

**25 August 2022**

## **Perpetual announces the acquisition of Pental to create a global leader in multi-boutique asset management**

- Creating a global leader in multi-boutique asset management with AUM over A\$201 billion across Global, US, UK, European, Asian and Australian equities, Cash and Fixed Interest and Multi Asset strategies
- Combines Pental's strong international and Australian businesses with Perpetual's highly regarded Australian and international asset management brands, world-class ESG capabilities within both firms and Perpetual's high-net-worth wealth management and corporate trustee businesses
- The combined business will materially accelerate both firms' multi-boutique global growth ambitions, with all brands, key investment teams and their investment autonomy retained, expanding the group's capability set and growth potential through a materially enlarged global distribution team
- The acquisition is expected to realise \$60m of annual pre-tax synergies within the first two years<sup>1</sup> and deliver double digit EPS accretion for Perpetual shareholders in the 12 months post implementation<sup>2</sup>. The offer price implies an EV/EBITDA acquisition multiple of 8.3x pre-synergies, 6.7x post synergies<sup>3</sup>
- Pental's Board has unanimously recommended that Pental shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Pental shareholders
- Pental shareholders will receive 1 Perpetual share for every 7.50 Pental shares plus \$1.976 cash per Pental share. The scheme consideration will be reduced by the amount of any final FY22 Pental dividend<sup>4</sup>.
- This offer implies an offer price of \$6.02 for each Pental share based on the last closing share price of Perpetual at 24 August 2022 of \$30.30, or an offer price of \$6.54<sup>5</sup>, representing a 46.0%<sup>6</sup> premium to Pental's closing share price before discussions commenced
- Pro-forma ownership to Perpetual shareholders for the combined group is expected to be 53%
- The acquisition is targeted to be implemented by late calendar year 2022/early 2023<sup>7</sup>

<sup>1</sup> Post the date of implementation and on an annualised basis

<sup>2</sup> EPS accretion on an underlying basis and assumes full run rate synergies. Assumes 31 December 2022 implementation. EPS accretion calculated with reference to broker consensus earnings for both Pental and Perpetual. Note accounting treatment and definitions of UPAT will need to be aligned post transaction

<sup>3</sup> Based on consensus earnings for Pental and Perpetual's closing share price at 24 August 2022 of \$30.30. Enterprise value calculated assuming Pental declares a final FY22 dividend in line with Bloomberg consensus estimates and reported net debt at 31 March 2022

<sup>4</sup> Currently forecast as 22 cents based on Bloomberg 2H22 consensus, as at 24 August

<sup>5</sup> Based on Perpetual's undisturbed share price as at 1 April of \$34.23

<sup>6</sup> Based on Perpetual's and Pental's undisturbed share prices as at 1 April of \$34.23 and \$4.48

<sup>7</sup> Subject to conditions including customary regulatory approvals, relevant client consents and Pental's shareholder vote in favour of the Scheme

Perpetual Limited ("Perpetual") (ASX:PPT) announces today that it has entered into a binding Scheme Implementation Deed ("SID") with Pandal Group ("Pandal") (ASX:PDL) under which Perpetual intends to acquire 100% of shares in Pandal by way of a Scheme of Arrangement ("the Acquisition").

The combination of these two highly aligned businesses will create a leading global asset manager with significant scale, a broad array of high-quality investment strategies, a global leader in ESG investing and a materially enlarged global distribution team, supported by Perpetual's high-quality wealth management and corporate trustee businesses.

The combined group will be better positioned to accelerate future growth through the expansion of investment and distribution capabilities, while providing the scale benefits associated with a significantly enhanced global operating model, delivering greater shareholder value for both Perpetual and Pandal shareholders.

The transaction would see Perpetual's AUM increase from A\$90 billion to pro-forma Assets Under Management ("AUM") of A\$201 billion<sup>8</sup>, with AUM covering Global, US, UK, European and Australian equities, Multi Asset and Cash and Fixed Income strategies.

Tony D'Aloisio, Chairman of Perpetual and who will be Chairman of the combined group said, "We are pleased that Pandal's Board of Directors has unanimously recommended that Pandal shareholders vote in favour of the Scheme, in the absence of any superior proposal and subject to the independent expert's opinion that the scheme is in the best interests of shareholders.

"Our Board and management see this as a defining acquisition that brings together two of Australia's oldest and most respected active asset management brands to create a diversified global asset management business of substantial scale. We believe the combination represents a strategically and financially compelling opportunity for both sets of shareholders, with our respective strategic ambitions realised significantly sooner than would otherwise occur.

"Rob Adams, Chief Executive Officer and Managing Director of Perpetual will lead the combined group and up to three directors of Pandal will be invited to join the Perpetual Board."

Mr Adams said, "The combined group will have premium, respected brands domestically and globally, strong cultural alignment based on the continued investment autonomy within each boutique, will be a global leader in active ESG asset management and will have a materially enlarged global distribution team to drive improved future growth.

"We believe the multi-boutique model that both firms espouse is the ideal model for active asset management, bringing together the strengths of both traditional and pure boutique business models, delivering scale, high-quality investment teams backed by deeply resourced distribution and global governance frameworks. We are delighted with the strong support by Pandal's portfolio managers for the transaction and our model.

"We look forward to working collaboratively with the Pandal team, to supercharge our next growth phase and further enhance shareholder value together."

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<sup>8</sup> Based on 30 June 2022 ending AUM for Perpetual and Pandal

## Perpetual's Offer for Pental Shares

The acquisition will be effected via a share exchange with every 7.50 Pental ordinary shares exchanged for 1 newly issued share in Perpetual and \$1.976 cash per Pental share. This implies an offer of \$6.54<sup>9</sup> per Pental share.

The scheme consideration will be reduced by the amount of any final FY22 Pental dividend<sup>10</sup>.

Based on the undisturbed share price this offer represents:

- a 46.0% premium to Pental's share price at close of 1 April 2022 of \$4.48;
- a 42.6% premium to Pental's 1 month VWAP<sup>11</sup> to 1 April 2022 of \$4.59; and
- a 33.6% premium to Pental's 3 month VWAP<sup>9</sup> to 1 April 2022 of \$4.90.

Based on the last closing share price of Perpetual at 24 August 2022 of \$30.30, the offer implies an offer price of \$6.02 for each Pental share.

Perpetual and Pental shareholders are expected to own approximately 53% and 47% respectively of the combined group shares on closing, based on the current number of shares outstanding.

## Benefits of the Acquisition

### Greater scale

- Combined AUM of over \$201 billion<sup>8</sup> significantly improving market position and brand recognition.
- Combined group would have substantially greater scale, with approximately \$1.4 billion in revenue and ~\$456 million in UPBT<sup>12</sup>.
- Significant expansion in capacity and growth potential across all investment capabilities.
- Increased economies of scale expected to lead to greater efficiency and improved profitability.
- Seed investment pool supporting future investment opportunities.

### Multi-boutique platform with greater growth potential and geographic reach

- Perpetual to retain the Pental, J O Hambro<sup>13</sup>, Regnan and TSW brands, alongside Perpetual, Barrow Hanley and Trillium, maintaining each team's investment autonomy.
- Builds on leadership in ESG – with specialist, best-in-class capabilities embedded across the combined group through Trillium and Regnan.
- More diversified asset management business providing an improved ability to attract flows across various investment styles through market cycles, including growth and value-style strategies while reducing concentration of key capabilities across the combined group.
- Exposure to Perpetual's high-quality wealth management and corporate trust businesses, which generate stable, non-market linked earnings across market cycles.

### Expanded team and enhanced global distribution network

- The combined talent from both companies will create a stronger organisation with employees across 16 locations around the globe.

<sup>9</sup> Based on Perpetual's undisturbed share price as at 1 April of \$34.23

<sup>10</sup> Currently forecast as 22 cents based on Bloomberg 2H22 consensus

<sup>11</sup> 1 month and 3 month VWAPs at 1 April, being the undisturbed share price of Pental

<sup>12</sup> Perpetual financials for 12 months to 30 June 2022 and Pental financials for 12 months to 31 March 2022, including Perpetual group support services

<sup>13</sup> Subject to ongoing licensing

- Diversity of investment strategies will better position the enlarged distribution team to have deeper solutions-based conversations with current and potential clients globally.
- Materially enlarged global distribution footprint providing deeper coverage across key regions and leveraging both companies' global networks to drive flows.

### Financial Benefits

- Targeted annual pre-tax synergies of approximately \$60 million expected to be fully realised two years post implementation<sup>14</sup> (with no impact on key investment teams) with one-off costs to achieve synergies of \$110 million phased with majority incurred over 18 months and other transaction costs of \$40 million.
- Synergies expected to result in material value accretion to both sets of shareholders and deliver double-digit EPS accretion to Perpetual shareholders in the first 12 months post implementation<sup>15</sup> and an attractive premium delivered to Pental shareholders.
- Offer price implies an EV/EBITDA acquisition multiple of 8.3x pre-synergies, 6.7x post synergies, based on full financial year 2022 consensus for Pental<sup>16</sup>.
- Provides increased combined seed capital pool for product and growth strategy investment.

### Governance and Management

Perpetual Limited will be managed by a newly appointed Executive Committee, whose members will report to CEO Rob Adams. A further announcement of the Executive Committee will be made in due course.

The combined group will have a strong international employee presence and senior roles across Europe, US, UK, Asia and Australia.

### Funding

The cash component of the offer<sup>17</sup> totalling A\$757 million, will be funded by a new debt facility. The new debt facility will also re-finance Perpetual's existing debt facility and includes undrawn headroom for liquidity management purposes. As previously indicated, Perpetual will not be raising equity to fund any portion of the cash consideration.

The pro forma leverage is expected to be ~1.7x gross debt/ pro forma EBITDA (~1.3x Net Debt/ pro forma EBITDA) shortly after implementation and below target gearing limits of 30%.

Perpetual expects de-leveraging to occur given the strong cash flow generation of the combined businesses with a clear pathway to 1.2x Gross Debt/ pro forma EBITDA (~0.8x Net Debt) in year 3 post-implementation.

The transaction will not impact Perpetual's publicly stated dividend target range of 60-90% of UPAT.

### Conditions and Implementation Process

The Scheme is subject to customary conditions and approvals including court, regulatory and Pental shareholder approval as well as obtaining an agreed level of Pental client consents.

<sup>14</sup> On an annualised basis

<sup>15</sup> EPS accretion on underlying basis and assumes full run rate of synergies. Assumes December 2022 implementation. EPS accretion calculated with reference to broker consensus earnings for both Pental and Perpetual. Note accounting treatment and definitions of UPAT will need to be aligned post transaction

<sup>16</sup> Based on consensus earnings for Pental and Perpetual's closing share price at 24 August 2022 of \$30.30. Enterprise value calculated assuming Pental declares a final FY22 dividend in line with Bloomberg consensus estimates at 24 August 2022

<sup>17</sup> The scheme consideration will be reduced by the amount of any final FY22 dividend declared or paid by Pental prior to transaction close.

The obligations of Perpetual and Pental regarding the implementation of the Transaction, the deal protections and break fee are agreed and set out in the Scheme Implementation Deed entered into by both parties.

A copy of this Deed is attached to this announcement.

### Timetable

The acquisition is currently expected to close in late calendar year 2022 or early calendar year 2023 following satisfaction of conditions, including Pental shareholder, regulatory and other approvals.

### Investor Briefing

Perpetual will hold an investor briefing to present its results and provide further detail on the Pental acquisition at 11:00am AEST today.

If you would like to join the briefing, please **register in advance** either via the webcast or the teleconference:

Webcast: <https://edge.media-server.com/mmc/p/c5tktp3u>

Teleconference: <https://s1.c-conf.com/diamondpass/10019550-asm222.html>

### Advisers

Goldman Sachs are acting as lead financial adviser to Perpetual. BofA Securities is also acting as a financial adviser. Herbert Smith Freehills is acting as legal adviser to Perpetual.

-ENDS-

### For more information please contact:

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### About Perpetual

Perpetual Limited ("Perpetual") is a global financial services firm operating in asset management, wealth management and trustee services. Perpetual services a global client base from its offices in Australia as well as its international offices in the United States, United Kingdom, the Netherlands and Singapore, as well as a presence in Hong Kong.

As at 30 June 2022, Perpetual had A\$90.4 billion in AUM in Perpetual Asset Management, A\$17.4 billion of FUA in Perpetual Private and A\$1.09 trillion in FUA in Perpetual Corporate Trust.

### About Pental

Pental Group ("Pental") (ASX: PDL) is an independent global investment manager focused on delivering superior investment returns for clients through active management. Pental manages A\$111.0 billion in FUM (as at 30 June

2022) in client assets through J O Hambro UK, Europe & Asia; JOHCM USA; Pandal Australia and Regnan and Thompson, Siegal & Walmsley (TSW).

Pandal operates a multi-boutique style business delivering superior results across a global marketplace through a meritocratic investment-led culture. Its experienced, long-tenured fund managers have the autonomy to offer a broad range of investment strategies with high conviction based on an investment philosophy that fosters success from a diversity of insights and investment approaches.

Listed on the Australian Securities Exchange since 2007 the company has offices in Sydney, Melbourne, London, Prague, Singapore, New York, Boston and Berwyn in the US.

# Scheme Implementation Deed

Dated 25 August 2022

Pendal Group Limited ABN 28 126 385 822 ("**Pendal**")  
Perpetual Limited ABN 86 000 431 827 ("**Perpetual**")

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# Scheme Implementation Deed

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# Scheme Implementation Deed

## Details

Parties	Perpetual and Pental	
Perpetual	Name	<b>Perpetual Limited</b>
	ABN	86 000 431 827
	Address	Level 18 123 Pitt Street Sydney NSW 2000
	Email	CompanySecretary@Perpetual.com.au
	Attention	Company Secretary
	Copy to	Rebecca Maslen-Stannage (Rebecca.Maslen-Stannage@hsf.com)  Malika Chandrasegaran (Malika.Chandrasegaran@hsf.com)
Pental	Name	<b>Pental Group Limited</b>
	ABN	28 126 385 822
	Address	Level 14 2 Chifley Square Sydney NSW 2000
	Email	joanne.hawkins@pentalgroup.com
	Attention	Joanne Hawkins, Group Company Secretary
	Copy to	Robert Kelly (robert.kelly@au.kwm.com)
Recitals	<b>A</b>	Pental and Perpetual have agreed to undertake the Transaction by means of a members' scheme of arrangement under Part 5.1 of the Corporations Act.
	<b>B</b>	At the request of Perpetual, Pental intends to propose the Scheme and issue the Scheme Booklet.
	<b>C</b>	Pental and Perpetual have agreed to implement the Scheme on the terms and conditions of this document.
Governing law	New South Wales	
Date of document	See Signing page	

# Scheme Implementation Deed

## General terms

### 1 Definitions and interpretation

#### 1.1 Definitions

These meanings apply unless the contrary intention appears:

**Active Client Consent Contract** means a form of investment management agreement, investment advisory agreement or investment sub-advisory agreement or other similar agreement (however described) the terms of which provide for automatic termination of the agreement if the consent, agreement or waiver of the relevant client counterparty to the change of control contemplated by the Transaction is not obtained or deemed to be obtained in accordance with the contract or applicable law.

**Active Client Consent Process End Date** means the date on which the final client to an Active Client Consent Contract has provided (or is deemed to have provided) a response that the required consent, agreement and/or waiver either has or has not been obtained in accordance with the terms of the relevant Active Client Consent Contract or relevant law (as applicable).

**Adjusted Pandal Reference FUM** means, at the end of each calendar month, 8.00am on the day after the Active Client Consent Process End Date or as at 5:00pm on the day before the Second Court Date, the Pandal Reference FUM adjusted for all net cash flows (including all additions, redemptions, withdrawals, or deposits of additional funds, or written notices of any of the same) occurring after the Reference Date up to the date of determination as historically defined and accounted for by Pandal Group in disclosures of FUM made to the ASX. For the avoidance of doubt, the calculation of Adjusted Pandal Reference FUM (and any resulting calculation of Pandal Client Consent Management Fee Revenue Run Rate or Pandal Management Fee Revenue Run Rate) will exclude any increase or decrease in assets under management to the extent resulting from market appreciation or depreciation or any fluctuations in the value of any currency (and the Exchange Rate used to calculate the Pandal Reference FUM should be used to calculate Adjusted Pandal Reference FUM), in each case, that occurred after the date of the Pandal Reference FUM and net cash flows will be added or subtracted based on the amount of such flows.

**Adjusted Perpetual Reference FUM** means, at the end of each calendar month or as at 5:00pm on the day before the Second Court Date, the Perpetual Reference FUM adjusted for all net cash flows (including all additions, redemptions, withdrawals or deposits of additional funds, or written notices of any of the same) occurring after the Reference Date up to the date of determination. For the avoidance of doubt, the calculation of Adjusted Perpetual Reference FUM (and any resulting calculation of Perpetual Management Fee Revenue Run Rate) will exclude any increase or decrease in assets under management to the extent resulting from market appreciation or depreciation or any fluctuations in the value of any currency (and the Exchange Rate used to calculate the Perpetual Reference FUM should be used to calculate Adjusted Perpetual Reference FUM), in each case, that occurred after the date of the Perpetual Reference FUM and net cash flows will be added or subtracted based on the amount of such flows.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning set out in section 12 of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to this document.

**ASX** means ASX Limited or Australian Securities Exchange, as appropriate.

**ASX Operating Rules** means the market operating rules of ASX as amended, varied or waived from time to time.

**Authorised Officer** means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this document.

**Business Day** means a business day as defined in the Listing Rules.

**Client Consent Percentage** means the fraction, expressed as a percentage, given by the following formula:

(Pendal Consenting Client Management Fee Revenue Run Rate / Pendal Management Fee Reference Revenue Run Rate)

**Claim** means any claim, demand, legal proceedings or cause of action, including any claim, demand, legal proceedings or cause of action:

- (a) based in contract (including breach of warranty);
- (b) based in tort (including misrepresentation or negligence);
- (c) under common law or equity; or
- (d) under statute (including the Australian Consumer Law (being Schedule 2 of the *Competition and Consumer Act 2010* (Cth) (**CCA**)) or Part VI of the CCA, or like provision in any state or territory legislation),

in any way relating to this document or the Transaction, and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this document.

**Competing Transaction** means any proposal, agreement, arrangement, transaction or expression of interest which, if completed, would:

- (a) mean a person (other than Perpetual or its Related Bodies Corporate or Representatives) would (alone or together with its Associates):
  - (i) directly or indirectly acquire an interest or Relevant Interest in or become the holder of 20% or more of the shares in Pendal (other than as a custodian, nominee or bare trustee); or
  - (ii) otherwise acquire (whether directly or indirectly) or have a right to acquire or have an economic interest in all or a substantial part of the business conducted by, or assets of, the Pendal Group, including by way of sale of assets, sale of shares or joint venture, dual listed company structure or otherwise;
  - (iii) acquire Control of Pendal; or
  - (iv) otherwise acquire or merge (including by a reverse takeover bid, dual listed company structure, scheme of arrangement, capital reduction or other synthetic merger) with Pendal; or
- (b) have the effect that Pendal would, or would be required to abandon, or otherwise fail to proceed with, the Transaction,

For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Transaction will constitute a new Competing Transaction.

**Conditions Precedent** means the conditions precedent set out in Schedule 3.

**Confidentiality Agreement** means the mutual confidentiality deed between Pental and Perpetual dated 13 May 2022 (as amended and restated on 4 July 2022 and subsequently amended).

**Consenting Client** means each client that:

- (a) in respect of the Active Client Consent Contracts, has provided the required consent, agreement and/or waiver (or has been deemed to have given as such) in accordance with the terms of the Pental Client Consent Contract or relevant law (as applicable); or
- (b) in respect of the Passive Client Consent Contracts and any other client contract where the client is not required to provide a consent, agreement and/or waiver under its investment management agreement, investment advisory agreement or investment sub-advisory agreement or other similar agreement with the Pental Group, has not provided notice to the Pental Group terminating the Passive Client Consent Contract.

**Control** has the meaning given in section 50AA of the Corporations Act.

**Controller** has the meaning it has in the Corporations Act.

**Corporations Act** means the Corporations Act 2001 (Cwlth).

**Corporations Regulations** means the Corporations Regulations 2001 (Cwlth).

**Court** means a court of competent jurisdiction under the Corporations Act.

**Deed Poll** means a deed poll substantially in the form of Annexure C to this document.

**Details** means the section of this document headed "Details".

**Disclosure Letter** means the letter between the parties dated on or around the date of this document.

**Disclosure Materials** means:

- (a) any information contained in the Disclosure Letter;
- (b) in respect of Pental, the materials contained in the electronic data room hosted by Intralinks provided by Pental to Perpetual for the purposes of due diligence as at 4pm on 24 August 2022.
- (c) in respect of Perpetual, the materials contained in the electronic data room hosted by Ansarada provided by Perpetual to Pental for the purposes of due diligence as at 4pm on 24 August 2022.

**Effective**, when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**Effective Date** means the date on which the Scheme becomes Effective.

**Election Form** has the meaning set out in clause 4.2(a).

**Election Time** means the date which is five Business Days prior to the Scheme Meeting (unless ASIC requires an earlier date, in which case such earlier date shall apply) or any other date agreed between the parties.

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

**End Date** means 13 June 2023 or such other date as is agreed by Perpetual and Pandal.

**Exchange Rate** means the Australian dollar currency exchange rate applicable to such other currency, as quoted by Bloomberg, that applied at the Reference Date.

**Excluded Claims** has the meaning agreed by Pandal and Perpetual.

**Exclusivity Period** means the period from and including the date of this document to the earlier of:

- (a) the termination of this document in accordance with its terms; and
- (b) the End Date.

**Fairly Disclosed** means, in relation to a matter, disclosed in sufficient detail so as to enable a reasonable person experienced in transactions similar to the Transaction and experienced in a business similar to any business conducted by the Pandal Group or Perpetual Group (as appropriate), to identify the nature and scope of the relevant matter, event or circumstances.

**Financial Advisor** means any financial advisor retained by a party in relation to the Transaction or a Competing Transaction from time to time.

**First Court Date** means the first day on which an application made to the Court, in accordance with paragraph 11 of Schedule 4, for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

**FLE Share** means a notional share in J O Hambro Capital Management Limited allocated under any fund linked equity scheme operated under the Pandal Group Limited & J O Hambro Capital Management Limited Fund Linked Equity Scheme Plan Rules dated 28 July 2021 (and as amended from time to time).

**FUA** means funds under advice.

**FUM** means funds or assets under management.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, including a stock or other securities exchange, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

**Implementation Date** means the fifth Business Day following the Scheme Record Date.



**Incoming Pandal Directors** means the persons nominated by Perpetual to the Pandal Board.

**Independent Expert** means the independent expert appointed by Pandal under paragraph 3 of Schedule 4.

**Independent Expert's Report** means the report from the Independent Expert for inclusion in the Scheme Booklet, including any update or supplementary report, stating whether in the Independent Expert's opinion the Scheme is in the best interests of Pandal Shareholders.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property (other than in its capacity as professional custodian for property in which it does not have an ultimate beneficial title); or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this document); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this document reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Key Management Personnel** has the meaning given to that term in the Corporations Act.

**Liquidated Damages Amount** means the sum of \$23,000,000.

**Listing Rules** means the Listing Rules of ASX Limited.

**Losses** means all claims, demands, damages, losses, costs, expenses and liabilities.

**Maximum Cash Consideration** has the meaning given in the Scheme.

**Maximum Scrip Consideration** has the meaning given in the Scheme.

**Merged Group** means the combination of the Pandal Group and the Perpetual Group, as comprised by Perpetual and its Subsidiaries following implementation of the Scheme.

**Merged Group Facility** means the debt facility arranged by Perpetual for the Merged Group which will continue on foot post implementation of the Scheme.

**New Perpetual Directors** means up to 3 persons nominated by Pental and approved by Perpetual to join the existing Perpetual Board.

**New Perpetual Shares** means fully paid ordinary shares in the capital of Perpetual to be issued under the Scheme.

**Outgoing Directors** means all directors on the Pental Board other than the Incoming Pental Directors.

**Passive Client Consent Contract** means a form of investment management agreement, investment advisory agreement or investment sub-advisory agreement or other similar agreement (however described) the terms of which provides the client counterparty with an express discretionary right to terminate the contract upon, or otherwise with an express right to receive notification of (but not an associated right of termination), or which otherwise expressly contemplates an adverse consequence upon, the change of control contemplated by the Transaction (including where a change of control is a technical breach of the contract).

