

# Perpetual Limited

## Corporate Responsibility Statement

Perpetual's Board and management have a long-standing commitment to good corporate governance. The success of Perpetual's core businesses – the management of other people's money and the safekeeping of assets and securities – relies on a reputation of absolute trustworthiness. This statement sets out our approach to corporate governance.

### **ASX Corporate Governance Council Principles and Recommendations**

At Perpetual, good corporate governance includes a genuine commitment to the ASX Corporate Governance Council Principles and Recommendations (ASX Principles). In March this year, the ASX Corporate Governance Council released a third edition of the ASX Principles, which Perpetual has chosen to early-adopt.

The Board considers that it complies with all of the new ASX Principles, and has done so throughout the reporting period. A table setting out each Principle and the location of Perpetual's associated disclosure in this Corporate Responsibility Statement (**CRS**) is located on pages 17 to 23. This CRS has been approved by the Board and is current to 30 June 2014.

### **Links to documents and webpages**

Links to documents and webpages (either webpages presenting the relevant information or where a document can be found) are included in a table at the end of this CRS. Any document or webpage for which a link has been included is underlined for ease of reference.

### **1. Role of the Board**

The 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 the company to the Managing Director but remains responsible for overseeing management's performance. The 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:

- setting Perpetual's values and standards
- setting Perpetual's direction, strategies and financial objectives and monitoring the implementation of these
- selecting the Managing Director and approving the appointment and removal of Group Executives
- setting the remuneration of the Managing Director, Group Executives and of any other employee deemed to be an individual who may affect Perpetual's financial soundness
- ensuring Perpetual has necessary financial and human resources in place
- aligning remuneration outcomes to Perpetual's financial soundness and risk management framework
- setting the Non-Executive Director remuneration within shareholder approved limits

- monitoring business performance and the Perpetual Group's financial position
- overseeing the integrity of the Perpetual Group's financial accounts and reporting
- monitoring the Perpetual Group's investment activities and investment performance
- monitoring that management has an appropriate framework in place to identify and effectively manage business risks including regular review of the Company's risk profile and appetite
- ensuring that the performance of the Board, Managing Director and senior management and management are regularly assessed and
- monitoring compliance with regulatory, prudential, legal and ethical standards, including workplace health and safety obligations.

The Board Charter is reviewed annually to ensure the balance of responsibilities remains appropriate to Perpetual. The roles and responsibilities of Perpetual's Board and management are established in accordance with ASX Principle 1.

Each year, the Board's People and Remuneration Committee oversees the performance review process for the Managing Director and Group Executives. The Group Executives report directly to the Managing Director.

The 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 Managing Director's performance against his goals with input from all Board members.

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

In 2014, performance reviews of the Managing Director and each Group Executive were conducted in accordance with this process.

## **2. Board structure**

The Board currently comprises seven Directors: six Non-Executive Directors and the Managing Director. The roles of Chairman and Managing Director are performed by different individuals.

The Chairman is responsible for leadership of the Board and ensuring it performs its role and functions. He is also responsible for facilitating the effective contribution of Directors by ensuring that each Director fully participates in the Board's activities.

Details of the background, experience, professional skills and expertise and period in office of each Director are set out on pages 2 to 4 of the [2014 Directors' Report](#).

The structure of the Board accords with ASX Principle 2.

## **3. Director independence**

The Board considers all Non-Executive Directors to be independent directors, including the Chairman.

In assessing the independence of each Director, the Board considers, on a Director-by-Director basis, whether the Director has any relationships that would materially affect his or her ability to exercise

unfettered and independent judgment in the interests of Perpetual's shareholders. Consistent with the emphasis on 'substance over form' advocated by the ASX Principles, 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 Chairman of any relevant information, and update the Chairman if their circumstances change at any time.

In determining the independence of individual Directors, the Board has considered the relevant elements of the definition of independence listed in Box 2.3 in the ASX Principles. These elements include whether the Director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity
- has a material contractual relationship with the entity or its child entities other than as a director
- has close family ties with any person who falls within any of the categories described above or
- has been a director of the entity for such a period that his or her independence may have been compromised.

Paul Brasher 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 Paul Brasher.

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 Director independence as decisions as to stock selection are not made by the Board of Perpetual but by Perpetual's asset management team in accordance with client or fund investment mandates.

It is the Board's view that no Directors currently have any relationships that materially affect their ability to exercise independent judgement in the interests of Perpetual shareholders.

#### **4. Contracts with Directors**

In the 2014 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 this Annual Report and the deeds of indemnity described below.

#### **5. Indemnity of Directors and Officers**

Perpetual has entered into deeds to indemnify Directors and Officers of the Perpetual Group, to the extent permissible by law, from all liabilities incurred as Directors or Officers. Liabilities to the

Perpetual Group, and liabilities that arise out of conduct that was not in good faith, are not covered in 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.

