
Notice of Annual General Meeting 2022

On 20 October 2022 at 10am at
Level 18, Angel Place, 123 Pitt Street, Sydney NSW, 2000

Shareholders may also participate online at
<https://meetings.linkgroup.com/PPT22>

Trust is earned.

Perpetual 

Dear Shareholders

It is my pleasure to invite you to the 2022 annual general meeting (AGM) of Perpetual Limited (**Perpetual** or **Company**), which will be held at 10am (Sydney time) on Thursday, 20 October 2022 at Level 18, Angel Place, 123 Pitt Street, Sydney NSW 2000. Shareholders can also participate in the AGM online at <https://meetings.linkgroup.com/agm/PPT22/register>.

Participating online

Shareholders are invited to participate in the AGM online. If you participate online, you will be able to view the live webcast of the AGM, ask questions and make comments, and submit your vote in real time.

Please refer to the enclosed Notice of Meeting and the Online Guide at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting> for further details on how to view and participate in the meeting online.

Attending in Person

For the health and safety of all attendees, we ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

If you plan to attend the AGM in person, you should monitor the ASX and the Company's website for any updates about the AGM, as it may be necessary to make alternative arrangements or impose additional health and safety measures depending on the COVID-19 situation prevailing at the time of the AGM.

Appointing a proxy

You may appoint a proxy to vote on your behalf, either by accessing our share registry's website at www.linkmarketservices.com.au and following the prompts, or by following the instructions in the proxy form. Proxy appointments must be received by 10am (Sydney time) on Tuesday, 18 October 2022.

Even if you plan to attend in person or participate in the AGM online, we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot vote on the day.

Submitting questions in advance of the AGM

We also invite you to submit questions to the Company or auditor in advance of the meeting online at www.linkmarketservices.com.au or by using the shareholder question form that has been lodged on the ASX and posted on Perpetual's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>. Questions submitted this way must be received by no later than 5pm (Sydney time) on Thursday, 13 October 2022.

During the AGM, shareholders will also be able to submit questions. Further information on how to submit your questions for those shareholders planning to attend the AGM online is set out on the following pages.



Items for deliberation at the AGM

The items for deliberation at this year's AGM are:

- the consideration of our financial and statutory reports for the financial year ended 30 June 2022;
- the adoption of Perpetual's Remuneration Report for the financial year ended 30 June 2022;
- the re-appointment of Mr Greg Cooper as a Non-executive Director;
- the increase in the Non-Executive Director Remuneration Pool; and
- the approval of the FY22 variable incentive equity grants and a KMP Growth Long-term Incentive grant for the CEO and Managing Director.

The Board recommends that Shareholders vote in favour of all voting resolutions.

Further information and updates

Enclosed is a copy of the Notice of Meeting which includes information for shareholders and explanatory notes.

This may also be accessed on our website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting> together with Perpetual's 2022 financial results.

If the Company needs to give further updates about the AGM, information will be lodged with the ASX and posted on the Company's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>.

I look forward to welcoming you to the 2022 AGM.

Tony D'Aloisio AM

Chairman
16 September 2022

Notice of Annual General Meeting

Perpetual's AGM will be held on Thursday, 20 October 2022, commencing at 10am (Sydney time). Shareholders and Proxyholders can participate in the meeting by attending in person at Level 18, Angel Place, 123 Pitt Street, Sydney NSW 2000, or online at <https://meetings.linkgroup.com/PPT22>.

Online and in person registration will open at 9.30am (Sydney time). To register online, you will need to log in through a compatible web browser using a computer, tablet or mobile device with an internet connection.

Shareholders will then be prompted to enter their shareholder number and postcode. Proxyholders will need their proxy number which will be provided by Link Market Services following lodgement of the proxy appointment form and no later than 24 hours prior to the meeting. Further information about participating online can also be found in the instructions on the online platform and in the Online Guide, which has been lodged with the ASX and posted on Perpetual's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>.

The enclosed Information for Shareholders and Explanatory Memorandum contains further information about the matters to be considered at the AGM and how to participate online. This information forms part of this Notice of Annual General Meeting.

FINANCIAL AND STATUTORY REPORTS

To receive and consider the financial statements, the reports of the Directors and of the auditor for the financial year ended 30 June 2022. No resolution or vote is required on this item of business.

RESOLUTION 1

Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'To adopt the Remuneration Report for the financial year ended 30 June 2022.'

In accordance with section 250R of the *Corporations Act* 2001 (Cth) (**Corporations Act**), the vote on resolution 1 will be advisory only.

Voting exclusion for resolution 1:

The Company will disregard any votes cast on resolution 1:

- by or on behalf of a member of the Company's key management personnel (**KMP**) named in the Company's 2022 Remuneration Report or their closely related parties, regardless of the capacity in which the vote is cast; or
- as proxy by a person who is a member of the KMP on the date of the AGM or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 1:

- in accordance with a direction on the proxy form; or
- in the absence of a direction on the proxy form, by the Chairman of the AGM, in accordance with an express authorisation to exercise undirected proxies.