**Pental Board** means the board of directors of Pental.

**Pental Consenting Client Management Fee Revenue Run Rate** means the calculated annualised gross revenue of the Pental Group derived from management and equivalent fees (excluding, for avoidance of doubt, performance and equivalent fees, and net of rebates, discounts and similar arrangements) under any form of management or services agreement by Pental Group members with a Consenting Client as at 8.00am on the day after the Active Client Consent Process End Date or as at 5:00pm on the day before the Second Court Date (as applicable), calculated as follows:

- (a) the Adjusted Pental Reference FUM (as applicable) only to the extent referable to Consenting Clients as at 8.00am on the day after the Active Client Consent Process End Date or as at 5:00pm on the day before the Second Court Date (as applicable); *multiplied by*
- (b) applicable annual fee rate or fee schedules in the relevant agreement (or, in the case of pooled funds, its effective annualised fee margin for the immediately prior calendar quarter) referable to the components of the underlying FUM or FUA comprising the Adjusted Pental Reference FUM (as applicable) as of the determination time.

**Pental Client Consent Contract** means the Active Client Consent Contracts and the Passive Client Consent Contracts.

**Pental Employee Rights** means:

- (a) an instrument or right, including any performance share right, deferred share right or nil-cost option, or any similar right, which upon vesting or conversion or satisfaction of any condition (as applicable) entitles the holder to have a Pental Share transferred or issued to them;
- (b) any registered, beneficial or other interest held in Pental Shares which is restricted (including as to transferability), potentially subject to forfeiture (including as a result of its holder ceasing to be any employee of the Pental Group during a vesting period) or deferred under the terms of any incentive plan or scheme operated by any member of the Pental Group or any other agreement or arrangement between any member of the Pental Group and any other person;

- (c) any other right, interest, entitlement or claim to the issue or transfer of a Pendal Share (or other security or instrument issued by any member of the Pendal Group), or to have a Pendal Share (or any other security or instrument issued by any other member of the Pendal Group) registered in a person's name, or to the grant of any instrument, right or interest referred to in paragraphs (a) or (b) above, whether under any incentive plan or scheme operated by any member of the Pendal Group or any other actual or purported agreement or arrangement between any member of the Pendal Group and any person (regardless of whether such agreement or arrangement is documented),

excluding:

- (d) any FLE Share;
- (e) TS&W Investment Consideration and TS&W Investment Consideration Performance; and
- (f) any unit or other interest in a Pendal Group fund (that does not give or result in any right or entitlement to a Pendal Share) that may be a Pendal Employee Right pursuant to paragraph (c), but that has been agreed in writing by Perpetual and Pendal in any offer made pursuant to and in accordance with the Pendal Employee Rights Rollover Proposal, whether before or after the date of this document, to vest, be granted, awarded or remain in place following Implementation of the Transaction.

**Pendal Employee Rights Rollover Proposal** means the proposal for certain Pendal Employee Rights (as agreed between the parties), conditional on the Scheme becoming Effective, to on or prior to the Effective Date be:

- (a) vested such that they are or become Pendal Shares that are not subject to vesting requirements or related restrictions; or
- (b) otherwise forfeited, lapsed, cancelled or waived (as applicable) and (where agreed between the parties) upon implementation of the Scheme exchanged for rights to unvested and restricted Perpetual Shares or other unvested equity incentive instruments,

with such proposal to be offered in the manner and in accordance with the steps that have been or may be agreed between the parties.

**Pendal FUM** means, at any time, all FUM (whether held in funds, client portfolios, mutual funds, investment companies, UCITS or otherwise) and all FUA, managed under any form of management or services agreement by any Pendal Group member, as historically defined and accounted for by Pendal Group in disclosures of FUM made to the ASX. It does not include:

- (a) performance and management fees and any accruals made in respect of those fees;
- (b) FUM or FUA in respect of which no Pendal Group member received fees in connection with an associated services or management arrangement;
- (c) for the avoidance of doubt:
- (i) any FUM or FUA attributable to inter-funding arrangements between Pendal Group members; and
- (ii) any other FUM or FUA that, if included within the calculation together with other FUM or FUA, would result in the double counting of FUM or FUA within the Pendal Group,

each of which are typically excluded by the Pendal Group in calculations and disclosures of FUM made by it to the ASX.

**Pendal Group** means Pendal and its Subsidiaries.

**Pendal Indemnified Parties** means Pendal, its officers, employees, and advisers and its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.

**Pendal Information** means all information contained in the Scheme Booklet other than the Perpetual Information, the Independent Expert's Report and any report or opinion prepared by an investigating accountant appointed in respect of the preparation of the Scheme Booklet.

**Pendal Management Fee Reference Revenue Run Rate** means the Pendal Management Fee Revenue Run Rate as at the Reference Date, calculated by reference to the Pendal Reference FUM.

**Pendal Management Fee Revenue Run Rate** means the calculated annualised gross revenue of the Pendal Group derived from management and equivalent fees (excluding, for avoidance of doubt, performance and equivalent fees, and net of rebates, discounts and similar arrangements) under any form of management or services agreement by Pendal Group members in any given calendar month or as at 8:00am on the Second Court Date, calculated as follows:

- (d) the Pendal Reference FUM or Adjusted Pendal Reference FUM (as applicable) as at the end of the calendar month or as at 8:00am on the Second Court Date; *multiplied by*
- (e) the applicable annual fee rate or fee schedules in the relevant agreement (or, in the case of pooled funds, its effective annualised fee margin for the immediately prior calendar quarter) referable to the components of the underlying FUM or FUA comprising the Pendal Reference FUM or Adjusted Pendal Reference FUM (as applicable) as of the determination time.

**Pendal Material Adverse Change** means an event, change, condition, matter, circumstance or thing occurring before, on or after the date of this document (each a **Specified Event**) which, whether individually or when aggregated with all other Specified Events that have occurred, has caused a reduction in the Pendal Management Fee Revenue Run Rate by at least 17.5% compared to the Pendal Management Fee Reference Revenue Run Rate.

**Pendal Permitted Dividend** means any dividend for the financial year ending 30 September 2022 (whether fully franked or otherwise) which is declared or determined or paid by Pendal consistent with its disclosed dividend payout ratio.

**Pendal Prescribed Event** means, except to the extent:

- (a) expressly required or permitted by this document or the Scheme or the transactions contemplated by either;
- (b) Fairly Disclosed in Pendal's Disclosure Materials or in any announcement it has made to the ASX on or after 1 January 2021 but before the date of this document;
- (c) agreed to in writing by Perpetual (such agreement not to be unreasonably withheld or delayed); or

- (d) undertaken in the ordinary course of Pendal's fiduciary capacity as trustee, responsible entity or manager or otherwise on behalf of a third party trust, client portfolio or fund,

any of the events listed in Schedule 2.

**Pendal Reference FUM** means the amount of Pendal FUM (expressed in AUD based on the Exchange Rate) as at the Reference Date.

**Pendal Shareholder** means each person registered in the Register as a holder of shares in Pendal.

**Pendal Shares** means an ordinary fully paid share in the capital of Pendal.

**Perpetual Asset Management Business** means the Perpetual Group business units titled Perpetual Asset Management Australia and Perpetual Asset Management International, collectively.

**Perpetual Board** means the board of directors of Perpetual.

**Perpetual FUM** means, at any time, all FUM (whether held in funds, client portfolios, mutual funds, investment companies, UCITS or otherwise) and all FUA, managed under any form of management or services agreement by any Perpetual Group member, as historically defined and accounted for by Perpetual Group in disclosures of FUM made to the ASX. It does not include:

- (e) performance and management fees and any accruals made in respect of those fees;
- (f) FUM or FUA in respect of which no Perpetual Group member received fees in connection with an associated services or management arrangement;
- (g) for the avoidance of doubt:
  - (i) any FUM or FUA attributable to inter-funding arrangements between Perpetual Group members; and
  - (ii) any other FUM or FUA that, if included within the calculation together with other FUM or FUA, would result in the double counting of FUM or FUA within the Perpetual Group,

each of which are typically excluded by the Perpetual Group in calculations and disclosures of FUM made by it to the ASX.

**Perpetual Group** means Perpetual and its Subsidiaries.

**Perpetual Indemnified Parties** means Perpetual, its officers, employees and advisers, its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.

**Perpetual Information** means the information regarding Perpetual provided by Perpetual to Pendal for inclusion in the Scheme Booklet, being:

- (a) any letter from the chair of the Perpetual Board;
- (b) any information about Perpetual or the Perpetual Group, the businesses of the Perpetual Group, Perpetual's interests and dealings in Pendal Shares, and funding for the Scheme;

- (c) any information regarding the Merged Group, other than any information regarding the Pandal Group provided by Pandal; and
- (d) any other Perpetual information required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations or ASIC Regulatory Guide 60. For the avoidance of doubt, the Perpetual Information does not include information about Pandal (except to the extent it relates to any statement of intention relating to Pandal following the Effective Date).

**Perpetual Major Transaction** means a transaction which, if completed, would mean a Third Party would (alone or together with its Associates):

- (a) directly or indirectly acquire an interest or Relevant Interest in or become the holder of 20% or more of the shares in Perpetual (other than as a custodian, nominee or bare trustee); or
- (b) otherwise acquire (whether directly or indirectly) or have a right to acquire or have an economic interest in all or a substantial part of the business conducted by the Perpetual Group (which for the avoidance of doubt includes, individually, the Perpetual PCT Business, either of the business units which comprise the Perpetual Asset Management Business or the Perpetual Private Business), including by way of sale of assets, sale of shares or joint venture, dual listed company structure or otherwise; or
- (c) acquire Control of Perpetual; or
- (d) otherwise acquire or merge (including by a reverse takeover bid, dual listed company structure, scheme of arrangement, capital reduction or other synthetic merger) with Perpetual; or
- (e) enter into any agreement, arrangement or understanding requiring Perpetual to abandon, or otherwise fail to proceed with, the Transaction.

**Perpetual Reference Revenue Run Rate** means:

- (a) the Perpetual Management Fee Reference Revenue Run Rate; plus
- (b) annualised revenue referable to the Perpetual PCT Business as at the Reference Date; plus
- (c) annualised revenue referable to the Perpetual Private Business (to the extent not already included in (a) above as at the Reference Date).

**Perpetual Revenue Run Rate** means:

- (a) the Perpetual Management Fee Revenue Run Rate; plus
- (b) annualised revenue referable to the Perpetual PCT Business as at the relevant determination time; plus
- (c) annualised revenue referable to the Perpetual Private Business (to the extent not already included in (a) above) as at the relevant determination time.

**Perpetual Management Fee Revenue Run Rate** means the calculated annualised gross revenue of the Perpetual Group derived from management and equivalent fees (excluding, for avoidance of doubt, performance and equivalent fees, and net of rebates, discounts and similar arrangements) under any form of management or services agreement by Perpetual Group members in any given

calendar month or as at 8:00am on the Second Court Date, calculated by multiplying the Perpetual Reference FUM or Adjusted Perpetual Reference FUM (as applicable) as at the end of the calendar month or as at 8:00am on the Second Court Date by applicable annual fee rate or fee schedules in the relevant agreement (or, in the case of pooled funds, its effective annualised fee margin for the immediately prior calendar quarter) referable to the components of the underlying FUM or FUA comprising the Perpetual Reference FUM or Adjusted Perpetual Reference FUM (as applicable) as of the determination time.

**Perpetual Management Fee Reference Revenue Run Rate** means the Perpetual Management Fee Revenue Run Rate as at the Reference Date, calculated by reference to the Perpetual Reference FUM.

**Perpetual Material Adverse Change** means an event, change, condition, matter, circumstance or thing occurring before, on or after the date of this document (each a **Specified Event**) which, whether individually or when aggregated with all other Specified Events that have occurred, has caused a reduction in the Perpetual Revenue Run Rate by at least 17.5% compared to the Perpetual Reference Revenue Run Rate.

**Perpetual PCT Business** means the Perpetual Group business unit titled Perpetual Corporate Trust.

**Perpetual Permitted Dividends** means:

- (a) any dividend for the financial year ending 30 June 2022 (whether fully franked or otherwise) which is declared or determined or paid by Perpetual consistent with its disclosed dividend payout ratio; and
- (b) if Pandal declares, determines or pays the Pandal Permitted Dividend, any dividend in respect of the period from 1 July 2022 to 30 September 2022 which is declared or determined or paid by Perpetual consistent with its disclosed dividend payout ratio.

**Perpetual Prescribed Event** means, except to the extent:

- (c) required or permitted by this document, the Scheme or the transactions contemplated by either;
- (d) Fairly Disclosed in Perpetual's Disclosure Materials or in any announcement it has made to the ASX on or after 1 January 2021 but before the date of this document;
- (e) agreed to in writing by Pandal (such agreement not to be unreasonably withheld or delayed); or
- (f) undertaken in Perpetual's fiduciary capacity as trustee, responsible entity or manager or otherwise on behalf of a third party trust, client portfolio or fund,

any of the events listed in Schedule 1.

**Perpetual Private Business** means the Perpetual Group business unit titled Perpetual Private.

**Perpetual Reference FUM** means the amount of Perpetual FUM (expressed in AUD based on the Exchange Rate) as at the Reference Date.

**Perpetual Shares** means fully paid ordinary shares in the capital of Perpetual.

**Perpetual Sub** means Perpetual Acquisition Company Limited (ACN 163 620 362), a wholly owned direct Subsidiary of Perpetual.

**Protocols** means the competition compliance protocols agreed between Perpetual and Pental.

**Reference Date** means 31 July 2022.

**Register** means the share register of Pental and **Registry** has a corresponding meaning.

**Regulator's Draft** means the draft of the Scheme Booklet in a form acceptable to both parties which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

**Regulatory Approval** means approval of a Regulatory Authority to the Transaction or any aspect of it which Perpetual and Pental agree, acting reasonably, is necessary or desirable to implement the Transaction.

**Regulatory Authority** includes:

- (a) ASX, ASIC and the Takeovers Panel in Australia, the Financial Conduct Authority of the United Kingdom, the Central Bank of Ireland, the Federal Trade Commission in the United States and the Monetary Authority of Singapore and regulatory bodies performing similar functions in other countries;
- (b) a Government Agency;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

**Regulatory Review Period** means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC confirms that it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme.

**Reimbursement Fee** means \$23,000,000.

**Related Body Corporate** has the meaning it has in the Corporations Act.

**Related Person** means in respect of a party or its Related Bodies Corporate, each director, officer, employee, advisor, agent or Representative of that party or Related Body Corporate.

**Relevant Interest** has the same meaning as given by sections 608 and 609 of the Corporations Act.

**Representative** of a person, means any person acting for or on behalf of that person, including any director, officer, employee, agent, contractor or professional advisor of the person.

**Reverse Reimbursement Fee** means \$23,000,000.

**Scheme** means the scheme of arrangement under part 5.1 of the Corporations Act under which all shares in Pental will be transferred to Perpetual Sub substantially in the form of Annexure B together with any amendment or modification made pursuant to section 411(6) of the Corporations Act and agreed to by Perpetual and Pental.



**Scheme Booklet** means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to Pental Shareholders which must:

- (a) include the Scheme, an explanatory statement complying with the requirements of the Corporations Act and notice(s) of meeting and proxy form(s); and
- (b) comply with the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 and the Listing Rules.

**Scheme Meeting** means the meeting to be convened by the Court at which Pental Shareholders will vote on the Scheme.

**Scheme Participants** means in the case of the Scheme, each person who is a Pental Shareholder at the Scheme Record Date.

**Second Court Date** means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

**Scheme Consideration** has the meaning given in the Scheme.

**Scheme Record Date** means 7:00pm on the second Business Day following the Effective Date or such other date as Pental and Perpetual agree.

**Standard Consideration** has the meaning given in the Scheme.

**Subsidiaries** has the meaning it has in the Corporations Act.

**Superior Proposal** means a bona fide Competing Transaction:

- (a) of the kind listed in paragraphs (a)(ii), (a)(iii), (a)(iv) or (b) of the definition of Competing Transaction; and
- (b) not resulting from a breach by Pental of any of its obligations under clause 11,

which the Pental Board, acting in good faith, and after receiving written advice from its legal and Financial Advisors, determines is:

- (c) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (d) more favourable to Pental Shareholders than the Transaction (and, if applicable, than the Transaction as amended or varied following application of the matching right set out in clause 11.6), taking into account all terms and conditions and other aspects of the Competing Transaction (including any timing considerations, any conditions precedent, the identity and reputation of the person proposing the Competing Transaction, funding and other matters affecting the probability of the Competing Transaction being completed).

**Term Debt Facility** means the term loan facility provided in accordance with the syndicated facility agreement between Pental, HSBC Bank Australia Limited, the Northern Trust Company and Westpac Banking Corporation amended and restated on 29 September 2021.

**Third Party** means a person other than Perpetual or its Related Bodies Corporate.

**Timetable** means the timetable for implementation of the Transaction as agreed between the parties.

**Transaction** means the acquisition of the shares in Pendal by Perpetual Sub through the implementation of the Scheme.

**Transaction Implementation Committee** means a committee to be made up of an equal number of representatives from each of Pendal and Perpetual, as agreed between the chief executive officers of each of Pendal and Perpetual from time to time.

**TS&W Investment Consideration** has the meaning given in the TSW LPA.

**TS&W Investment Consideration Performance** has the meaning given in the TSW LPA.

**TSW LPA** means fourth amended and restated agreement of limited partnership of TS&W Investment Holdings LP dated 20 July 2021 between WS&T Investment Holdings GP LLC, Pendal USA Inc. and the Limited Partners (as defined therein), as amended from time to time.

**Working Capital Facility** means the revolving loan facility provided in accordance with the syndicated facility agreement between Pendal, HSBC Bank Australia Limited, the Northern Trust Company and Westpac Banking Corporation amended and restated on 29 September 2021.

## 1.2 References to certain general terms

Unless the contrary intention appears, a reference in this document to:

- (a) **(variations or replacement)** a document (including this document) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this document;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;

- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (m) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (n) **(time of day)** time is a reference to Sydney time; and
- (o) **(reasonably likely)** a reference to something being “reasonably likely” (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

### 1.3 Next day

If an act under this document to be done by a party on or by a given day is done after 5:30pm on that day, it is taken to be done on the next day.

### 1.4 Next Business Day

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

### 1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this document.

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## 2 Agreement to propose and implement Scheme

### 2.1 Pental to propose Scheme

Pental agrees to propose the Scheme on and subject to the terms and conditions of this document.

### 2.2 Agreement to implement Transaction

The parties agree to implement the Transaction on the terms and conditions of this document.

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## 3 Conditions precedent

### 3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of Perpetual under clause 4 are not binding, until each of the Conditions Precedent contained in Schedule 3 are satisfied or waived to the extent and in the manner set out in this clause 3.

### 3.2 Benefit of certain Conditions Precedent

- (a) A Condition Precedent may only be waived in writing by a party entitled to the benefit of that Condition Precedent as noted in the table set out in Schedule 3 and may only be waived by both parties together where it is

expressed to apply for the benefit of both parties. A waiver will be effective only to the extent specifically set out in that waiver.

- (b) A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this clause 3.2 may do so in its absolute discretion.

### 3.3 Waiver of Conditions Precedent

- (a) If either Pendal or Perpetual waives the breach or non-fulfilment of a Condition Precedent in accordance with this clause, then, subject to subclause 3.3(b), that waiver does not preclude that party from suing the other for any breach of this document arising as a result of the breach or non-fulfilment of that Condition Precedent or arising from the same event which gave rise to the breach or non-fulfilment of that Condition Precedent.
- (b) If the waiver of the Condition Precedent is itself conditional and the other party:
  - (i) accepts the condition, the terms of that condition apply notwithstanding any inconsistency with subclause 3.3(a); or
  - (ii) does not accept the condition, the Condition Precedent has not been waived.
- (c) A waiver of a breach or non-fulfilment in respect of a Condition Precedent does not constitute:
  - (i) a waiver of a breach or non-fulfilment of any other Condition Precedent arising from the same event; or
  - (ii) a waiver of a breach or non-fulfilment of that Condition Precedent resulting from any other event.

### 3.4 Reasonable endeavours

Each of Pendal and Perpetual agrees to use reasonable endeavours to procure that each of the Conditions Precedent for which it is a party responsible (as noted in Schedule 3):

- (a) is satisfied as soon as practicable after the date of this document; and
- (b) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (c) there is no occurrence that would prevent the Condition Precedent for which it is a party responsible being satisfied.

### 3.5 Regulatory matters

Without limiting clause 3.4, each party:

- (a) **(Regulatory Approvals and notifications)** must promptly apply for all relevant Regulatory Approvals and make all other notifications to Regulatory Authorities for which they are responsible and take all steps it is responsible for as part of the approval process, including responding to requests for information at the earliest practicable time;
- (b) **(Updates)** must keep the other party informed in a timely manner of progress in relation to each Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements

proposed by, or to, any Regulatory Authority in relation to the Regulatory Approval);

- (c) **(Regulatory Authority)** must use reasonable endeavours to seek to obtain the relevant Regulatory Approvals on an unconditional basis or subject only to conditions which each of Perpetual and Pandal agree to accept (acting reasonably);
- (d) **(representation)** has the right to be represented and make submissions at any proposed meeting with any Regulatory Authority relating to any Regulatory Approval; and
- (e) **(consultation)** must consult with the other party in advance in relation to all material communications (whether written or oral, and whether direct or via a Representative) with any Regulatory Authority relating to any Regulatory Approval (**Communications**) and, without limitation:
  - (i) provide the other party with such information and inputs required to complete any Communications to be sent to a Regulatory Authority as the other party reasonably requires;
  - (ii) provide the other party with drafts of any material written Communications to be sent to a Regulatory Authority, provide the other party or its representatives a reasonable opportunity to comment and make such amendments as the other party reasonably requires; and
  - (iii) provide copies of the final applications and any Communications sent to or received from a Regulatory Authority to the other party promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable to do so.

For the avoidance of doubt:

- (i) neither party is required to disclose commercially sensitive information in relation to the application for a Regulatory Approval to the other party and the party applying for a Regulatory Approval may withhold or redact information or documents from the other party if and to the extent that they are either confidential to a Third Party or commercially sensitive and confidential to the applicant; and
- (ii) the party applying for a Regulatory Approval is not prevented from taking any step (including communicating with a Regulatory Authority) in respect of a Regulatory Approval if the other party has not promptly responded under clause 3.5(e).

### 3.6 Notices in relation to Conditions Precedent

Each party must:

- (a) **(notice of satisfaction)** promptly notify the other of satisfaction of a Condition Precedent and must keep the other informed of any material development of which it becomes aware that may lead to the satisfaction, or breach or non-fulfilment of a Condition Precedent which it is responsible for satisfying;
- (b) **(notice of failure)** immediately give written notice to the other of a breach or non-fulfilment of a Condition Precedent which it is responsible

for satisfying, or of any event which will prevent a Condition Precedent being satisfied;

- (c) **(scheme meeting or second court date)** where it considers that a Condition Precedent (for which the other party is responsible for satisfying) may not be satisfied by the Scheme Meeting or the Second Court Date, promptly give the other party notice.

### 3.7 Applications to Court

- (a) If the Condition Precedent in paragraph 2 (Scheme approval) of Schedule 3 is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice to the other within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If approval is given, the Condition Precedent in paragraph 2 (Scheme approval) of Schedule 3 is deemed to be satisfied for all purposes.

### 3.8 Consultation on failure of Condition Precedents

If:

- (a) subject to clause 3.7, there is a breach or non-fulfilment of a Condition Precedent which is not waived in accordance with this document by the time or date specified in this document for the satisfaction of the Condition Precedent;
- (b) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this document for the satisfaction of the Condition Precedent (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this document); or
- (c) if the Scheme has not become Effective by the End Date,

then either party may give the other party written notice (**Consultation Notice**) within 5 Business Days after either (i) a relevant notice being given under clause 3.6(b) or, if the Scheme has not become Effective by the End Date, (ii) the End Date, and the parties must consult in good faith to consider and if agreed:

- (d) determine whether the Transaction may proceed by way of alternative means or methods;
- (e) defer the Second Court Date, and, if thought desirable, the Scheme Meeting, until such time (being not later than the Business Day before the End Date in respect of the Second Court Date) as reasonably required to enable the relevant Condition Precedent to be satisfied;
- (f) determine to proceed with the Second Court Date on the basis that one or more of the outstanding Condition Precedent may form a condition subsequent to the Scheme (along with any associated amendments required to this document); or
- (g) extend the End Date.

