Perpetual Limited

Risk Management Framework

July 2024

Classification: Public

Perpetual

CONTENTS

COMMITMENT TO RISK MANAGEMENT

Perpetual's vision is to be the 'most trusted in financial services' which sets the tone for Perpetual's growth strategy and the way Perpetual does business across its global footprint. To support the delivery of sustained growth, built on trust, Perpetual is committed to managing its key risks as part of doing business through robust corporate governance, embedding risk management into decision-making processes and business practices.

Perpetual's commitment to managing its key risks is reflected in the design, implementation and monitoring of this Risk Management Framework (RMF).

The Perpetual Board (Board) has the ultimate responsibility and commitment to ensure that the organisation has an appropriate RMF in place to ensure risks are identified, assessed and managed effectively. The Board's commitment is reflected through the establishment of, and investment in the Perpetual Risk, Compliance and Internal Audit functions, led by the Chief Risk and Sustainability Officer (CRSO). The CRSO has the mandate to design, implement and monitor this RMF. This commitment is further demonstrated by the formation of the Audit, Risk & Compliance Committee (ARCC), a Board Committee with responsibility for overseeing the design and effectiveness of the RMF.

Irrespective of this, ultimately management are responsible for ongoing ownership and effective management of risks within their business unit and promoting and implementing a culture of risk ownership and management that further reinforces the important role all employees play in managing risk at Perpetual.

SCOPE

This RMF applies to Perpetual Limited and its controlled subsidiaries, collectively referred to as Perpetual.

Perpetual subsidiaries are required to align their local risk and compliance frameworks to this RMF. Perpetual subsidiaries may elect to implement risk framework elements in addition to this RMF, particularly where these subsidiaries are subject to specific regulatory requirements (such as Perpetual Superannuation Limited, J O Hambro Capital Management Limited, Perpetual (Asia) Limited, TSW, Trillium or Barrow Hanley etc.), however these additional elements must uphold the level of risk oversight required by this RMF.

Where Perpetual acts in the capacity of Responsible Entity or as Trustee for investment entities (such as Managed Investment Schemes and Managed Investment Trusts), this RMF is also relevant to the activities that Perpetual undertakes as Responsible Entity or Trustee. While this includes oversight of external parties that support these investment entities (such as external investment managers or administrators), the risk oversight measures set out in this RMF do not fully extend to these external parties. Service provider governance processes are implemented in these instances to provide this oversight and the RE or Trustee must put in place appropriate oversight and monitoring mechanisms to ensure the service providers' risks are managed commensurate with the outsourced services being provided in accordance with this RMF.

This RMF does not specifically apply to Perpetual entities that are not part of the Perpetual Group (such as the Perpetual Equity Investment Company or Mutual Funds), however these entities may elect to adopt this RMF. Where Perpetual Limited or its subsidiary companies provide services to these entities, these services must be subject to the risk oversight measures set out in this RMF.

GOVERNANCE STRUCTURE

The functionality of the RMF is supported by a well-established and embedded governance framework. Key components of which are outlined below:

Perpetual Board (the Board): Responsible, among other things, for monitoring that appropriate processes and controls are in place to effectively and efficiently manage risk, supported by the desired risk culture, so that the strategic and business objectives of Perpetual can be met. In so doing, the Board sets a clear tone from the top regarding risk management. The Chief Executive Officer and Managing Director sits on the Board. All other members of the Board are independent non-executive directors.

The Board Sub Committees referenced below support the Board in fulfilling its risk management and governance obligations. Each committee, except for the Continuous Disclosure Committee, shall be comprised of Non-executive Directors appointed by the Board based on skills and experience relevant to the needs of each committee and on the workload capacity of individual directors.

The Board and its Sub Committees (listed below) meet regularly, are governed by Board Charters and contain appropriately qualified and experienced members.

Audit, Risk & Compliance Committee (ARCC): Responsible for overseeing the RMF and the financial reporting process at Perpetual. The ARCC is also responsible for monitoring overall legal and regulatory compliance. All members of the ARCC are independent non-executive directors.

Investment Committee (IC): Responsible for monitoring the effectiveness of Perpetual's investment governance framework, ensuring management has in place and carries out appropriate investment strategies and processes for investment activities undertaken on behalf of clients and Perpetual.

People and Remuneration Committee (PARC): Responsible for monitoring Perpetual's people and culture policies and practices, ensuring management has in place fair, effective and market competitive remuneration and incentive programs to attract and retain high calibre employees.

Nominations Committee: Recommends nominees for the Board, reviews the size and structure of the Board to ensure that the Board comprises appropriately qualified and experienced people. Also responsible for implementing a formal evaluation process of the Board's performance.

Technology and Cyber Security Committee: Responsible for assisting the Board in fulfilling its oversight responsibilities with respect to the overall role of technology in executing Perpetual's business strategy and in its oversight of cyber security, data privacy and the review and mitigation of technology risks.

