

# Board Implementation Committee Terms of Reference

Approved: 25 June 2024

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**PERPETUAL LIMITED**  
**BOARD IMPLEMENTATION COMMITTEE**  
**TERMS OF REFERENCE**

## **1. OBJECTIVE**

- 1.1. On 8 May 2024, Perpetual Limited announced that it had entered into a scheme implementation deed (SID) with an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR) pursuant to which KKR will acquire Perpetual's Corporate Trust Business and Wealth Management Business by schemes of arrangement (the **Transaction**).
- 1.2. The Board Implementation Committee (**Committee**) is a delegated sub-committee of the board of directors of Perpetual Limited (**Perpetual**) (**Board**). The purpose of the Committee is to assist the Board in directing and monitoring various activities associated with the Transaction.
- 1.3. The current focus of the Committee is:
  - the separation of the Wealth Management and Corporate Trust businesses from the remainder of Perpetual; and
  - implementation of the Transaction.
- 1.4. The Committee will provide the Board with updates and recommendations in respect of the implementation of the Transaction and such additional information and materials necessary to make the Board aware of matters requiring its attention.
- 1.5. The Committee may, within the scope of its responsibilities:
  - a) perform activities, provide advice and make recommendations to the Board consistent with these Terms of Reference;
  - b) engage independent counsel and other advisors as it considers necessary to carry out its duties at Perpetual's expense;
  - c) require the attendance of company officers at meetings as appropriate; and
  - d) have unrestricted access to management, employees and information it considers relevant to its responsibilities under these Terms of Reference.
- 1.6. The Committee has no operational role.

## **2. MEMBERSHIP**

- 2.1. Committee members are appointed by the Board. The Committee will consist of:
  - a) a minimum of three members;
  - b) all of whom are Non-executive Directors of the Board; and
  - c) all of whom are Independent Directors.
- 2.2. The Board also appoints the Chair of the Committee, who must be an Independent Director.
- 2.3. The Secretary of the Committee will be the Company Secretary of Perpetual, or such other person as nominated by the Board.
- 2.4. The Committee will be assisted and advised by the Board's Independent Legal Advisor.

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### 3. MEETINGS

- 3.1. The Committee will meet formally once a month, or otherwise as agreed, and the schedule of meetings will be agreed in advance.
- 3.2. Special meetings may be convened as required or requested by a Director of the Board.
- 3.3. The number of times the Committee meets and the individual attendance by members at Committee meetings will be disclosed in Perpetual's Annual Report.
- 3.4. A quorum is two Independent, Non-executive Director members of the Committee.
- 3.5. Committee attendees:
  - a) the Chief Executive Officer and/or their delegate, and will be invited to attend all meetings, unless otherwise determined by the Committee;
  - b) the Chief Financial Officer will be invited to attend all meetings;
  - c) the Separation Committee Chair (who is the Separation Program sponsor and lead and whose role is the Executive General Manager, Separation) will be invited to attend all meetings;
  - d) the Implementation Committee Chair (who is the Implementation sponsor and lead and whose role is the Chief Risk and Sustainability Officer) will be invited to attend all meetings;
  - e) the Separation Program Director will be invited to attend sections of meetings relevant to them;
  - f) the Transaction Completion Workstream Lead (Project Manager) will be invited to attend sections of meetings relevant to them;
  - g) Separation Committee Workstream members, Implementation Workstream members and Subject Matter Experts will be invited to attend as required; and
  - h) Independent advisors including, without limitation, Goldman Sachs, BofA Securities, Luminis, Pricewaterhouse-Coopers and Herbert Smith Freehills, will be invited to attend as required.
- 3.6. The agenda and supporting papers should be delivered to the Committee members by the Committee Secretary at least four business days in advance of each meeting.
- 3.7. Draft minutes of each Committee meeting are to be approved by the Committee Chair and circulated to all Committee members by the Committee Secretary within a reasonable timeframe following the Committee meeting.
- 3.8. Once the minutes have been approved by the Committee, the Committee Secretary will advise the Board at the next Board meeting that the minutes have been approved. The Committee Secretary will advise that a copy of the approved minutes are available on Diligent (the Board portal used by Perpetual to distribute Board meeting materials).
- 3.9. Minutes are not a verbatim recording of the meeting but should accurately record the Committee's discussions, any key issues relating to the Implementation and actions arising, including matters for escalation to the Board.
- 3.10. The actions arising from each Committee meeting will be approved by the Committee Chair and are noted in the minutes. The Committee Secretary will develop an action list and it will be included in the Committee pack for each Committee meeting.
- 3.11. The action list will include accountabilities and the nature and timing of subsequent reporting.
- 3.12. Reports and other papers of the Committee shall be made available to all Directors upon request, provided no conflict of interest exists.
- 3.13. Other members of the Board are invited to Committee meetings under a standing invitation.
- 3.14. Meetings may be held using any technology agreed to by all Committee members.