### 3.9 Failure to agree

If the parties are unable to reach agreement under clause 3.8 within 5 Business Days after the date on which the Consultation Notice is given (or any shorter period ending at 5:00pm on the day before the Second Court Date):

- (a) subject to subclause 3.9(b), either party may terminate this document (and such termination will be in accordance with clause 16.1(f)(i)); or
- (b) if a Condition Precedent may be waived and exists for the benefit of one party only, that party only may waive that Condition Precedent or terminate this document (and such termination will be in accordance with clause 16.1(f)(ii)),

in each case before 8.00am on the Second Court Date. For the avoidance of doubt, nothing in this clause 3.9 affects the obligation of Pandal to pay the Reimbursement Fee, or the obligation of Perpetual to pay the Reverse Reimbursement Fee, if it is required to do so under clause 12 or clause 13 (as applicable). A party will not be entitled to terminate this document pursuant to this clause 3.9 if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of a breach of this document by that party (although in such circumstances the other party may still terminate this document).

### 3.10 Regulatory Approval

A Regulatory Approval will be regarded as having been obtained notwithstanding that a condition or conditions may have been attached to that Regulatory Approval if that condition is agreed by Pandal and Perpetual (acting reasonably) in accordance with clause 3.5(c).

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## 4 Transaction steps

### 4.1 Scheme Consideration

- (a) The Scheme Consideration to be provided in respect of each Pandal Share is as described in the Scheme.
- (b) Each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Pandal Share held by that Scheme Participant, in accordance with the terms of this document, the Scheme and the Deed Poll. Such Scheme Consideration will be received in the form of either the Maximum Cash Consideration, the Maximum Scrip Consideration or the Standard Consideration, in accordance with the election process outlined in clauses 4.2 and 4.3 and in the Scheme.
- (c) Subject to clauses 3.1 and 16 and the terms of the Scheme, Perpetual undertakes and warrants to Pandal that, in consideration for the transfer to Perpetual Sub of each Pandal Share held by a Scheme Participant under the terms of the Scheme, on the Implementation Date Perpetual will:
  - (i) procure that Perpetual Sub will accept that transfer; and
  - (ii) provide to each Scheme Participant the Scheme Consideration for each Pandal Share in accordance with the terms of this document, the Scheme and the Deed Poll.

### 4.2 Scheme Consideration election mechanism

- (a) Pandal must ensure that the Scheme Booklet sent to Pandal Shareholders is accompanied by a form of election (**Election Form**) under which each Pandal Shareholder is requested to elect to receive

either Maximum Cash Consideration, Maximum Scrip Consideration or Standard Consideration in respect of all of their Pendal Shares, and which sets out the election process, including that if no election is made the Pendal Shareholder will be taken to have elected to receive Standard Consideration.

- (b) The Election Form must include the relevant matters set out in the Scheme and must otherwise be in a form agreed by the parties in writing.
- (c) Pendal must procure that, to the extent practicable, Pendal Shareholders who acquire Pendal Shares after the date of the despatch of the Scheme Booklet and Election Form receive an Election Form on request to Pendal.

#### **4.3 Provision of election updates and Pendal Share information**

- (a) In order to facilitate the provision of the Scheme Consideration, Pendal must provide, or procure the provision of, to Perpetual:
  - (i) reasonable written updates of the elections that have been received in the period up to the Election Time;
  - (ii) written details of the final elections made by each Scheme Participant, within one Business Day after the Election Time; and
  - (iii) a complete copy of the Pendal Share Register as at the Scheme Record Date (which must include the name, registered address and registered holding of each Pendal Shareholder as at the Scheme Record Date), within one Business Day after the Scheme Record Date.
- (b) The details and information to be provided under clause 4.3(a) must be provided in such form as Perpetual may reasonably require.

#### **4.4 Pendal Employee Rights**

- (a) Pendal and Perpetual agree to use their respective best endeavours to implement the Pendal Employee Rights Rollover Proposal by taking all actions contemplated by the Pendal Employee Rights Rollover Proposal.
- (b) Without limiting clause 4.4(a), Pendal must ensure that, by no later than 5:00pm on the Effective Date:
  - (i) there are no outstanding Pendal Employee Rights; and
  - (ii) all FLE Shares will be convertible into (restricted and unvested) Perpetual Shares rather than Pendal Shares.
- (c) In order to comply with its obligation under clause 4.4(b), Pendal must, in accordance with the Pendal Employee Rights Rollover Proposal to the extent it is determined by Perpetual and Pendal that any Pendal employee should be subject to an offer under the Pendal Employee Rights Rollover Proposal and the relevant employee accepts an offer under the Pendal Employee Rights Rollover Proposal in respect of its Pendal Employee Rights, but otherwise at the discretion of the Pendal Board:
  - (i) cause some or all of the outstanding Pendal Employee Rights to vest and, following such vesting, cause the relevant number of shares in Pendal to be transferred in sufficient time to allow the



relevant former holders of the relevant Pandal Employee Rights to participate in the Scheme; and

- (ii) take such action as may be necessary to forfeit, cause to lapse or cancel (as applicable), on or before the Effective Date, any outstanding Pandal Employee Rights which it does not cause to vest in accordance with clause 4.4(c)(i).

#### **4.5 No amendment to the Scheme without consent**

Pandal must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Perpetual.

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## **5 Co-operation and timing**

### **5.1 General obligations**

Pandal and Perpetual must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and corporate relations resources and the resources of external advisers); and
- (b) procure that its officers and advisers work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing information),

to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and as far as possible in accordance with the Timetable.

### **5.2 Transaction Implementation Committee**

- (a) The parties must establish the Transaction Implementation Committee as soon as possible after the date of this document.
- (b) Representatives from the legal and Financial Advisors of each party may be invited to attend meetings of the Transaction Implementation Committee.
- (c) Without limiting clause 5.3(a), the role of the Transaction Implementation Committee will be to oversee implementation of the Scheme and to act as a forum for, subject to the Protocols, discussion, consultation and planning and sharing of information by parties in respect of the following:
  - (i) implementation of the Transaction;
  - (ii) oversight of business operations and matters relating to integration planning, including employee retention and incentivisation, stakeholder engagement and communications, business operations and functions or processes; and
  - (iii) any other matters as the parties may agree from time to time.
- (d) The parties acknowledge and agree that:
  - (i) the Transaction Implementation Committee is a discussion and planning forum only, and the members of the Transaction Implementation Committee do not have power to bind the other party or to give any consent, approval or waiver on behalf of such other party;

- (ii) subject to this document, nothing in this clause requires either party to act at the direction of the other;
- (iii) the business of each party will continue to operate independently from the other until the Implementation Date; and
- (iv) nothing in this document constitutes the relationship of a partnership or a joint venture between the parties.

### **5.3 Access to people and information**

- (a) Between (and including) the date of this document and the Implementation Date, Pendal must, and must cause each other Pendal Group member to, subject to the Protocols, afford to Perpetual and its Related Persons reasonable access to information, including financial, tax and other information, (subject to any existing confidentiality obligations owed to third parties, appropriate consents in relation to which Pendal must use all reasonable endeavours to obtain) of any member of the Pendal Group, or such senior executives of Pendal as reasonably requested by Perpetual at mutually convenient times, and afford Perpetual reasonable co-operation (including, in the case of 5.3(a)(iv), access to Pendal Group's auditors and accountants) for the purpose of:
  - (i) applying for Regulatory Approvals;
  - (ii) implementation of the Scheme or preparation of the Perpetual Information;
  - (iii) Perpetual obtaining an understanding of the operations of the Pendal Group's business, financial position, prospects and affairs in order to allow and facilitate the development and the implementation of the plans of Perpetual for those businesses following implementation of the Scheme;
  - (iv) keeping Perpetual informed of material developments relating to the Pendal Group;
  - (v) preparation of the financial statements for inclusion in the Scheme Booklet (and any updates);
  - (vi) satisfying their compliance obligations under any applicable legal, governmental, taxation or regulatory rules, or otherwise imposed by a Regulatory Authority; and
  - (vii) any other purpose agreed between the parties,

and Perpetual may disclose such information to third parties in accordance with the terms of the Confidentiality Agreement provided that:

- (viii) Perpetual will focus on material issues, having regard to management commitments and the impact of information requests on Pendal's business;
- (ix) providing access or information pursuant to this clause does not result in unreasonable disruptions to Pendal's business, require Pendal to make further disclosure to any other entity or Government Agency or require the disclosure of any document that would compromise Pendal's legal professional privilege;

- (x) nothing in this clause will require Pendal to provide information concerning Pendal's directors and management's consideration of the Scheme or any Competing Transaction (but this proviso does not limit Pendal's obligations under clause 11); and
  - (xi) Pendal may provide to Perpetual its records at a place other than Pendal's business premises.
- (b) Between (and including) the date of this document and the Implementation Date, Perpetual must, and must cause each other Perpetual Group member to, subject to the Protocols, afford to Pendal and its Related Persons (including any Independent Expert) reasonable access to information (subject to any existing confidentiality obligations owed to third parties, appropriate consents in relation to which Perpetual must use all reasonable endeavours to obtain) of any member of the Perpetual Group, or such senior executives of Perpetual as reasonably requested by Pendal at mutually convenient times and afford Pendal reasonable co-operation for the purpose of:
- (i) applying for Regulatory Approvals;
  - (ii) implementation of the Scheme or preparation of the Pendal Information;
  - (iii) satisfying their compliance obligations under any applicable legal, governmental, taxation or regulatory rules, or otherwise imposed by a Regulatory Authority; and
  - (iv) any other purpose agreed between the parties,
- and Pendal may disclose such information to third parties in accordance with the terms of the Confidentiality Agreement provided that:
- (v) Pendal will focus on material issues, having regard to management commitments and the impact of information requests on Perpetual's business;
  - (vi) providing access or information pursuant to this clause does not result in unreasonable disruptions to Perpetual's business, require Perpetual to make further disclosure to any other entity or Regulatory Authority or require the disclosure of any document that would compromise Perpetual's legal professional privilege;
  - (vii) nothing in this clause will require Perpetual to provide information concerning the formulation or consideration of the Scheme or any variation to it; and
  - (viii) Perpetual may provide to Pendal its records at a place other than Perpetual's business premises.
- (c) Nothing in this clause shall require cooperation to the extent that it would:
- (i) cause any Conditions Precedent to not be satisfied or otherwise cause a breach of this document; or
  - (ii) require a party to take any action that would reasonably be expected to conflict with or violate the parties' constituent documents or any law.

#### **5.4 Right to separate representation**

Perpetual and Pandal are entitled to separate representation at all Court proceedings relating to the Scheme. Nothing in this document is to be taken to give Pandal or Perpetual any right or power to make or give undertakings to the Court for or on behalf of the other party without that party's written consent. Perpetual and Pandal must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this document.

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### **6 Pandal Board recommendation**

#### **6.1 Board Recommendation**

Pandal must procure that, subject to clause 6.2:

- (a) the Pandal Board members unanimously recommend that Pandal Shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interests of the Pandal Shareholders; and
- (b) that the Scheme Booklet and any other public statements made by Pandal in relation to the Scheme include a statement by the Pandal Board to that effect.

#### **6.2 Change of recommendation**

- (a) Pandal must procure that none of its directors withdraws, adversely modifies, qualifies or changes their recommendation in favour of the Scheme, unless:
  - (i) the Independent Expert concludes that the Scheme is not in the best interests of the Pandal Shareholders, or adversely changes its previously given opinion that the Scheme is in the best interests of Pandal Shareholders; or
  - (ii) Pandal has received a Superior Proposal,and, in either case, Pandal has complied with its obligations under clause 11 and the Pandal Board determines in good faith and acting reasonably, having received expert advice in writing from its legal advisors (who must be reputable advisers experienced in transactions of this nature), that they must do so because of their fiduciary or statutory duties to Pandal Shareholders.
- (b) For the purposes of this clause 6.2(b), customary qualifications and explanations contained in the Scheme Booklet in relation to a recommendation to vote in favour of the Scheme to the effect that the recommendation is made in the absence of a Superior Proposal from a third party will not be regarded as a failure to make or withdraw the making of a recommendation in favour of the Scheme.

#### **6.3 Notification of intention to withdraw or change of recommendation**

Without limiting clause 11 or the preceding provisions of this clause 6, if circumstances arise, including the receipt or expected receipt of an unfavourable report from the Independent Expert which may lead to a member of the Pandal Board withdrawing, adversely modifying, qualifying or changing its recommendation in accordance with clause 6.2:

- (a) Pandal must notify Perpetual in writing immediately; and

- (b) the parties must consult in good faith after the notification in paragraph (a) is given to consider and determine whether the recommendation in place at the time can be maintained.

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## **7 Implementation obligations of the parties**

### **7.1 Pental's obligations**

Pental must comply with the obligations of Pental set out in Schedule 4 and take all reasonable steps to implement the Scheme as soon as is reasonably practicable.

### **7.2 Perpetual's obligations**

Perpetual must:

- (a) comply with the obligations of Perpetual set out in Part A of Schedule 5 and take all reasonable steps to assist Pental to implement the Scheme as soon as reasonably practicable; and
- (b) comply with the obligations of Perpetual set out in Part B of Schedule 5.

Following the Implementation Date, to the extent any of these obligations relate to a director, officer or employee of a member of the Pental Group, Pental will hold the benefit of the obligations in Schedule 5 on behalf of each of them.

### **7.3 Appointment/retirement of Pental directors**

- (a) As soon as practicable after the Second Court Date, Pental must use its reasonable endeavours to cause the appointment of each Incoming Pental Director to the Pental Board effective from implementation of the Scheme after the Scheme Consideration has been despatched to Scheme Participants.
- (b) On the Implementation Date after the Scheme Consideration has been despatched to Scheme Participants, Pental must procure that each of the Outgoing Directors retire from the Pental Board effective from implementation of the Scheme.

### **7.4 Appointment of Perpetual directors**

As soon as practicable after the Second Court Date, Perpetual must use its reasonable endeavours to cause the appointment of each New Perpetual Director to the Perpetual Board effective from the Implementation Date after the Scheme Consideration has been despatched to Scheme Participants.

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## **8 Scheme Booklet**

### **8.1 Preparation**

Without limiting clauses 7.1 or 7.2:

- (a) **(preparation)**: Pental is generally responsible for the prompt preparation of the Scheme Booklet and must provide drafts to and consult with Perpetual in accordance with clause 8.2;
- (b) **(compliance)** Pental must take all necessary steps to endeavour to ensure that the Scheme Booklet:
  - (i) complies with the requirements of:
    - (A) the Corporations Act;

- (B) ASIC Regulatory Guide 60;
- (C) the Listing Rules; and
- (ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission).

## 8.2 Content of Scheme Booklet

Pendal must:

- (a) **(consult Perpetual)** promptly prepare the Scheme Booklet and consult with Perpetual as to the form and content of the Scheme Booklet, which includes:
  - (i) allowing Perpetual a reasonable opportunity to review and make comments on each successive draft of the Scheme Booklet;
  - (ii) taking the comments made by Perpetual into account in good faith when producing a revised draft of the Scheme Booklet;
  - (iii) providing Perpetual revised drafts of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised to enable Perpetual to review and comment on each of those drafts and any final Regulator's Draft at least 2 Business Days before its submission; and
  - (iv) implementing such changes to those parts of the Scheme Booklet as reasonably requested by Perpetual under clause 8.2(a)(iii) prior to finalising the Regulator's Draft;
- (b) **(Regulatory Review Period)** during the Regulatory Review Period:
  - (i) promptly provide to Perpetual, and, following reasonable consultation with Perpetual, include in a revised draft of the Scheme Booklet, any new information not included in the Regulator's Draft which is required by the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or the Listing Rules to be included in the Scheme Booklet; and
  - (ii) keep Perpetual informed of any matters raised by ASIC in relation to the Scheme Booklet and use all reasonable endeavours, in co-operation with Perpetual, to resolve any such matters (provided that, where those issues relate to the Perpetual Information, Pendal must not take any steps to address them without Perpetual's prior written consent); and
- (c) **(Perpetual Information)** obtain approval from Perpetual for the form and context in which Perpetual Information appears in the Scheme Booklet which approval must not be unreasonably delayed or withheld.

## 8.3 Perpetual information

Perpetual:

- (a) must consult with Pendal as to the content of the Perpetual Information;
- (b) consents to the inclusion of the Perpetual Information (in the form and context approved by it pursuant to clause 8.2(c)) in the Scheme Booklet.

## 8.4 Responsibility statement

The Scheme Booklet will contain a responsibility statement to the effect that:

- (a) Perpetual is responsible for the Perpetual Information (other than any information provided by Pental to Perpetual or obtained from Pental's public filings on ASX regarding the Pental Group contained in, or used in the preparation of, the information regarding the Perpetual Group following implementation of the Scheme, which will include the Pental Group);
- (b) Pental is responsible for the Pental Information contained in the Scheme Booklet and is also responsible for the information contained in the Scheme Booklet provided by Pental to Perpetual or obtained from Pental's public filings on ASX regarding the Pental Group contained in, or used in the preparation of, the information regarding the Perpetual Group following implementation of the Scheme, which will include the Pental Group; and
- (c) the Independent Expert has provided and is responsible for the Independent Expert's Report, and that neither Perpetual nor Pental assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

## 8.5 Disagreement on content

If Perpetual and Pental disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to Perpetual Information, Perpetual will make the final determination as to the form and content of the Perpetual Information; and
- (b) in any other case, the Pental Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.

## 8.6 Verification

Each party must undertake appropriate verification processes for the information supplied by that party for the Scheme Booklet.

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# 9 Conduct of business

## 9.1 Obligations of both parties

- (a) Subject to clause 9.3, from the date of this document up to and including the Implementation Date, and without limiting any other obligations under this document, each party must:
  - (i) conduct its businesses and operations, and must cause each Pental or Perpetual Group member to conduct its respective business and operations, in the ordinary and usual course consistent with the manner in which each such business and operations have been conducted in the 12 month period prior to the date of this document;
  - (ii) keep each other informed of the conduct of their business;

- (iii) provide regular reports on the financial affairs of the Pental Group (in the case of Pental) and the Perpetual Group (in the case of Perpetual) in a timely matter to the other party;
- (iv) make all reasonable efforts, and procure that each other Pental Group member (in the case of Pental) or Perpetual Group member (in the case of Perpetual) makes all reasonable efforts, to:
  - (A) preserve and maintain the value of their respective businesses and assets;
  - (B) keep available the services of their directors, officers and employees; and
  - (C) maintain and preserve their relationships with Regulatory Authorities, customers, suppliers and others having business dealings with any Pental Group member (in the case of Pental) (including, in the case of Pental, and without limiting the obligations under clause 3, using reasonable endeavours to obtain consents from third parties to any change of control provisions in contracts and in any other contracts or arrangements to which a member of the Pental Group is a party which Perpetual reasonably requests) or Perpetual Group member (in this case of Perpetual).
- (b) From the date of this document up to and including the Implementation Date:
  - (i) Pental must ensure that no Pental Prescribed Event and no specific requirement event under clause 9.2(a) occurs; and
  - (ii) Perpetual must ensure that no Perpetual Prescribed Event occurs,

in each case, to the extent that such Pental Prescribed Event or Perpetual Prescribed Event is in the control of Pental or Perpetual, respectively.

## 9.2 Specific requirements for Pental

- (a) Without limiting 9.1 above, and subject to clause 9.3, from the date of this document up to and including the Implementation Date, Pental must not:
  - (i) **(material contracts)** enter into or terminate any contract material to the conduct of the Pental Group's business or which involves expenditure of more than \$2,500,000 over the term of the contract;
  - (ii) **(related party transactions)** enter into any transaction with any related party of Pental as defined in section 228 of the Corporations Act which requires Pental shareholder approval under section 208 of the Corporations Act;
  - (iii) **(accounting policies)** change any accounting policy applied by a member of the Pental Group to report their financial position other than any change required by a change in accounting standards;



- For personal use only
- (iv) **(tax)** settle or compromise or make any concessions in relation to any tax claims, liabilities or disputes or make any election in relation to tax, or otherwise engage in any transaction, act or event which gives rise to any tax liability which is outside the ordinary course of business as it was conducted prior to the date of this document;
  - (v) **(legal proceedings)** settle any legal proceedings, claim, investigation, arbitration or other like proceedings (excluding any Excluded Claim) where the amount claimed exceeds \$500,000;
  - (vi) **(employment arrangements)** take any action set out in item 16 of Schedule 2;
  - (vii) **(dividends)** announce, declare or pay any dividends other than the Pandal Permitted Dividend (provided, for the avoidance of doubt, that any Pandal Permitted Dividend will be deducted from the Scheme Consideration);
  - (viii) **(lease renewal)** extend an existing lease or enter into any new leases;
  - (ix) **(agree)** agree to do any of the matters set out above.

### 9.3 Exceptions

- (a) Nothing in this clause 9 restricts the ability of Pandal or Perpetual to take any action or enter into any transaction or document:
  - (i) which expressly is required by this document or the Scheme;
  - (ii) which has been agreed to in writing by the other party;
  - (iii) which is Fairly Disclosed in the Disclosure Materials of that party as being an action that Pandal or Perpetual (as applicable) will carry out between (and including) the date of this document and the Implementation Date, provided however that this exception does not apply to clause 9.2(a)(viii); or
  - (iv) which is taken in the ordinary course of Pandal's or Perpetual's business in its fiduciary capacity as responsible entity, trustee or manager or otherwise acting on behalf of any third party trust, client portfolio or fund.
- (b) Nothing in this clause 9 restricts the ability of Pandal to:
  - (i) respond to a Competing Transaction in accordance with clause 11; or
  - (ii) prior to the Implementation Date, enter into arrangements to secure the directors and officers of Pandal run-off insurance for up to such 7 year period, and any action to facilitate that insurance will not be a Pandal Prescribed Event or breach any provision of this document, provided that Pandal has not acted unreasonably and has consulted with Perpetual (which must act reasonably and not so as to cause unreasonable delay) in entering into any such policy. For the avoidance of doubt, it would be unreasonable for Pandal to decline to co-operate with Perpetual's broker to seek to obtain the run-off insurance on substantially equivalent or no less favourable terms than

Pendal's current policy, and to enter into such a run-off policy if available from a reputable insurer at a materially lower cost.

- (c) Nothing in this clause 9 restricts the ability of Perpetual to respond to a Perpetual Major Transaction in accordance with clause 11.
- (d) From the date of this document until the Second Court Date, unless the other party agrees in writing, Pendal and Perpetual (as applicable) will promptly notify the other of anything of which it becomes aware that:
  - (i) makes any material information publicly filed by it (either on its own account or in respect of (in the case of Pendal) any other Pendal Group member or (in the case of Perpetual) any other Perpetual Group member) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;
  - (ii) makes any of the Pendal Representations and Warranties or any of the Perpetual Representations and Warranties (as applicable) false, inaccurate, misleading or deceptive in any material respect; or
  - (iii) may, or may with time, constitute (with respect to Pendal) a Pendal Material Adverse Change, Pendal specific requirement event under clause 9.2(a) or Pendal Prescribed Event or (with respect to Perpetual) a Perpetual Material Adverse Change or Perpetual Prescribed Event (as applicable).

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## **10 Releases**

### **10.1 Pendal directors and officers**

- (a) Perpetual releases its rights, and agrees with Pendal that it will not make a claim, against any Pendal Indemnified Party (other than Pendal) as at the date of this document in connection with:
  - (i) any breach of any representations, covenants and warranties of Pendal or any other member of the Pendal Group in this document; or
  - (ii) any disclosures containing any statement which is false or misleading whether in content or by omission,

except where the Pendal Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. Nothing in this clause 10.1(a) limits Perpetual's rights to terminate this document under clause 16.

- (b) This clause is subject to any restrictions under the Corporations Act or any other applicable legislation and will be read down accordingly. Pendal receives and holds the benefit of this clause to the extent it relates to each Pendal Indemnified Party as trustee for each of them.

