

Pendal Group Limited
Level 14, The Chifley Tower
2 Chifley Square
Sydney NSW 2000 Australia
ABN 28 126 385 822

GPO Box 7072
+61 2 9220 2000
www.pendalgroup.com

PENDAL
GROUP

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ASX Announcement

Update on Scheme of Arrangement

Sydney, Australia, 16 November 2022, Pendal Group Limited (ASX: PDL) (Pendal) refers to its previous announcements on 25 August 2022 titled "Pendal enters into Scheme Implementation Deed with Perpetual" (25 August Announcement), and 14 November 2022 titled "Update on Court process for Scheme of Arrangement" and provides the following update on the proposed Scheme of Arrangement under which Perpetual Limited (ASX: PPT) (Perpetual) will acquire 100% of Pendal shares (Scheme).

Scheme Consideration Mix

As described in the 25 August Announcement, under the Scheme Implementation Deed, each Pendal shareholder was entitled to receive consideration of 1 Perpetual share for every 7.5 Pendal shares plus \$1.976 cash (less the value of the FY22 final dividend payable on 15 December 2022) for each Pendal share (SID Consideration Mix).

Pendal and Perpetual have today agreed an amendment to the Scheme Implementation Deed which makes the following changes to the Scheme consideration mix:

- an increase to the scrip component of the Scheme consideration to 1 Perpetual share for every 7 Pendal shares; and
- a reduction of the cash component of the Scheme consideration to \$1.650 per Pendal share. The cash consideration of \$1.650 per share will be reduced by the 3.5 cent per share FY22 final dividend payable on 15 December 2022,

(together, the Revised Consideration Mix).

The Pendal and Perpetual Boards have agreed the Revised Consideration Mix to further strengthen the balance sheet and enhance flexibility of the combined group.

Based on Perpetual's closing share price of \$34.23 as at the time of the first approach to Pendal on 1 April 2022, the SID Consideration Mix and the Revised Consideration Mix have the same implied value of \$6.54.¹

Based on Perpetual's closing share price of \$31.58 as at close of business today, 16 November 2022, the Revised Consideration Mix has an implied value of \$6.161,² which is broadly equivalent to the implied value of the SID Consideration Mix of \$6.187.³ The value of the Revised Consideration Mix will continue to fluctuate with changes to Perpetual's share price.

¹ To be reduced by the 3.5 cent per share FY22 final dividend payable on 15 December 2022.

² To be reduced by the 3.5 cent per share FY22 final dividend payable on 15 December 2022.

³ To be reduced by the 3.5 cent per share FY22 final dividend payable on 15 December 2022.

Scheme Consideration elections

The 25 August Announcement provided that Pental shareholders will be offered a mix and match option where they would be able to elect to receive maximum cash or maximum share Scheme consideration, subject to applicable caps and a scale back process. It has been determined it is appropriate this is no longer included as an option for Pental shareholders as it will simplify the Scheme.

Update on Court process for Scheme of Arrangement

Pental and Perpetual appeared in the Supreme Court of New South Wales earlier today, Wednesday 16 November 2022.

Following today's hearing, the Court reserved its decision which is expected to clarify the remedies available in the situation where Perpetual breaches the Scheme Implementation Deed or indicates that it will do so. The decision is expected on Thursday 17 November 2022.

The parties have also agreed to proceed to a first court hearing for the Scheme in the week commencing Monday, 21 November 2022 to seek orders convening the Scheme meeting and for despatch of the Scheme Booklet to shareholders in November 2022.

The Pental Board and management continue to strongly support the combination and will continue to work for an expeditious implementation of the Scheme in the best interests of shareholders.

Pental Directors' recommendation and voting intention

Pental Chairman, Deborah Page AM said, "The Pental Board continues to unanimously recommend Pental shareholders vote in favour of the Scheme in the absence of a superior proposal."

"The Board believes the Revised Consideration Mix is appropriate and for the benefit of shareholders in the combined group. We look forward to continuing to progress the Scheme towards implementation," Mrs Page said.

The Board's recommendation is subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Pental shareholders.

Subject to these matters, each Pental Director has confirmed that they intend to vote any shares that they hold or control in favour of the Scheme at the Scheme Meeting.

Pental shareholders do not need to take any action at this time. Pental will keep shareholders informed in accordance with its continuous disclosure obligations.

This announcement has been authorised for release by the Board of Pental Group Limited.

For further information, please contact:

Investors

Rachel Cooper
Head of Investor Relations
P: +61 2 9220 2417
Email: rachel.cooper@pentalgroup.com

Media

Ben Wilson
GRACosway
M: +61 407 966 083
Email: bwilson@gracosway.com.au