Continuous Disclosure Committee: Responsible for ensuring that there is an adequate framework in place for the timely, accurate and balanced disclosure of material information, and the framework continues to operate effectively to facilitate Perpetuals' timely compliance with its continuous disclosure obligations.

Subsidiary Boards: Perpetual Subsidiary boards oversee aspects of risk management relevant to their specific functions and/or geographic location. This includes the boards of regulatory licensed entities and committees of relevant subsidiary companies of Perpetual.

Key management committees, with delegated responsibilities, include the Executive Committee (ExCo), Compliance Committees, Breach Committee and Due Diligence Committees.

Executive Committee (ExCo): Has overall responsibility for developing and implementing Perpetual's strategy, managing the business and workforce. The ExCo is responsible for promoting and overseeing the application of Perpetual's RMF.

Compliance Committees: Responsible for monitoring compliance by the relevant responsible entity with the compliance plan of the relevant scheme and reporting its findings to the board of the responsible entity.

Breach Committee (Australia only): Responsible for determining whether issues reported to it constitute a breach, determining appropriate action to be taken in respect of an issue reported to the Committee, authorising the reporting of a reportable breach to ASIC and/or APRA; undertaking any specific tasks referred to it by the boards of any Perpetual Group entity. The Breach Committee does not have responsibility for the determination and reportability of breaches arising in Pendal Australian entities. These breaches are sent to the Breach Committee for noting purposes only.

Due Diligence Committees: Responsible for overseeing due diligence and verification processes in respect of public disclosure documents (PDS). The primary objective is to ensure, as far as practicable, that PDSs comply with the Corporations Act and do not contain misleading or deceptive statements or omissions.

CORE COMPONENTS OF THE RMF

The below diagram summarises the core components of Perpetual's RMF and their function in ensuring risks are identified, assessed, managed and reported effectively, reflective of Perpetual's enduring commitment to a strong risk culture, starting from the 'tone at the top' and permeating throughout our organisation. These core components aim to foster an environment of considered risk taking built on understanding, ownership and accountability aligned to Perpetual's values and do what's right in safeguarding Perpetual's trusted brand and reputation.
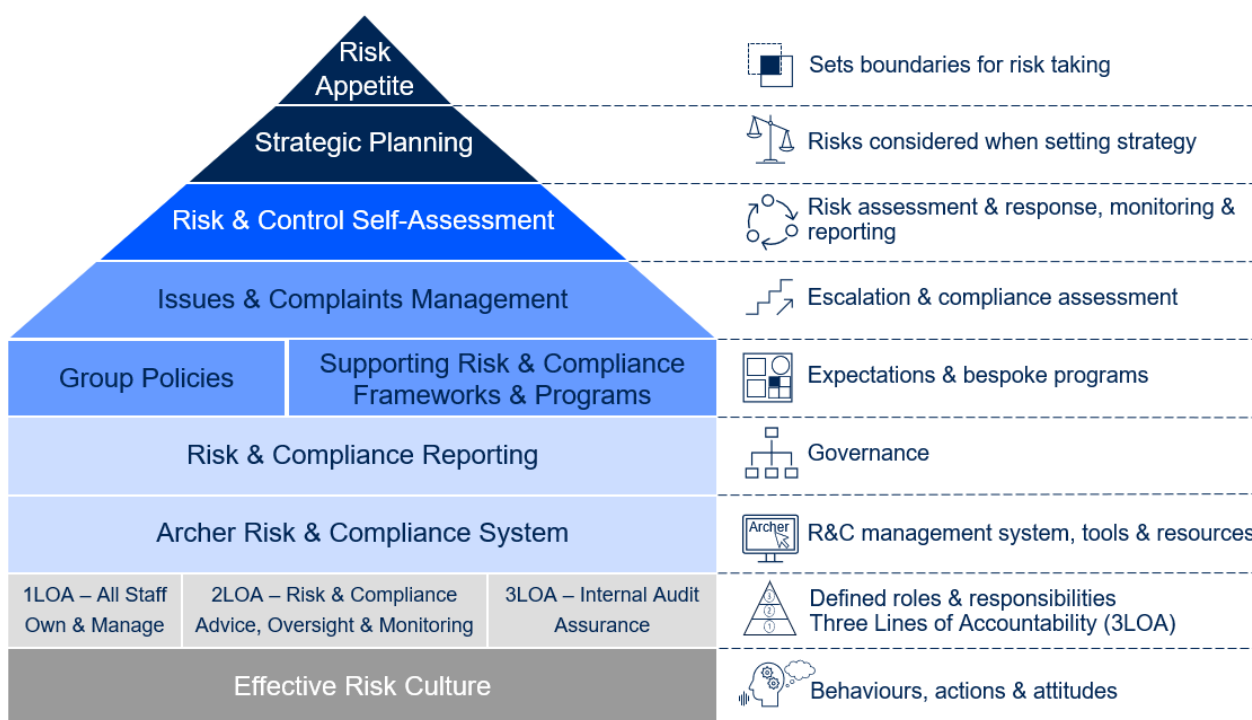
RISK APPETITE STATEMENT (RAS)

The Board's expectations regarding the consideration of risk in decision making processes and expected behaviours are outlined in Perpetual's RAS.