## 6. Board access to information and independent advice

Directors receive regular updates on changes in the regulatory environment affecting Perpetual and the financial services industry. Directors are also encouraged to attend relevant conferences and seminars.

Non-Executive Directors regularly confer without management present and the Chairman presides over these sessions. All Directors have unrestricted access to company records and information. Perpetual has a formal policy allowing the Board or an individual Director to seek independent professional advice at the Perpetual 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.

## 7. Nomination, appointment, re-election and retirement of directors

Consistent with ASX Principle 2, the Board has a Nominations Committee with its own [Terms of Reference](#). The Nominations Committee is made up of independent Directors (and is chaired by an independent Director). In accordance with its [Terms of Reference](#), it is made up of the Chairman of the Board, the chairman of the Audit, Risk and Compliance Committee, the chairman of the Investment Committee and the chairman of the People and Remuneration Committee.

The Nominations Committee 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. The mix of skills and diversity currently represented on the Board is as follows:

Category	Skill / Quality	Percentage
Professional Skills	Financial Services Industry Knowledge	100%
	Management Skills	100%
	Governance	100%
	Strategy	100%
	Marketing	50%
	Sales and Distribution	67%
	International knowledge and experience	67%
Tenure	0-3 years tenure	33%
	3-6 years tenure	33%
	6-9 years tenure	17%
	9+ years tenure	17%
Gender Diversity	Female	33%
	Male	67%

A summary of the experience of each Director can be found at pages 2 to 4 of [Perpetual's 2014 Director's Report](#).

The Nominations Committee also takes diversity considerations into account when recommending any new appointment to the Board (see 'Diversity' below for Perpetual's approach to diversity).

The Nominations Committee is responsible for administering Perpetual's Policy on the Appointment of Directors, which sets out the selection process and selection criteria for identifying candidates to fill Board vacancies. The Policy is disclosed in full on our website. If a Board vacancy arises, the Nominations Committee 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 Nominations Committee. External consultants may be engaged to assist with the identification of appropriate candidates.

As part of the process of appointing a director to the Board, directors are subject to appropriate and prudent background and screening checks.

Upon appointment, new Directors receive a detailed letter of appointment and participate in a comprehensive induction program designed to familiarise them with Perpetual's business, strategy, operations, Group Executives and senior management team. Similarly, all Group Executives, as with all employees, enter into a detailed contract of employment, and undergo appropriate background and screening checks, when commencing employment with Perpetual.

A Director appointed to fill a casual vacancy must stand for election at the next Annual General Meeting (**AGM**). Additionally, Directors who have been in office without re-election for three years since their last appointment must retire and seek re-election at the company's AGM. In each case, Perpetual provides to shareholders all material information in Perpetual's possession, concerning the Director standing for appointment or re-election, in the accompanying information memorandum to the relevant notice of meeting.

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 2001* (Cth) (Corporations Act). Should Mr Peter Scott be re-elected as a director at the 2014 AGM, his tenure as a director will continue beyond the nine-year term. At the time of announcing Mr Scott's succession to the role of Chairman of the Board in 2010, the Board announced that, to ensure continuity in the Chairman's role, it was the Board's intention to invite Mr Scott to serve an additional term of three years after his nine year term as a director expires in 2014. The Board has conducted its annual review of the independence of all Non-Executive Directors, and found Mr Scott continues to be independent, notwithstanding that his tenure as a director will extend beyond nine years.

## **8. Meetings of the Board**

In the 2014 financial year, the Board met 15 times, including a strategic planning session. The Board receives performance, operations and risk reports from the Managing Director, the Chief Financial Officer, and the heads of each business division. The Board also receives reports and updates on strategic issues.

In addition, Directors spend time reading and analysing board papers and reports submitted by management and they engage in regular informal discussions with management. The views of the Chairman and the Non-Executive Directors are canvassed regularly by the Managing Director and the Group Executive on a range of strategic and operational issues.

The Chief Financial Officer and Company Secretary attend all board meetings. Other Group Executives and senior management attend Board and committee meetings to report on particular issues and to engage in discussion on these issues. Senior executive attendance at Board and committee meetings is subject to the overriding requirement that no senior executive will be directly involved in deciding their own remuneration.

Attendance of Directors at Board and committee meetings is set out on page 5 of Perpetual's 2014 Directors Report.

## 9. Board committees

A key component of the Board's governance structure is its four Board committees. Each committee has a written charter known as its Terms of Reference.

All committees, except the Nominations Committee, generally meet at least quarterly, and more frequently if required. Aside from the Nominations Committee, the Managing Director attends all committee meetings except where matters relating to his own remuneration and performance are discussed.

The qualifications and skills of the members of each committee are set out on pages 2 to 5 of Perpetual's 2014 Director's Report.

The membership and key responsibilities of each of the Board committees (as at the date of this report) are set out below.

