



ASX Announcement

Perpetual Announces Appointment of Mr Chris Ryan as Managing Director and CEO

11 January 2011

The Board of Perpetual Limited (Perpetual) advises it has appointed Mr Chris Ryan as the company's new Managing Director and Chief Executive Officer, effective 14 February 2011. Mr Ryan takes over from David Deverall as CEO and will join Perpetual's Board of Directors.

Mr Ryan brings to Perpetual over 30 years of financial services experience in the Asia Pacific region, with a particular focus on asset management. During his career, he led the regional asset management businesses of three of the industry's major international players: HSBC, Fidelity International and ING Investment Management.

The latter included ING Investment Management Australia, which by the end of Mr Ryan's tenure had over US\$30 billion in assets under management. Most recently, he held an advisory role with Citibank's global transaction services business.

Perpetual's Chairman, Peter Scott, welcomed Mr Ryan to the company, indicating that his extensive international and domestic experience, combined with Perpetual's unique position within the Australian wealth management and trustee industry, will allow the company to focus its efforts to continue to create value for its shareholders.

"Chris will work with a strong and respected team and lead Perpetual during this key stage of the continued development of the financial services sector," Mr Scott said. "I am delighted that we have been able to secure someone with his proven leadership ability in the industry," he concluded.

Mr Ryan indicated he was looking forward to taking up his role next month. "I am very pleased to join what truly is an industry icon. Together with the accomplished team already in place at Perpetual, I will aim to further enhance the returns the company generates for its shareholders," Mr Ryan said.

Biographical details for Mr Ryan and a summary of the terms and conditions of his employment agreement are attached.

Perpetual's current Managing Director and CEO, David Deverall, who on 23 June 2010 announced his intention to resign from the role after seven years at the helm of the company, will remain in office until 4 March 2011 to conduct a handover to Mr Ryan. Mr Deverall's employment formally ceases on 23 June 2011.

For further information, please contact:

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About Perpetual

Perpetual is an independent financial services group operating in funds management, financial advisory and trustee services. Our origin as a trustee company, coupled with our strong track record of investment performance, has created our reputation as one of the strongest brands in financial services in Australia. For further information, go to www.perpetual.com.au

Biographical details

Chris Ryan has more than 30 years of financial services experience, including over 20 years experience in asset management in the Asia Pacific region. He has successfully led three international asset management businesses in the region, including in Australia.

Chris has most recently been based in Hong Kong, providing advisory services to Citibank's global transaction services business. Prior to this, he was Managing Director, Asia (ex-Japan) of Fidelity International, where he was responsible for Fidelity's operations in Hong Kong, the PRC, Taiwan, Singapore and South Korea.

From 2001 to 2007, Chris was Chief Executive Officer for ING Investment Management Asia Pacific, the second largest investment management company in Asia (ex-Japan). In this role, Chris was responsible for the firm's operations in 13 locations across Asia, with more than US\$150 billion in assets under management and employing over 1,000 staff. Chris was also a member of the ING Global Leadership Council and executive team.

Prior to ING, Chris held the position of Managing Director of HSBC Funds Asia Pacific for seven years, where he was responsible for the firm's Asset Management retail funds business, consisting of operations in Australia, Hong Kong, Singapore, Taiwan, Japan and South Korea.

Chris, an Australian national, has a Bachelor of Business degree from Monash University and is married with three children.

Summary of terms of employment agreement for Chris Ryan

This document provides a summary only of the key provisions of the employment agreement between Chris Ryan and Perpetual Limited (**Company**).

1. Appointment

Appointed as the Chief Executive Officer and Managing Director of the Company. He will commence employment on 14 February 2011.

2. Term

No fixed maximum term, subject to the termination provisions in the agreement.