The RAS sets out the Board's position in relation to each of Perpetual's material risk categories (defined later in this RMF) and articulates the expected behaviours, metrics and tolerances that management are to take into account when setting and implementing strategy and running their day to day areas of responsibility. Whilst risk limits and measures are incorporated into business plans and budgets, the RAS identifies boundaries beyond which management should not venture, unless specifically approved by the Board.

RISK CULTURE

Risk culture is ultimately a reflection of our collective attitudes and repeated behaviours and actions towards risk, starting from the 'tone at the top' and permeating throughout our organisation. It is our shared approach to how we embed risk into Perpetual's decision-making processes and risk management into business practices. Perpetual is committed to promoting an effective risk culture, one that creates an environment of risk awareness and responsiveness. The Board oversees the assessment of risk culture in order to form a view, identify desirable changes and ensure steps are being taken to address these changes. The ARCC is responsible for the oversight and monitoring of Perpetual's risk culture framework. The CRSO has primary responsibility for the maintenance, implementation and reporting of the framework.

Promoting an effective risk culture helps to ensure all employees:

- Exhibit the right values, beliefs and actions in relation to identifying and managing risk,
- Take ownership of risk, and
- Manage risk in an effective and efficient manner.

The key elements of an effective risk culture at Perpetual are described in the table below.

Element	Description
Clear and established accountabilities across the 'Three Lines of Accountability'	Clearly defining who is responsible and accountable for managing risk, and how across Perpetual's Three Lines of Accountability, is fundamental to ensuring risk is managed appropriately.
	Accountability and ownership are key drivers in both the establishment and maintenance of an effective control environment and management of risk.
	Defining ownership is therefore essential and at Perpetual, the Board and ARCC look to management to own and effectively and efficiently manage the risk within their business unit. The Risk team partners with the business and provides the framework, tools, advice and assistance that enables business units to effectively manage risk.
	All employees own risk in their areas of responsibility and play a role in identifying and managing risk more broadly across the organisation.
Timely identification and management of risks	For risk to be managed efficiently and effectively it is essential that risk is identified and managed in a timely manner.
	All employees must be proactive, not reactive and consideration of risk must be embedded into day to day decision making processes and business practices. If risks are not identified or managed in a timely manner, not only does it demonstrate a lack of responsiveness, it may result in relatively insignificant risks becoming material. Care should be taken to ensure sound record keeping, supporting management of risks, including events (such as issues, complaints or audit findings) that may give rise to risks.

Element	Description
Early escalation of issues and complaints, supported by sound record keeping	Early escalation and recording of issues and complaints is demonstrative of a culture that attempts to manage risk responsively.
	Early escalation is critical as it promotes visibility of issues and complaints and enables them to be addressed in a timely, effective and responsive manner. The earlier issues and complaints are escalated, the quicker they can be assessed and actions to address these agreed and implemented, leading to better outcomes for Perpetual and our clients.
	This helps to ensure that issues and complaints are managed proactively, effectively and efficiently and allows the downside or consequences of risk to be managed and potentially minimised. It also ensures greater transparency and allows key stakeholders, such as the Board and ARCC, to be kept informed. Ensuring timeliness of response to complainants helps to minimise dissatisfaction and mitigate risks that complaints will be escalated or will remain unresolved. Complaints data and themes are analysed and reviewed by management to inform changes and enhancements to operating practices. Sound record keeping facilitates better client and business outcomes.
An encouraging and open environment	For the above to take place, an environment that is open and encourages risk to be discussed and managed as part of the day to day decision making processes is critical.
	It is important that employees feel safe to speak up without fear of retribution, and empowered in raising risks, issues and complaints both within their business unit and elsewhere in the organisation, including through independent channels.
A willingness to learn from mistakes and improve	It is important that a culture exists that seeks to challenge the status quo on how we assess and respond to mistakes in a manner that seeks to understand the root cause and strengthen the controls in place to prevent reoccurrence.
	An environment where employees are not discouraged or punished for reporting or escalating issues or criticised for sharing new ways to better manage risk including after a mistake, is essential to fostering a culture of understanding, accountability and ownership that is built on trust, empowerment and knowledge sharing.