### **Audit, Risk and Compliance Committee**

Members: Paul Brasher (Chairman), Elizabeth Proust, Craig Ueland and Sylvia Falzon.

There were no changes to the Committee's membership since the last Report.

The Committee's role is to oversee the Perpetual Group's accounting policies and practices, the integrity of financial statements and reports, the scope, quality and independence of Perpetual's external audit arrangements, the monitoring of the internal audit function, the effectiveness of the risk management framework and the adequacy of insurance programs, and to report on these matters to the Board. This Committee is also responsible for monitoring overall legal and regulatory compliance.

All members of the Committee (of which there must be at least three) are independent Non-Executive Directors and 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.

### **Investment Committee**

Members: Craig Ueland, Philip Bullock, and Sylvia Falzon.

Craig Ueland was appointed as Chairman of the Committee in September 2013.

The Committee's role is to monitor management to ensure that it has in place, and carries out, appropriate investment strategies and processes for the investment activities conducted for third parties. This Committee does not select stocks for individual Perpetual funds as stock selection is carried out by Perpetual's asset management team. All members of the Committee are independent Non-Executive Directors.

### **People and Remuneration Committee**

Members: Elizabeth Proust (Chairman), Paul Brasher and Philip Bullock

There were no changes to the Committee's membership since the last Report.

The Committee's role is to monitor the Perpetual Group's people and culture policies and practices, including the diversity of Perpetual's workforce, and to assist the Managing Director to implement fair, effective and market competitive remuneration and incentive programs designed to retain high calibre employees and which demonstrate a clear relationship between performance and remuneration. The Committee is authorised to directly engage external remuneration advisers and, after obtaining their advice as and when appropriate, the Committee recommends remuneration for non-executive Directors, the Managing Director, the Group Executives and other senior managers, to the Board. The Committee reviews succession and career plans for key executives.

All members of the Committee are independent Non-Executive Directors.

### **Nominations Committee**

Members: Peter Scott (Chairman), Elizabeth Proust, Paul Brasher, and Craig Ueland

Craig Ueland was appointed as a member in September 2013.

The Committee's role is to recommend to the Board nominees for appointment/election (including re-election of existing Board members) and to review Board succession plans. At least annually, the Committee reviews the size and structure of the Board to ensure that it comprises appropriately qualified and experienced people. This Committee is also responsible for the formal evaluation of the Board's performance as a whole and the program of Director education.

All members of the Committee are independent Non-Executive Directors.

### **10. Board 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. During the 2014 financial year, the Board completed its annual review of the Board's, its committees', and individual Directors', performance. The Board review process involves questionnaires completed by directors and key management stakeholders, individual meetings between the Chairman and directors (and for the purposes of the review meeting of the Chairman, between a nominated independent director and the Chairman), and a general Board discussion. 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.

### **11. Company Secretaries**

The Board has access to the services and advice of Joanne Hawkins, the Company Secretary, and Glenda Charles, Deputy Company Secretary. The Company Secretary is directly accountable to the Board on governance matters and all matters to do with the proper functioning of the Board.

Details of the experience and qualifications of Joanne Hawkins and Glenda Charles are set out in the [2014 Directors' Report](#) on page 4.

### **12. Perpetual's subsidiary Boards**

The boards of Perpetual's subsidiaries are generally made up of executive directors. There are, however, a number of subsidiary boards which are composed of a majority, or entirety, of independent 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 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.

Perpetual's corporate governance policies are applied to its subsidiaries but adapted to reflect the size and nature of each subsidiary's operations. The subsidiary boards are a key component of Perpetual's [Risk Management Framework](#).

### **13. Ethical conduct**

Perpetual has a [Code of Conduct](#) which draws from and expands on [Perpetual's Values](#). The [Code of Conduct](#) applies to all Directors, executives and employees and is designed to assist them in making ethical business decisions. It is based on the following principles:

- acting with integrity
- managing conflicts of interests appropriately
- upholding the spirit as well as the letter of the law
- commitment to our clients and consistently delivering shareholder value
- respecting privacy and confidentiality
- maintaining a fair and safe work environment and
- protecting those who report wrongdoing.

Additional policies deal with a range of ethical issues such as the obligation to maintain client confidentiality and to protect company 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. The Code of Conduct and associated policies are in keeping with ASX Principle 3.

Perpetual's Company Secretary is Perpetual's Code of Conduct ombudsman and is available to all staff for a confidential discussion in relation to Code of Conduct matters. All new Perpetual employees are required to familiarise themselves with the Code of Conduct as part of their induction training requirements.

Perpetual has a Whistleblowing Policy to protect employees who make reports in good faith of wrongdoing, prejudice or disadvantage. As part of Perpetual's Whistleblowing Policy, a third party has been engaged to provide an independent and confidential hotline for Perpetual employees who prefer to raise their concern with an external organisation.