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## **4. RESPONSIBILITIES**

4.1. The responsibilities of the Committee are:

- a) general oversight of the implementation of the Transaction, including, but not limited to:
  - a. consideration of capital returns to shareholders (including separation costs, tax, self-insurance and insurance, and liabilities);
  - b. progress of the scheme implementation, including ongoing satisfaction of conditions precedent, company restructure and demerger, scheme booklet, extraordinary general meeting and scheme vote progress;
  - c. Separation Program and Implementation progress (including organisational change impacts and transaction services agreement execution);
  - d. oversight of engagement with regulators and the Australian Tax Office associated with the Transaction;
  - e. reviewing Separation Program and Implementation documents and any other material that sets out the progress of implementation against agreed plans; and
  - f. Risk identification and resolution of issues associated with the above;
- b) reviewing any assurance and health checks of the Transaction provided by independent third parties and ensuring management appropriately actions any such findings;
- c) receiving and reviewing any Internal Audit reports that relate to the implementation of the Transaction;
- d) providing feedback on any material funding requests, proposed changes to the plans, documents, policies and procedures, where Board approval is required;
- e) escalating to the Board any matters the Committee believes may lead to delays in implementation of the Transaction or where there are material deviations by management from the implementation plan; and
- f) performing such other duties as may be requested by the Board from time to time to ensure successful implementation of the Transaction.

## **5. GENERAL**

5.1. The Committee will carry out any other responsibilities and functions that may be delegated by the Board.

## **6. REPORTING RESPONSIBILITIES**

6.1. The Committee will, through its Chair, regularly update the Board about matters relevant to the Committee's role and responsibilities and make appropriate recommendations for approval by the Board.

## **7. EVALUATING PERFORMANCE**

7.1. In order to ensure that the Committee is fulfilling its duties to Perpetual and its shareholders, the Committee will periodically:

- a) obtain feedback from the Board on the Committee's performance and implement any agreed actions; and
- b) provide any information the Board may request to facilitate its review of the Committee's performance.

## **8. REVIEW OF TERMS OF REFERENCE**

8.1. The Committee will review the Committee's Terms of Reference periodically, discuss any required changes with the Board and make recommendations for amendments to the Board for approval.

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## About Perpetual

Perpetual Limited (“Perpetual”) is an ASX listed (ASX:PPT) global financial services firm operating a multi-boutique asset management business, as well as wealth management and trustee services businesses.

Perpetual owns leading asset management brands including Perpetual, Pental, Barrow Hanley, J O Hambro, Regnan, Trillium and TSW.

Perpetual’s private wealth business services high-net worth clients, not for profits, and small businesses through brands such as Perpetual Private, Jacaranda Financial Planning and Fordham.

Perpetual’s corporate trust division provides services to managed funds, the debt market and includes a growing digital business, encompassing Laminar Capital.

Headquartered in Sydney, Perpetual services its global client base from offices across Australia as well as internationally from Asia, Europe, the United Kingdom and United States.

[perpetual.com.au](https://perpetual.com.au)