RESOLUTION 2:

Re-appointment of Mr Greg Cooper

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Mr Greg Cooper, retiring as a Director of the Company in accordance with clause 20.9.1 of the Company's Constitution and who has consented to stand for re-appointment, be re-appointed as a Director of the Company in accordance with clause 20.9.3 of the Company's Constitution.'

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RESOLUTION 3:

Increase in Non-executive Director Remuneration Pool

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That for the purpose of ASX Listing Rule 10.17 and clause 20.6.1(a) of the Company's Constitution, the aggregate amount of remuneration that may be paid in any financial year commencing on or after 1 July 2022 to the Company's non-executive Directors be increased by \$1,250,000 from \$2,250,000 to \$3,500,000.'

Voting exclusion statement for resolution 3:

The Company will disregard any votes on resolution 3:

- cast in favour of the resolution by or on behalf of a Director of the Company or any of their associates (as defined in the ASX Listing Rules), regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the AGM or their closely related parties,

unless the vote is cast on resolution 3:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chairman of the AGM as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chairman decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTIONS 4(a), 4(b) and 4(c):

Approval of the FY22 variable incentive equity grants and a KMP Growth Long-term Incentive equity grant to the CEO and Managing Director

To consider and, if thought fit, to pass each of the following resolutions as separate ordinary resolutions:

a) Grant of Share Rights to the CEO and Managing Director under the KMP variable incentive plan

'That approval is given for all purposes, including ASX Listing Rule 10.14, for the issue of 34,243 share rights to Mr Rob Adams as part of his variable incentive equity grant for the performance period ending 30 June 2022 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.'

b) Grant of Performance Rights to the CEO and Managing Director under the KMP variable incentive plan

'That approval is given for all purposes, including ASX Listing Rule 10.14, for the issue of **39,634** performance rights to Mr Rob Adams as his part of his variable incentive equity grant for the performance period ending 30 June 2022 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.'

c) Grant of KMP Growth Long-Term Incentive Performance Rights to the CEO and Managing Director

'That approval is given for all purposes, including ASX Listing Rule 10.14, for the issue of **170,161** performance rights to Mr Rob Adams as a Growth Long-Term Incentive on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting exclusion for resolutions 4(a), 4(b) and 4 (c):

The Company will disregard any votes on resolutions 4(a), 4(b) and 4 (c):

- cast in favour of the resolution by or on behalf of Mr Rob Adams (being the only Director of the Company eligible for participation in the employee incentive scheme in respect of which Shareholder approval is sought) and his associates (as defined in the ASX Listing Rules), regardless of the capacity in which the vote is cast; or
- cast as proxy by a person who is a member of the KMP on the date of the AGM or their closely related parties,

unless the vote is cast on the relevant resolution:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- by the Chairman of the AGM as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chairman decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board



Sylvie Dimarco

Company Secretary
16 September 2022

Information for Shareholders

WHO MAY VOTE

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 the Company has determined that persons whose names are set out in the register of Shareholders of the Company as at 7pm (Sydney time) on Tuesday, 18 October 2022 are entitled to vote at the meeting convened by this Notice of Meeting.

VOTING BY POLL

The Chairman will put resolutions to a poll at the AGM. Voting results on the resolutions that are put to the meeting (including the relevant proxy votes) will be announced to the ASX as soon as practicable after the AGM.

APPOINTMENT OF PROXIES

A Shareholder who is entitled to vote at the meeting has a right to appoint up to two proxies to attend and vote for the Shareholder at the AGM. A proxy need not be a Shareholder.

Where a Shareholder appoints two proxies, the appointment may specify the proportion or number of votes which each proxy may exercise. Fractions of votes will be disregarded.

If the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, then each proxy may exercise half those votes.

A proxy may decide whether or not to vote on any proposed resolution, except where required by law or the Company's Constitution to vote. If the Shareholder appointing the proxy:

- directs the proxy how to vote on a proposed resolution, then the proxy may vote on that resolution only in the way directed; or
- does not direct the proxy how to vote on a proposed resolution, then the proxy may vote on that resolution as the proxy thinks fit, subject to any voting exclusions that apply to the proxy; or
- directs the proxy to abstain, the proxy must not vote on the Shareholder's behalf and any vote will not be counted.

If you appoint someone as a proxy (other than the Chairman of the AGM) and direct them how to vote, the Chairman of the AGM must cast those votes on your behalf on a poll in accordance with your directions if your proxy does not do so.

If you appoint the Chairman of the AGM as your proxy (or if he is appointed by default) and no direction is provided in relation to a resolution, you will be expressly authorising the Chairman to exercise your proxy as the Chairman sees fit in relation to that resolution. This includes resolution 1 (the Adoption of Remuneration Report), resolution 3 (Increase in Non-executive Director Remuneration Pool) and resolutions 4(a), 4(b) and 4(c) (Approval of the FY22 Variable Incentive Equity Grants and KMP Growth Long-Term Incentive Equity Grant to the CEO and Managing Director) even though the resolutions are connected directly or indirectly with the remuneration of the Company's KMP.