#### **14. Diversity**

Perpetual has a long-standing commitment to diversity and inclusion and recognises the value of attracting and retaining employees with different backgrounds, knowledge, experiences and abilities.

Perpetual's Diversity Strategy is driven by the Perpetual Diversity Council. The Council is chaired by the Managing Director with representation from each of the business units who serve as Council Members, encouraging shared accountability for Diversity and Inclusion. The Diversity Council identifies and agrees the initiatives that are aligned to the following diversity priorities:

- Gender Equality
- Cultural Diversity
- Flexibility

The Board reviews the Diversity Strategy at least annually, including the objectives set for achieving gender diversity and progress in achieving them.

#### **Focus on Gender Equality**

FY2014 saw an increased focus on Gender Equality. To encourage greater representation of women at senior levels of the organisation, Perpetual has undertaken and continues to develop initiatives targeting improved gender equality. These include the enhancement of our recruitment & selection processes, a detailed gender pay-gap analysis, leadership development, mentoring programs, networking and development forums and knowledge sharing opportunities available to female employees.

Perpetual has a Diversity Policy. Perpetual's People and Remuneration Committee oversees the Diversity Policy and reviews and reports to the Perpetual Board on progress made against the diversity related targets (such as proportion of women in senior leadership roles). The Committee also gives consideration to any gender diversity targets when reviewing both succession plans and career development requirements for key executive positions. The Board has responsibility for any amendments to the Diversity Policy.

Perpetual has a measurable objective to achieve 38% representation of women in senior management by 2015, and defines 'senior management' according to the following categories under the Workplace Gender Equality Agency (WGEA) framework:

- CEO
- KMP (one reporting level below CEO)
- Other Executives / General Managers (generally, 1 to 2 reporting levels in management hierarchy below CEO)
- Senior Managers (generally 2 to 3 reporting levels in management hierarchy below CEO).

As at 30 June 2014:

- 53% of the Perpetual Group's employee population are female;
- the Perpetual Group has 36% representation of women in senior management, an increase from the 33% reported last year. Within each of the WGEA categories, the breakdown was as follows:
  - KMP – 40% women
  - Other Executives / General Managers – 29% women
  - Senior Managers – 39% women, and
- 33% of the Perpetual Board members are female.

*“Our long-term goal is to create an inclusive and diverse work environment where all of our employees can reach their full potential. I am particularly pleased with the great progress we have made increasing the representation of women in senior leadership roles, against our target of 38%. This is an area we will continue to focus on, as well as working towards gender pay equity at all levels.”* (CEO & Managing Director, Geoff Lloyd)

### **Perpetual's Inaugural RAP**

In addition to this, Perpetual, through its Diversity Strategy, is committed to creating a more culturally aware workplace - a culture that is open, accepting and inclusive of individual differences. This year, in support of this strategy, we implemented our first Reconciliation Action Plan (RAP), which is about turning good intentions into actions to address community division, discord and injustice to Indigenous Australians. Perpetual met the majority of its commitments outlined in the RAP as well as exceeded some targets. One noticeable area was our commitment to Indigenous suppliers through membership of Supply Nation, where in six months we have exceeded our full year procurement target by 100%. Perpetual has also continued its commitment to Jawun, the Indigenous Corporate Partnerships Program, by sending its first employee, Tim Beasley, an accountant for Perpetual Private, on secondment to work with the Cape York Group. When combined with the rollout of cultural awareness training among our senior leaders, our RAP enables the client servicing activities we are now carrying out with a number of Aboriginal communities throughout Australia.

### **Flexibility**

Perpetual continues to value Flexibility as a lever of an inclusive and diverse high performance environment.

Underpinning both the cultural diversity and gender equality priorities is our commitment to workplace flexibility, ensuring employees can successfully balance their life and family commitments to promote increased success at work. This means Perpetual can continue to attract and retain a diverse and inclusive workforce regardless of gender, cultural background, ethnicity, age and caring responsibilities.

## **15. Risk Management**

The Board is committed to effective risk management and all Group Executives are accountable for managing risk within their area of responsibility. They are also required to manage risk as part of their business objectives with risk management integrated across business processes.

The Corporate Services - Risk Group consists of risk management professionals and lawyers who provide the framework, tools, advice and assistance to enable management to effectively identify, assess and manage risk.

Consistent with ASX Principle 7, Perpetual's Risk Management Framework sets out Perpetual's overall approach to managing risk. The framework consists of programs and policies which are designed to address specific risk categories - strategic, financial, operational, investment, people and legal compliance risk.

The Board and the Group Executive seek to ensure that Perpetual's Risk Management Framework remains consistent with industry best practice. The last review of the Risk Management Framework by the Board's Audit & Risk Committee was in 2013. In line with ASX Principle 7, recommendation 7.2, future reviews by the Board will take place annually. Perpetual's Risk Appetite Statement, which seeks to define the amount of risk the Board is willing to take in the pursuit of its strategic vision and objectives, has been updated and was approved by the Board in September 2013.