### **10.2 Perpetual directors and officers**

- (a) Pendal releases its rights, and agrees with Perpetual that it will not make a claim, against any Perpetual Indemnified Party (other than Perpetual) as at the date of this document in connection with:
  - (i) any breach of any representations, covenants and warranties of Perpetual or any other member of the Perpetual Group in this document; or

- (ii) any disclosure containing any statement which is false or misleading whether in content or by omission,

except where the Perpetual Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. Nothing in this clause 10.2(a) limits Pental's rights to terminate this document under clause 16.

- (b) This clause is subject to any restrictions under the Corporations Act or any other applicable legislation and will be read down accordingly. Perpetual receives and holds the benefit of this clause to the extent it relates to each Perpetual Indemnified Party as trustee for each of them.

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## **11 Exclusivity**

### **11.1 No existing discussions**

Pental represents and warrants that, as at the date of this document:

- (a) neither it, nor any of its Related Bodies Corporate nor their Representatives is in negotiations, discussions or other communications with any person in respect of any actual, proposed or potential Competing Transaction or any transaction that would, or would reasonably be expected to, lead to a Competing Transaction; and
- (b) it, any of its Related Bodies Corporate and their respective Representatives has ceased to provide or make available any non-public information in relation to the Pental Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Transaction, and has enforced all rights it has to call for the immediate return or destruction of that non-public information previously provided or made available to any Third Party.

### **11.2 No-shop**

During the Exclusivity Period, Pental must ensure that neither it nor any of its Related Bodies Corporate or Representatives directly or indirectly:

- (a) solicits, encourages, invites or initiates from any other person any inquiry, offer, expression of interest, proposal or transaction in relation to, or with a view to obtaining, or that may be reasonably expected to lead to a Competing Transaction; or
- (b) communicates any intention to do any of these things.

Nothing in this clause 11.2 prevents Pental from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course of its business.

### **11.3 No talk**

Subject to clause 11.4, during the Exclusivity Period, Pental must ensure that neither it nor any of its Related Bodies Corporate or Representatives directly or indirectly:

- (a) enter into, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make or which would reasonably be expected to encourage or lead to the making of an actual, proposed or potential Competing Transaction;

- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding, or which would reasonably be expected to lead to, an actual, proposed or potential Competing Transaction;
- (c) disclose or otherwise provide access to any non-public information about the business or affairs of the Pental Group or permit access to employees or officers of Pental or its Related Bodies Corporate to a Third Party (or a Representative of the Third Party) who has submitted, or might reasonably be expected to submit, a proposal for a transaction which is reasonably likely to result in a Competing Transaction, or to any Third Party (or a Representative of the Third Party) with a view to obtaining or which would reasonably be expected to encourage or lead to receipt of an actual, proposed or potential Competing Transaction (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Pental Group); or
- (d) communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.3.

Nothing in this clause 11.3 prevents Pental from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course of its business.

#### **11.4 Fiduciary exception**

Clause 11.3 does not apply to the extent that it restricts Pental or its Related Persons in relation to an actual, proposed or potential bona fide Competing Transaction provided that such Competing Transaction has not arisen as a result of breach of clause 11, and the Pental Board, acting in good faith, has determined:

- (a) after consultation with Pental's external legal and Financial Advisors, that the Competing Transaction is a Superior Proposal or could reasonably be expected to become a Superior Proposal; and
- (b) after receiving written advice from Pental's reputable external Australian legal advisers specialising in the area of corporate law that compliance with clause 11.3 would, or would be reasonably likely to, constitute a breach of any of the fiduciary or statutory duties of the directors of Pental.

#### **11.5 Notification of approaches**

During the Exclusivity Period, if Pental receives (i) any actual, proposed or potential Competing Transaction from a third party or (ii) a member of the Pental Board, the company secretary or other group executive or Pental's Financial Advisors becomes aware of any negotiations or discussions in relation to, or any approaches or attempts to initiate any negotiations or discussions in relation to an actual, proposed or potential Competing Transaction, Pental must as soon as practicable (and in any event within 24 hours) give Perpetual notice of:

- (a) the existence of the actual, proposed or potential Competing Transaction, discussions or approach;
- (b) to the extent known to Pental or its Representatives, all material terms and conditions of the actual, proposed or potential Competing Transaction (including details of the proposed price and form of consideration, deal protection mechanisms and timetable, the form of funding for the Competing Transaction and any conditions thereto), and any subsequent material modifications or, developments (which must be

provided as soon as practicable (and in any event within 24 hours of the modification or development));

- (c) the identity of the person making the proposal (and, if different, details of the proposed bidder or acquirer); and
- (d) any determination by Pendal that it can rely on clause 11.4 in relation to any action or inaction relating to the actual, proposed or potential Competing Transaction, discussions or approach.

#### 11.6 Matching right

- (a) Without limiting clauses 11.2 or 11.3, during the Exclusivity Period, Pendal:
  - (i) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party, Pendal or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Transaction (excluding, for the avoidance of doubt, any non-disclosure arrangements in relation to any engagement or action permitted by clause 11.4); and
  - (ii) must procure that none of its directors withdraw, adversely modifies, qualifies or changes their recommendation in favour of the Transaction, including publicly recommending an actual, proposed or potential Competing Transaction (or recommending against the Transaction),unless:
  - (iii) the Competing Transaction is a Superior Proposal;
  - (iv) the Competing Transaction has not arisen, or been furthered, as a result of Pendal's breach of clause 11.2 or 11.3;
  - (v) Pendal has provided Perpetual with a notice stating that it is given for the purposes of this clause 11.6 and setting out all material terms and conditions of the Competing Transaction;
  - (vi) Pendal has given Perpetual at least 5 Business Days after complying with its obligation to provide the notice and information referred to in paragraph (v) (**Relevant Period**) to provide a proposal that is superior to or no less favourable than the terms of the Competing Transaction; and
  - (vii) the Pendal Board determines that Perpetual has not provided a proposal that is superior to or no less favourable overall than the terms and conditions of the Competing Transaction (having regard to matters including, but not limited to, consideration, conditionality, funding, certainty, counterparty identity and reputation, deal protections and timing) by the expiry of the Relevant Period.
- (b) Pendal acknowledges and agrees that each successive material modification of any actual, proposed or potential Competing Transaction will constitute a new actual, proposed or potential Competing Transaction for the purposes of the requirements under this clause 11.6 and accordingly Pendal must comply with paragraphs (i) to (ii) of this clause in respect of any new actual, proposed or potential Competing Transaction unless paragraphs (iii) to (vii) (inclusive) have been

complied with in respect of the new actual, proposed or potential Competing Transaction.

- (c) If Perpetual proposes to Pental, or announces, amendments to the Scheme or a new proposal that are superior to or no less favourable overall to the terms of the actual, proposed or potential Competing Transaction (**Bidder Counterproposal**) by the expiry of the 5 Business Day period in clause 11.6(a)(vi), Pental must procure that the Pental Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for Pental Shareholders as a whole compared with the Competing Transaction, taking into account all of the terms and conditions of the Bidder Counterproposal, and Pental and Perpetual must use their best endeavours to agree the amendments to this document and, if applicable, the Scheme and Deed Poll that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable, and Pental must use its best endeavours to procure that each of the directors of Pental continues to recommend the Transaction (as modified by the Bidder Counterproposal) to Pental Shareholders.

## 11.7 Provision of information

During the Exclusivity Period, Pental must as soon as possible provide Perpetual with:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any material non-public information about the business or affairs of Pental or the Pental Group disclosed or otherwise provided to any Third Party during the Exclusivity Period in connection with an actual, proposed or potential Competing Transaction that has not previously been provided to Perpetual. For the avoidance of doubt, any such provision of information to a Third Party may only be undertaken if permitted by clause 11.4 and clause 11.6.

## 11.8 Perpetual Exclusivity

- (a) **(No existing discussions)** Perpetual represents and warrants that, as at the date of this document:
  - (i) neither it, nor any of its Related Bodies Corporate nor their Representatives is in negotiations, discussions or other communications with any person in respect of any actual, proposed or potential Perpetual Major Transaction or any transaction that would, or would reasonably be expected to, lead to a Perpetual Major Transaction; and
  - (ii) it, any of its Related Bodies Corporate and their respective Representatives has ceased to provide or make available any non-public information in relation to the Perpetual Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Perpetual Major Transaction.
- (b) **(No-shop)** During the Exclusivity Period, Perpetual must ensure that neither it nor any of its Related Bodies Corporate or Representatives directly or indirectly:
  - (i) solicits, encourages, invites or initiates from any other person any inquiry, offer, expression of interest, proposal or transaction

in relation to, or with a view to obtaining, or that may be reasonably expected to lead to a Perpetual Major Transaction;  
or

- (ii) communicates any intention to do any of these things.

Nothing in this clause 11.8(b) prevents Perpetual from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course of its business generally.

- (c) **(No talk)** Subject to clause 11.8(d), during the Exclusivity Period, Perpetual must ensure that neither it nor any of its Related Bodies Corporate or Representatives directly or indirectly:

- (i) enter into, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make or which would reasonably be expected to encourage or lead to the making of an actual, proposed or potential Perpetual Major Transaction;
- (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding, or which would reasonably be expected to lead to, an actual, proposed or potential Perpetual Major Transaction;
- (iii) disclose or otherwise provide access to any non-public information about the business or affairs of the Perpetual Group or permit access to employees or officers of Perpetual or its Related Bodies Corporate to a Third Party (or a Representative of the Third Party) who has submitted, or might reasonably be expected to submit, a proposal for a transaction which is reasonably likely to result in a Perpetual Major Transaction, or to any Third Party (or a Representative of the Third Party) with a view to obtaining or which would reasonably be expected to encourage or lead to receipt of an actual, proposed or potential Perpetual Major Transaction (including, without limitation, providing such information for the purposes of the conduct of due diligence investigations in respect of the Perpetual Group);  
or
- (iv) **(intention)** communicate to any person an intention to do anything referred to in the preceding paragraphs of this clause 11.8(c).

Nothing in this clause 11.8 prevents Perpetual from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course of its business generally.

- (d) Clause 11.8(c) does not apply to the extent that it restricts Perpetual or its Related Persons in relation to an actual, proposed or potential bona fide Perpetual Major Transaction provided that such Perpetual Major Transaction has not arisen as a result of breach of clause 11.8(b), and the Perpetual Board, acting in good faith, has determined after receiving written advice from Perpetual's reputable external Australian legal advisers specialising in the area of corporate law that compliance with clause 11.8(c) would, or would be reasonably likely to, constitute a

breach of any of the fiduciary or statutory duties of the directors of Perpetual.

- (e) **(Notification of Perpetual approaches)** During the Perpetual Exclusivity Period, if Perpetual receives (i) an approach regarding any actual, proposed or potential Perpetual Major Transaction from a third party or (ii) a member of the Perpetual Board, the company secretary or other group executive or Perpetual's Financial Advisors becomes aware of any negotiations or discussions in relation to, or any approaches or attempts to initiate any negotiations or discussions in relation to an actual, proposed or potential Perpetual Major Transaction, Perpetual must as soon as practicable (and in any event within 24 hours) give Pandal notice of:
- (i) the existence of the actual, proposed or potential Perpetual Major Transaction, discussions or approach;
  - (ii) to the extent known to Perpetual or its Representatives, all material terms and conditions of the actual, proposed or potential Perpetual Major Transaction (including details of the proposed price and form of consideration, deal protection mechanisms and timetable, the form of funding for the Perpetual Major Transaction and any conditions thereto), and any subsequent material modifications or, developments (which must be provided as soon as practicable (and in any event within 24 hours of the modification or development));
  - (iii) the identity of the person making the proposal (and, if different, details of the proposed bidder or acquirer); and
  - (iv) any determination by Perpetual that it can rely on clause 11.8(d) in relation to any action or inaction relating to the actual, proposed or potential Perpetual Major Transaction, discussions or approach.
- (f) **(Breach in connection with Perpetual Major Transaction)** For the avoidance of doubt, Perpetual is not entitled to terminate this document in order to pursue, agree or implement a Perpetual Major Transaction. If Perpetual breaches this document in a manner which causes implementation of the Scheme to become impossible or impracticable, or otherwise materially breaches this document in order to pursue, agree or implement a Perpetual Major Transaction, Perpetual must pay to Pandal the Liquidated Damages Amount by way of liquidated damages, even if Perpetual's Board determined that the breach was required in order to fulfil the fiduciary or statutory duties of the directors of Perpetual. The parties agree that the loss which would be incurred by Pandal as a result of that breach are of a nature that they cannot be accurately quantified and that the Liquidated Damages Amount is a genuine pre-estimate of that loss. Nothing in this clause limits Pandal's right to terminate this document under clause 16 which might arise as a result of any breach to which this clause relates.

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## 12 Reimbursement Fee

### 12.1 Background to Reimbursement Fee

- (a) Perpetual and Pandal acknowledge that, if they enter into this document and the Scheme is subsequently not implemented, Perpetual will have incurred significant costs, including those set out in clause 12.4.



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- (b) In these circumstances, Perpetual has requested that provision be made for the payments outlined in clause 12.2, without which Perpetual would not have entered into this document or otherwise agreed to implement the Scheme.
  - (c) The Pandal Board believes, having taken advice from its legal advisors and Financial Advisors, that the implementation of the Scheme will provide benefits to Pandal and that it is appropriate for Pandal to agree to the payments referred to in clause 12.2 in order to secure Perpetual's participation in the Transaction.

## 12.2 Reimbursement Fee triggers

Pandal must pay the Reimbursement Fee to Perpetual, without set-off or withholding, if the Scheme does not proceed because:

- (a) **(change of recommendation)** this document is validly terminated after any Pandal Director fails to recommend the Scheme or withdraws their recommendation, adversely changes or qualifies their recommendation or otherwise makes a public statement indicating that he or she no longer supports the Scheme, except where:
  - (i) the change of recommendation or statement is made after the Independent Expert concludes (including in any addendum or update to its initial report) that in the opinion of the Independent Expert the Scheme is not in the best interests of Pandal Shareholders (other than where a Competing Transaction has been proposed or announced before the report (or addendum or update to the initial report) is issued which the Independent Expert may reasonably regard to be on more favourable terms than the Transaction); or
  - (ii) Pandal is entitled to terminate this document in accordance with clause 16.1(b)(iii) (material breach of document) or 16.1(b)(iv) (material breach of warranty by Perpetual) or 16.1(b)(vii) (Perpetual Material Adverse Change or Perpetual Prescribed Event) and has given the appropriate termination notice to Perpetual;
- (b) **(Competing Transaction)** a Competing Transaction of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within twelve months of the date of such announcement, the Third Party proposing the Competing Transaction or any Associate of that Third Party:
  - (i) completes a Competing Transaction; or
  - (ii) without limiting clause 12.2(b)(i), acquires Control of Pandal; or
- (c) **(termination)** Perpetual has validly terminated this document pursuant to:
  - (i) clause 16.1(b)(iii) (material breach of document);
  - (ii) clause 16.1(b)(v) (material breach of warranty by Pandal); or
  - (iii) clause 16.1(b)(vi) only in respect of a Pandal Prescribed Event (other than paragraphs 21 and 26 of Schedule 2) to the extent that the relevant Pandal Prescribed Event was caused by actions or events within the control of Pandal or any of its Subsidiaries,

and the Transaction does not complete.

### **12.3 Timing of payment of Reimbursement Fee**

- (a) A demand by Perpetual for payment of the Reimbursement Fee under clause 12.2 must:
  - (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account in the name of Perpetual into which Pental is to pay the Reimbursement Fee.
- (b) Pental must pay the Reimbursement Fee into the account nominated by Perpetual, without set-off or withholding, within five Business Days after receiving a demand for payment where Perpetual is entitled under clause 12.2 to the Reimbursement Fee.

### **12.4 Nature of payment**

The Reimbursement Fee is an amount to compensate Perpetual for:

- (a) advisory costs;
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses;
- (d) the distraction of Perpetual's management from conducting Perpetual's business as usual caused by pursuing the Scheme;
- (e) reasonable opportunity costs incurred by Perpetual in pursuing the Scheme or in not pursuing strategic initiatives which Perpetual could have developed to further its business and objectives; and
- (f) damage to Perpetual's reputation associated with a failed transaction and the implications of that damage to Perpetual's business.

The parties agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the Reimbursement Fee.

### **12.5 Compliance with law**

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the Reimbursement Fee:

- (a) is unlawful or would if performed be unlawful;
- (b) involves a breach of the duties of the Pental Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then Pental's obligation to pay the applicable amount or part of the Reimbursement Fee does not apply and if Perpetual has received any part of the Reimbursement Fee it must refund it within 5 Business Days of final

determination. However, for the avoidance of doubt, this will not alter Pandal's obligation to pay Perpetual any part of the Reimbursement Fee which has not been held to be invalid in accordance with this clause.

The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in this clause 12.5.

## **12.6 Reimbursement Fee payable only once**

Where the Reimbursement Fee becomes payable to Perpetual under clause 12.2 and is actually paid to Perpetual, Perpetual cannot make any claim against Pandal for payment of any subsequent Reimbursement Fee.

## **12.7 Reduction in amount payable**

- (a) The amount payable by Pandal to Perpetual under clause 12.2 is reduced by an amount equal to the amount which is recovered by Perpetual as a result of a claim against Pandal pursuant to any other remedies available to Perpetual under this document including pursuant to clause 14.1.
- (b) Where the amount payable by Pandal to Perpetual under clause 12.2 has already been paid, Perpetual must, within two Business Days of the event contemplated by clause 12.7(a) which would have reduced the amount payable, refund an amount to Pandal which is equivalent to that calculated under clause 12.7(a).

## **12.8 Pandal's limitation of Liability**

Notwithstanding any other provision of this document:

- (a) the maximum liability of Pandal to Perpetual under or in connection with this document including in respect of any breach of the document will be the amount of the Reimbursement Fee; and
- (b) the maximum liability amount referred to in clause 12.8(a) represents the maximum and absolute amount of the liability of Pandal under or in connection with this document and no further damages, fees, expenses or reimbursements of any kind will be payable by Pandal in connection with this document.

Nothing in this clause 12.8 limits the liability of any party for fraud.

## **12.9 No Reimbursement Fee if Scheme Effective**

Despite anything to the contrary in this document, the Reimbursement Fee will not be payable to Perpetual if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 12.2 and, if the Reimbursement Fee has already been paid it must be refunded by Perpetual.

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# **13 Reverse Reimbursement Fee**

## **13.1 Background**

This clause has been agreed in circumstances where:

- (a) Perpetual and Pandal believe that the Scheme and the combination of the existing Perpetual and Pandal businesses as operated at the date of this document will provide significant benefits to Perpetual, Pandal and their respective shareholders, and Perpetual and Pandal acknowledge that, if they enter into this document and the Scheme is subsequently not

implemented, Pendal and Pendal Shareholders will incur significant costs including those set out in clause 13.4;

- (b) Pendal requested that provision be made for the payment of the Reverse Reimbursement Fee, without which Pendal would not have entered into this document;
- (c) both the Perpetual Board and Pendal Board believe that it is appropriate for both parties to agree to the payment referred to in this clause to secure Pendal's participation in the Scheme; and
- (d) both parties have received legal advice on this document and the operation of this clause.

### 13.2 Payment by Perpetual to Pendal

Perpetual agrees to pay the Reverse Reimbursement Fee to Pendal without withholding or set off if the Scheme does not proceed because:

- (a) **(termination)** Pendal has validly terminated this document pursuant to:
  - (i) clause 16.1(b)(iii) (material breach of document);
  - (ii) clause 16.1(b)(iv) (material breach of warranty by Pendal); or
  - (iii) clause 16.1(b)(vii) only in respect of a Perpetual Prescribed Event (other than paragraph 13 of Schedule 1) to the extent that the relevant Perpetual Prescribed Event was caused by actions or events within the control of Perpetual or any of its Subsidiaries; or
- (b) **(failure to pay Scheme Consideration)** Perpetual does not pay the aggregate Scheme Consideration in accordance with the terms and conditions of this document, the Scheme and the Deed Poll (following the Scheme becoming Effective).

### 13.3 Timing of payment

- (a) A demand by Pendal for payment of the Reverse Reimbursement Fee under clause 13.2 must:
  - (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account in the name of Pendal into which Perpetual must pay the Reverse Reimbursement Fee.
- (b) Perpetual must pay the Reverse Reimbursement Fee to Pendal without withholding or set off within 5 Business Days of receipt by Perpetual of a valid demand for payment from Pendal under clause 13.3(a).
- (c) The demand may only be made after the occurrence of an event referred to in clause 13.2.

### 13.4 Nature of payment

The Reverse Reimbursement Fee is an amount to compensate Pendal for:

- (a) advisory costs;
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses;
- (d) the distraction of Pental's management from conducting Pental's business as usual caused by pursuing the Scheme;
- (e) reasonable opportunity costs incurred by Pental in pursuing the Scheme or in not pursuing strategic initiatives which Pental could have developed to further its business and objectives; and
- (f) damage to Pental's reputation associated with a failed transaction and the implications of that damage to Pental's business.

The parties agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the Reverse Reimbursement Fee.

### **13.5 Compliance with law**

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the Reverse Reimbursement Fee:

- (a) is unlawful or would if performed be unlawful;
- (b) involves a breach of the duties of the Perpetual Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then Perpetual's obligation to pay the applicable amount or part of the Reverse Reimbursement Fee does not apply and if Pental has received any part of the Reverse Reimbursement Fee it must refund it within 5 Business Days of final determination. However, for the avoidance of doubt, this will not alter Perpetual's obligation to pay Pental any part of the Reverse Reimbursement Fee which has not been held to be invalid in accordance with this clause.

The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in this clause 12.5.

### **13.6 Reverse Reimbursement Fee payable only once**

Where the Reverse Reimbursement Fee becomes payable to Pental under clause 12.2 and is actually paid to Pental, Pental cannot make any claim against Perpetual for payment of any subsequent Reverse Reimbursement Fee.

### **13.7 Reduction in amount payable**

- (a) The Reverse Reimbursement Fee is reduced by an amount equal to the amount which is recovered by Pental as a result of a claim against Perpetual pursuant to any other remedies available to Pental under this document including pursuant to clause 14.1.
- (b) Where the Reverse Reimbursement Fee has already been paid, Pental must, within 2 Business Days of the event contemplated by clause 13.7(a) which would have reduced the amount payable, refund an amount to Perpetual which is equivalent to that calculated under clause 13.7(a).

### **13.8 Perpetual's limitation of liability**

Notwithstanding any other provision of this document:

- (a) the maximum liability of Perpetual to Pendal under or in connection with this document including in respect of any breach of this document will be the amount of the Reverse Reimbursement Fee; and
- (b) the payment by Perpetual of the Reverse Reimbursement Fee represents the sole and absolute liability of Perpetual under or in connection with this document and no further damages, fees, expenses or reimbursements of any kind will be payable by Perpetual under or in connection with this document,

except that nothing in this clause limits Perpetual's liability for fraud or following the Scheme becoming Effective, a breach of clause 4.1(c) or under the Deed Poll.

### **13.9 No amount payable if Scheme becomes Effective**

Notwithstanding the occurrence of any event in clause 13.2, if the Scheme becomes Effective:

- (a) no amount is payable by Perpetual under clause 13.2; and
- (b) if any amount has already been paid under clause 13.2 it must be refunded by Pendal.

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## **14 Representations and warranties**

### **14.1 Pendal's representations and warranties**

Pendal represents and warrants to Perpetual (on its own behalf and separately as trustee or nominee for each of the Perpetual Indemnified Parties) that each of the statements set out in Schedule 6 is true and correct in all material respects. as at the date of this document and repeated continuously thereafter until 8:00am on the Second Court Date.

### **14.2 Pendal's indemnity**

Pendal indemnifies the Perpetual Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 14.1 not being true and correct.

### **14.3 Pendal warranty certificate**

Pendal must provide to Perpetual by 8:00am on the Second Court Date a certificate signed by a director of Pendal and made in accordance with a resolution of the Pendal Board stating, as at that date, that the representations or warranties given by Pendal in clause 14.1 remain true and accurate or, if any such representation or warranty is not true and accurate as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or inaccurate in any material respect.

