee. (Guidelines for assessing materiality are contained in Attachment C.)

A response to the market's current forecasts that suggest they are either correct or incorrect must be avoided.

I. TIMING FOR RELEASE OF INFORMATION

Information that must be disclosed to the ASX under Perpetual's continuous disclosure obligations must not be released to any other party, until it has been disclosed to the ASX, and the ASX has confirmed that the information has been released to market.

J. WEBSITE

Information released to the ASX under Perpetual's continuous disclosure obligations will be posted on Perpetual's website immediately after receiving confirmation from ASX that the information has been released to market.

K. MEDIA AND SOCIAL MEDIA MONITORING

Perpetual has established arrangements to continuously monitor references to Perpetual across traditional and social media including blogs, chat sites and social media. The results of these monitoring arrangements are regularly reviewed by Perpetual's Marketing and Communications team. In the event of misreporting or media error, Marketing and Communications will immediately seek a correction.

If it is believed there has been a leak of market sensitive information, the matter is to be immediately reported to a member of the Committee.

L. EDUCATION

Employees will receive training that includes:

- familiarisation with Perpetual's continuous disclosure obligations and the penalties that may result from their breach
- the business costs associated with a 'suspected' continuous disclosure breach, including the risk of ASIC investigations and class actions and the reputational damage to Perpetual, and
- an overview of this policy and the Employee's role under this policy.

M. CONFIDENTIALITY

All Employees execute a confidentiality agreement with Perpetual, prohibiting the disclosure of any confidential information relating to Perpetual and its business. These obligations extend to all price sensitive matters. The consequences for Perpetual of a loss of confidentiality in respect of price sensitive information can be severe. Employees must treat any potentially price sensitive information as strictly confidential.

N. FALSE MARKET RUMOUR

If the ASX considers that a false market has arisen or is likely to arise in the Company's securities, for example through inaccurate or partly accurate comment in the media, and or market speculation and rumours from other sources, it will request Perpetual to give it information which is necessary to correct or prevent the false market. The Committee must consider and respond to all such requests. Employees must not comment on market rumour or speculation.

ATTACHMENT B – CONTINUOUS DISCLOSURE COMMITTEE (“COMMITTEE”) TERMS OF REFERENCE

1. ROLE

The Committee is responsible for:

- ensuring that there is an adequate system in place for the disclosure of all material information to the ASX in a timely fashion
- deciding whether information must be disclosed by Perpetual under the ASX Listing Rules or the Corporations Act and, if information is to be disclosed, authorising the Company Secretary to release it
- responding to ASX and ASIC queries in relation to Perpetual’s continuous disclosure obligations, including any requests to correct or prevent a ‘false market’ in Perpetual’s securities, and for deciding when a trading halt should be requested, and
- reporting to the Board at each of its meetings on any continuous disclosure issues identified by the Committee since the time of the last meeting.

The Committee is also required to undertake any specific continuous disclosure related tasks allocated to it by the Board or its committees.

2. MEMBERSHIP

The Committee is comprised of:

- Managing Director and Chief Executive Officer
- Chief Financial Officer
- Company Secretary,
- General Manager, Investor Relations and Corporate Finance

or their delegates. The Chief Executive Officer is the chairman of the Committee. The Company Secretary or delegate will act as secretary to the Committee.

If the Chief Executive Officer is unavailable to attend a meeting of the Committee for any reason, the Chairman of the Board may attend as chairman of the Committee in place of the Chief Executive Officer. In the event that both the Chief Executive Officer and Chairman of the Board are unavailable to attend a meeting of the Committee for any reason, the Chief Executive Officer may appoint a suitable delegate (who may be any suitable Employee or director of the Company) to attend in his place. Where this occurs, the Committee shall determine which of its number shall assume the role of chairman for the meeting.

3. MEETINGS AND REPORTING

- Any member of the Committee may convene Committee meetings.
- Where required, meetings must be convened without delay.
- A quorum for Committee meetings is two members in person, or by telephone or other communication medium. To ensure that the Committee's ability to act promptly and without delay is not impeded by lack of a quorum, each Committee member must ensure that a delegate will be available at times when the Committee member is absent, unavailable or cannot be contacted.
- All decisions must be unanimous.
- Where the Committee is unable to make a unanimous decision, the matter will be referred to the Chairman of the Board for decision.
- The Committee may determine its own decision-making procedures.
- The Company Secretary or delegate will keep minutes of each meeting of the Committee.
- The Company Secretary must give to the Board a report of any material business considered at each meeting of the Committee.