The Board and its committees are provided with independent reporting of the effectiveness of Perpetual's management of its material business risks. In addition, the Board reviews the company's key risks regularly through its comprehensive Key Risk Assessment process, further detailed in the Risk Management Framework.

The Board considers that a number of identified risks, across various risk categories, have the potential to impact upon the economic sustainability of the organisation in one way or another. Details of these types of risk and the way in which they are managed are set out in the Operating and Financial Review of the 2014 Director's Report. No material environmental or social sustainability risks were identified.

Perpetual also has an internal audit function. The General Manager Internal Audit reports to the Audit Risk and Compliance Committee as well as to the Chief Financial Officer and is independent from the external auditor. Internal Audit provides independent assurance over the effectiveness of Perpetual's risk management, internal control, and governance processes. The Internal Audit team does not make management decisions or engage in other activities which could be perceived as compromising its independence.

Each of the Chief Financial Officer, General Manager Internal Audit and General Manager Legal and Risk has the right to, and do, meet with the Audit Risk and Compliance Committee, or its Chairman, without other management present.

The Managing Director and Chief Financial Officer report to the Board on the effectiveness of Perpetual's management of its material business risks in accordance with ASX Principle 4. The Board received this report in 2014 together with the declarations and statements outlined in section 16 below.

## **16. Financial Reporting**

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
- 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 and Principle 4 'Safeguard Integrity in Corporate Reporting', for each half and full year financial period the Managing Director and Chief Financial Officer provide the Board with a written declaration that, in their respective opinions:

- the financial records of the Company 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 the Company'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 Managing Director and Chief Financial Officer 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 the Company and
- the Company's material business risks (including non-financial risks) are being managed effectively.

The statements referred to above are supported by written statements from senior management, detailed financial analysis and Perpetual's Risk Management Framework. The Chief Financial Officer is present when the Board considers financial matters, as she attends all Board meetings.

In 2014, the Board received the declarations and statements referred to above in relation to the half-year ending 31 December 2013 and the full-year ending 30 June 2014.

## **17. Audit process**

The Perpetual Group's financial reports are subject to an annual audit by an independent, professional auditor, who also reviews the Group's half yearly financial statements. The Audit Risk and Compliance Committee oversees this process on behalf of the Board, in accordance with its [Terms of Reference](#).

The external auditor attends each meeting of the Committee, and it is the Committee's policy to meet with the auditor for part of these meetings without management present. The Committee chairman meets with the audit partner at least once every quarter, also in the absence of management. The auditor has a standing invitation to meet with the Committee, its Chairman or with the Board's Chairman 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.

The current external auditor is KPMG. The lead audit partner for FY2014 was Andrew Yates and the engagement partner was Kim Lawry. This is Mr Yates' fifth and last year acting as lead audit partner. He will rotate from the lead audit partner role in accordance with the company's Auditor independence policy and be replaced by Mr Martin McGrath. This is Ms Lawry's first year as engagement partner.

## **18. Auditor independence**

The Board has policies in place relating to the quality and independence of Perpetual's external auditor. These policies include:

- a formal review of the appointed auditor every 5 years, to be timed during the middle of the lead partner's tenure. The results of the review are reported to the Audit Risk and Compliance Committee and the Board

- 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 Audit Risk and Compliance Committee and the Board
- the lead audit partner on each Perpetual audit must be rotated at least every five years, with a two year gap before a partner may be reappointed
- former audit partners and audit firm employees involved in our audit cannot become Directors or employees of Perpetual Group companies for at least two years 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, such as:
  - 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.

The Audit, Risk and Compliance Committee is responsible for making recommendations on the annual engagement of the external auditor.

In 2014, the greater part of fees paid to KPMG for work other than audit of Perpetual Group accounts was for audit services in relation to investment funds of which Perpetual companies are the responsible entity, manager or trustee, and work in relation to the review of Perpetual's Scheme of Arrangement with Trust Company and The Transformation 2015 project. 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.

## **19. Market Disclosure**

Perpetual has a Continuous Disclosure Policy to ensure compliance with its continuous disclosure obligations under ASX Listing Rule 3.1 and the Corporations Act. The Managing Director, Chief Financial Officer, and Company Secretary are members of the Continuous Disclosure Committee responsible for deciding information that is required to be disclosed to the ASX. Perpetual ensures that all senior management give regular sign-offs as to whether there are matters that require disclosure to the ASX. The Board considers its disclosure obligations at each scheduled Board

meeting. Perpetual's [Continuous Disclosure Policy](#) contains the matters recommended by ASX Principle 5.