### **14.4 Perpetual's representations and warranties**

Perpetual represents and warrants to Pendal (on its own behalf and separately as trustee or nominee for each of the Pendal directors) that each of the statements set out in Schedule 7 is true and correct in all material respects as at the date of this document and repeated continuously thereafter until 8:00am on the Second Court Date.

## **14.5 Perpetual's indemnity**

Perpetual indemnifies Pandal Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 14.4 not being true and correct.

## **14.6 Perpetual warranty certificate**

Perpetual must provide to Pandal by 8:00am on the Second Court Date a certificate signed by a director of Perpetual and made in accordance with a resolution of the Perpetual Board stating, as at that date, that the representations and warranties given by Perpetual in clause 14.4 remain true and accurate or, if any such representation or warranty is not true and accurate as at that date, providing complete particulars of the facts and matters which make the representation or warranty untrue or inaccurate in any material respect.

## **14.7 Qualification of representations, warranties and indemnities**

- (a) Each representation and warranty by Pandal in clause 14.1 and each indemnity by Pandal in clause 14.2 is qualified to the extent:
  - (i) expressly required or permitted by this document or the Scheme or the transactions contemplated by either; or
  - (ii) Fairly Disclosed in Pandal's Disclosure Materials or in any announcement it has made to the ASX on or after 1 January 2021 but before the date of this document.
- (b) Each representation and warranty by Perpetual in clause 14.4 and each indemnity by Perpetual in clause 14.5 is qualified to the extent:
  - (i) expressly required or permitted by this document or the Scheme or the transactions contemplated by either; or
  - (ii) Fairly Disclosed in Perpetual's Disclosure Materials or in any announcement it has made to the ASX on or after 1 January 2021 but before the date of this document.

## **14.8 Survival of representations and warranties**

Each representation and warranty in clauses 14.1 or 14.4, and each indemnity in this document (including those in clauses 14.2 or 14.5):

- (a) is severable;
- (b) survives the termination of this document; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of the termination of this document.

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# **15 Court proceedings**

## **15.1 Appeal process**

If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, Perpetual and Pandal must appeal the Court's decision to the fullest extent possible except to the extent that:

- (a) the parties agree otherwise; or
- (b) an independent Queen's Counsel or Senior Counsel advises that, in their opinion, an appeal would likely have no reasonable prospect of success,

in which case either party may terminate this document in accordance with clause 16.1(f)(iii).

## 15.2 Defence of proceedings

Each of Perpetual and Pandal must, to the extent reasonable to do so, vigorously defend, or must cause to be vigorously defended, any lawsuits or other legal proceeding brought against it (or any of its Subsidiaries) challenging this document or the completion of the Transaction. Neither Perpetual nor Pandal will settle or compromise (or permit any of its Subsidiaries to settle or compromise) any claim brought in connection with this document without the prior written consent of the other, such consent not to be unreasonably withheld.

## 15.3 Costs

Any costs incurred as a result of the operation of this clause 15 will be borne equally by each party.

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# 16 Termination

## 16.1 Termination events

Without limiting any other provision of this document (including clauses 3.9 and 15.1), this document may be terminated:

- (a) **(End Date)** by either party, if the Scheme has not become Effective or will not become Effective on or before the End Date;
- (b) **(lack of support or breach)** at any time prior to 8.00am on the Second Court Date:
  - (i) by Perpetual if any member of the Pandal Board fails to recommend the Scheme, withdraws their recommendation or changes their recommendation to the Scheme Participants that they vote in favour of the resolution to approve the Scheme, including any adverse modification or qualification to their recommendation, or otherwise makes a public statement indicating that they no longer support the Transaction; or
  - (ii) by Pandal if the Pandal Board or a majority of the Pandal Board has changed, withdrawn or modified its recommendation as permitted under clause 6.2; or
  - (iii) by either Perpetual or Pandal if the other is in material breach of any clause of this document (other than a warranty), taken in the context of the Transaction as a whole, provided that either Perpetual or Pandal, as the case may be, has given notice to the other setting out the relevant circumstances and stating an intention to terminate and, the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 5:00pm on the day before the Second Court Date) after the time such notice is given; or
  - (iv) by Pandal if Perpetual has breached the representations and warranties set out in Schedule 7, provided that:
    - (A) Pandal has given notice to Perpetual setting out the relevant circumstances and stating an intention to terminate;
    - (B) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5:00pm on the day



before the Second Court Date) after the time such notice is given; and

- (C) the relevant breach is material in the context of the Scheme taken as a whole; or
- (v) by Perpetual if Pental has breached the representations and warranties set out in Schedule 6, provided that:
  - (A) Perpetual has given notice to Pental setting out the relevant circumstances and stating an intention to terminate;
  - (B) the relevant breach continues to exist 5 Business Days (or any shorter period ending at 5:00pm on the day before the Second Court Date) after the time such notice is given; and
  - (C) the relevant breach is material in the context of the Scheme taken as a whole; or
- (vi) by Perpetual if a Pental Material Adverse Change or a Pental Prescribed Event occurs and that Pental Material Adverse Change or Pental Prescribed Event is not capable of being remedied or is capable of being remedied but has not been remedied to the satisfaction of Perpetual (acting reasonably) within 5 Business Days after Perpetual provides written notice to Pental of the Pental Material Adverse Change or a Pental Prescribed Event (or any shorter period ending at 5:00pm on the day before the Second Court Date); or
- (vii) by Pental if a Perpetual Material Adverse Change or a Perpetual Prescribed Event occurs and that Perpetual Material Adverse Change or Perpetual Prescribed Event is not capable of being remedied or is capable of being remedied but has not been remedied to the satisfaction of Perpetual (acting reasonably) within 5 Business Days after Pental provides written notice to Perpetual of the Perpetual Material Adverse Change or a Perpetual Prescribed Event (or any shorter period ending at 5:00pm on the day before the Second Court Date);
- (c) **(not approved)** by either party if the resolution submitted to the Scheme Meeting is not approved by the requisite majority;
- (d) **(Independent Expert)** by either party if the Independent Expert opines that the Scheme is not in the best interests of Pental Shareholders;
- (e) **(restraint)** by either party if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Transaction;
- (f) **(consultation or appeal failure)** in accordance with and pursuant to:
  - (i) clause 3.9(a); or
  - (ii) clause 3.9(b); or
  - (iii) clause 15.1;
- (g) **(Insolvency)** by either party if the other party or any of their Related Bodies Corporate becomes Insolvent; or

(h) **(agreement)** if agreed to in writing by Perpetual and Pandal.

## 16.2 Termination

Where a party has a right to terminate this document, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this document.

## 16.3 Effect of Termination

In the event that a party terminates this document, or if this document otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this document, other than the obligations set out in clauses 1, 10, 12, 13, 14.7, 14.8, 16.3, 18, 19, 20 and 21 (except for 21.11) will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause releases any party from liability for any pre-termination breach of this document.

## 16.4 Damages

In addition to the right of termination under clause 16.1 where there is no appropriate remedy for the breach in the document (other than termination), the non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this document.

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## 17 Public announcements

### 17.1 Public announcement of Scheme

Immediately after signing this document, Pandal and Perpetual will issue separate public announcements of the proposed Transaction in agreed form.

### 17.2 Required disclosure

Where a party is required by law, the Listing Rules or a memorandum of understanding with a Regulatory Authority to make any announcement or make any disclosure relating to a matter the subject of the Transaction, it may do so only after it has given the other party as much notice as possible and has consulted to the fullest extent possible in the circumstances with the other party and its legal advisers, including considering in good faith any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

### 17.3 Other announcements

Subject to clauses 17.1 and 17.2, no party may make any public announcement or disclosure in connection with the Transaction (including disclosure to a Regulatory Authority) other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

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## 18 GST

- (a) Any consideration or amount payable under or in connection with this document, including any non-monetary consideration (as reduced in accordance with clause 18(e) if required) **(Consideration)** is exclusive of GST.
- (b) If GST is or becomes payable on a Supply made under or in connection with this document, an additional amount **(Additional Amount)** is payable by the party providing consideration for the Supply **(Recipient)** equal to the amount of GST payable on that Supply as calculated by the party making the Supply **(Supplier)** in accordance with the GST Law.

- (c) The Additional Amount payable under clause 18(b) is payable at the same time and in the same manner as the Consideration for the Supply, and the Supplier must provide the Recipient with a Tax Invoice. However, the Additional Amount is only payable on receipt of a valid Tax Invoice.
- (d) If for any reason (including the occurrence of an Adjustment Event) the amount of GST payable on a Supply (taking into account any Decreasing or Increasing Adjustments in relation to the Supply) varies from the Additional Amount payable by the Recipient under clause 18(b):
- (i) the Supplier must provide a refund or credit to the Recipient, or the Recipient must pay a further amount to the Supplier, as appropriate;
  - (ii) the refund, credit or further amount (as the case may be) will be calculated by the Supplier in accordance with the GST Law; and
  - (iii) the Supplier must notify the Recipient of the refund, credit or further amount within 14 days after becoming aware of the variation to the amount of GST payable. Any refund or credit must accompany such notification or the Recipient must pay any further amount within 7 days after receiving such notification, as appropriate. If there is an Adjustment Event in relation to the Supply, the requirement for the Supplier to notify the Recipient will be satisfied by the Supplier issuing to the Recipient an Adjustment Note within 14 days after becoming aware of the occurrence of the Adjustment Event.
- (e) Despite any other provision in this document if an amount payable under or in connection with this document (whether by way of reimbursement, indemnity or otherwise) is calculated by reference to an amount incurred by a party, whether by way of cost, expense, outlay, disbursement or otherwise (**Amount Incurred**), the amount payable must be reduced by the amount of any Input Tax Credit or Reduced Input Tax Credit to which that party is entitled in respect of that Amount Incurred.
- (f) Any reference in this clause to an Input Tax Credit or Reduced Input Tax Credit to which a party is entitled includes an Input Tax Credit or Reduced Input Tax Credit arising from an Acquisition by that party but to which the Representative Member of a GST Group of which the party is a member is entitled.
- (g) Any term starting with a capital letter in this clause 18 that is not defined in this document has the same meaning as the term has in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

## 19 Confidential Information

Despite any contrary term of the Confidentiality Agreement stating that it will terminate upon entry into this document, the parties agree that the Confidentiality Agreement and all of its terms other than paragraphs 11 to 16 (which are superseded by clause 11 of this document) will continue in full force and effect until its one year anniversary or this document is validly terminated (whichever is the latter). Each party acknowledges and agrees that it continues to be bound by the Confidentiality Agreement in respect of all information received by it from the other party on, before or after the date of this document.

## **20 Notices and other communications**

### **20.1 Form - all communications**

Unless expressly stated otherwise in this document, all notices, certificates, consents, approvals, waivers and other communications in connection with this document must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

### **20.2 Form - communications sent by email**

Communications sent by email need not be marked for attention in the way stated in clause 20.1. However, the email must state the first and last name of the sender.

Communications sent by email are taken to be signed by the named sender.

### **20.3 Delivery**

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by email to the address set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or email address, then communications must be to that address or email address.

### **20.4 When effective**

Communications take effect from the time they are received or taken to be received under clause 20.5 (whichever happens first) unless a later time is specified.

### **20.5 When taken to be received**

Communications are taken to be received:

- (a) when delivered to the nominated address, if delivered by hand in accordance with clause 20.3(a);
- (b) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (c) if sent by email;
  - (i) when the sender receives confirmation of delivery (whether automated or otherwise); or

- (ii) two hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

## **20.6 Receipt outside business hours**

Despite clauses 20.4 and 20.5, if communications are received or taken to be received under clause 20.5 after 5:00pm in the place of receipt or on a non-Business Day, they are taken to be received at 8.00am on the next Business Day and take effect from that time unless a later time is specified.

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## **21 Miscellaneous**

### **21.1 Discretion in exercising rights**

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this document expressly states otherwise.

### **21.2 Partial exercising of rights**

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

### **21.3 No liability for loss**

Unless this document expressly states otherwise, a party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this document.

### **21.4 Approvals and consents**

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

### **21.5 Conflict of interest**

The parties' rights and remedies under this document may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

### **21.6 Remedies cumulative**

The rights and remedies in this document are in addition to other rights and remedies given by law independently of this document.

### **21.7 Variation and waiver**

A provision of this document or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

### **21.8 No merger**

The warranties, undertakings and indemnities in this document do not merge on the Implementation Date.

### **21.9 Indemnities**

The indemnities in this document are continuing obligations, independent from the other obligations of the parties under this document and continue after this document ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this document.

### **21.10 Enforceability**

For the purpose of this document:

- (a) Pandal is taken to be acting as agent and trustee on behalf of and for the benefit of all Pandal Indemnified Parties; and
- (b) Perpetual is taken to be acting as agent and trustee on behalf of and for the benefit of all the Perpetual Indemnified Parties,

and all of those persons are to this extent taken to be parties to this document.

### **21.11 Further steps**

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this document; or
- (b) to show whether the party is complying with this document.

### **21.12 Construction**

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

### **21.13 Costs**

The parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this document and other related documentation except for stamp duty.

### **21.14 Stamp duty**

Perpetual agrees to pay all stamp duty (including fines and penalties) payable and assessed by legislation or by any revenue office on this document or the Scheme and in respect of a transaction evidenced by this document or the Scheme.

### **21.15 Entire agreement**

Except for the Confidentiality Agreement, this document constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

### **21.16 Assignment**

A party may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied in each case, without the consent of the other party.

### **21.17 Severability**

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this document or is contrary to public policy.

## **21.18 No representation or reliance**

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, except for representations or inducements expressly set out in this document;
- (b) it does not enter into this document in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this document; and
- (c) paragraphs 21.18(a) and 21.18(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

## **21.19 Governing law**

This document is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

## **21.20 Inconsistent law**

To the extent the law permits, this document prevails to the extent it is inconsistent with any law.

## **21.21 Supervening law**

Any present or future law which operates to vary the obligations of a party in connection with this document with the result that another party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

## **21.22 Counterparts**

This document may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

**EXECUTED** as a deed

# Scheme Implementation Deed

## Schedule 1 - Perpetual Prescribed Events

- 1 **(Conversion)** Perpetual converts all or any of its shares into a larger or smaller number of shares.
- 2 **(Reclassification)** a Perpetual Group member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares.
- 3 **(Reduction of share capital)** Perpetual resolves to reduce its share capital in any way.
- 4 **(Buy-back)** Perpetual:
- (a) enters into a buy-back agreement; or
  - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- 5 **(Distribution)** Perpetual makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) other than the Perpetual Permitted Dividends.
- 6 **(Issuing or granting shares or options)** Perpetual or any of its Subsidiaries:
- (a) issues shares;
  - (b) grants an option over its shares; or
  - (c) agrees to make such an issue or grant such an option,
- in each case to a person outside Perpetual Group other than:
- (d) in accordance with the terms attaching to any performance rights, long term incentive plan (including to satisfy any Pental long term incentive plan), dividend reinvestment plan or other employee plans; or
  - (e) as part of any deferred or other consideration for acquisitions undertaken prior to the date of this document.
- 7 **(Securities or other instruments)** Perpetual or any of its Subsidiaries:
- (a) issues securities or other instruments convertible into shares or debt securities; or
  - (b) agrees to issue securities or other instruments convertible into shares or debt securities,
- in each case to a person outside Perpetual Group other than:
- (c) in accordance with the terms attaching to any performance rights, long term incentive plan (including to satisfy any Pental long term incentive plan), dividend reinvestment plan or other employee plans; or
  - (d) as part of any deferred or other consideration for acquisitions undertaken prior to the date of this document.



- 8 **(Constitution)** Perpetual adopts a new constitution or modifies or repeals its constitution or a provision of it.
- 9 **(Disposals)** Perpetual or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Perpetual Group's business or property (including to the extent such a disposal constitutes a Perpetual Major Transaction).
- 10 **(Acquisitions or tenders)** Perpetual or any of its Subsidiaries:
- (a) acquires or disposes of;
  - (b) agrees to acquire or dispose of; or
  - (c) offers, proposes, announces a bid or tenders for,  
  
any business, assets, entity or undertaking the value of which exceeds \$50,000,000.
- 11 **(Insolvency event)** any member of the Perpetual Group becomes Insolvent.
- 12 **(Encumbrances)** other than in the ordinary course of business and consistent with past practice or in respect of the Merged Group Facility, Perpetual or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- 13 **(Material Proceedings)** any proceeding, investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Perpetual Group which could reasonably be expected to give rise to a liability for the Perpetual Group in its personal capacity (excluding any amount for which it is indemnified in its fiduciary capacity as trustee, responsible entity or manager of a third party trust or fund) in excess of \$50,000,000 (**Material Proceedings**) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Perpetual Group.

## Schedule 2 - Pandal Prescribed Events

- 1 **(Conversion)** Pandal converts all or any of its shares into a larger or smaller number of shares.
- 2 **(Reclassification)** a Pandal Group member reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares.
- 3 **(Reduction of share capital)** Pandal resolves to reduce its share capital in any way.
- 4 **(Buy-back)** Pandal:
  - (a) enters into a buy-back agreement; or
  - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- 5 **(Distribution)** Pandal makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), except for the Pandal Permitted Dividend (provided, for the avoidance of doubt, that any Pandal Permitted Dividend will be deducted from the Scheme Consideration).
- 6 **(Issuing, transferring or granting shares or options)** Pandal or any of its Subsidiaries:
  - (a) issues or transfers shares;
  - (b) grants an option over its shares; or
  - (c) agrees to make such an issue or transfer, or grant such an option; or
  - (d) procures or allows any person who acts as a trustee of any incentive plan or scheme operated by any member of the Pandal Group to transfer any Pandal Shares,other than a transfer of Pandal Shares as required by and in accordance with clause 4.4.
- 7 **(Securities or other instruments)** Pandal or any of its Subsidiaries:
  - (a) issues securities or other instruments convertible into shares or debt securities; or
  - (b) agrees to issue securities or other instruments convertible into shares or debt securities.
- 8 **(Constitution)** Pandal adopts a new constitution or modifies or repeals its constitution or a provision of it.
- 9 **(Disposals)** Pandal or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Pandal Group's business or property.
- 10 **(Acquisitions, disposals or tenders)** Pandal or any of its Subsidiaries:
  - (a) acquires, leases or disposes of;
  - (b) agrees to acquire, lease or dispose of;

(c) offers, proposes, announces a bid or tenders for,

any business, assets, entity or undertaking the value of which exceeds \$5,000,000 individually or \$10,000,000 in aggregate.

- 11 **(Encumbrances)** Pental or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- 12 **(Insolvency event)** any member of the Pental Group becomes Insolvent.
- 13 **(Conduct of business)** a member of the Pental Group commencing material business activities not already carried out as at the date of this document, whether by way of acquisition or otherwise.
- 14 **(Restraint)** a member of the Pental Group entering into a contract or commitment restraining in a material respect Pental or any Subsidiary of Pental from competing with any person in any market.
- 15 **(Capital structure)** Pental becoming aware that the representation and warranty in paragraph 12 of Schedule 6 is inaccurate.
- 16 **(Employment arrangements)** Pental or any of its Subsidiaries:
- (a) increases the remuneration or benefits of, or otherwise varies the employment arrangements with, or pays a retention payment or bonus payment to, any of its directors or employees, other than as agreed between the parties;
  - (b) accelerates the rights of any of its directors, Key Management Personnel or other employees to compensation or benefits or any kind other than an acceleration of Pental Employee Rights in accordance with clause 4.4; or
  - (c) pays any of its directors, Key Management Personnel or other employees termination payments (otherwise than as required by an existing contract in place at the date of this document or consistently with an existing redundancy policy of the Pental Group).
- 17 **(Financial indebtedness)** incurring any debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation.
- 18 **(Commitments and settlements)** any member of the Pental Group:
- (a) enters into any contract or commitment involving potential expenditure (including termination payments or break fees) by the Pental Group of more than \$2,500,000 (individually or in aggregate) over the term of the contract or commitment;
  - (b) (without limiting the foregoing) enters into any contracts or commitments relating to the same matter or project involving revenue or expenditure of more than \$2,500,000 (individually or in aggregate) over the term of the contracts or commitments;
  - (c) terminates or amends in a material manner any contract material to the conduct of the Pental Group's business or which involves revenue or expenditure of more than \$2,500,000 (individually or in aggregate) over the term of the contract (in each case, including any mandates, investment management agreement, investment advisory agreement or similar agreement); or

(d) waives any material Third Party default where the financial impact on the Pandal Group will be in excess of \$500,000 (individually or in aggregate),

excluding for the avoidance of doubt any action in paragraph (a) to (c) of this paragraph which is also contemplated by paragraph 10 of this Schedule 2 in which case the thresholds in paragraph 10 will apply.

- 19 **(settlements)** accepts as a settlement or compromise of a matter (relating to an amount in excess of \$500,000, individually or in aggregate) less than the full compensation due to Pandal or a Subsidiary of Pandal other than in respect of any Excluded Claims.
- 20 **(capital expenditure)** any member of the Pandal Group incurring, or agreeing to incur, capital expenditure of more than \$2,500,000 (individually or in aggregate).
- 21 **(cash balance)** the Pandal consolidated cash balance being, or being reasonably likely to be, less than the amount agreed to by Pandal and Perpetual on implementation of the Scheme.
- 22 **(financial accommodation)** a member of the Pandal Group providing financial accommodation other than to members of the Pandal Group (irrespective of what form of financial indebtedness that accommodation takes) in excess of \$500,000 (individually or in aggregate).
- 23 **(derivative instruments)** a member of the Pandal Group entering into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments other than in the ordinary course of business (and for the purpose of hedging, not speculating) and excluding for the avoidance of doubt any foreign exchange forward contracts entered into in the ordinary course of Pandal's cash flow management processes.
- 24 **(EBAs)** a member of the Pandal Group entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this document and which are contained in the Disclosure Materials.
- 25 **(Financial Advisor arrangements)** a member of the Pandal Group amending in any material respect any arrangement with its Financial Advisors, or entering into arrangements with a new Financial Advisor, in respect of the Transaction or a Competing Transaction.
- 26 **(Material Proceedings)** any proceeding, investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Pandal Group which (i) could reasonably be expected to give rise to a liability for the Pandal Group in excess of \$25,000,000 or (ii) is in relation to a material breach of financial services law or relates to material violations of financial services or securities law in any jurisdiction (**Material Proceedings**) and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any Material Proceedings. For the avoidance of doubt, Material Proceedings do not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Pandal Group.