If you appoint a Director (other than the Chairman of the AGM) or another member of the Company's KMP or their closely related parties as your proxy, you must specify how they should vote on resolutions 1, 3, 4(a), 4(b) and 4(c) by completing the 'For', 'Against' or 'Abstain' boxes on the proxy form. If you do not, your proxy will not be able to exercise your vote for these resolutions.

UNDIRECTED PROXIES

The Chairman of the AGM intends to vote all available proxies in favour of all resolutions.

LODGEMENT OF PROXIES

To be valid, a proxy form must be completed and received by the Company by 10am (Sydney time) on Tuesday, 18 October 2022. The Proxy Form may be downloaded online at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>.

Completed proxy forms may be lodged as follows:

- to the Company's share registrar by:
 - by lodging the proxy appointment online at www.linkmarketservices.com.au. To use the online proxy appointment facility, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), or you can access the facility using your postcode and the personalised link sent to you by email if you have registered for electronic communications from the Company
 - by post to Perpetual Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235
 - fax to +61 2 9287 0309
- or to the Company's registered office by:
 - fax to +61 2 8256 1427

Information for Shareholders

BODY CORPORATE REPRESENTATIVE

A body corporate that is a shareholder, or which has been appointed as a proxy of a shareholder, may appoint a person to act as its representative at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act.

Body corporate representatives should lodge this documentation with the Company's share registry no later than 48 hours prior to the AGM, unless it has been previously given to the Company.

SHAREHOLDER QUESTIONS

The Company is offering a facility for Shareholders to submit written questions in advance of the AGM.

To submit a written question, please complete and return the shareholder question form that has been lodged on the ASX and posted on Perpetual's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting> or submit the question online through the share registrar's website, in accordance with the instructions on the form.

Questions must be received by the Company's share registrar by no later than 5pm (Sydney time) on Thursday, 13 October 2022.

Questions should relate to matters that are relevant to the business of the AGM, as outlined in this Notice of Meeting and the attached Explanatory Memorandum.

Questions that are relevant to:

- the contents of the auditor's report; or
- the conduct of the audit of the Company's financial report,

may be addressed to the Company's auditor.

Questions will be collated, and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible and, where appropriate, will give a representative of KPMG, the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to Shareholders and the auditor is not obliged to provide written answers.

Shareholders will be given an opportunity to ask questions in real-time by telephone. A personalised PIN is needed to ask questions by telephone. To receive a personalised PIN, please contact Link Market Services before the AGM. Dial-in details for the AGM and contact details for Link Market Services are included in the Online Guide. If you plan to ask questions by telephone, you will still need to log into the online platform if you wish to vote during the meeting.

The dial-in details for the telephone line are set out below:

Within Australia:	1800 316 512
Outside Australia:	+61 2 7201 7807

PARTICIPATING ONLINE

Shareholders and proxyholders can watch, ask questions, make comments and vote in real time during the AGM through an online platform at <https://meetings.linkgroup.com/PPT22>.

To register, shareholders will need their shareholder number and postcode. Proxyholders will need their proxy number which will be provided by Link Market Services following lodgement of the proxy appointment form and no later than 24 hours prior to the meeting. The online platform will contain additional details as to how to vote and ask questions during the AGM. Further information can also be found in the Online Guide, which has been lodged with the ASX and posted on Perpetual's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>.

In addition, the AGM, including the addresses of the Chairman and CEO and Managing Director, will be available for viewing by visitors via live webcast. Any slides will also be available on the Company's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>. For information about how to access the webcast of the AGM please go to <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>.

TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the meeting should proceed if a technical difficulty arises. In exercising his discretion, the Chairman will have regard to the number of Shareholders impacted and the extent to which participation in the business of the meeting is affected. Where he considers it appropriate, the Chairman may continue to hold the meeting and transact business at the physical venue, including conducting a poll and voting in accordance with valid proxy instructions.

As previously noted, Shareholders are encouraged to lodge a proxy by 10am (Sydney time) on Tuesday, 18 October 2022 even if they plan to participate in the meeting online or at the physical location, so that their vote will be counted if for any reason they cannot vote on the day.

Explanatory Memorandum

Financial and statutory reports

The financial report and the reports of the Directors and of the auditor for the financial year ended 30 June 2022 will be put before the AGM, as required by section 317 of the Corporations Act. The Corporations Act does not require a formal resolution of Shareholders on these reports. These reports are contained within the Company's 2022 Annual Report which is available on the Company's website at <https://www.perpetual.com.au/about/shareholders/annual-general-meeting>.

During this item of business, Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, those reports and the business and management of the Company.