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

## **20. Shareholders**

The Board is committed to ensuring that investors and market participants are fully informed of material matters concerning Perpetual's strategy, financial performance and governance that could affect Perpetual's brand, value and prospects. It seeks to accomplish this by communicating effectively with shareholders using various mediums, including, technology for electronic communication, webcasts and keeping the website updated in a timely manner.

Perpetual has an investor relations engagement program that includes engaging with institutional investors, buy-side and sell-side research analysts and individual investors on a scheduled (including following the release of its results) or ad hoc (including industry conferences, strategy and operational updates) basis. The Board places importance on these interactions as it allows the company to clearly articulate the value of its strategy and also receive feedback from investors on its strategy, financial performance and governance. Key information released to shareholders includes:

- the Half Year Results
- the Full Year Results
- the Annual Report
- the Chairman's and Managing Director and Chief Executive Officer's addresses to the AGM and
- market briefings and other significant information.

Perpetual also publishes an "event calendar" on its website which sets out important dates (for example, the date Perpetual releases its Full Year Results and the date of its AGM). From time to time, the company might also update investors and research analysts on other matters including strategy, operations and capital. A webcast of these events as well as copies of any presentations made to investors and wider market participants will be made available on the website. The events above are webcast and copies of presentations and transcripts are posted to the company's website as soon as it is disclosed to the market. Shareholders can submit their email addresses if they wish to receive a reminder of these dates.

Perpetual will hold its AGM in October and a copy of the notice of AGM is posted on Perpetual's website as well as being provided directly to shareholders via their nominated means of communication. The Board encourages shareholders to attend the AGM or to appoint a proxy to vote on their behalf if they are unable to attend. Shareholders are also encouraged 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 to 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.

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

Perpetual periodically holds briefings for institutional investors and research analysts who produce financial research on the company. These briefings aim to increase the two-way flow of information and engagement with investors and research analysts outside of the scheduled reporting season.

Further information about Perpetual and its governance practices are available at Perpetual's website.

## **21. Remuneration**

Perpetual has formed a People and Remuneration Committee consistent with ASX Principle 8 and ASX Listing Rule 12.8. Its role is set out on page 6 of this report. Details of Board and executive remuneration are set out in the remuneration report, found in Perpetual's 2014 Director's Report, commencing on page 8. In accordance with the ASX Principles, the structure of Non-Executive Director remuneration is clearly distinguished from that of executive Directors and senior management. In particular, 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 in accordance with Perpetual's statutory superannuation obligations.

## **22. Trading in securities by Directors and Employees**

Perpetual has a Trading Policy that complies with the requirements of ASX Listing Rule 12.12.

Perpetual's overriding policy in respect of personal trading is that there should be no dealings in the company's shares by any Director or employee who is in possession of price sensitive information or where the dealing is for short-term or speculative gain. Provided they do not have price sensitive information, Directors and employees are permitted to deal in the company's shares only in three specified one-month trading windows.

The Trading Policy requires prior approval for any share dealings from the Chairman in the case of Directors, from a nominated Director in the case of the Chairman and from the Managing Director in the case of senior executives. Prior approval is also required from the Managing Director or Company Secretary in the case of certain employees who are more likely to have access to information that is potentially price sensitive due to their role with the company.

The policy also prohibits Non-Executive Directors and employees from entering into 'hedging arrangements' in relation to Perpetual securities. Perpetual employees cannot trade in financial products issued over Perpetual securities by third parties or trade in any associated products which limit the economic risk of holding Perpetual securities. Perpetual employees and Directors are prohibited from margin lending in relation to Perpetual securities.

## **23. Stakeholders**

At Perpetual, we take advantage of opportunities to build our social, environmental and financial performance in ways that enhance our core values and business sustainability. We draw on our people's experience, knowledge and expertise in investing, governance, financial advice and trusteeship to contribute positively to the community. We are committed to doing our part to enrich our community by:

- having the highest standards of corporate governance and business probity
- investing responsibly and encouraging sustainable business practices
- contributing time and money to charities which we know have a track record of delivering on their promises and
- reducing the environmental impact of our operations.

Some examples of how we are achieving these goals include:

### ***Investment***

#### ***Long-Term Investment Approach***

Perpetual's asset managers are 'value' managers who focus on quality. Their initial investment criteria include:

- the strength of the company's balance sheet
- whether the company can demonstrate a recurring earnings stream
- the quality of the business and

- the soundness of management running the company.

We believe this approach holds corporate Australia to high standards and encourages behaviour in the long term interests of shareholders.

#### *Our Environmental, Social and Governance Policy to Investments*

Our duty to our clients requires us to seek the best risk-adjusted investment returns over specified time periods. We satisfy this obligation by focusing on both the quality and value of possible investments. This investment philosophy recognises that while traditional financial measures are an important consideration, extra-financial factors can also influence investment performance. Consistent with this philosophy, it is the policy of Perpetual Investments that, to the extent that information is available, investment managers should incorporate ESG (environmental, social, governance) issues into investment analysis and decision making. This is also consistent with our commitments as a signatory to the United Nations-supported Principles for Responsible Investment (PRI) (see below).