3. Remuneration

- (a) The fixed remuneration is \$1,225,000 per annum (inclusive of statutory superannuation contributions), which is reviewed annually with the first review to occur on 1 September 2011. In addition, the following amounts will be paid:
- (i) the Company shall meet the cost of insurance on Death and Total and Permanent Disablement with sum insured of up to \$1,200,000 and Salary Continuance Insurance with sum insured of up to \$15,000 per month, if Mr Ryan meets certain eligibility criteria; and
 - (ii) reimbursement of reasonable out of pocket expenses.
- (b) Short Term Incentive (**STI**)
- (i) discretionary short-term incentive based on a target award of one hundred percent (100%) of fixed remuneration per annum (for FY11 adjusted pro rata for the period the Executive was employed by Perpetual during that financial year). The actual short-term incentive awarded will be determined at the discretion of the Board taking into account performance against key financial and non-financial criteria set by the Board; and
 - (ii) the Board may require that the portion (if any) of the STI in excess of one hundred percent (100%) of fixed remuneration be applied by Mr Ryan to acquire shares under a Perpetual executive share plan. Such shares will only vest two (2) years after the date of issue, unless forfeited because of termination of Mr Ryan's employment.
- (c) Long Term Incentive (**LTI**)
- (i) A long term incentive of one hundred percent (100%) of fixed remuneration (or a greater amount determined by the Board from year to year) provided by way of either or both performance shares and options in such proportions determined by the Board.
 - (ii) 50% of the LTI will be subject to a total shareholder return (TSR) performance hurdle and 50% of the LTI will be subject to an earnings per share (EPS) growth performance hurdle measured over a three-year performance period.
- (d) Sign-on Payment and Incentive
- (i) In recognition of the remuneration foregone by Mr Ryan as a consequence of joining the Company, a sign-on payment of \$500,000 gross less applicable taxation to be paid three (3) months after the commencement date.
 - (ii) A one-off incentive grant of \$600,000 in the form of performance shares with 50% of the shares vesting subject to a TSR hurdle and 50% of the shares vesting subject to an EPS hurdle, measured over a two-year performance period.
- (e) Where required by the Corporations Act or the ASX Listing Rules, Mr Ryan's LTI and Sign-on Incentive will be subject to shareholder approval. If shareholder approval is not obtained, Mr Ryan will receive a cash equivalent to the value of the LTI and Sign-on Incentive which would have become exercisable for each performance period, subject to the satisfaction of the performance hurdles.

- (f) Reasonable costs associated with Mr Ryan's relocation to Sydney will be met by the Company in accordance with Perpetual's relocation policy.

4. **Termination**

The agreement contains provisions for the termination of Mr Ryan's employment as follows:

- (a) termination by Mr Ryan on twelve (12) months' notice in writing to the Board - no entitlement for STI for that financial year, unvested STI held as shares and all unvested LTI is forfeited;
- (b) termination by the Company on twelve (12) months' notice in writing or because of illness or injury of Mr Ryan - entitled to pro-rata STI for that financial year and unvested STI held as shares and unvested LTI granted more than 12 months prior to termination remain eligible for vesting subject to satisfaction of performance conditions in due course. Unvested LTI granted within previous 12 months is forfeited;
- (c) termination by Mr Ryan on twelve (12) months' notice following an agreed material diminution event - entitled to pro-rata STI for that financial year and unvested STI held as shares and unvested LTI granted more than 12 months prior to termination remain eligible for vesting subject to satisfaction of performance conditions in due course. Unvested LTI granted within previous 12 months is forfeited;
- (d) termination by the Company for poor performance on six (6) months' notice in writing or termination by the Company without notice - no entitlement for STI for that financial year, unvested STI held as shares and all unvested LTI is forfeited; and
- (e) termination in the event of Mr Ryan's death - his estate entitled to pro-rata STI for that financial year, and unvested STI held as shares and unvested LTI remain eligible for vesting subject to satisfaction of performance conditions in due course.

The agreement also provides that the Company may elect to make a payment in lieu of notice.

5. **Miscellaneous**

- (a) The agreement contains usual provisions:
 - (i) imposing restrictions on Mr Ryan's ability to compete with any member of the Perpetual Group after the termination of his employment;
 - (ii) imposing obligations on Mr Ryan to keep information on the Perpetual Group confidential and not to disclose it to third parties; and
 - (iii) with respect to intellectual property (e.g. patents, trademarks, copyright) created during the course of Mr Ryan's employment, including the obligation to assign such property to the Company.
- (b) The agreement also contains a provision dealing with the Corporations Act limit on termination payments to be made to Mr Ryan.