A reasonable opportunity will be given to shareholders as a whole at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Resolution 1: Adoption of the Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report for the financial year ended 30 June 2022. The Remuneration Report provides information relating to:

- the Board's policy in relation to the remuneration paid to KMP;
- the relationship between remuneration and the Company's performance, including information about performance measures applicable to variable incentives; and
- details of the remuneration paid to KMP for the financial year ended 30 June 2022.

The Company's approach to remuneration in FY22 was explained in the letter prefacing the Remuneration Report from the Chairman of the Company's People and Remuneration Committee as follows:

Dear Shareholder,

On behalf of your Board, as always it gives me great pleasure to present our Remuneration Report for the financial year ended 30 June 2022 (FY22).

Perpetual's purpose is "enduring prosperity". In our view, this is best achieved by having highly engaged people creating superior client outcomes, which in turn delivers underlying earnings growth for shareholders. Our Remuneration Report provides our shareholders and other stakeholders with a thorough and transparent explanation of how remuneration outcomes for our Key Management Personnel (KMP) align with our recent performance, long-term objectives, and reflect the current economic and labour market context.

Perpetual's performance in FY22

Perpetual delivered strong financial performance in FY22. Underlying Profit After Tax (UPAT) was \$148.2m, exceeding prior year by 21% and the Board-approved business plan by 3%. Underlying Earnings Per Share (EPS) of \$2.58 represented growth of +18% on prior year.

Perpetual demonstrated growth in UPBT across all four divisions in FY22, reflecting the strength of our diversified business model. Importantly, Perpetual's recent acquisitions translated into shareholder value in FY22. Barrow Hanley exceeded the stated target of 20% underlying EPS accretion in the first full year following acquisition, Trillium Asset Management delivered over A\$639m of positive net inflows and the acquisitions of Jacaranda Financial Planning and Laminar Capital, which each completed early in the financial year, are performing ahead of expectations for key growth and financial metrics.

Perpetual takes a long-term view of performance, with the delivery of multi-year strategic priorities of particular importance. Successful delivery of the strategy is assessed by clear annual client, people, growth and financial measures which are aligned to long-term strategic objectives, thereby balancing short-term outcomes with the necessary investments for long-term sustainable growth.

Perpetual's financial results were delivered while continuing to invest in future growth and value-generating initiatives for our core businesses. Perpetual established the first of a suite of Collateralised Loan Obligation (CLO) funds, launched a suite of US Mutual Funds, listed a suite of active ASX ETFs for our Australian and global investment teams and increased our investment in technology relative to FY21.

In FY22 our Australian Equities and Barrow Hanley investment teams delivered strong investment performance relative to agreed benchmarks. More broadly, Perpetual's group Net Promoter Score (NPS) outcome of +49 was improved on the prior year outcome of +44 and exceeded Perpetual's goal of maintaining NPS above +40.

FY22 variable remuneration outcomes

Perpetual continues to use a balanced scorecard that considers short, medium and long-term strategic priorities. Perpetual's group scorecard remains weighted 60% to financial performance measures and 40% to other strategically important non-financial measures that the Board considers to be key lead indicators of future business value creation.

The People and Remuneration Committee (PARC) and the Board spend considerable time each year evaluating the contribution and performance of the CEO and other Executive KMP. In arriving at the proposed Variable Incentive outcomes for Executive KMP, the Board weighed up strong financial performance despite continued pressure on net flows in our asset management businesses, continued delivery on client outcomes, successful implementation of strategy and shareholder alignment and returns. The Board has determined to award the CEO a Variable Incentive award of 106% of target, or 61% of maximum opportunity, with individual outcomes for other Executive KMP averaging 103% of target, or 59% of maximum opportunity. The aggregate Variable Incentive outcomes approved for the CEO and other Executive KMP align to the bonus funding levels approved more broadly across Perpetual.

External market conditions

FY22 presented dynamic market conditions globally. The COVID-19 pandemic continued to be a driver of volatility in several markets in which Perpetual operates. As we emerged from the pandemic, it became evident that the market for key talent was increasingly competitive. For Perpetual, this resulted in a return to pre-COVID employee turnover rates, challenges in filling some open vacancies and increasing pressure on wages across many parts of the organisation. Perpetual is not alone in facing these market challenges, and in early FY22 we made a number of proactive changes to benefits, leave entitlements and other flexibility initiatives to further enhance the overall employee experience. Despite this investment, Perpetual has remained disciplined in its approach to cost control, with expense growth remaining within guidance.

As foreshadowed in the FY21 Remuneration Report, changes to fixed remuneration and Variable Incentive targets were made for the Executive KMP as part of the July 2021 remuneration review. The aggregate impact of these fixed remuneration adjustments was a 3.2% increase to fixed pay for the Executive team during FY22 (see Section 1.1 for further information).