RISK BEHAVIOURS

Employees at Perpetual are expected to act in accordance with Perpetual's Purpose (Enduring Prosperity – for our clients, our people, and the communities within which we live and work) and Values (Excellence, Integrity and Partnership). Perpetual has developed Enterprise Behaviours 'How We Show Up' to articulate the behaviours expected from our people to deliver on our strategy and growth ambitions. These include the behaviours expected to embed our risk appetite and effectively balance risk with opportunity. Perpetual's Purpose, Values and Behaviours emphasise our risk management ethos as to Perpetual's desired Risk Culture. There are four key themes based on which the risk behaviours are measured. These include:

1. Consistently Applies the Risk Management Framework

2. Proactively Identifies and Manages Risk, Issues & Complaints

3. Maintains and Enhances the Control Environment

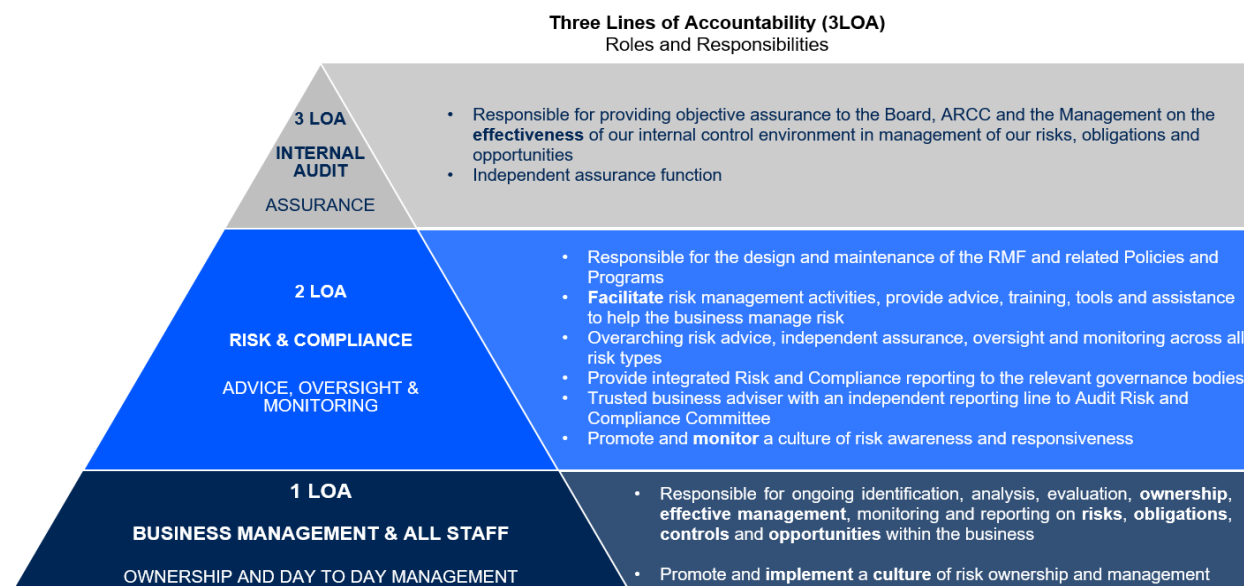4. Proactively Manages Compliance Obligations

Perpetual employees have enterprise level 'How We Show Up' Behaviours and a risk overlay measure embedded within their performance scorecard to ensure that good risk management behaviour is rewarded, and poor risk behaviour has appropriate consequences. Individual performance against these measures is considered when assessing overall performance and incentive payments.

RISK CULTURE / BEHAVIOUR MONITORING AND REPORTING

The effectiveness of Perpetual's risk culture and risk behaviours is assessed through various mechanisms. Where risk culture and risk behaviour monitoring and reporting identify instances where behaviour or practices are not in line with Perpetual's view of an effective risk culture, actions will be implemented to respond to these gaps. These may be associated with group wide or specific divisional gaps.

ROLES AND RESPONSIBILITIES

The Risk Management Framework is underpinned by the 'Three Lines of Accountability model' to implement best practice risk management. In this model the first line, being business unit management, is accountable for the day-to-day identification, ownership and management of risks. Perpetual's Risk and Compliance functions represent the second line and are responsible for reviewing and challenging first line activities. Internal Audit, representing the third line, provides independent assurance, and has an independent reporting line to the Chair of the ARCC. This model is summarised in the diagram below.