ATTACHMENT C – CONTINUOUS DISCLOSURE LEGAL FRAMEWORK

Obligation to disclose	Reference	Perpetual entity with obligation	Comments
Information that may have a material effect on the price or value of PPT securities	ASX Listing Rule 3.1 Corporations Act s 674	Listed disclosing entity: <ul style="list-style-type: none"> PPT 	Information must be disclosed immediately (i.e. promptly and without delay)

1. OVERVIEW OF CONTINUOUS DISCLOSURE OBLIGATIONS

ASX Listing Rule 3.1 requires that Perpetual must notify the ASX immediately if it becomes aware of any information concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities. A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy, or sell the securities.

This is the basis of Perpetual's continuous disclosure obligation. This obligation is given statutory force by section 674 of the Corporations Act

2. GUIDELINES FOR ASSESSING MATERIALITY

In assessing whether information is 'material', the following guidelines are useful:

1. An amount which would have an impact of:
 - a) 5% or less of an appropriate base amount ought to be presumed to be immaterial unless there is evidence, or convincing argument, to the contrary
 - b) 10% or more of an appropriate base amount ought to be presumed to be material, unless there is evidence, or convincing argument to the contrary
 - c) between 5% and 10% of an appropriate base amount is considered to be a 'grey' and subjective area.

Anything 5% or more should be referred to the Committee for consideration.

The base amount for determining whether disclosure should be made in accordance with the above quantitative threshold is net profit after tax less profits on disposal of investments, businesses and buildings for the most recent full financial year and earnings per share on underlying net profit after tax basis.

2. Quantitative parameters should be regarded as merely indicative of potential materiality, without necessarily being conclusive as to materiality. Items may be regarded as material, and therefore require disclosure, without necessarily exceeding any indicative quantitative parameters (for example, if Perpetual is involved in any mergers or acquisition or is undertaking a significant capital management activity).

3. EXCEPTIONS TO THE CONTINUOUS DISCLOSURE RULE

Disclosure to the market is not required where each of the following conditions is and remains satisfied:

- one or more of the following apply:
 - it would be a breach of a law to disclose the information
 - the information concerns an incomplete proposal or negotiation
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure
 - the information is generated for the internal management purposes of Perpetual, or
 - the information is a trade secret, **and**
- the information is confidential and ASX has not formed the view that the information has ceased to be confidential, **and**
- a reasonable person would not expect the information to be disclosed.

When relying on an exception outlined above, appropriate confidentiality protocols must be adhered to. A leak of confidential information can immediately deny Perpetual the ability to withhold the information from the ASX and force Perpetual to make a 'premature' announcement.

The following are common examples of information that would require disclosure if deemed to be 'material' in accordance with the above guidelines:

- a material change in Perpetual's financial forecast or expectation
- senior management and organisational changes
- the fact that Perpetual's earnings will be materially different from market expectations
- the appointment of a receiver, manager, or liquidator
- the entry into, variation or termination of a material agreement
- a material acquisition or disposal
- becoming a plaintiff or defendant in a material law suit
- the granting or withdrawal of a material licence
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility
- a transaction that will lead to a significant change in the nature or scale of Perpetual's activities
- under-subscription or over-subscriptions to an issue of securities
- giving or receiving a notice of intention to make a takeover
- a material change in accounting policy adopted by Perpetual
- a change in Perpetual's auditor, and
- any rating applied by a credit rating agency to the Company or securities it has issued on its own account (excluding any rating applied to any of its funds/trusts) and any change to such rating.

4. CONTRAVENTIONS

If Perpetual contravenes its continuous disclosure obligations under the Listing Rules, the ASX may suspend trading in Perpetual's shares or, in extreme cases, may delist Perpetual from the ASX.

It may also be liable under the Corporations Act and may face:

- criminal liability which attracts substantial monetary fines and
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- civil liability for any loss or damage suffered by any person as a result of the failure to disclose any information to the ASX.

ASIC also has the power to issue infringement notices to Perpetual.

5. PERSONS INVOLVED IN A CONTRAVENTION

Perpetual's officers (including its directors), Employees or advisers who are involved in any contravention of Perpetual's continuous disclosure obligations may also face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.

A person will not be considered to be involved in the contravention if the person proves that they:

- took all steps (if any) that were reasonable in the circumstances to ensure that Perpetual complied with its continuous disclosure obligations, and
- after doing so, believed on reasonable grounds that Perpetual was complying with those obligations.

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