Looking forward to FY23

Perpetual's long-term success depends on its ability to attract, motivate and retain talented people. The competition for top talent is intensifying both in Australia and overseas. With this in mind, and in recognition that Perpetual is increasingly competing for talent globally, the Board reviewed compensation for Executive KMP and considered whether the current long-term incentive plan should be enhanced. A number of resulting changes will take effect for the performance period commencing FY23, as summarised below:

Aggregate fixed pay increases of 5.3% have been agreed and will take effect from 1 September 2022, (with no change being made to the CEO's fixed pay). More substantial changes have been made to Variable Incentive targets for some Executive KMP (including the CEO) with effect from 1 July 2022.

Perpetual will decouple the Hurdled Equity component from the combined Variable Incentive with effect from 1 July 2022. The Hurdled Equity component of the Variable Incentive structure will remain subject to the existing long-term absolute TSR performance hurdle and performance range of 7-10% CAGR, however awards will no longer be subject to the group scorecard assessment prior to allocation. The Cash and Unhurdled Equity components of the Variable incentive will remain unchanged and be subject to the group scorecard assessment. Each Executive KMP will continue to have a target Hurdled Equity amount that will form the starting basis for the Board's determination of each year's allocation. While the Board will retain discretion to adjust individual Executive KMP Hurdled Equity allocations higher or lower each year, it is expected that this change will result in more consistent Hurdled Equity allocations being made to Executive KMP across business cycles – similar to a traditional LTI.

Executive KMP Growth Long Term Incentive

Perpetual has made a number of strategic acquisitions and investments over the past two years and the next three to five years will be a critical period for Perpetual to realise the scale and benefit of these investments and deliver improved returns for shareholders. In order to support successful integration and implementation across a number of key deliverables, in September 2022, the Company will grant a growth-orientated long-term incentive to Executive KMP. This grant will be subject to meeting a stretch compound annual growth (CAGR) absolute TSR hurdle, with awards that will vest over a period of three to five years, with any vested shares held under restriction for a full 5-year period. See Section 7.6 for further information.

Conclusion

On behalf of the Board, I would like to thank shareholders and other stakeholders for your valuable feedback and ongoing dialogue on our remuneration approach. We are confident that we have balanced shareholder interests whilst also ensuring that our team is appropriately remunerated such that your company has the best possible opportunity to deliver on our strategic goals.

Yours sincerely,



Nancy Fox

Chairman, People and Remuneration Committee

Under the Corporations Act, the vote on this resolution is advisory only and does not bind the Board or the Company. However, the Company values its Shareholders' feedback.

A voting exclusion applies to this resolution, as set out earlier in the Notice of Meeting.

The Board unanimously recommends that Shareholders vote in favour of resolution 1. The Chairman of the AGM intends to vote all available proxies in favour of resolution 1.

Resolution 2: Re-appointment of Mr Greg Cooper

Mr Greg Cooper was appointed as a Director of Perpetual Limited in September 2019 and was last re-appointed at the 2019 AGM. He now stands for re-appointment. The Board considers Mr Greg Cooper to be an independent Director.

Mr Greg Cooper has more than 26 years of global investment industry experience in the UK, Asia and Australia with a deep understanding of international funds management.

Mr Greg Cooper brings strong financial services and strategy expertise to the Perpetual board predominantly gained from his executive career at Schroders Australia where he was the Chief Executive Officer from 2006 to 2018 with responsibility for Schroders' institutional business across Asia Pacific and then globally and his current non-executive career across the superannuation, banking and technology sectors.

Mr Greg Cooper currently serves as a Non-executive Director of NSW Treasury Corporation, where he also chairs the Investment Committee. He is currently the Chairman of Colonial First State Investments Limited and Avanteos Investments Limited (collectively known as CFS Group). Mr Cooper is a Non-executive Director of Australian Payments Plus Limited and its subsidiaries/ related entities; Catholic Church Insurance, OpenInvest Holdings, the Australian Indigenous Education Foundation and EdStart. Previously Mr Cooper acted as a Non-executive Director to the Financial Services Council and held the position of Chairman from 2014 to 2016.

The Board supports Mr Greg Cooper's re-appointment because he brings to the Board a deep understanding of international funds management and strong financial services and strategy expertise.

Mr Greg Cooper is a member of the Company's Investment Committee, Audit, Risk and Compliance Committee, and People and Remuneration Committee.

The Directors (with Mr Greg Cooper abstaining) unanimously support the re-appointment of Mr Greg Cooper to the Board and recommend that Shareholders vote in favour of resolution 2.

The Chairman of the AGM intends to vote all available proxies in favour of resolution 2.

Explanatory Memorandum

Resolution 3: Increase in Non-executive Director Remuneration Pool

ASX Listing Rule 10.17 provides that a listed entity must not increase the total aggregate amount of directors' fees payable to all of its Non-executive Directors without shareholder approval. Article 20.6.1(a) of the Company's Constitution also provides that the amount of remuneration of the Directors is an annual sum to be determined by the company in general meeting.