## Schedule 3 - Conditions Precedent (clause 3.1)

Condition	Party entitled to benefit	Party responsible
<b>1. Regulatory Approvals</b> Before 8.00am on the Second Court Date:		
(a) <b>(ASIC and ASX)</b> ASIC and ASX have issued or provided such consents, confirmations or approvals or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction and those consents, confirmations, approvals or other acts have not been withdrawn or revoked at that time;	Both	Both
(b) <b>(Financial Conduct Authority)</b> the Financial Conduct Authority has issued or provided such consents, confirmations or approvals (including, for the avoidance of doubt, by allowing the statutory assessment period to expire without objection) or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction and those consents, confirmations, approvals or other acts have not been withdrawn or revoked at that time;	Both	Both
(c) <b>(Central Bank of Ireland)</b> ; the Central Bank of Ireland has issued or provided such consents, confirmations or approvals (including, for the avoidance of doubt, by allowing the statutory assessment period to expire without objection) or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction and those consents, confirmations, approvals or other acts have not been withdrawn or revoked at that time;	Both	Both
(d) <b>(Hart Scott Rodino)</b> the applicable waiting period under the Hart Scott Rodino Antitrust Improvements Act	Both	Both

Condition	Party entitled to benefit	Party responsible
<p>of 1976, as amended, shall have expired or been terminated;</p> <p>(e) <b>(Monetary Authority of Singapore):</b> the Monetary Authority of Singapore has issued or provided such consents, confirmations or approvals or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Transaction and those consents, confirmations, approvals or other acts have not been withdrawn or revoked at that time;</p> <p>(f) <b>(Regulatory Authority)</b> all other approvals of a Regulatory Authority which Perpetual and Pendal agree (acting reasonably) are necessary or desirable to implement the Transaction are obtained and those approvals have not been withdrawn or revoked; and</p> <p>(g) <b>(Court orders)</b> no Court or Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Transaction and no such order, decree, ruling, other action or refusal is in effect.</p>	<p>Both</p> <p>Both</p> <p>Both</p>	<p>Both</p> <p>Both</p> <p>Both</p>
<p><b>2. Scheme approval</b></p> <p>Pendal Shareholders approve the Scheme by the requisite majorities in accordance with the Corporations Act.</p>	Cannot be waived	Pendal
<p><b>3. Court approval</b></p> <p>The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.</p>	Cannot be waived	Both

Condition	Party entitled to benefit	Party responsible
<p><b>4. Third party consents</b></p> <p>The Client Consent Percentage is equal to or greater than 82.5% as at 8:00am on the day after the Active Client Consent Process End Date and as at 5:00pm on the day before the Second Court Date.</p> <p>All other approvals of a Third Party which Perpetual and Pandal agree are necessary or desirable to implement the Transaction are obtained.</p>	Perpetual	Both
<p><b>5. Independent Expert</b></p> <p>The Independent Expert issues a report which concludes that the Scheme is in the best interests of Scheme Participants before the date on which the Scheme Booklet is registered by ASIC.</p>	Both	Pandal
<p><b>6. Pandal Representations and Warranties</b></p> <p>The Pandal Representations and Warranties are true and correct in all material respects at all times between the date of this document and as at 8.00am on the Second Court Date, except where expressed to be operative at another date.</p>	Perpetual	Pandal
<p><b>7. Perpetual Representations and Warranties</b></p> <p>The Perpetual Representations and Warranties are true and correct in all material respects at all times between the date of this document and as at 8.00am on the Second Court Date, except where expressed to be operative at another date.</p>	Pandal	Perpetual
<p><b>8. No Pandal Prescribed Event</b></p> <p>No Pandal Prescribed Event occurs between (and including) the date of this document and 8.00am on the Second Court Date.</p>	Perpetual	Pandal
<p><b>9. No Pandal Material Adverse Change</b></p> <p>No Pandal Material Adverse Change occurs, is discovered, announced, disclosed or otherwise becomes known to Pandal between (and including) the date of this document and 8.00am on the Second Court Date.</p>	Perpetual	Pandal

Condition	Party entitled to benefit	Party responsible
<b>10. No Perpetual Prescribed Event</b>  No Perpetual Prescribed Event occurs between (and including) the date of this document and 8.00am on the Second Court Date.	Pendal	Perpetual
<b>11. No Perpetual Material Adverse Change</b>  No Perpetual Material Adverse Change occurs, is discovered, announced, disclosed or otherwise becomes known to Perpetual between (and including) the date of this document and 8.00am on the Second Court Date.	Pendal	Perpetual
<b>12. Quotation</b>  The New Perpetual Shares to be issued pursuant to the Scheme have, before 8.00 am on the Second Court Date, been approved for official quotation on the ASX (provided that any such approval may be subject to customary conditions).	Both	Perpetual
<b>13. No termination</b>  This document has not been terminated in accordance with clause 16.	Both	Both
<b>14. Deed Poll</b>  Between the date of this document and the date of sending the Scheme Booklet, Perpetual signs and delivers the Deed Poll.	Pendal	Perpetual
<b>15. No Pendal Employee Rights</b>  Before 8.00am on the Second Court Date, Pendal has taken all actions necessary to ensure that as of 5:00pm on the Effective Date, there are no outstanding Pendal Employee Rights.	Perpetual	Pendal



# Scheme Implementation Deed

## Schedule 4 – Pental's Obligations (clause 7.1)

- 1 **(Scheme Booklet)** subject to clause 8, as soon as practicable after the date of this document, prepare and despatch the Scheme Booklet in accordance with all applicable laws, including the Corporations Act, Corporations Regulations, the Listing Rules and applicable ASIC Regulatory Guides.
- 2 **(Further Pental Information)** provide to Perpetual and Scheme Participants (following timely and good faith consultation with Perpetual) such further or new Pental Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that Pental Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **(Independent Expert)** promptly appoint the Independent Expert and any investigating accountant to be appointed in connection with the preparation of the Scheme Booklet (as agreed with Perpetual), jointly (with Perpetual) prepare the pro forma financial information for inclusion in the Scheme Booklet and provide any assistance and information reasonably requested by the Independent Expert and any investigating accounting to enable the Independent Expert to prepare the Independent Expert's Report and the investigating accountant to prepare its report for the Scheme Booklet (including any updates to such report) and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates thereto) as soon as practicable.
- 4 **(Provide a copy of the report)** on receipt, provide Perpetual with a copy of any draft or final report received from the Independent Expert.
- 5 **(Directors' recommendation)** state in the Scheme Booklet, the public announcement contemplated by clause 17.1 (on the basis of statements made to Pental by each member of the Pental Board) and any other public statements made by Pental in relation to the Scheme that:
  - (a) each of the directors of the Pental Board recommends to Scheme Participants that the Scheme be approved in the absence of a Superior Proposal; and
  - (b) each of the directors of the Pental Board will (in the absence of a Superior Proposal) vote, or procure the voting of director's shares in Pental in which they have a Relevant Interest at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting,unless:
  - (c) the Independent Expert opines that the Scheme is not in the best interest of Pental Shareholders; or
  - (d) in relation to matters occurring after the date of this document, the Pental Board considers, after obtaining written legal advice, that compliance or continued compliance with this clause would involve a breach of their fiduciary duties or would be unlawful on any other basis.
- 6 **(Directors' voting)** use its reasonable endeavours to procure that:
  - (a) each member of the Pental Board votes any shares in Pental in which they have a Relevant Interest at the time of the Scheme Meeting in favour of the Scheme and any other resolution submitted to Pental Shareholders for their approval in connection with the Scheme; and

(b) each member of the Pandal Board does not change that voting intention, unless a Superior Proposal arises or the Independent Expert opines that the Scheme is not in the best interests of Pandal Shareholders.

7 **(Registry details)** subject to the terms of the Scheme:

- (a) provide all necessary information about the Scheme Participants to Perpetual which Perpetual requires in order to assist Perpetual to solicit votes at the Scheme Meeting; and
- (b) provide all necessary directions to the Registry to promptly provide any information that Perpetual reasonably requests in relation to the Register, including any sub-register, and, where requested by Perpetual must procure such information to be provided to Perpetual in such electronic form as is reasonably requested by Perpetual.

8 **(Lodgement of Regulator's Draft)** no later than 14 days before the First Court Date, provide the Regulator's Draft to ASIC for its review for the purposes of section 411(2) of the Corporations Act, and provide a copy of the Regulator's Draft to Perpetual immediately thereafter.

9 **(Section 411(17)(b) statement)** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.

10 **(ASIC and ASX review)** keep Perpetual informed of any matters raised by ASIC or ASX in relation to the Scheme Booklet or the Transaction, and use reasonable endeavours to take into consideration in resolving such matters any issues raised by Perpetual.

11 **(Court application)** apply to the Court for an order under section 411(1) of the Corporations Act directing Pandal to convene the Scheme Meeting.

12 **(Registration of explanatory statement)** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.

13 **(Court documents)** consult with Perpetual in relation to the content of the documents required for the purpose of each of the Court hearings held for the purpose of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating process, affidavits, submissions and draft minutes of Court orders) and consider in good faith, for the purpose of amending drafts of those documents, comments from Perpetual on those documents.

14 **(Send Scheme Booklet)** send the Scheme Booklet to Pandal Shareholders as soon as practicable after the Court orders Pandal to convene the Scheme Meeting.

15 **(Scheme Meeting)** convene the Scheme Meeting in accordance with any such orders made by the Court pursuant to section 411(1) of the Corporations Act and seek the approval of Pandal Shareholders for the Scheme and, for this purpose, the directors of Pandal must participate in reasonable efforts to promote the merits of the Scheme, including meeting with key Scheme Participants at the reasonable request of Perpetual.

16 **(Certificate)** at the hearing on the Second Court Date provide to the Court a certificate confirming whether or not the Conditions Precedent (other than the Condition Precedent in paragraph 3 (Court approval) of Schedule 3) have been satisfied or waived in accordance with this document. A draft of such certificate

shall be provided by Pental to Perpetual by 4:00pm on the Business Day prior to the Second Court Date.

- 17 **(Court order)** apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act.
- 18 **(Lodge)** lodge with ASIC an office copy of any such Court order approving the Scheme as approved by Pental Shareholders at the Scheme Meeting in accordance with section 411(10) of the Corporations Act on the day after that office copy is received (or any later date agreed by Perpetual).
- 19 **(Register)** close the Register as at the Scheme Record Date to determine the identity of the Scheme Participants and their entitlements to Scheme Consideration.
- 20 **(Transfer and registration)** execute proper instruments of transfer and effect the transfer of the Scheme Shares to Perpetual Sub in accordance with the Scheme and register all transfers of shares in Pental to Perpetual Sub on the Implementation Date.
- 21 **(Compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws and regulations.
- 22 **(Listing)** take all reasonable steps to maintain Pental's listing on ASX, notwithstanding any suspension of the quotation of shares in Pental under paragraph 26 of this Schedule 4, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC.
- 23 **(Other steps)** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.
- 24 **(Meetings with Pental Shareholders)** at the request of Perpetual, Representatives of Pental will accompany Representatives of Perpetual at meetings with Pental Shareholders that have been approved in writing by Pental to convey Pental's recommendation of the Scheme and rationale for that recommendation.
- 25 **(Perpetual and Pental - information)** prepare and promptly provide to Perpetual any information regarding the Pental Group that Perpetual reasonably requires in order to prepare the information regarding the Merged Group following implementation of the Scheme for inclusion in the Scheme Booklet.
- 26 **(Suspension of trading)** apply to ASX to suspend trading in Pental Shares with effect from the close of trading on the Effective Date.
- 27 **(Issues of Shares)** Pental must ensure:
  - (a) that no Pental Prescribed Event set out in paragraph 5 of Schedule 2 occurs between the date of this document and 8.00 am on the Second Court Date; and
  - (b) that, from 8.00am on the Second Court Date, no entitlement offer, rights issue or similar offer is announced or made by Pental.
- 28 **(Pental Client Consent Contracts)** without limitation to its obligations under clause 3.4, as soon as reasonably practicable after the date of this document (and in any event no later than within 4 weeks after the date of this document):

- (a) initiate any consent process required in relation to the Transaction under the terms of, or applicable law applying to, an Active Client Consent Contract; and
- (b) provide any written notice required in relation to the Transaction under and in accordance with the terms of any Passive Client Consent Contract,

and if Pandal fails to do so, the relevant client under the Pandal Client Consent Contract will be deemed not to be a Consenting Client (unless that client provides specific written consent in accordance with the terms of the Pandal Client Consent Contract).

29 **(Provision of schedules)** Pandal must provide to Perpetual on the below dates or as soon as reasonably practicable afterwards:

- (a) at 8:00am on the day after the Active Client Consent Process End Date;
- (b) on the date which is three weeks prior to the Second Court Date;
- (c) at 5:00pm on the Business Day before the Second Court Date; and
- (d) otherwise on reasonable request from Perpetual,

a detailed schedule showing the calculations of the Pandal Management Fee Revenue Run Rate and Pandal Consenting Client Management Fee Revenue Run Rate as at that date (together with any supporting information reasonably requested by Perpetual).

30 **(Assistance with debt arrangements)**

- (a) **(Repayment of debt)** On the Implementation Date, Pandal must take all necessary steps to:
  - (i) repay from its own resources all debts under the Term Debt Facility and the Working Capital Facility and any other debt facility or any other debt or monetary liability (whether actual or contingent) in respect of monies borrowed or raised or any financial accommodation of the Pandal Group of the Pandal Group other than in respect of assets which are held in a fiduciary capacity as trustee, responsible entity or manager of a third party trust or fund; and
  - (ii) procure the release of all Encumbrances over any member or assets of the Pandal Group other than in respect of assets which are held in a fiduciary capacity as trustee, responsible entity or manager of a third party trust or fund,

including:

- (i) to the extent required by Perpetual, placing funds into escrow prior to the Implementation Date with a direction to repay the Term Debt Facility, the Working Capital Facility and any other debt facility or other debt or other monetary liability (whether actual or contingent) in respect of monies borrowed or raised of the Pandal Group on Implementation; and
- (ii) issuing termination notices under the Working Capital Facility and the Term Debt Facility.

- (b) **(Information and assistance)** Pendal agrees to provide timely cooperation and assistance in connection with the arrangement and syndication of any debt financing by Perpetual (including with respect to the Merged Group Facility) as may be reasonably requested by Perpetual from time to time, including:

- (i) furnishing Perpetual and its financing sources (within a reasonable timeframe) with financial, operating or other pertinent information regarding the Pendal Group or to the extent the information is available to Pendal, any entity in which any member of the Pendal Group has an investment and providing reasonable assistance with the preparation of any information memorandum, lender presentation, investor roadshows, rating presentations or similar presentations or offering document to be used in syndicating any acquisition or debt financing and including, in each case, providing any consent required under the Confidentiality Agreement to the disclosure to the financing sources of the Perpetual (provided that such financing sources are subject to confidentiality undertakings consistent with those under the Confidentiality Agreement) provided that primary carriage and responsibility for such matters will at all times remain with Perpetual;
- (ii) providing reasonable cooperation with any marketing efforts undertaken by Perpetual) and its financing sources related to any proposed debt financing of Perpetual (including the Merged Group Facility) (including by making available such senior officers or senior executives of Pendal as reasonably requested by Perpetual at mutually convenient times for conference calls, management presentation in-person or telephone sessions, virtual roadshows and similar meetings or presentations including meeting with ratings agencies and prospective financing sources), as may be reasonably requested by the Perpetual;
- (iii) providing reasonable assistance upon request to Perpetual to satisfy any conditions and obligations of any financing to the extent same is within its control,

provided that, with the exception of any costs of compliance with this clause 30, that will be fully reimbursed by Perpetual, neither Pendal nor any member of the Pendal Group will be required to incur any liability in connection with any such financing prior to the earlier of the Scheme being implemented.

- (b) Perpetual must indemnify Pendal from and against any and all losses, damages, claims, costs or expenses suffered or incurred by any Pendal Group member in connection with any such financing and any information utilised in connection therewith.
- (c) Pendal agrees to:
  - (i) provide timely cooperation and assistance in connection with any repayment of existing financing arrangements or close out and termination of derivative agreements of the Pendal Group, in connection with the Scheme, including:
    - (A) undertaking steps reasonably required or requested by Perpetual in connection with any such repayment of such financing or termination and close out of such derivative

transactions in connection with the Scheme, provided that the timing of any such repayment is no earlier than the Implementation Date;

- (B) providing Perpetual with information reasonably requested by Perpetual in relation to the use of existing cash reserves of the Pendal Group for such purpose and/or contingent instruments then on issue; and
  - (C) using reasonable endeavours to assist in the repayment or replacement of any letters of credit, bank guarantees or similar instruments; and
- (ii) provide to Perpetual financial information which the Perpetual reasonably requests in order to prepare the unwinding of existing, and the implementation of new, financing arrangements after the Implementation Date,
- (d) Nothing in this clause will require any Pendal Group member to provide cooperation to the extent that it would:
  - (i) cause any Condition Precedent to not be satisfied or otherwise cause a breach of this deed;
  - (ii) require a member of the Pendal Group to take any action that would reasonably be expected to conflict with or violate that member of the Pendal Group's constituent documents or any law or the rules of any stock exchange or would breach any obligation to any person including under a confidentiality agreement or arrangement;
  - (iii) require the approval of shareholders of Pendal under section 260B of the Corporations Act or equivalent or analogous restriction in any jurisdiction or under the rules of any stock exchange;
  - (iv) require a Pendal Group member to execute prior to the implementation of the Scheme any agreements, including any credit or other agreements, pledge or security documents or other certificates, legal opinions or documents in connection with any financing; or
  - (v) to the extent it would cause undue disruption to the operation of the Pendal Group business.

## Schedule 5 - Perpetual's Obligations (clause 7.2)

### Part A

- 1 **(Perpetual Information)** provide to Pandal for inclusion in the Scheme Booklet the Perpetual Information for inclusion by Pandal in the Scheme Booklet (including any information required under the Corporations Act, Corporations Regulations, or ASIC Regulatory Guide 60).
- 2 **(Further Perpetual Information)** provide to Pandal such further or new Perpetual Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting and will ensure that the Scheme Booklet is updated or supplemented to include all further or new information which arises after the Scheme Booklet has been despatched to Pandal Shareholders until the date of the Scheme Booklet as may be necessary to ensure that the Perpetual Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **(Independent Expert information)** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report to be included in the Scheme Booklet.
- 4 **(Investigating accountant)** jointly (with Pandal) prepare the pro forma financial information for inclusion in the Scheme Booklet and provide all assistance or information for inclusion in the Scheme Booklet and provide any assistance or information reasonably requested by any investigating accountant in connection with preparation of the investigating accountant's report for inclusion in the Scheme Booklet (including any updates to such report) and any other materials to be prepared by the investigating accountant for inclusion in the Scheme Booklet (including any updates thereto).
- 5 **(Consent)** provide a consent in such form as Pandal reasonably requires in relation to the inclusion of the Perpetual Information in the Scheme Booklet.
- 6 **(Representation)** procure that it is represented by counsel at the court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel Perpetual must undertake (if requested by the court) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this document and the Scheme.
- 7 **(Deed Poll)** prior to the Scheme Booklet being sent, sign and deliver the Deed Poll.
- 8 **(Issues of Shares)** Perpetual must ensure:
  - (a) that no Perpetual Prescribed Event set out in paragraph 5 of Schedule 1 occurs between the date of this document and 8.00 am on the Second Court Date; and
  - (b) that, from 8.00am on the Second Court Date, no entitlement offer, rights issue or similar offer is announced or made by Perpetual in relation to which the holders of New Perpetual Shares (once issued in accordance with clause 4.1) will not be entitled to participate on equal terms with other shareholders of Perpetual.

- 9 **(Scheme Consideration)** if the Scheme becomes Effective, provide (or, in the case of the Cash Consideration, procure that Perpetual Sub provides) the Scheme Consideration in accordance with clause 4.1 and the Deed Poll on the Implementation Date.
- 10 **(Share Transfer)** if the Scheme becomes Effective, procure that Perpetual Sub executes the master transfer form and accepts a transfer of the shares in Pental as contemplated by clause 4.1.
- 11 **(Provision of schedules)** Perpetual must provide to Pental:
- (a) on the date which is three weeks prior to the Second Court Date;
  - (b) at 5:00pm on the day before the Second Court Date; and
  - (c) otherwise on reasonable request from Pental,
- a detailed schedule showing the calculations of the Perpetual Revenue Run Rate as at that date (together with any supporting information reasonably requested by Pental).

## Part B

### 1 **(Directors' and officers' insurance)**

- (a) Subject to the Scheme becoming Effective and subject to the Corporations Act, Perpetual undertakes in favour of Pental and each other person who is a Pental Indemnified Party that it will:
  - (i) for a period of 7 years from the Implementation Date, ensure that the constitutions of Pental and each other member of the Pental Group continue to contain the rules that are contained in those constitutions at the date of this document that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Perpetual Group; and
  - (ii) procure that Pental and each other member of the Pental Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that the directors' and officers' run-off insurance cover for those directors and officers is maintained, subject to paragraph 1(b) of Part B of this Schedule 5, for a period of 7 years from the retirement date of each director and officer.
- (b) The undertakings contained in paragraph 1(a) of Part B of this Schedule 5 are given until the earlier of the end of the relevant period specified in that clause or the relevant member of the Pental Group ceasing to be part of the Perpetual Group.
- (c) Pental acknowledges that it receives and holds the benefit of 1(a) of Part B of this Schedule 5 to the extent it relates to each director and officer of a member of the Pental Group on behalf of each of them.

- 2 **(Employment policies and entitlements)** During the period ending 30 months after the Implementation Date, Perpetual will not amend any policy of any Pental Group company (which has been Fairly Disclosed to Perpetual prior to the date of this document) relating to redundancy so as to make the terms taken as a whole materially less favourable or adverse to employees.



# Scheme Implementation Deed

## Schedule 6 - Pental's representations and warranties (clause 14.1)

- 1 **(Incorporation)** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **(Execution)** the execution and delivery of this document has been properly authorised by all necessary corporate action of Pental.
- 3 **(Corporate power)** it has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document in accordance with its terms.
- 4 **(Binding obligations)** this document constitutes legal, valid and binding obligations on it.
- 5 **(Pental Information)** The Pental Information provided in accordance with this document and included in the Scheme Booklet, as at the date the Scheme Booklet is despatched to Pental shareholders, will be accurate in all material respects, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion being honestly held and formed on a reasonable basis), including by way of any omission from that statement and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides, practice notes and other guidelines and requirements of ASIC.
- 6 **(Reliance)** Pental Information contained in the Scheme Booklet will be included in good faith and on the understanding that Perpetual and its directors will rely on that information for the purposes of considering and approving the Perpetual Information in the Scheme Booklet before it is despatched, approving the entry into the Deed Poll and implementing the Scheme.
- 7 **(Further information)** Pental will, as a continuing obligation, provide to Perpetual all such further or new information which may arise after the date of the Scheme Booklet until the date of the Scheme Meeting and will ensure that the Scheme Booklet is updated or supplemented to include all further or new information which arises after the Scheme Booklet has been despatched to Pental Shareholders until the date of the Scheme Booklet which may be necessary to ensure that there would be no breach of clause 8.1(b) if it applied as at the date upon which that information arose.
- 8 **(Continuous disclosure)** Pental is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure.
- 9 **(Opinions)** any statement of opinion or belief contained in Pental Information is honestly held and there are reasonable grounds for holding the opinion or belief.
- 10 **(Provision of information to Independent Expert)** all information provided by or on behalf of Pental to the Independent Expert and any investigating accountant to enable the Independent Expert's Report and any investigating accountant's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert and any investigating accountant will rely upon that information for the purpose of preparing the Independent Expert's Report and the investigating accountant's report, as applicable.

- 11 **(No default)** neither Pendal nor any of its Subsidiaries is in default under any document, agreement or instrument binding on it or its assets nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event or similar event, or give another party thereto a termination right or right to accelerate any right or obligation, under any such document or agreement with such an effect.
- 12 **(Securities)** Pendal's issued securities as at the date of this document are 383,149,490 shares in Pendal and it has not issued or agreed to issue any other securities or instruments which are still outstanding and which may convert into shares in Pendal, other than rights arising under the Pendal Employee Rights.
- 13 **(No Encumbrances)** there is no material Encumbrance over all or any of the assets or revenues of any Pendal Group member other than assets which are held in a fiduciary capacity as trustee, responsible entity or manager of a third party trust or fund.
- 14 **(Information provided to Third Parties)** Pendal has provided Perpetual with copies or written statements of any material non-public information about the business or affairs of Pendal or the Pendal Group disclosed or otherwise provided to any Third Party in connection with an actual, proposed or potential Competing Transaction.
- 15 **(Insolvency event or regulatory action)** no member of the Pendal Group is Insolvent, nor has any regulatory action of any nature been taken that would prevent or restrict the ability of a member of the Pendal Group to fulfil its obligations under this document.
- 16 **(Compliance):**
- (a) Each member of the Pendal Group has complied in all material respects with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign Regulatory Authorities having jurisdiction over them.
  - (b) The Pendal Group members have all material licenses and permits to conduct the business of the Pendal Group as it is presently conducted (where a **material license or permit** for the purposes of this paragraph means a license or permit absent which, if the Pendal Group was conducting its business as it is presently conducted, it would be reasonably likely to result in Pendal being unable to operate a material part of its business).
- 17 **(Disclosure Materials)** it has collated and prepared all of the Pendal Disclosure Materials in good faith and with reasonable care and skill for the purposes of a due diligence process and:
- (a) the information contained in the Disclosure materials is accurate in all material respects;
  - (b) the Disclosure Materials do not include information that is misleading in any material respect; and
  - (c) no information has been omitted from the Disclosure Materials that, in Pendal's reasonable opinion, would render the Disclosure Materials misleading in any material respect, or be material to a reasonable buyer's evaluation of the Pendal Group or decision whether to proceed with the Transaction.