Three Lines of Accountability (3LOA)
Roles and Responsibilities

3 LOA **INTERNAL AUDIT** ASSURANCE	• Responsible for providing objective assurance to the Board, ARCC and the Management on the **effectiveness** of our internal control environment in management of our risks, obligations and opportunities • Independent assurance function
2 LOA **RISK & COMPLIANCE** ADVICE, OVERSIGHT & MONITORING	• Responsible for the design and maintenance of the RMF and related Policies and Programs • **Facilitate** risk management activities, provide advice, training, tools and assistance to help the business manage risk • Overarching risk advice, independent assurance, oversight and monitoring across all risk types • Provide integrated Risk and Compliance reporting to the relevant governance bodies • Trusted business adviser with an independent reporting line to Audit Risk and Compliance Committee • Promote and **monitor** a culture of risk awareness and responsiveness
1 LOA **BUSINESS MANAGEMENT & ALL STAFF** OWNERSHIP AND DAY TO DAY MANAGEMENT	• Responsible for ongoing identification, analysis, evaluation, **ownership**, **effective management**, monitoring and reporting on **risks**, **obligations**, **controls** and **opportunities** within the business • Promote and **implement** a **culture** of risk ownership and management

1ST LINE

Business Management: Hold primary accountability for risk management at Perpetual. Responsible for identifying, analysing, managing, monitoring and reporting all relevant risks within their business. Management have day to day responsibility for ensuring that all risks under their control are effectively managed. All risks, issues and complaints are required to be recorded in Perpetual's risk management system (Archer) to allow for appropriate oversight by the business and management. Business management refers to management within the operating and support divisions / enabling functions.

2ND LINE

Risk, Compliance and Client Advocacy teams represent Perpetual's Second Line of Accountability.

Risk and Compliance: Responsible for the design, maintenance and monitoring of the RMF. Provide the risk and compliance frameworks, programs, policies, systems, tools, advice and assistance which enables business units and management to proactively identify, assess and manage risk and ensure compliance with the regulatory environment in which they operate; and through advice, oversight, monitoring and reporting, provides key boards, committees and management with a view of the effectiveness of risk management activities.

Client Advocacy: Responsible for oversight of all complaints received about Perpetual's businesses and for ensuring the complainants obtain the assistance they need to have their complaint heard, investigated and resolved fairly. The role of Client Advocacy is performed by a dedicated team in Australia and by the local Risk and Compliance leads for all other locations.

3RD LINE

Internal Audit: Provides independent, objective assurance to the Board, the ARCC and management regarding the effectiveness of the internal control environment. Internal Audit also provides control related consulting services designed to improve Perpetual's operations, helping to assess whether there is an appropriate balance between risk and control, in line with Perpetual's risk appetite.

OTHER LARCCS ENABLING TEAMS

Whilst the Risk, Compliance, Client Advocacy and Audit teams above represent Perpetual's Second and Third Lines of Accountability, other teams in LARCCS (Legal, Audit, Risk, Compliance, Company Secretariat & Sustainability) also play a role in managing risk at Perpetual, summarised below.

Legal: Provides timely and commercially focused legal advice to business units, to ensure the organisation's legal risk is effectively managed globally. The team also aid in the implementation of effective corporate governance structures and processes.

Company Secretariat and Governance: Accountable for implementation of effective global and local corporate governance structures and processes to ensure Perpetual and its subsidiary companies comply with relevant legislation and regulation to ensure both companies and their directors operate within the law.

Office of the Superannuation Trustee (Australia only): Assists the PSL Board in discharging its fiduciary obligations, particularly with regard to considering and acting in the best financial interests of members. The OST is responsible for overseeing and monitoring the related party service providers including Perpetual Limited who provide risk and compliance services to PSL.

Sustainability: Accountable for delivery of Perpetual's sustainability strategy and monitoring, oversight and reporting of sustainability commitments; ensuring compliance with relevant regulation and disclosure (e.g. Modern Slavery Act); and supporting our businesses to effectively manage sustainability-related risks in collaboration with other LARCCS teams.

RISK CATEGORIES

To form a portfolio view of risk, Perpetual has defined the following risk categories:

Risk Category	Definition
Strategy and Execution	Risk arising from adverse strategic decisions, improper implementation of strategic decisions, a lack of responsiveness to industry changes or exposure to economic, market or demographic considerations that results in a poorly designed and/or executed strategy impacting our market position and client value proposition.
Management of Change	Risks arising from ineffectively managing the portfolio of change and/or the design and execution of delivering and embedding change associated with Perpetuals strategic priorities and/or business initiatives. Risk includes impacts to the realisation of benefits; and/or ability to deliver change initiatives to plan or expectations; and/or unintended consequences for our people, clients and/or business.
People	Risk arising from an inability to attract, engage, mobilise and/or retain experienced, quality people at appropriate levels to execute business strategy, particularly in investment management roles. Risk arising from an inability to safeguard our people, clients and suppliers from work health and safety (WH&S) issues with potential detrimental impact. (Risks associated with staff deviations from business policy/procedures/rules and/or expected behaviours are captured in Conduct Risk).
Financial, Market and Treasury	Risk that the strength of Perpetual's balance sheet, profitability or liquidity are inadequate for its business activities. Risk that Perpetual breaches its regulatory, legal, tax and/or financial reporting obligations. Risk includes incorrect interpretation of requirements across jurisdictions resulting in inappropriate financial accounting, reporting, lodgements and transfer pricing risk or related disclosures. Exposure to, or reliance on, revenue streams linked to equity markets resulting in potentially volatile earnings (revenue diversity and asset pricing market risk). Impacts on profitability due to currency fluctuations.
Investment	Risk arising from non-adherence to investment style and/or investment governance, ineffective investment strategies and/or inadequate management of investment risks (including market, credit and liquidity) within the funds or client accounts that results in underperformance relative to peers, objectives and benchmarks.
Product and Distribution	Risk that products and client solutions fail to remain contemporary and do not meet clients' expectations resulting in an inability to deliver budgeted fund and revenue inflows. Risk that the design and/or execution of the distribution strategy is ineffective, resulting in a failure to positively identify, engage, retain and grow new and/or existing channels.
Business Resilience, Operational and Fraud	Risk arising from inadequate, failed or disrupted processes, systems or people due to internal or external events. This risk includes employee processing errors, fraud or an event which disrupts business continuity. (Risks associated with failed systems or cyber related are captured in Information Technology and Cyber / Data Security risk categories).
Information Technology (IT)	Risk arising from failed, corrupted or inadequate information systems resulting from inadequate infrastructure, applications, cloud services, IT processes and support. Risk includes (but is not limited to) loss of integrity and availability of critical data as well as business disruption resulting from a failure of technology or IT service provider to meet business requirements.