Following a recent independent review of the remuneration of the Company's Non-executive Directors, it is proposed to increase the maximum total annual remuneration pool of the Non-executive Directors by \$1,250,000, from \$2,250,000 to \$3,500,000 per annum. Mr Rob Adams, CEO and Managing Director does not receive Directors' fees. Shareholder approval is sought under clause 20.6.1(a) of the Company's Constitution and under ASX Listing Rule 10.17.

The Board currently consists of seven Non-executive Directors and one Executive Director. The maximum total annual remuneration pool was last increased in 2006 to \$2,250,000 per annum. Since 2006, the Company has grown organically and also through the acquisition of Trust Company Limited, Trillium and Barrow Hanley.

The Board is seeking Shareholder approval to increase the current remuneration pool cap for the following reasons:

1. an increase of the remuneration pool will give the Company flexibility with regards to the appointment of additional Directors, particularly given the proposed acquisition of Pandal Group in FY23;
2. to ensure the remuneration pool can accommodate payment of fees to any additional Non-executive Directors who may be appointed;
3. to enable the company to maintain remuneration arrangements that are market-competitive, so it can attract and retain high calibre individuals as Non-executive Directors; and
4. to provide for Non-executive Directors' fees to grow in the future to reflect market trends in the longer term.

The fees payable to Non-executive Directors are reviewed annually by the People and Remuneration Committee. Details of the remuneration of each Non-executive Director are set out in the Remuneration Report. The Company does not pay retirement benefits to Non-executive Directors other than superannuation.

Although an increase in the remuneration pool is being sought, it does not imply that the full amount will be used. The remuneration pool is a maximum annual limit and does not indicate that fees will necessarily be increased up to that limit

No securities have been issued to non-executive Directors under ASX Listing Rules 10.11 and 10.14 in the last three years.

If Resolution 3 is approved by Shareholders, the remuneration pool will increase to \$3,500,000. If Resolution 3 is not approved, the remuneration pool will remain at \$2,250,000 and the Board will not have the flexibility described above and any future Non-executive Directors appointments and fees will need to be assessed within the current remuneration.

A voting exclusion applies to this resolution, as set out earlier in the Notice of Meeting.

Noting the Board's interest in the resolution, the Board unanimously recommends that Shareholders vote in favour of resolution 3.

The Chairman of the AGM intends to vote all available proxies in favour of resolution 3.

Explanatory Memorandum

RESOLUTIONS 4(a) and 4(b): Approval of the FY22 variable incentive equity grants to the CEO and Managing Director

a) Grant of Share Rights to the CEO and Managing Director

b) Grant of Performance Rights to the CEO and Managing Director

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a Director under an employee incentive. Accordingly, these resolutions are being put to Shareholders to seek approval for a grant of 34,243 unhurdled share rights and 39,634 hurdled performance rights to be made to the Chief Executive Officer and Managing Director (CEO), Mr Rob Adams, in accordance with the Company's Variable Incentive Plan and Mr Rob Adams' contract of employment.

As described below, the Variable Incentive award for FY22 will be granted under the KMP Variable Incentive structure, with the equity component of this award being awarded as a tranche of unhurdled share rights and two tranches of hurdled performance rights.

Mr Rob Adams' Remuneration

There are two components to Mr Rob Adams' remuneration.

Fixed remuneration

The fixed remuneration component is \$1,302,776 per annum, inclusive of cash salary, superannuation, any packaged benefits and associated fringe benefits tax. Fixed remuneration is reviewed by the Board annually, noting that no change has been made to the CEO's fixed remuneration since his appointment in 2018 (outside of the disclosed voluntary 20% fixed remuneration reduction for the period from 1 July 2020 to 31 December 2020).

Variable incentive

Mr Rob Adams participates in the Variable Incentive Plan. Under this plan, he is awarded an incentive (less applicable taxes and superannuation) based on the Board's holistic assessment of the CEO's performance, which includes an assessment against an agreed scorecard as well as risk and behavioural performance.

The CEO's FY22 Variable Incentive outcome was determined with a 70% weighting placed on Company performance and a 30% weighting on individual contribution over the course of the performance year. The Board has considered the individual contribution of Mr Rob Adams for FY22 with reference to progress against key strategic and individual priorities agreed at the commencement of the performance year.

Pleasingly, in addition to the progress demonstrated against these priorities, the CEO had a number of achievements which are highlighted below:

- Throughout FY22, Mr Adams continued to make decisive, balanced and effective decisions regarding the strategic investments required for Perpetual to achieve its global growth objectives and ultimately deliver on its current strategy.
- Mr Adams continues to build his Executive team, assisting their development and overall team dynamics. In FY22, this involved

utilising an external executive assessment programme to identify gaps and opportunities across the Executive KMP team.

- As Perpetual built its global distribution capability, Mr Adams continued to provide direction and was involved in the sourcing of key staff across the US and UK/Europe and has provided regular support to Perpetual's Global Head of Asset Management Distribution.
- Mr Adams continues to lead Perpetual through a highly uncertain period, achieving consistently high employee sentiment results, driven by an open and transparent internal communication programme. As Chair of Perpetual's Diversity and Inclusion Council, he has driven a full review and restructure of the refreshed strategy.

