

Perpetual 2024 AGM Report

ASX code	PPT
Meeting date	Thursday, 17 October 2024
Type of meeting	Hybrid
Monitor	Fiona Balzer
Pre AGM-meeting	Yes, with NEDs Nancy Fox and Fiona Trafford-Walker, Chair and Chair-elect of People and Remuneration Committee respectively. Also, Shannon Dooley Global Head of Performance and Reward, Ivor Gibbons Head of Sustainability.

Meeting Statistics

Number of holdings represented by ASA	159
Number of shares represented by ASA	231,473
Value of shares represented by ASA	\$4.5m
Total number attending meeting	Total attendees were 520 online and 133 in person.
Market capitalisation	\$2.4 billion
ASA open proxies voted	On a poll. ASA voted FOR the resolutions excepting the election of Rodney Forrest.

The remuneration report gets the biggest strike this year

In light of the significant strike against the remuneration report (88%), the outgoing chair of the People and Remuneration Committee, Nancy Fox, committed the board to a full review of the remuneration practices in 2025. All the proxy advisers had recommended an against vote, whereas ASA (not a proxy advisor) had on balance vote “for” due to the absence of LTI for the outgoing CEO for the past 5 years and his exclusion from the retention payments. The strike ranks second in the biggest strikes since 2013, behind the 88.4% strike for the National Australia Bank in 2018.

The AGM opened in the usual way with [addresses by the Chair and CEO](#). It was held as a hybrid meeting, and all directors on the podium except for Fiona Trafford-Walker who joined the meeting online from New York. The [webcast](#) of the 3 and half hours AGM is available to watch on the Perpetual website.

The new CEO Bernard (Bern) Reilly gave his first impressions of the company after 6 weeks in the role. He also reported the first quarter of FY25 had seen all three businesses improve including a 3% increase in assets under management for the Asset Management Group, and a moderation in outflows in J O Hambro’s key strategies and an improvement in net flows in the TSW boutique.

The meeting was focused on the forthcoming scheme meeting as mentioned in [our voting intention report](#), and this was equaled by recriminations about the share price and company performance in the past five years. One shareholder labelled the rejection of the non-binding offer

for the shares in 2022 at a higher price, and the disappointing Pental acquisition (and generally overpriced acquisitions) as empire building. This shareholder considered the new strategy was hopeful.

The sale of the Funds Management and Corporate Trust businesses to KKR will be voted on by shareholders in 2025, with the scheme booklet with its Independent Expert Report expected to be released at the end of 2024.

The directors spoke to their re-election and election, and Philip Wagstaff added colour to his bio. highlighting how his asset management distribution specialisation and M&A will contribute to the board and company, how he has met the senior heads of distribution in Europe, US, Asia and Australia.

ASA asked Paul Ruiz, the incoming Chair of the Audit, Risk and Compliance Committee, for his thoughts on tendering the audit given KPMG had been the audit firm for decades (since 1991). And he had been with KPMG up until 2016 when he left the partnership – he receives no ongoing payments from KPMG. He commented that a tender was something to consider and would take it on notice. We supported his election on this basis. After the meeting finished, we had a chat about the cool off period where an audit firm has provided non-audit services, such as with acquisitions, which will exclude some firms from any tender in the short-term, and ASA noted shareholders can understand issues such as this if the issues are made clear to them.

Mr Forrest spoke well and put forward his thoughts on rethinking the sale proposal. Stephen Mayne asked for any additional information on the 13m open proxies for this item, which compared to 1m for all other resolutions. The Chair said he wouldn't speculate on the why. The voting outcome remained similar to the directed proxies with around 2.3m shares or 5% voted in favour. His election was not carried.

Other shareholder questions included:

Why the dividends were not fully franked, and when they would be fully franked. The answer was it would depend on the proportion of earnings that come from and paid tax on in Australia.

Customer issues, potential for secret ballots for shareholders were also raised.

Voter turnout was low with only around 52 m of the 114m shares voted. All resolutions other than the [resolutions mentioned above were carried](#). The board supported directors were elected with for votes ranging from 82.69% to 93.58%, and the grant of hurdled equity to the new CEO received 95.58% for votes.

The scheme meeting documents are the next big thing for shareholders. Soul Patts 13.2m shareholding could well be crucial stake for scheme approval if the voter turnout is no bigger than the AGM (and Soul Patts lodged proxies at the AGM).

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