Risk Category	Definition
Cyber / Data Security	Risk arising from breached information systems resulting from inadequate infrastructure, applications, cloud services, security controls and support. Risk includes (but is not limited to) loss of confidentiality, integrity and availability of sensitive or critical data, or inappropriate retention of data, as well as business disruption resulting from a cyber security event.
Outsourcing	Risk that servicing arrangements and/or services performed by external service providers, including related and third parties, are not appropriate and/or are not managed in line with the servicing contract or operational standards.
Sustainability and Responsible Investing	Risk arising from inadequate or inappropriate integration of sustainability-related considerations in strategic, business and investment decision-making. This includes the risk of not meeting evolving stakeholder expectations, such as products to meet client needs, 'greenwashing' or meeting disclosure requirements.
Compliance and Legal	Risk that Perpetual breaches its regulatory and legal obligations (including licence conditions and client commitments). Risk includes an inability to effectively respond to regulatory change.
Conduct	Risk arising from conduct by Perpetual directors, employees or contractors that is unethical or does not align with our values, our policies, our expected behaviours and the expectations of our internal and external stakeholders.

The list of specific risks above reflects a view of current and historical risks considered material to Perpetual.

RISK MANAGEMENT PROCESS

Risk management processes under this RMF align with the International Standard ISO 31000:2018 'Risk Management Guidelines'. The risk management process is ongoing and iterative as summarised through the below diagram:
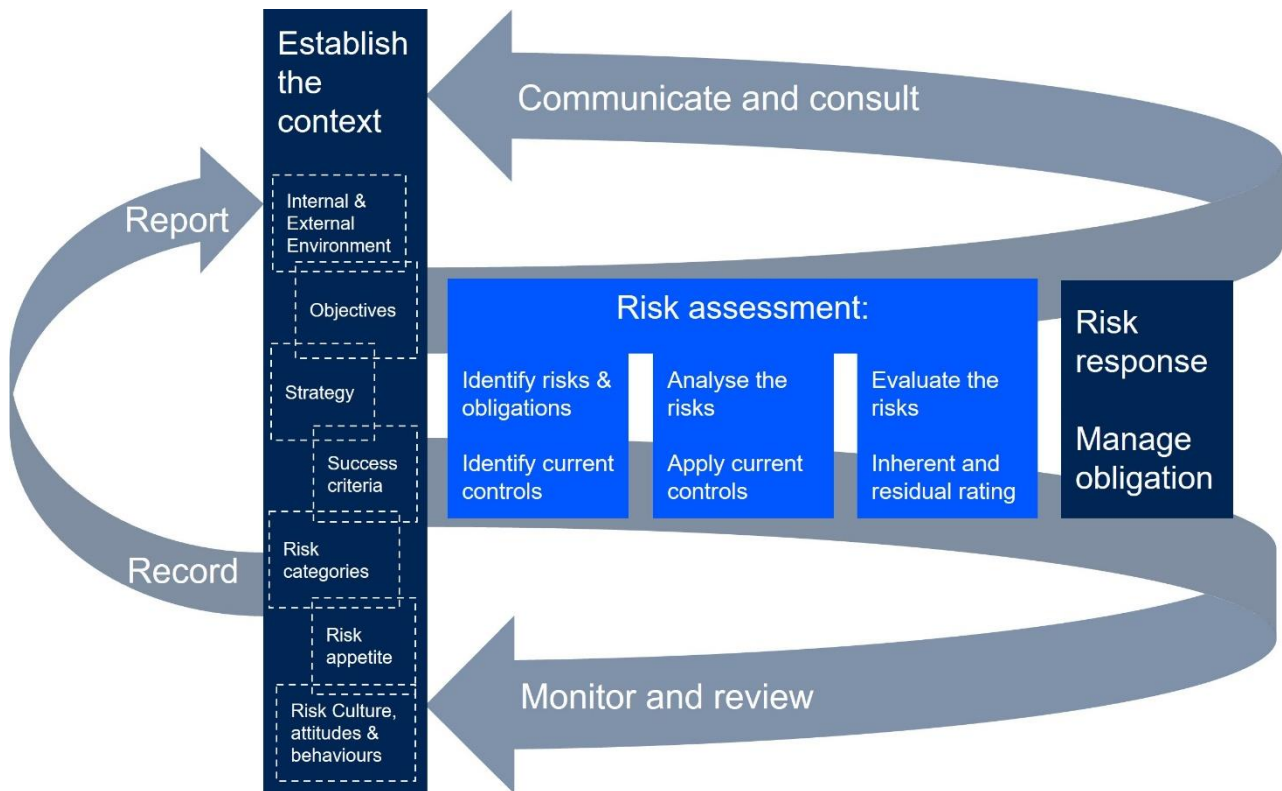
RISK AND CONTROL SELF-ASSESSMENT (RCSA) PROGRAM