## Schedule 7 - Perpetual's representations and warranties (clause 14.4)

- 1 **(Incorporation)** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **(Execution)** the execution and delivery of this document has been properly authorised by all necessary corporate action of Perpetual.
- 3 **(Corporate power)** it has full corporate power and lawful authority to execute and deliver this document and to consummate and perform or cause to be performed its obligations under this document in accordance with its terms.
- 4 **(No default)** neither Perpetual nor any of its Subsidiaries is in default under any document, agreement or instrument binding on it or its assets nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event or similar event, or give another party thereto a termination right or right to accelerate any right or obligation, under any such document or agreement with such an effect.
- 5 **(Binding obligations)** this document constitutes legal, valid and binding obligations on it.
- 6 **(Reliance)** the Perpetual Information provided to Pental for inclusion in the Scheme Booklet will be provided in good faith and on the understanding that Pental and its directors will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the Corporations Act.
- 7 **(Perpetual Information)** the Perpetual Information provided in accordance with this document and included in the Scheme Booklet, as at the date the Scheme Booklet is despatched to Pental shareholders, will be accurate in all material respects, will not contain any statement which is materially misleading or deceptive (with any statement of belief or opinion being honestly held and formed on a reasonable basis), including by way of any omission from that statement and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides, practice notes and other guidelines and requirements of ASIC.
- 8 **(Further information)** Perpetual will, as a continuing obligation, provide to Pental all such further or new information which may arise after the date of the Scheme Booklet until the date of the Scheme Meeting which may be necessary to ensure that there would be no breach of clause 8.1(b) if it applied as at the date on which that information arose.
- 9 **(Opinions)** any statement of opinion or belief contained in the Perpetual Information is honestly held and there are reasonable grounds for holding the opinion or belief.
- 10 **(Provision of information to Independent Expert)** all information provided by or on behalf of Perpetual to the Independent Expert and any investigating accountant to enable the Independent Expert's Report and any investigating accountant's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert and any investigating accountant will rely upon that information for the purpose of preparing the Independent Expert's Report and the investigating accountant's report, as applicable.

- 11 **(New Perpetual Shares)** the New Perpetual Shares will be duly authorised and validly issued or transferred, fully paid, free of all security interests and Third Party rights and will rank equally with all other the Perpetual Shares then on issue.
- 12 **(Insolvency event or regulatory action)** no member of The Perpetual Group is Insolvent, nor has any regulatory action of any nature been taken that would prevent or restrict the ability of member of the Perpetual Group to fulfil its obligations under this document.
- 13 **(no dealing with Pental Shareholders)** neither it nor any of its associates has any agreement, arrangement or understanding with any Pental Shareholder under which that Pental Shareholder (or an associate of that Pental Shareholder) would be entitled to receive consideration for their Pental Shares different from the Scheme Consideration or under which the Pental Shareholder agrees to vote in favour of the Scheme or against any Competing Transaction.
- 14 **(Compliance):**
- (a) No member of the Perpetual Group has failed to comply with Australian or foreign laws and regulations applicable to them and orders of Australian and foreign Regulatory Authorities having jurisdiction over them in a manner which is required to be disclosed under the continuous disclosure provisions of the ASX Listing Rules.
  - (b) The Perpetual Group members have all material licenses and permits to conduct the business of the Perpetual Group as it is presently conducted (where a material license or permit for the purposes of this paragraph means a license or permit absent which, if the Perpetual Group was conducting its business as it is presently conducted, it would be reasonably likely to result in Perpetual being unable to operate a material part of its business).
- 15 **(Disclosure Materials)** it has collated and prepared all of the Perpetual Disclosure Materials in good faith and with reasonable care and skill for the purposes of a due diligence process and:
- (a) the information contained in the Disclosure materials is accurate in all material respects;
  - (b) the Disclosure Materials do not include information that is misleading in any material respect; and
  - (c) no information has been omitted from the Disclosure Materials that, in Perpetual's reasonable opinion, would render the Disclosure Materials misleading in any material respect, or be material to a reasonable evaluation of the scrip portion of the Scheme Consideration.

# Scheme Implementation Deed

## Signing page

**Executed as a DEED:**

**DATED:**

**EXECUTED by PENDAL GROUP LIMITED** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:

.....  
Signature of director

.....  
Name of director (block letters)

.....  
Signature of director/company secretary\*  
\*delete whichever is not applicable

.....  
Name of director/company secretary\* (block letters)  
\*delete whichever is not applicable

**EXECUTED by PERPETUAL LIMITED** in accordance with section 127(1) of the Corporations Act 2001 (Cwlth) by authority of its directors:

.....  
Signature of director

.....  
Name of director (block letters)

.....  
Signature of director/company secretary\*  
\*delete whichever is not applicable

.....  
Name of director/company secretary\* (block letters)  
\*delete whichever is not applicable

# Scheme Implementation Deed

## Annexure A - Scheme

For personal use only

# Scheme of Arrangement

Dated

Pendal Group Limited ABN 28 126 385 822 ("**Pendal**")

Scheme Shareholders

**King & Wood Mallesons**

Level 27  
Collins Arch  
447 Collins Street  
Melbourne VIC 3000  
Australia  
**T** +61 3 9643 4000  
**F** +61 3 9643 5999  
DX 101 Melbourne  
[www.kwm.com](http://www.kwm.com)

# Scheme of Arrangement

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# Scheme of Arrangement

## Details

Parties	Pental Group Limited and Scheme Shareholders	
Pental	Name	<b>Pental Group Limited</b>
	ABN	28 126 385 822
	Address	Level 14, 2 Chifley Square, Sydney, NSW 2000
	Email	joanne.hawkins@pentalgroup.com
	Attention	Joanne Hawkins, Group Company Secretary
	Copy to	Robert Kelly (robert.kelly@au.kwm.com)
Scheme Shareholders	Name	The Scheme Shareholders
Recitals	A	This scheme of arrangement is made under section 411 of the <i>Corporations Act 2001</i> (Cth)

# Scheme of Arrangement

## General terms

---

### 1 Definitions

The meanings of the terms used in this Scheme are set out below.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.

**Available Cash Consideration** means the amount of cash determined by subtracting from the Total Cash Pool the aggregate amount of cash consideration payable by Perpetual under this Scheme to Scheme Shareholders who elect, or are deemed to have elected, Standard Consideration.

**Available Scrip Consideration** means the number of Perpetual Shares determined by subtracting from the Total Scrip Pool the aggregate number of New Perpetual Shares to which Scheme Shareholders who elect, or are deemed to have elected, Standard Consideration are entitled under this Scheme.

**Business Day** means a business day as defined in the Listing Rules.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Court** means the Federal Court of Australia (Sydney registry) or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Perpetual and Pental.

**Deed Poll** means the deed poll substantially in the form of Annexure A under which Perpetual and Perpetual Sub each covenant in favour of the Scheme Shareholders to perform the obligations attributed to them under this Scheme.

**Effective** means when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the Court order made under paragraph 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**Effective Date** means the date on which this Scheme becomes Effective.

**Election** has the meaning in clause 6.1(a)

**Election Form** means the election form provided with the Scheme Booklet under which each Pental Shareholder (other than any Excluded Shareholder) may elect to receive either Standard Consideration, Maximum Cash Consideration or Maximum Scrip Consideration in respect of all of their Pental Shares.

**Election Time** means the date which is 5 Business Days prior to the date of the Scheme Meeting (unless ASIC requires an earlier date, in which case such earlier date shall apply) or any other date agreed between the parties.

**End Date** means 13 June 2023, or such other date as Pental and Perpetual agree in writing.

**Excluded Shareholder** means any Pental Shareholder who is a member of the Perpetual Group (and does not hold Pental Shares on behalf of, or for the benefit of, any other person) or any Pental Shareholder who holds any Pental Shares on behalf of, or for the benefit of, any member of the Perpetual Group (and does not hold Pental Shares on behalf of, or for the benefit of, any other person).

**Ex-Dividend Implied Offer Value** means \$1.976 plus the result of multiplying 1/7.5 by the Value of a Perpetual Share, less the Permitted Dividend Amount.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, including a stock or other securities exchange, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian.

**Gross Proceeds** has the meaning given in clause 6.7(c).

**Implementation Date** means the fifth Business Day after the Scheme Record Date, or such other date after the Scheme Record Date as the parties agree in writing.

**Implementation Deed** means the scheme implementation deed dated [●] between Perpetual and Pental relating to the implementation of this Scheme.

**Ineligible Foreign Shareholder** means a Scheme Shareholder whose address shown in the Share Register on the Scheme Record Date is a place outside Australia and its external territories, unless Perpetual determines that it is lawful and not unduly onerous or impracticable to provide that Scheme Shareholder with New Perpetual Shares when the Scheme becomes Effective.

**Listing Rules** means the official listing rules of ASX.

**Marketable Parcel** means is a parcel of New Perpetual Shares having a value of not less than \$[500] based on the closing price of Perpetual Shares on the ASX on the day prior to the Scheme Record Date (Sydney time).

**Maximum Cash Consideration** means the consideration determined in accordance with clause 6.3.

**Maximum Scrip Consideration** means the consideration determined in accordance with clause 6.4.

**New Perpetual Share** means a Perpetual Share to be provided to Scheme Shareholders under this Scheme.

**Operating Rules** means the official operating rules of ASX.

**Pental** means Pental Group Limited ABN 28 126 385 822.

**Pental Group** has the meaning given in the Implementation Deed.

**Pental Registry** means Link Market Services Limited.

**Pental Share** means a fully paid ordinary share in the capital of Pental.

**Pendal Shareholder** means a person who is registered as the holder of a Pendal Share in the Share Register.

**Permitted Dividend Amount** means the per share amount of any dividend for the financial year ending 30 September 2022 (whether fully franked or otherwise) which is declared or determined or paid by Pendal consistent with its disclosed dividend payout ratio or as otherwise agreed by the parties.

**Perpetual** means Perpetual Limited ABN 86 000 431 827.

**Perpetual Group** has the meaning given in the Implementation Deed.

**Perpetual Register** means the register of members maintained by Perpetual or its agent.

**Perpetual Registry** means Link Market Services Limited.

**Perpetual Shares** means a fully paid ordinary share in the capital of Perpetual.

**Perpetual Sub** means Perpetual Acquisition Company Limited (ACN 163 620 362), a wholly owned direct Subsidiary of Perpetual.

**Registered Address** means in relation to a Pendal Shareholder, its address shown in the Share Register as at the Scheme Record Date.

**Sale Agent** means the sale agent appointed to sell the Sale Securities pursuant to clause 6.7 of this Scheme.

**Sale Facility** means the facility provided for in clause 6.7.

**Sale Securities** has the meaning given in clause 6.7(a).

**Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act between Pendal and the Scheme Shareholders subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Perpetual and Pendal.

**Scheme Booklet** means the scheme booklet published by Pendal and dated [●] 2022.

**Scheme Consideration** means for each Perpetual Share held by a Scheme Shareholder as at the Scheme Record Date:

- (a) an amount of the Standard Consideration;
- (b) the Maximum Cash Consideration; or
- (c) the Maximum Scrip Consideration,

subject to the terms of this Scheme.

**Scheme Meeting** means the meeting of the Pendal Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

**Scheme Record Date** means 7.00pm on the second Business Day after the Effective Date or such other time and date as the parties agree in writing.

**Scheme Shares** means all Pental Shares held by the Scheme Shareholders as at the Scheme Record Date.

**Scheme Shareholder** means a holder of Pental Shares recorded in the Share Register as at the Scheme Record Date (other than an Excluded Shareholder).

**Scheme Transfer** means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Perpetual Sub as transferee, which may be a master transfer of all or part of the Scheme Shares.

**Scrip Equivalent of Ex-Dividend Implied Offer Number** means Ex-Dividend Implied Offer Value divided by the Value of a Perpetual Share.

**Second Court Date** means the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.

**Selling Scheme Shareholder** means a Scheme Shareholder in respect of whom New Perpetual Shares are provided to the Sale Agent in the circumstances referred to in clause 6.7(a).

**Share Register** means the register of members of Pental maintained by Pental or the Pental Registry in accordance with the Corporations Act.

**Standard Consideration** means the consideration described in clause 6.2.

**Subsidiary** has the meaning given in Division 6 of Part 1.2 of the Corporations Act but so that:

- (a) an entity will also be deemed to be a 'Subsidiary' of an entity if that entity is required by the accounting standards to be consolidated by that entity;
- (b) a trust or fund may be a 'Subsidiary', for the purposes of which any units or other beneficial interests will be deemed to be shares; or
- (c) a corporation or trust or fund may be a 'Subsidiary' of a trust or fund if it would have been a Subsidiary if that trust or fund were a corporation.

**Total Cash Pool** means \$757,103,392 less the Total Permitted Dividend Amount.

**Total Permitted Dividend Amount** means the aggregate of all Permitted Dividend Amounts paid to Pental Shareholders.

**Total Scrip Pool** means 51,086,598 Perpetual Shares.

**Value of a Perpetual Share** means \$30.30.

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## 2 Interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforcement arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);

- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to a person includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (h) a reference to ‘\$’, ‘A\$’ or ‘dollar’ is to Australian currency;
- (i) a reference to any legislation includes regulations under it and any consolidations, amendments, replacements or re-enactments of any of them;
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (l) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (m) if a party must do something under this Scheme on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
- (n) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day;
- (o) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1 of this Scheme, has the same meaning when used in this Scheme;
- (p) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (q) a reference to a body, other than a party to this Scheme (including an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (r) a reference to the Listing Rules and the Operating Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

### 3 Preliminary matters

- (a) Pendal is a public company limited by shares, registered in Victoria, and has been admitted to the official list of the ASX. Pendal Shares are quoted for trading on the ASX.
- (b) As at 25 August 2022, 383,149,490 Pendal Shares were on issue and will be on issue prior to the Scheme becoming Effective.
- (c) Perpetual is a public company limited by shares, registered in New South Wales, and has been admitted to the official list of the ASX. Perpetual Shares are quoted for trading on the ASX.
- (d) Perpetual Sub, a wholly-owned Subsidiary of Perpetual, is a company limited by shares registered in Victoria, Australia.
- (e) If this Scheme becomes Effective:
  - (i) Perpetual and Perpetual Sub must provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
  - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to Perpetual Sub and Pendal will enter the name of Perpetual Sub in the Share Register in respect of the Scheme Shares.
- (f) Pendal and Perpetual have agreed, by executing the Implementation Deed, to implement this Scheme.
- (g) This Scheme attributes actions to Perpetual and Perpetual Sub but does not itself impose an obligation on them to perform those actions. Perpetual and Perpetual Sub have agreed, by executing the Deed Poll, to perform the actions attributed to them under this Scheme, including provision or procuring the provision of the Scheme Consideration to the Scheme Shareholders.

### 4 Conditions

#### 4.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) all the conditions in Schedule 3 of the Implementation Deed (other than the condition in the Implementation Deed relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8.00am on the Second Court Date;
- (b) neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) approval of this Scheme by the Court under paragraph 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Perpetual and Pendal;



- (d) such other conditions made or required by the Court under subsection 411(6) of the Corporations Act in relation to this Scheme and agreed to by Perpetual and Pandal having been satisfied or waived; and
- (e) the orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Corporations Act, on or before the End Date.

#### **4.2 Certificate**

- (a) Pandal, Perpetual and Perpetual Sub will provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent in clauses 4.1(a) and 4.1(b) have been satisfied or waived as at 8.00am on the Second Court Date.
- (b) The certificate referred to in clause 4.2(a) constitutes conclusive evidence that such conditions precedent were satisfied, waived or taken to be waived.

#### **4.3 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Deed or the Deed Poll is terminated in accordance with its terms,

unless Pandal and Perpetual otherwise agree in writing.

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### **5 Implementation of this Scheme**

#### **5.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 4.1 of this Scheme (other than the condition precedent in clause 4.1(e) of this Scheme) are satisfied, Pandal must lodge with ASIC, in accordance with subsection 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible after the Court approves this Scheme and in any event by 5.00pm on the first Business Day after the day on which the Court approves this Scheme.

#### **5.2 Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 6 and Perpetual having provided Pandal with written confirmation thereof, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Perpetual Sub, without the need for any further act by any Scheme Shareholder (other than acts performed by Pandal as attorney and agent for Scheme Shareholders under clause 9.5), by:

- (i) Pendal delivering to Perpetual Sub a duly completed Scheme Transfer, executed on behalf of the Scheme Shareholders by Pendal, for registration; and
- (ii) Perpetual Sub duly executing the Scheme Transfer, attending to the stamping of the Scheme Transfer (if required) and delivering it to Pendal for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 5.2(a)(ii), but subject to the stamping of the Scheme Transfer (if required), Pendal must enter, or procure the entry of, the name of Perpetual Sub in the Share Register in respect of all the Scheme Shares transferred to Perpetual Sub in accordance with this Scheme.

## 6 Scheme Consideration

### 6.1 Election

- (a) A Scheme Shareholder may make an election (**Election**) to receive one of:
  - (i) Standard Consideration;
  - (ii) Maximum Cash Consideration; or
  - (iii) Maximum Scrip Consideration,

for all of their Scheme Shares by completing the Election Form, such Election being subject to the terms of this Scheme including without limitation clauses 6.5, 6.6, 6.7, and 6.11.
- (b) [A Scheme Shareholder will be deemed to have elected to have the total scrip component of the Scheme Consideration to which it will become entitled in accordance with the terms of this Scheme sold on its behalf pursuant to the Sale Facility, if that total scrip component comprises a number of New Perpetual Shares that is less than a Marketable Parcel and the Scheme Shareholder has not made an Election and as part of that Election completed the appropriate section of the Election Form indicating that they wish to receive their total scrip component even where it comprises a number of New Perpetual Shares that is less than a Marketable Parcel.]
- (c) Subject to clause 6.1(g), for an Election to be valid:
  - (i) the Scheme Shareholder must complete and sign the Election Form in accordance with the instructions in the Scheme Booklet and on the Election Form; and
  - (ii) the Election Form must be received by the Perpetual Registry before the Election Time at the address specified by Perpetual in the Scheme Booklet and on the Election Form.
- (d) An Election made by a Scheme Shareholder, whether valid or not, will be irrevocable unless Perpetual in its absolute discretion agrees to the revocation of the Election.
- (e) If:
  - (i) a valid Election is not made by a Scheme Shareholder; or

- (ii) no Election is made by a Scheme Shareholder,

then that Scheme Shareholder will be deemed to have elected to receive Standard Consideration in respect of all of their Scheme Shares.

- (f) Subject to clause 6.1(g), an election made or deemed to be made by a Scheme Shareholder under this clause 6.1 will be deemed to apply in respect of the Scheme Shareholder's entire registered holding of Scheme Shares at the Scheme Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Scheme Record Date is greater or less than the Scheme Shareholder's holding at the time it made its Election.
- (g) A Scheme Shareholder who is noted on the Share Register as holding one or more parcels of Pandal Shares as trustee or nominee for, or otherwise on account of, another person, may in the manner considered appropriate by Pandal and Perpetual (acting reasonably including after consultation with the Pandal Registry), make separate elections under this clause 6.1 in relation to each of those parcels of Pandal Shares (subject to it providing to Pandal and Perpetual any substantiating information they reasonably require), and an Election made in respect of any such parcel, or an omission to make an Election in respect of any such parcel, will not be taken to extend to the other parcels.
- (h) Subject to clauses 6.1(i) and 6.1(j), an Election Form will not be valid unless it is completed and received in accordance with the procedures set out in clause 6.1(c).
- (i) Perpetual will determine, in its sole discretion, all questions as to the correct completion of an Election Form, and time of receipt of an Election Form. Perpetual is not required to communicate with any Scheme Shareholder prior to making this determination. The determination of Perpetual will be final and binding on the Scheme Shareholder.
- (j) Notwithstanding clause 6.1(c), Perpetual may, in its sole discretion, at any time and without further communication to Scheme Shareholders, deem any Election Form it receives from a Scheme Shareholder to be a valid Election in respect of the relevant Scheme Shares, even if a requirement for a valid Election has not been complied with.

## **6.2 Standard Consideration**

If a Scheme Shareholder elects or is deemed to have elected to receive Standard Consideration then, subject to clauses 6.5, 6.6 and 6.7, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date:

- (a) a cash amount equal to \$1.976 less the Permitted Dividend Amount; and
- (b) 1/7.5 Perpetual Shares.

## **6.3 Maximum Cash Consideration**

- (a) If a Scheme Shareholder elects to receive Maximum Cash Consideration, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date:
- (i) if the Available Cash Consideration is not required by clause 6.3(b) to be pro rated amongst Scheme Shareholders who elect

Maximum Cash Consideration, the Ex-Dividend Implied Offer Value in cash per Scheme Share; or

- (ii) if the Available Cash Consideration is required by clause 6.3(b) to be pro rated amongst Scheme Shareholders who elect Maximum Cash Consideration:
  - (A) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation), provided that such amount is not to exceed the Ex-Dividend Implied Offer Value per Scheme Share:

$$A \div B$$

Where:

A = the Available Cash Consideration;

B = the total number of Scheme Shares held at the Scheme Record Date by all Scheme Shareholders who elect Maximum Cash Consideration; and

- (B) a number of Perpetual Shares per Scheme Share calculated as follows (which shall include any fraction of a Perpetual Share arising from the calculation):

$$(\text{Ex-Dividend Implied Offer Value} - X) \div Y$$

Where:

X = the amount of cash per Scheme Share determined in accordance with clause 6.3(a)(ii)(A); and

Y = the Value of a Perpetual Share.

- (b) For the purpose of this clause 6.3, the Available Cash Consideration is required to be pro rated amongst Scheme Shareholders who elect Maximum Cash Consideration if the amount determined by multiplying the Ex-Dividend Implied Offer Value by the total number of Scheme Shares held by all Scheme Shareholders who elect Maximum Cash Consideration exceeds the Available Cash Consideration.

## 6.4 Maximum Scrip Consideration

- (a) If a Scheme Shareholder elects to receive Maximum Scrip Consideration then, subject to clauses 6.5, 6.6 and 6.7, the Scheme Shareholder will be entitled to receive for each Scheme Share held by that Scheme Shareholder at the Scheme Record Date:
  - (i) if the Available Scrip Consideration is not required to be pro rated by clause 6.4(b) amongst Scheme Shareholders who elect Maximum Scrip Consideration, the Scrip Equivalent of Ex-Dividend Implied Offer Number Perpetual Shares per Scheme Share; or
  - (ii) if the Available Scrip Consideration is required by clause 6.4(b) to be pro rated amongst Scheme Shareholders who elect Maximum Scrip Consideration:
    - (A) a number of Perpetual Shares per Scheme Share calculated as follows (which shall include any fraction of a Perpetual Share arising from the calculation),

provided that such number is not to exceed the Scrip Equivalent of Ex-Dividend Implied Offer Number Perpetual Shares per Scheme Share:

$$A \div B$$

Where:

A = the Available Scrip Consideration;

B = the total number of Scheme Shares held at the Scheme Record Date by all Scheme Shareholders who elect Maximum Scrip Consideration; and

- (B) an amount of cash per Scheme Share calculated as follows (which shall include any fraction of a cent arising from the calculation):

$$\text{Ex-Dividend Implied Offer Value} - (X \times Y)$$

Where:

X = the number of Perpetual Shares per Scheme Share determined in accordance with clause 6.4(a)(ii)(A); and

Y = the Value of a Perpetual Share.

- (b) For the purpose of this clause 6.4, the Available Scrip Consideration is required to be pro rated amongst Scheme Shareholders who elect Maximum Scrip Consideration if the number of Perpetual Shares determined by multiplying the Scrip Equivalent of Ex-Dividend Implied Offer Number Perpetual Shares by the total number of Scheme Shares held by all Scheme Shareholders who elect Maximum Scrip Consideration exceeds the Available Scrip Consideration.

## 6.5 Fractions and splitting

- (a) [Mechanism for fractional entitlement to be agreed between the parties.]
- (b) Fractions of Perpetual Shares which a Scheme Shareholder would have been provided[ but for a deemed election under clause 6.1(b),] or but for clause 6.6, will be dealt with, along with the rest of that Scheme Shareholder's entitlement to Perpetual Shares in respect of which it has made an election or been deemed to have made an election (if any), in accordance with clause 6.7.
- (c) Any cash amount payable to a Scheme Shareholder under this Scheme must be rounded to the nearest whole cent (but only after applying the Scheme Shareholder's entitlement (prior to rounding) to its entire holding of Scheme Shares).
- (d) If Perpetual is of the opinion, formed reasonably, that several Scheme Shareholders, each of which holds a holding of Pendal Shares have, before the Scheme Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, or otherwise in connection with the Scheme, Perpetual may direct Pendal to give notice to those Scheme Shareholders:
- (i) setting out the names and Registered Addresses of all of them;

- (ii) stating that opinion; and
- (iii) attributing to one of them specifically identified in the notice the Pental Shares held by all of them,

and, after the notice has been so given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of this Scheme, be taken to hold all those Pental Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of this Scheme, be taken to hold no Pental Shares.