The Board has determined to award the CEO an overall incentive outcome of 106% of target, or 61% of the maximum, in respect of FY22, equating to an overall value of \$2,562,960. 79% of the CEO's total Variable Incentive award (i.e., \$2,032,960) will be delivered as equity, subject to shareholder approval. The equity component of the CEO's Variable Incentive for FY22 is to be delivered as a grant of (a) share rights (46%) and (b) performance rights (54%) as follows:

(a) Share rights

- 34,243 share rights, representing a face value of \$942,280, will vest on 1 September 2024 and convert into restricted shares for an additional two-year period;

(b) Performance rights

- 19,817 performance rights, representing a face value of \$545,340, will vest on 1 September 2025 subject to a three-year Compound Annual Growth Rate (CAGR) absolute Total Shareholder Return (TSR) hurdle and convert into restricted shares for an additional 12 months; and
- 19,817 performance rights, representing a face value of \$545,340, will vest on 1 September 2026 subject to a four-year CAGR absolute TSR hurdle and convert into unrestricted shares.
- Any restricted shares received on conversion of share rights or performance rights will be eligible to receive dividends and will be released from restrictions on 1 September 2026. Share rights and performance rights are not eligible to receive dividends.

The absolute three and four-year CAGR TSR performance hurdles will be aligned to the following achievement scale:

COMPOUND ANNUAL GROWTH IN TSR	PERCENTAGE OF RELEVANT TRANCHE OF PERFORMANCE RIGHTS THAT VEST
Less than 7 % per annum	0%
7% to 10% per annum	Straight-line vesting from 50% to 100%
10% or above per annum	100%

The number of share rights and performance rights for which shareholder approval is sought for FY22 performance was determined by dividing \$2,032,960 by the face value of a Perpetual share, calculated using the five-day Volume Weighted Average Price leading up to and including 1 September 2022, this being \$27.52.

Explanatory Memorandum

At Perpetual, risk is a key component of the performance framework. The Board will have discretion to adjust or clawback vested and unvested equity based on risk behaviour and will have additional malus and clawback powers under the terms of the grant and Perpetual's policy.

Treatment of share rights and performance rights on cessation of employment

If Mr Rob Adams ceases employment with the Company due to resignation or summary dismissal, all of Mr Rob Adams' unvested share rights and performance rights will lapse. Restricted shares are retained on resignation (subject to the original conditions and restriction period) but are forfeited in the case of summary dismissal.

Should termination occur due to:

- termination by the Company with notice;
- redundancy;
- retirement (subject to Board approval);
- illness or injury; or
- mutual agreement between the Company and Mr Rob Adams,

unvested share rights, performance rights and restricted shares will be retained with vesting conditions and restriction periods continuing to apply, unless the Board determines otherwise.

If termination occurs due to Mr Rob Adams' death, all unvested share rights, performance rights and restricted shares will immediately vest and be released, subject to Board approval.

Other Board discretions under the Variable Incentive Plan

The Board has discretion to make changes under the Variable Incentive Plan. For example, the Board has discretion to:

- determine that all or a specified number of Mr Rob Adams' unvested share rights or performance rights vest, or restricted shares become unrestricted, in various change of control circumstances, having regard to all the relevant circumstances;
- exercise malus and clawback powers; and
- amend or add to the terms of the Variable Incentive Plan.

The Company's Remuneration Report for the financial year ended 30 June 2022 contains further details about the Variable Incentive Plan.

RESOLUTION 4 (c)

Approval of a KMP Growth Long-Term Incentive Performance Rights grant to the CEO and Managing Director

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a Director under an employee incentive scheme. Accordingly, Shareholder approval is being sought for a grant of 170,161 hurdled performance rights to be made to the Chief Executive Officer and Managing Director (CEO) Mr Rob Adams, as part of the Growth Long-Term Incentive.

Perpetual is undergoing strategic transformation to deliver improved total shareholder returns. In that regard, Perpetual has made a number of important acquisitions and strategic investments over the past two years. In FY22 the Board reviewed whether the current long-term incentive compensation program in place for the Executive KMP team should be changed or enhanced to provide additional incentives to deliver results for shareholders. As a result of this review, the Board decided to award a KMP Growth Long-Term Incentive, that will incentivise the Executive KMP team to deliver growth above and beyond the existing KMP Variable Incentive scheme. The next five-year period will validate whether these strategic investments translate into sustained value for our shareholders. Key terms of the structure are outlined below:

- Under the KMP Growth Long-Term Incentive, a grant of hurdled Performance Rights will be made to the CEO in September 2022, per below:
 1. **52,434** performance rights, representing a fair value of \$466,667 (or face value of \$1,442,984), will vest on 1 September 2025 subject to a three-year Compound Annual Growth Rate (CAGR) absolute Total Shareholder Return (TSR) hurdle and convert into restricted shares for an additional 24 months;
 2. **56,565** performance rights, representing a fair value of \$466,667 (or face value of \$1,556,669), will vest on 1 September 2026 subject to a four-year CAGR absolute TSR hurdle and convert into restricted shares for an additional 12 months;
 3. **61,162** performance rights, representing a fair value of \$466,667 (or face value of \$1,683,178), will vest on 1 September 2027 subject to a five-year CAGR absolute TSR hurdle and convert into unrestricted shares.
 4. Any restricted shares received on conversion of performance rights will be eligible to receive dividends and will be released from restrictions on 1 September 2027. Performance rights are not eligible to receive dividends.
- Performance rights that do not vest are forfeited and not retested. The 5-year performance and restriction period for the KMP Growth Long-Term Incentive award extends the time horizon of CEO long term incentive arrangements to align to the longer-dated timeframe of the Company strategy and provides an alignment mechanism for the CEO and core executive team during the integration of these acquisitions and strategic investments.

Explanatory Memorandum

- All other terms and conditions of the awards will be consistent with the existing Hurdled Equity component of the Executive KMP Variable Incentive. The Board will retain discretion to not vest a portion or all of the award if they are not comfortable that all other terms and conditions of the award have been satisfied (including, but not limited to, CEO and Executive KMP compliance with and alignment to the Company's Risk Appetite Statement).
- The number of performance rights for the KMP Growth Long-Term Incentive allocation was determined by dividing the allocation value for each tranche by the fair value of a Perpetual share, calculated using the five-day Volume Weighted Average Price leading up to and including 1 September 2022, after applying the applicable fair-value discount – per below:
 1. 3-year tranche: \$8.90 per Performance Right
 2. 4-year tranche: \$8.25 per Performance Right
 3. 5-year tranche: \$7.63 per Performance Right
- The three, four and five-year absolute CAGR TSR performance hurdles will be aligned to the following achievement scale. The CAGR absolute TSR performance range for existing Hurdled Equity ranges from 7.0% – 10.0%, meaning value is delivered under the KMP Growth Long-Term Incentive only where the existing stretch hurdle is exceeded.

COMPOUND ANNUAL GROWTH IN TSR	PERCENTAGE OF RELEVANT TRANCHE OF PERFORMANCE RIGHTS THAT VEST
Less than 10% per annum	0%
10% to 15% per annum	Straight-line vesting from 0% to 100%
15% or above per annum	100%

If shareholders do not approve any of the above grants to the CEO and Managing Director

- The equity component of the Variable Incentive and KMP Growth Long-term Incentive are important parts of the CEO's total remuneration package. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise the CEO. This alternative incentive will be equivalent in value to the equity Mr Rob Adams would have received had shareholder approval been obtained and will be subject to the same vesting periods, performance hurdles and, so far as is possible, other terms and conditions.

Other information provided in accordance with the ASX Listing Rules for Resolutions 4(a), 4(b) and 4(c)

- Share rights and performance rights are granted to the CEO as part of the CEO's variable remuneration. The CEO is not required to pay any cash consideration to receive rights, or to receive restricted shares on vesting of share rights or performance rights.
- Perpetual grants the award in the form of share rights and performance rights because they create share price alignment between Mr Rob Adams and shareholders but do not provide Mr Rob Adams with the full benefits of share ownership (such as dividend and voting rights) unless the rights vest.
- No loans will be provided in relation to the grants.
- 32,111 share rights and 75,986 performance rights have previously been issued to Mr Rob Adams under the Variable Incentive Plan (at no cost to him).

If approval is given for the purposes of ASX Listing Rule 10.14 the share rights and performance rights will be issued no later than 12 months after the 2022 AGM.

- Details of any share rights and performance rights issued under the Variable Incentive Plan and KMP Growth Long-Term Incentive will be published in Perpetual's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of rights under the Variable Incentive Plan and Growth LTI after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- Listing Rule 10.15.4 requires this Notice of Meeting to include details (including the amount) of Mr Adams' current total on-target remuneration package. Mr Adams target package for FY23 will be:

Total Fixed Remuneration (including superannuation)	\$1,302,776
Variable Incentive cash	\$650,000 (at target) ¹
Variable Incentive share rights (unhurdled equity)	\$1,100,000 (at target) ¹
Variable Incentive performance rights (hurdled equity)	\$1,100,000 (at target) ¹
Growth Long-Term Incentive equity grant (hurdled equity) – Fair Value	\$1,400,000

1. The Variable Incentive at maximum is 175% of the target award.

- A voting exclusion applies to resolutions 4(a), 4(b) and 4(c), as set out earlier in this Notice of Meeting.
- The Directors (with Mr Rob Adams abstaining) unanimously recommend that Shareholders vote in favour of resolutions 4(a), 4(b) and 4(c). The Chairman of the AGM intends to vote all available proxies in favour of resolutions 4(a), 4(b) and 4(c).

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