The Risk and Control Self-Assessment (RCSA) Program is one of the core components of the RMF and sets out Perpetual's approach to risk and control management, with key risks and controls identified, assessed, managed, monitored and reported in accordance with this Program. The aim of Perpetual's RCSA Program is the effective integration and embedment of risk management into Perpetual's decision-making processes and business practices.

The Program encompasses a number of iterative risk management processes and provides detailed guidance on a number of key risk management activities, including how risk profiling and control self-assessments (control testing) is required to be conducted in line with Perpetual's 'Three Lines of Accountability' model, and outlines how Perpetual's companywide risk system, Archer, supports this activity.

Results from this Program are reported to Business Management, ExCo and ARCC.

MATERIAL BUSINESS RISKS

Key business risks that Perpetual faces are outlined in the Operating and Financial Review provided as part of annual and 6-monthly financial results reporting.

OTHER SUPPORTING FRAMEWORKS, PROGRAMS AND GROUP POLICIES

The following Frameworks, Programs and Group Policies have been developed, implemented and are regularly assessed for effectiveness to support the management of risks and related activities:

Compliance Risk Management Framework: Given the specific nature of compliance risk, a supplementary framework has been developed which describes how Perpetual manages compliance with its legal, professional and regulatory requirements across the group. It outlines the regulatory environment that we operate in and our approach to compliance risk management, it also describes the collection of programs, processes and tools that we utilise to manage regulatory compliance risk including:

- Regulatory Change Management Framework
- Conflicts Management Framework
- Privacy Framework
- Management of Responsible Managers and Persons
- Management of Financial Advisers
- Anti-Money Laundering and Counter Terrorism Financing Program.

Tax Risk Management Framework: Provides guidance on the management of tax risk in jurisdictions in which Perpetual operates.

Treasury Risk Management Program: Documents the agreed responsibilities, approach and mandatory risk parameters for Perpetual Group Treasury with the Board of Directors, with an objective to ensure the treasury activities and related risks arising from the commercial activities of the Perpetual Group are managed in a professional, prudent and cost-effective manner, and are aligned to both the Perpetual Group Risk Appetite Statement and the strategic objectives of Perpetual.

Local Jurisdiction Compliance Programs and Policies: In addition to the Perpetual Compliance Risk Management Framework, a number of local, jurisdictional based compliance programs and policies are in place for Perpetual entities based in the US, UK, Europe and Singapore reflective of the specific regulatory environments in which they operate and are required to comply, including local Anti-Money Laundering and Financial Crime requirements, as applicable.

Modern Slavery Framework: Articulates the programs, processes and tools applied to ensure compliance with the Modern Slavery Act 2018 for Perpetual and any entities it controls, providing a consistent framework to effectively understand, manage, monitor and report on the risks of modern slavery in Perpetual's supply chains and operations.

Issues Management Policy: The Perpetual Group Policy Issues Management documents the framework for the identification, assessment, management and reporting of issues across the organisation. This policy applies to all issues, such as operational issues that may arise on a day to day basis. Issues are assessed and overseen by members of Business Partnering - Risk & Compliance and/or local Risk and Compliance leads overseas, who are responsible for assessing issues in light of the organisation's risk and compliance obligations. All issues are dealt with on a case by case basis, with material issues being reported to the Perpetual ExCo and ARCC.