#### *Our ESG Approach*

When deciding whether to buy, retain or sell an investment, our investment managers consider those ESG risks that are relevant to the current or future value of the investment.

As an active manager, we may choose to engage with the management and Board of the investment issuer to raise ESG and other concerns and encourage more focused management of these issues.

More information can be found in the [Perpetual Investments Responsible Investment Policy](#).

#### *Perpetual's Wholesale Ethical SRI Fund*

Perpetual's Wholesale Ethical SRI Fund aims to provide our investors with long term capital growth and income through investment in quality shares of ethical and socially responsible companies.

Perpetual's investment approach seeks to identify those companies that represent the best investment quality and are appropriately priced. In Perpetual's Wholesale Ethical SRI Fund, additional screening applies to identify companies that satisfy our range of ethical and socially-responsible investment criteria. Our ethical screen excludes companies involved in alcohol, coal seam gas, gambling, nuclear, tobacco and weapons/armaments. The socially responsible screen eliminates companies that score negatively following an assessment on a range of criteria, including governance, the environment, health and safety, human and animal rights, labour standards and other stakeholder and community issues.

Perpetual's Wholesale Ethical SRI Fund was awarded the Money Management/Lonsec Fund Manager of the Year - Responsible Investments Category for both 2013 and 2014.

#### *Signatory to the Principles for Responsible Investment*

Perpetual is a signatory to the United Nations-supported Principles for Responsible Investment (PRI) representing a commitment to take environmental, social and governance factors into account in our investment decision-making and ownership practices. PRI is about institutional investors encouraging sustainable business practices, which is aligned to Perpetual's long-term view.

#### *Member of the Responsible Investment Association Australasia*

The Responsible Investment Association Australasia is the industry body representing responsible investors throughout Australasia, with the aim of promoting responsible investment to accelerate its uptake and deepen its impact. The Responsible Investment Association's purpose is to provide training, professional development, events, research and policy initiatives that will promote stable markets, maximise financial returns and create positive environmental, social and governance outcomes.

#### *Member of the Investor Group on Climate Change*

The Investor Group on Climate Change (IGCC) was established in 2005 and represents institutional investors, with funds under management of approximately \$1 trillion, and others in the investment community interested in the impact of climate change on investments. The IGCC aims to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

## **Social**

### *Philanthropy and the Perpetual Foundation*

Perpetual is one of the largest managers of private charitable foundations in Australia, with \$2.08 billion in funds under management (as at 30 June 2014). Perpetual manages over 990 charitable trusts and endowments, supporting health, medical research, social, environmental, religious, cultural and educational causes.

The Philanthropy team provides support to the non-profit sector via thought leadership forums, regular IMPACT philanthropy newsletters, and facilitating a number of knowledge sharing opportunities. The Perpetual Foundation has also sponsored non-profit sector research including research at the Australian Centre for Philanthropy and Non-Profit Studies and also provided, in the 2014 financial year alone, 290 scholarships for directors of charitable non-profit entities to attend the Australian Institute of Company Directors Non Profit Directors Course through the Australian Scholarships Foundation.

### *Staff Giving*

Perpetual's Staff Giving program encourages staff to donate to charities in a tax-effective way, with all donations being matched dollar-for-dollar by Perpetual. In addition to monetary donations, Perpetual's Staff Giving program also encourages employees to volunteer their time to charitable causes.

### *Political Donations*

Perpetual does not make political donations.

## **Environmental**

### *Carbon Disclosure Project*

Perpetual has responded to the Carbon Disclosure Project (CDP) surveys on eight occasions and has been included in the Climate Disclosure Leadership Index (Australia and New Zealand) on three occasions.

## **Our People**

At Perpetual we recognise that our people are core to the delivery of our strategy and achievement of business success.

During FY2014, Perpetual launched ***The Way We Work @ Perpetual*** – a transparent framework providing clarity of the high performance leadership behaviours we expect from our employees at each level of our organisation, in order to successfully deliver to our Clients, our People and Shareholders.

*The Way We Work @ Perpetual* supports a high-performance, people focused environment which we continue to build to ensure we can sustainably achieve our business strategy.

Making Perpetual a great place to work forms part of this strategy. We understand that an engaged workforce will help us to deliver sustainable business results. Employee engagement is assessed annually, with the results and insights used as an input into our people strategy.