## 6.6 Ineligible Foreign Shareholders

Perpetual will be under no obligation to provide, and must not provide, any Perpetual Shares under this Scheme to any Ineligible Foreign Shareholder and, instead, subject to clause 6.11, must procure that those Perpetual Shares (including fractions of Perpetual Shares) which, but for this clause 6.6, would be required to be so provided are dealt with on behalf of the Ineligible Foreign Shareholders in accordance with clause 6.7.

## 6.7 Sale Facility

- (a) Perpetual Shares:
  - (i) [to which a Scheme Shareholder is entitled, but in respect of which a deemed election, under clause 6.1(b) has been made or otherwise operates;]
  - (ii) that are required to be dealt with under this clause by clause 6.6,

must not be provided to the relevant Scheme Shareholder and, instead, must be provided by Perpetual to the Sale Agent on or before the Implementation Date (rounded down after being aggregated, if necessary, to the nearest whole number) (together, the **Sale Securities**) and subsequently sold in accordance with this clause 6.7.
- (b) The Sale Facility will only be available in respect of Perpetual Shares provided to the Sale Agent in the circumstances referred to in clause 6.7(a). Any purported election by a Scheme Shareholder to participate in the Sale Facility in any other circumstance will, unless Perpetual elects otherwise, be invalid and not recognised for any purpose.
- (c) Perpetual must procure that as soon as practicable after the Implementation Date, the Sale Agent, in consultation with Perpetual, sells or procures the sale of all the Sale Securities in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith, and remits to Pental the proceeds of the sale (if applicable, converted into Australian dollars in such manner, at such price or prices and on such other terms as the Sale Agent determines in good faith) (**Gross Proceeds**).
- (d) Promptly after receiving the Gross Proceeds in respect of the sale of all of the Perpetual Shares referred to in clause 6.7(a), Pental must pay, or procure the payment, to each Selling Scheme Shareholder (in accordance with this clause 6.7) an amount calculated as follows:

$$A \div B \times C$$

Where:

A = the Gross Proceeds (less any applicable brokerage, taxes, duty, currency conversion costs and other costs and charges);

B = the total number of Perpetual Shares provided to the Sale Agent under clause 6.7(a); and

C = the number of Perpetual Shares provided to the Sale Agent under clause 6.7(a) in respect of that Selling Scheme Shareholder (which, for the avoidance of doubt, may be or include a fraction of a Perpetual Share).

- (e) None of Perpetual, Perpetual Sub, Pental or the Sale Agent gives any assurance as to the price that will be achieved for the sale of Perpetual Shares described in clause 6.7(a). The sale of Perpetual Shares under this clause 6.7 will be at the risk of the Selling Scheme Shareholder.
- (f) Pental must make, or procure the making of, payments to Selling Scheme Shareholders under clause 6.7(d) by either (in the absolute discretion of Pental):
  - (i) where a Selling Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Pental Registry to receive dividend payments from Pental by electronic funds transfer to a bank account nominated by the Selling Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
  - (ii) otherwise, whether or not the Selling Scheme Shareholder has made an election referred to in clause 6.7(f)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Selling Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Selling Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 6.11).
- (g) If Pental receives professional advice that any withholding or other tax is required by law or by a Government Agency to be withheld from a payment to a Selling Scheme Shareholder, Pental is entitled to withhold the relevant amount before making the payment to the Selling Scheme Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 6.7(d)). Pental must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Selling Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Selling Scheme Shareholder.
- (h) Each Selling Scheme Shareholder appoints Pental as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Selling Scheme Shareholders under the Corporations Act or any other applicable law.
- (i) Payment of an amount to a Selling Scheme Shareholder in accordance with this clause 6.7 will be in full satisfaction of the obligations of Perpetual and Pental to the Selling Scheme Shareholder under the Scheme in respect of:

- (i) in the case of an Ineligible Foreign Shareholder or a Scheme Shareholder who is deemed to have made the election in clause 6.1(b), the scrip component of that Selling Scheme Shareholder's Scheme Consideration; and
  - (ii) otherwise, any entitlement to a fraction of a Perpetual Share comprising part of the scrip component of that Selling Scheme Shareholders' Scheme Consideration.
- (j) Where the provision of Perpetual Shares to which a Scheme Shareholder would otherwise be entitled under this Scheme would result in a breach of law:
  - (i) Perpetual will provide the maximum possible number of Perpetual Shares to the Scheme Shareholder without giving rise to such a breach; and
  - (ii) any further Perpetual Shares to which that Scheme Shareholder is entitled, but the provision of which to the Scheme Shareholder would give rise to such a breach, will instead be provided to the Sale Agent and dealt with under the preceding provisions in this clause 6.7, as if a reference to Selling Scheme Shareholders also included that Scheme Shareholder and references to that person's Perpetual Shares in that clause were limited to the Perpetual Shares provided to the Sale Agent under this clause.

## 6.8 Provision of Scheme Consideration

- (a) The Scheme Consideration in respect of each Scheme Share is either:
  - (i) Standard Consideration;
  - (ii) Maximum Cash Consideration; or
  - (iii) Maximum Scrip Consideration.
- (b) Each Scheme Shareholder is entitled to receive one of Standard Consideration, Maximum Cash Consideration or Maximum Scrip Consideration in respect of each Scheme Share held by that Scheme Shareholder, subject to the terms of this Scheme (including the operation of the Sale Facility).

## 6.9 Provision of cash component of Scheme Consideration

- (a) Perpetual must, and Pendal must use its best endeavours to procure that Perpetual does by no later than the Business Day before the Implementation Date, deposit in cleared funds an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Shareholders in an Australian dollar denominated trust account with an authorised deposit taking institution (as defined in the *Banking Act* 1959 (Cth)) operated by Pendal as trustee for the Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Perpetual's account).
- (b) On the Implementation Date, subject to funds having been deposited in accordance with clause 6.9(a), Pendal must pay or procure the payment, from the trust account referred to in clause 6.9(a), to each Scheme Shareholder such amount of cash from the cash component of the Scheme Consideration as that Scheme Shareholder is entitled under this clause 6 (if any).



- (c) The obligations of Pental under clause 6.9(b) will be satisfied by Pental (in its absolute discretion):
- (i) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Pental Registry to receive dividend payments from Pental by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
  - (ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 6.9(c)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 6.11).
- (d) To the extent that, following satisfaction of Pental's obligations under clause 6.9(b), there is a surplus in the amount held by Pental as trustee for the Scheme Shareholders in the trust account referred to in that clause, that surplus shall be paid by Pental to Perpetual.

#### **6.10 Provision of scrip component of Scheme Consideration**

Perpetual must, subject to clauses 6.5, 6.6, 6.7 and 6.11:

- (a) on or before the Implementation Date:
  - (i) issue the New Perpetual Shares to which each Scheme Shareholder is entitled under this clause 6 (if any, and taking into account the impact of the Sale Facility); and
  - (ii) procure that the name and address of each such Scheme Shareholder is entered in the Perpetual Register in respect of those New Perpetual Shares; and
- (b) procure that on or before the date that is two Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder to whom New Perpetual Shares are provided in accordance with clause 6.10(a) representing the number of New Perpetual Shares provided to that Scheme Shareholder pursuant to this Scheme,

except that in the case of New Perpetual Shares comprising Sale Securities, to be issued under this clause 6 in respect of Scheme Consideration due to Selling Scheme Shareholders, Perpetual must:

- (c) on or before the Implementation Date provide the Sale Securities to the Sale Agent and procure that the name and address of the Sale Agent is entered in the Perpetual Register in respect of those Sale Securities;
- (d) procure that on or before the date that is two Business Days after the Implementation Date, a share certificate or holding statement (or equivalent document) is sent to the Sale Agent representing the number of Sale Securities provided to it pursuant to this Scheme; and
- (e) procure that the Sale Agent sells those Sale Securities on behalf of the Selling Scheme Shareholders in accordance with clause 6.7.

## 6.11 Joint holders

In the case of Scheme Shares held in joint names:

- (a) subject to clause 6.9(c), any amount comprising the cash component of the Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders and any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Pental, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders;
- (b) any New Perpetual Shares to be provided under this Scheme must be provided to and registered in the names of the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Pental, the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

## 6.12 Unclaimed monies

- (a) Pental may cancel a cheque issued under this clause 6 if the cheque:
  - (i) is returned to Pental; or
  - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Pental (or the Pental Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Pental must reissue a cheque that was previously cancelled under this clause 6.12.
- (c) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 and 8 of the *Unclaimed Money Act 1995* (NSW)).

## 6.13 Orders of a court or Government Agency

If written notice is given to Pental (or the Pental Registry) of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be provided to that Scheme Shareholder by Pental in accordance with this clause 6, then Pental shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents Pental from providing consideration to any particular Scheme Shareholder in accordance with clause 6, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Pental shall be entitled to (as applicable):
  - (i) retain an amount, in Australian dollars, equal to the cash component of the Scheme Consideration to which that Scheme Shareholder would otherwise be entitled to under this clause 6; and

- (ii) direct Perpetual not to issue, or to provide to a trustee or nominee, such number of New Perpetual Shares as that Scheme Shareholder would otherwise be entitled to under this clause 6,

until such time as provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

#### 6.14 Status of Perpetual Shares

Subject to this Scheme becoming Effective, Perpetual must:

- (a) issue the New Perpetual Shares required to be issued by it under this Scheme on terms such that each such New Perpetual Share will rank equally in all respects with each existing Perpetual Share;
- (b) ensure that each such New Perpetual Share is duly and validly issued in accordance with all applicable laws and Perpetual's constituent documents, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest (except for any lien arising under Perpetual's constituent documents); and
- (c) use all reasonable endeavours to ensure that such New Perpetual Shares are, from the Business Day following the date this Scheme becomes Effective (or such later date as ASX requires), quoted for trading on the ASX initially on a deferred settlement basis and thereafter on an ordinary settlement basis.

#### 6.15 Total Scheme Consideration

To avoid doubt and notwithstanding any other provision of this Scheme, no more than a total of the Total Cash Pool and a total of the Total Scrip Pool (collectively, the **Total Scheme Consideration**) will be provided by Perpetual as Scheme Consideration, and if for any reason a greater total amount or total number of Perpetual Shares would (but for this clause 6.15) be required to be provided by Perpetual under this Scheme, the requirement (or requirements) for provision of the same will be reduced (in such manner as Pandal and Perpetual consider equitable) to ensure that no more than the Total Scheme Consideration is provided.

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## 7 Dealings in Pandal Shares

### 7.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Pandal Shares or other alterations to the Share Register will only be recognised by Pandal if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Pandal Shares on or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Share Register is kept,

and Pandal must not accept for registration, nor recognise for any purpose (except a transfer to Perpetual Sub pursuant to this Scheme and any subsequent transfer by Perpetual Sub or its successors in title), any transfer or transmission

application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

## **7.2 Register**

- (a) Pendal must register registrable transmission applications or transfers of the Scheme Shares in accordance with clause 7.1(b) before the Scheme Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2(a) requires Pendal to register a transfer that would result in a Pendal Shareholder holding a parcel of Pendal Shares that is less than a 'marketable parcel' (for the purposes of this clause 7.2(a) 'marketable parcel' has the meaning given in the Operating Rules).
- (b) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and Pendal shall be entitled to disregard any such disposal.
- (c) For the purpose of determining entitlements to the Scheme Consideration, Pendal must maintain the Share Register in accordance with the provisions of this clause 7.2 until the Scheme Consideration has been paid to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for Pendal Shares (other than statements of holding in favour of Perpetual Sub or any Excluded Shareholders) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries on the Share Register in respect of Perpetual Sub or any Excluded Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Pendal Shares relating to that entry.
- (e) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, Pendal will ensure that details of the names, Registered Addresses and holdings of Pendal Shares for each Scheme Shareholder as shown in the Share Register are available to Perpetual in the form Perpetual reasonably requires.

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## **8 Quotation of Pendal Shares**

- (a) Pendal must apply to ASX to suspend trading on the ASX in Pendal Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Perpetual, Pendal must apply:
  - (i) for termination of the official quotation of Pendal Shares on the ASX; and
  - (ii) to have itself removed from the official list of the ASX.

## 9 General Scheme provisions

### 9.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) Pendal may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Perpetual has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Pendal has consented to.

### 9.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
  - (i) agrees to the transfer of their Pendal Shares together with all rights and entitlements attaching to those Pendal Shares in accordance with this Scheme;
  - (ii) agrees to the variation, cancellation or modification of the rights attached to their Pendal Shares constituted by or resulting from this Scheme;
  - (iii) agrees to, on the direction of Perpetual, destroy any share certificates relating to their Pendal Shares;
  - (iv) agrees to become a member of Perpetual and to be bound by the terms of Perpetual's constituent documents; and
  - (v) acknowledges that this Scheme binds Pendal and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to Pendal and Perpetual and Perpetual Sub on the Implementation Date, and appointed and authorised Pendal as its attorney and agent to warrant to Perpetual and Perpetual Sub on the Implementation Date, that all their Pendal Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Pendal Shares to Perpetual Sub together with any rights and entitlements attaching to those shares. Pendal undertakes that it will provide such warranty to Perpetual Sub as agent and attorney of each Scheme Shareholder.

### 9.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Perpetual Sub will, at the time of transfer of them to Perpetual Sub, vest in Perpetual Sub free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind,

whether legal or otherwise and free from any restrictions on transfer of any kind.

- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 6, Perpetual Sub will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by Pandal of Perpetual Sub in the Share Register as the holder of the Scheme Shares.

#### **9.4 Appointment of sole proxy**

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder in the manner contemplated by clause 6, and until Pandal registers Perpetual Sub as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed Perpetual Sub as attorney and agent (and directed Perpetual Sub in each such capacity) to appoint any director, officer, secretary or agent nominated by Perpetual Sub as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document;
- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 9.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Perpetual Sub reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 9.4(a), Perpetual Sub and any director, officer, secretary or agent nominated by Perpetual Sub under clause 9.4(a) may act in the best interests of Perpetual Sub as the intended registered holder of the Scheme Shares.

#### **9.5 Authority given to Pandal**

Each Scheme Shareholder, without the need for any further act:

- (a) on the Effective Date, irrevocably appoints Pandal and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Perpetual Sub, and Pandal undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Perpetual Sub on behalf of and as agent and attorney for each Scheme Shareholder; and
- (b) on the Implementation Date, irrevocably appoints Pandal and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation) executing the Scheme Transfer,

and Pandal accepts each such appointment. Pandal as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 9.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

## 9.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to Pandal binding or deemed binding between the Scheme Shareholder and Pandal relating to Pandal or Pandal Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Pandal Shares; and
- (c) notices or other communications from Pandal (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Perpetual in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to Perpetual and to be a binding instruction, notification or election to, and accepted by, Perpetual in respect of the New Perpetual Shares provided to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to Perpetual at its registry.

## 9.7 Binding effect of Scheme

This Scheme binds Pandal and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Pandal.

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# 10 General

## 10.1 Stamp duty

Perpetual will:

- (a) pay all stamp duty and any related fines, penalties and interest in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under this Scheme and the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 10.1(a).

## 10.2 Consent

Each of the Scheme Shareholders consents to Pandal doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Pandal or otherwise.

## 10.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Pandal, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Pandal's registered office or at the office of the Pandal Registry.

- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Pendal Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

#### **10.4 Governing law**

- (a) This Scheme is governed by the laws in force in New South Wales.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

#### **10.5 Further action**

Pendal must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

#### **10.6 No liability when acting in good faith**

Each Scheme Shareholder agrees that neither Pendal, Perpetual, Perpetual Sub nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

**EXECUTED** as an agreement



# Scheme of Arrangement

Signing page

DATED: \_\_\_\_\_

For personal use only

# Scheme of Arrangement

## Annexure A Deed Poll

For personal use only

# Scheme Implementation Deed

## Annexure B - Deed Poll

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# Deed Poll

Dated

Given by Perpetual Limited (ABN 86 000 431 827) ("**Perpetual**") and  
Perpetual Acquisition Company Limited (ACN 163 620 362) ("**Perpetual  
Sub**")

In favour of each registered holder of fully paid ordinary shares in Pental  
Group Limited (ABN 28 126 385 822) ("**Pental**") as at 5.00 pm on the  
Scheme Record Date ("**Scheme Shareholders**")

**King & Wood Mallesons**

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Collins Arch  
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# Deed Poll

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# Deed Poll

## Details

Parties	Perpetual and Perpetual Sub	
Perpetual	Name	<b>Perpetual Limited</b>
	ABN	86 000 431 827
	Address	Level 18 123 Pitt Street Sydney NSW 2000
	Email	<a href="mailto:CompanySecretary@Perpetual.com.au">CompanySecretary@Perpetual.com.au</a>
	Attention	Company Secretary
	Copy to	Rebecca Maslen-Stannage (Rebecca.Maslen-Stannage@hsf.com)  Malika Chandrasegaran (Malika.Chandrasegaran@hsf.com)
Perpetual Sub	Name	<b>Perpetual Acquisition Company Limited</b>
	ACN	163 620 362
	Address	Level 18 123 Pitt Street Sydney NSW 2000
	Email	<a href="mailto:CompanySecretary@Perpetual.com.au">CompanySecretary@Perpetual.com.au</a>
	Attention	Company Secretary
	Copy to	Rebecca Maslen-Stannage (Rebecca.Maslen-Stannage@hsf.com)  Malika Chandrasegaran (Malika.Chandrasegaran@hsf.com)
In favour of	Each registered holder of fully paid ordinary shares in Pental as at the Scheme Record Date.	
Governing law	New South Wales	
Recitals	A	The directors of Pental have resolved that Pental should propose the Scheme.
	B	The effect of the Scheme will be that all Scheme Shares will be transferred to Perpetual Sub.
	C	Pental and Perpetual have entered into the Implementation Deed.

- D** In the Implementation Deed, Perpetual agreed (amongst other things) to provide the Scheme Consideration to Pandal on behalf of the Scheme Shareholders, subject to the satisfaction of certain conditions.
- E** Perpetual and Perpetual Sub are entering into this deed poll for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations in relation to the Scheme.

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This deed poll provides as follows:

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# Deed Poll

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Authorised Officer** means a director or secretary of a party or any other person nominated by a party to act as an Authorised Officer for the purposes of this document.

**Implementation Deed** means the scheme implementation deed dated [ ] between Perpetual and Pental under which, amongst other things, Pental has agreed to propose the Scheme to Pental Shareholders, and each of Perpetual and Pental has agreed to take certain steps to give effect to the Scheme.

**Insolvent** has the meaning given to it in the Implementation Deed.

**Scheme** means the proposed scheme of arrangement between Pental and Scheme Shareholders under which all the Scheme Shares will be transferred to Perpetual Sub under Part 5.1 of the Corporations Act, substantially in the form of Annexure A to this deed poll, or as otherwise agreed by Perpetual and Pental, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act, to the extent they are approved in writing by Perpetual and Pental in accordance with clause 9 of the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

#### 1.2 General interpretation

Clause 2 of the Scheme applies to this document.

#### 1.3 Nature of deed poll

Perpetual and Perpetual Sub acknowledges that this document may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

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### 2 Conditions precedent and termination

#### 2.1 Conditions precedent

Perpetual's and Perpetual Sub's obligations under this document are subject to the Scheme becoming Effective.

#### 2.2 Termination

Perpetual's and Perpetual Sub's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date; or



- (b) the Implementation Deed is terminated in accordance with its terms.

## **2.3 Consequences of termination**

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) each of Perpetual and Perpetual Sub is released from their obligations to further perform this document; and
- (b) each Scheme Shareholder retains the rights, powers or remedies they have against Perpetual and Perpetual Sub in respect of any breach of this document which occurs before it is terminated.

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## **3 Performance of obligations generally**

Subject to clause 2, Perpetual must comply with its obligations under the Implementation Deed, subject to its terms and conditions, and do all acts and things necessary on its part to implement the Scheme.

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## **4 Scheme Consideration**

### **4.1 Scheme Consideration**

Subject to clause 2, Perpetual and Perpetual Sub undertake in favour of each Scheme Shareholder to provide, or procure the provision of, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme, and to undertake all other actions attributed to it under the Scheme.

### **4.2 Manner of payment**

Perpetual and Perpetual Sub's obligation to provide the Scheme Consideration to Pental on behalf of each Scheme Shareholder under clause 4.1 is satisfied by Perpetual or Perpetual Sub:

- (a) no later than the Business Day before the Implementation Date, depositing, or procuring the deposit of, in immediately available funds an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to all Scheme Shareholders under the Scheme into an Australian dollar denominated trust account with an authorised deposit taking institution (as defined in the *Banking Act 1959* (Cth)) operated by Pental as trustee for the Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to Perpetual's account; and
- (b) issuing, on or before the Implementation Date, the New Perpetual Shares required to be issued under the Scheme and procuring that the name and address of each such Scheme Shareholder is entered in the Perpetual Registry in respect of those New Perpetual Shares,

subject to and in accordance with the terms of the Scheme.

### **4.3 Shares to rank equally**

Perpetual covenants in favour of each Scheme Shareholder that the New Perpetual Shares which are issued in accordance with the Scheme will:

- (a) rank equally with all existing Perpetual Shares; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

#### 4.4 Joint holders

In the case of Scheme Shares held in joint names any bank cheque required to be paid to Scheme Shareholders by Perpetual must be payable to the joint holders and be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

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## 5 Representations and warranties

Each of Perpetual and Perpetual Sub represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
  - (ii) any law binding on or applicable to it or its assets; or
  - (iii) any encumbrance or document binding on or applicable to it;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** is not Insolvent.

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## 6 Continuing obligations

This document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Perpetual and Perpetual Sub have fully performed their obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

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## **7 Costs**

### **7.1 Costs**

Perpetual agrees to pay all costs in respect of the Scheme (including, in connection with the transfer of Pendal Shares to Perpetual in accordance with the terms of the Scheme) except for amounts covered by clause 7.2.

### **7.2 Stamp duty and registration fees**

Perpetual:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Shareholder against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 7.2(a).

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## **8 Notices**

Notices and other communications in connection with this document must be in writing. They must be sent to the address or email address referred to in the Details and (except in the case of email) marked for the attention of the person referred to in the Details. If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

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## **9 General**

### **9.1 Variation**

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by Pendal and Perpetual in writing; and
- (b) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Perpetual must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

### **9.2 Partial exercising of rights**

Unless this document expressly states otherwise, if Perpetual does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

### **9.3 Remedies cumulative**

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

#### **9.4 Assignment or other dealings**

Perpetual and each Scheme Shareholder may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Perpetual and Pandal.

#### **9.5 Further steps**

Perpetual agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Shareholder) necessary or expedient to give full effect to this document and the transactions contemplated by it.

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### **10 Governing law and jurisdiction**

#### **10.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this document. Perpetual and Perpetual Sub submits to the non-exclusive jurisdiction of the courts of that place.

#### **10.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on Perpetual by being delivered or left at Perpetual's address set out in the Details.

**EXECUTED** as a deed poll

# Deed Poll

## Signing page

DATED: \_\_\_\_\_

**EXECUTED by PERPETUAL LIMITED** )  
in accordance with section 127(1) of )  
the Corporations Act 2001 (Cth) by )  
authority of its directors: )

..... )  
Signature of director )

..... )  
Name of director (block letters) )

..... )  
Signature of director/company )  
secretary )

..... )  
Name of director/company secretary )  
(block letters)

**EXECUTED by PERPETUAL** )  
**ACQUISITION COMPANY LIMITED** in )  
accordance with section 127(1) of the )  
Corporations Act 2001 (Cth) by )  
authority of its directors: )

..... )  
Signature of director )

..... )  
Name of director (block letters) )

..... )  
Signature of director/company )  
secretary )

..... )  
Name of director/company secretary )  
(block letters)

Deed Poll

Annexure A - Scheme

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