Complaints Management: The Perpetual Group Policy Complaints Handling sets out the minimum requirements and expectations to be applied when addressing complaints received about Perpetual in Australia, with the policy equivalent in place and tailored for Perpetual entities based in the US, UK, Europe and Singapore. The Policy is designed to ensure that complaints are appropriately and expeditiously addressed as this enables improved client relationships, greater client satisfaction and compliance with requirements under regulatory licenses. Effective and efficient complaints handling also provides insights that can be leveraged to improve the overall quality of services, products and processes. Complaints are

assessed and overseen by a dedicated Client Advocacy team in Australia and by the local Risk & Compliance leads in the US, UK, Europe and Singapore. Complaints and underlying themes are subject to periodic reporting to the Board, ExCo and ARCC.

Controls Assurance Program: Supports the monitoring aspects of the RMF, provides standards and guidance for the conduct of the 2nd Line Controls Assurance activity, which aims to provide independent assurance over the effectiveness of key controls across Perpetual to validate that risks (including compliance risks) are managed effectively.

Business Continuity Planning (BCP) Program: Used to plan for significant interruptions to business activities and protect critical business processes from the effects of major failures or disasters. The Program provides guidance on implementing and maintaining procedures, including business impact assessments, crisis response procedures, and recovery procedures.

IT Risk Management Program: Outlines the specifics of how the RMF and RCSA Program apply to the day-to-day of IT Risk and includes further definitions on the Three Lines of Accountabilities, management of IT risk in change and supply chain IT controls assurance. The Program has been designed as an addendum to the RMF and the RCSA Program.

Information Security (IS) Program: Defines a structure for managing IS, its components and their interrelationships. It further defines security roles and responsibilities and provides a central reference point for all IS activities and related documentation. IS objectives are set out to protect Perpetual from any adverse impact on its reputation and operations arising from failures of confidentiality, integrity and availability of information and systems.

Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program: Articulates Perpetual's primary approach to managing compliance obligations in respect of Australian AML/CTF legislation, and to minimise the potential for products and services to be used for money laundering or terrorism financing (ML/TF) purposes. The Program applies to Perpetual and its subsidiaries globally. It defines the roles and responsibilities for day-to-day management of ML/TF related risks, including how risks are identified, mitigated and managed using the risk management tools, supporting systems, policies and procedures developed in the Program. Independent assessment and revalidation of the controls owned and implemented by management form part of this Program.

Model Governance Program: Specifies requirements for the use of models to ensure model risks are understood and managed appropriately.

Insurance Program: Defines a structure for managing Perpetual's corporate insurance arrangements.

Whistleblowing: Policy and procedures encourage employees to raise concerns with respect to suspected misconduct directly with their manager, independent senior management or via an externally managed hotline. The Policy also sets out the processes to protect whistleblowers who report suspected misconduct.

Fraud Control Program: Sets out Perpetual's approach to identifying and managing the risk of fraud committed within Perpetual (internal fraud), fraud committed by outside parties against Perpetual, or our clients (external fraud) and fraud committed jointly between an Employee and outside party.

Policies and Procedures: Support the workings of the RMF as they communicate risk management expectations. Policies exist at both an organisation and Operating Division level.

RISK AND COMPLIANCE SYSTEM

To support the effective management of risk and compliance obligations, Perpetual has invested in a company wide risk and compliance management system, Archer.

Archer helps the business manage their risk and control environment and forms the basis for operational risk reporting. The system includes a variety of modules that support the management and delivery of:

EVENT MANAGEMENT: Includes Issues, Controls Assurance and Internal Audit Findings, External Findings, Risk Management Action Plans and Control Management Action Plans.

RISK MANAGEMENT: Includes risks, controls, control testing and key risk indicators.

COMPLIANCE MANAGEMENT: Including managed investment scheme compliance plans and other compliance obligations as well as controls and control testing.

COMPLAINTS MANAGEMENT: To capture and track management of complaints.

GOOD VALUE CLAIMS (GVCs): GVCs that result from an Issue are raised through the Event module in Archer. GVCs that result from a complaint are raised through the Complaints module in Archer.

BUSINESS CONTINUITY MANAGEMENT: Supporting the Business Continuity Program.

In addition to Archer, Perpetual has implemented compliance systems globally to assist in managing personal conflicts for outside business activities, personal trading, gifts and entertainment.

CONTINUOUS IMPROVEMENT

The effectiveness and efficiency of the RMF is overseen on an ongoing basis through supervision of the Board and the ARCC. Dedicated day to day responsibility for the maintenance and improvement of the RMF rests with the CRSO. To ensure ongoing alignment with best practice the RMF is reviewed annually by Risk and independently reviewed on a periodic basis.

All aspects of the RMF may not apply to newly acquired subsidiaries. The RMF is integrated to these businesses over time and status towards integration updated to the Perpetual ARCC periodically.

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, Pendal, Barrow Hanley, J O Hambro, Regnan, Trillium and TSW.

Perpetual's wealth business services high-net worth clients, not for profits, and small businesses through brands such as Perpetual, 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

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