As part of commitment to people at Perpetual, the wellbeing of employees is supported by financial, insurance, health, wellbeing, and lifestyle based employee benefits. A refreshed Benefits Program was launched to all Perpetual employees during 2014 and some of the policies that underpin and support employee wellbeing and work / life balance include:

- Contribution Leave policy which provides an additional week of 'Contribution Leave' to allow employees to make a difference to their community, family or personal well-being. Employees are only eligible to take Contribution Leave if their Annual Leave balance is less than 10 days. This helps Perpetual manage its accrued leave liability and support risk management by encouraging employees to take their leave entitlement
- Purchased Leave policy which enables employees to apply for up to 4 weeks of additional leave to spend more time with family, for holidays or greater work / life balance
- Sabbatical Leave and Leave Without Pay policies which allow employees to take an extended period of unpaid leave where they may choose to take time out to be with their family, travel overseas or undertake further study
- Working From Home policy which allows employees to work from home for greater work / life balance and
- Flexibility Policy which enables employees to achieve work / life balance and meet parental or carer responsibilities. Perpetual has a tailored flexible working program to support managers and employees in managing requests for flexibility which includes training all managers in managing flexibility.

Perpetual aims to meet the needs of employees at different stages of their lives and equal Parental Leave benefits are available for both men and women. This not only includes greater access to flexible working options but also paid parental leave options and a return to work bonus payable to the Primary Care Giver.

Shareholders who wish to know more about Perpetual's corporate policies are invited and encouraged to review our website [www.perpetual.com.au](http://www.perpetual.com.au) or to contact us by email at [info@perpetual.com.au](mailto:info@perpetual.com.au). Comments and suggestions from shareholders are welcome.

#### 24. ASX Corporate Governance Council Principles and Recommendations.

Principle / Recommendation		Relevant section(s)	Comply?
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose:  (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.	1	Yes
1.2	A listed entity should:  (a) undertake appropriate checks before appointing a	7	Yes

	<p>person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>		
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	7	Yes
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.	11	Yes
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p style="padding-left: 40px;">(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p style="padding-left: 40px;">(2) 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.</p>	14	Yes
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	10	Yes
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives;</p>	1	Yes

	<p>and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		
Principle 2 – Structure the Board to add value			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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;</p> <p>or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	7, 8, 9	Yes
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	7	Yes
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association 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, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	3, 2	Yes
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	3	Yes

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.	2, 3	Yes
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	6, 7	Yes
Principle 3 – Act ethically and responsibly			
3.1	A listed entity should:  (a) have a code of conduct for its directors, senior executives and employees; and  (b) disclose that code or a summary of it.	13	Yes
Principle 4 – Safeguard integrity in corporate reporting			
4.1	The board of a listed entity should:  (a) have an audit committee which:  (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:  (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;  or  (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	8, 9	Yes
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	16	Yes

	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.		
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	20	Yes
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should:  (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and  (b) disclose that policy or a summary of it.	19	Yes
Principle 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.	20	Yes
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	20	Yes
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	20	Yes
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	20	Yes
Principle 7 – Recognise and manage risk			
7.1	The board of a listed entity should:  (a) have a committee or committees to oversee risk, each of which:  (1) has at least three members, a majority of whom are independent directors; and  (2) is chaired by an independent director,  and disclose:  (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	8, 9	Yes

	<p>members at those meetings;</p> <p>or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound;</p> <p>and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	15	Yes
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	15	Yes
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	15	Yes
Principle 8 – Remunerate fairly and responsibly			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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;</p>	8, 9	Yes

	<p>or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		
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.	21	Yes
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	22	Yes

Document / Webpage	Internet Address
Perpetual Website	<a href="http://www.perpetual.com.au">www.perpetual.com.au</a>
Board Charter Summary	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-role">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-role</a>
2014 Director's Report / Annual Report	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-reportsannual">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-reportsannual</a>
<b>Terms of References:</b> <ul style="list-style-type: none"> <li>• Nominations Committee</li> <li>• Audit Risk and Compliance Committee</li> <li>• People and Remuneration Committee</li> <li>• Investment Committee</li> </ul>	<a href="http://www.perpetual.com.au/board-and-committee-composition.aspx">http://www.perpetual.com.au/board-and-committee-composition.aspx</a>
Perpetual's Policy on the Appointment of Directors	<a href="http://www.perpetual.com.au/board-and-committee-composition.aspx">http://www.perpetual.com.au/board-and-committee-composition.aspx</a>
Risk Management Framework	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-auditrisk">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-auditrisk</a>
Code of Conduct	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-conduct">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-conduct</a>
Perpetual's Values	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-conduct">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-conduct</a>
Diversity Policy	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-diversitypolicy">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-diversitypolicy</a>
Continuous Disclosure Policy	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-informed">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-informed</a>
Trading Policy	<a href="http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-informed">http://shareholders.perpetual.com.au/phoenix.zhtml?c=171717&amp;p=irol-informed</a>
Perpetual Investment Responsible Investments Policy	<a href="http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf">http://www.perpetual.com.au/pdf/Responsible-Investing-Policy.pdf</a>