
Perpetual Private Direct Equities

Corporate engagement report – FY 2025

Trust is earned.

Perpetual 

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Perpetual Private Corporate Engagement Report

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Engagement policy

We believe it is our role as an investment manager to use our influence and shareholding to engage with the companies we invest in. We do this to advocate on behalf of our clients for improvements across a range of key environmental, social and governance (ESG) issues.

Purpose of policy (why is engagement important to us)

As investment managers, we are stewards of our clients' capital with the responsibility to safeguard and grow the capital that is entrusted to us. Engaging with the companies we invest in is essential to promoting long-term shareholder value and positive corporate practices. Beyond the financial aspects of investee companies, environmental, social and governance (ESG) considerations can have a material impact on a company's value. We believe our duties extend to analysis of ESG factors and engagement with companies on ESG issues. We do this through an ESG framework that employs a variety of sophisticated tools including our corporate engagement policy.

Our desired outcome through engagement with senior management, company directors and other key stakeholders is to improve corporate ESG practices across the 18 Key Issues we have built our proprietary approach around.



Environment

- Waste management
- Biodiversity & land use
- Water stress
- Supply chain footprint
- Carbon emissions



Society

- Human capital welfare
- Diversity of workforce
- Privacy & data security
- Anti-modern slavery
- Product & customer safety
- Community relations



Governance

- Accounting standards
- Fair pay
- Tax transparency
- Business ethics & best practice
- Board
- Alignment



Impact

- Progress against each company's impact opportunity set

Scope of engagement

The scope of this policy extends to companies that are researched by the Perpetual Private Direct Equities Team and where an area of poor ESG performance or misalignment has been identified. This policy does not relate to companies held in external funds or selected by external fund managers.

Respect and trust should be built with all potential investee companies through regular meetings and discussions with the aim to understand the company, its operations, risks, opportunities, and strategic vision. Constructive feedback should be given to the company in a proactive manner that aligns with our fiduciary duty.

Our engagement will focus on issues material to a company's financial performance or long-term valuation. We aim to collaborate with the company to achieve beneficial outcomes for stakeholders. If material issues remain unresolved, we may divest our holdings or push for change through shareholder group proposals or proxy voting.

Engagement responsibilities

We believe the responsibility for ESG engagement should fall with those making the investment decisions: the analysts and portfolio managers. In our view, companies with strong ESG frameworks tend to operate more sustainably, carry less risk of stakeholder intervention and are more likely to build and sustain valuable brands and reputations. Thus, engagement on ESG is deeply embedded into our ordinary due diligence as part of our investment process. We have also found companies more likely to engage with the decision makers behind their large shareholdings, again putting us in a uniquely effective position for advocacy.

Equally important in the engagement and advocacy process is monitoring to ensure ongoing compliance and alignment. We do this through regular dialogue with senior management and other stakeholders as required. We seek a level of measurable accountability from the companies we invest in, allowing improvement over the duration of our holding period.

Escalation policy

If our attempts at engagement are ignored or material issues remain unresolved, we will escalate any matters of concern beyond corporate senior management teams. This may include contact with the company's board of directors or relevant regulators, the use of proxy voting or collaboration with other shareholders. At all times, we reserve the right to divest our position in any investment that refuses to engage on ESG matters.

Regulatory compliance (Corporations Act)

Any collaborations/memberships or commitments that help shape our engagement will always be conducted in accordance with the Corporations Act 2001 and in particular, in compliance with the insider trading provisions of the Corporations Act 2001.

Disclosure

It is our policy to regularly report on the key issues we are raising across our investee companies and the processes we are using to push forward our engagement strategy. We reserve the right to withhold the names of these companies and any stakeholders we may deal with as part of these processes. This is to protect the good faith nature of the working relationship we have with investee companies which is essential to our ongoing investment.



Case Studies

WiseTech, PEXA, Mineral Resources

WiseTech

Engagement issues



Governance

- Business ethics & best practice
- Board

Background

WiseTech is a global technology company, headquartered in Sydney, that specialises in logistics and cloud-based software. WiseTech was first established by Richard White in 1994. WiseTech has experienced much growth since it first listed on the ASX in 2016 at \$4.04/share and climbed to \$85.79 in July 2023. Despite this, WiseTech's (now former) CEO Richard White has been the subject of many media controversies including claims of misconduct, bullying and intimidation. Wise Tech provided an announcement to the ASX in response to these media reports in October 2024. On behalf of our shareholders we reached out to WiseTech as we felt that this release did not adequately address the seriousness of the details in the claims made against White.



Engagement

We reached out to WiseTech in late October 2024, writing to the Board Directors of WiseTech on behalf of our clients and their interests. Our engagement was also in response to the allegations made against Richard White. Our specific concerns were that White had potentially acted inappropriately, but maintained his influence and remuneration within WiseTech. We also asked about how the board intended to review these matters, and how they planned to strengthen their internal governance processes in the future. We wanted to ensure that these allegations would be independently and appropriately reviewed and investigated



Outcomes and monitoring

We followed up with the Board of WiseTech on multiple occasions regarding our concerns. However, we did not receive a response from WiseTech. Therefore, we downgraded our rating of WiseTech from an investability perspective and removed WiseTech from our approved product list. We continue to monitor activity and assess accordingly.

Engagement Issues



Governance

- Business ethics & best practice
- Pay

Background

PEXA, which is an acronym for Property Exchange Australia is a digital platform that supports property transactions to be completed electronically. The Commonwealth Bank is a major shareholder of PEXA who listed on the ASX in 2021. In August 2025, it was announced that PEXA's CFO had resigned and would be replaced by the then deputy CFO Liz Warrell who would be acting CFO until a permanent replacement can be secured. However, it has come out in media reports that Warrell was previously CFO and Company Secretary for another company who was embroiled in a web of corporate governance issues, including a breach of director duties and claims of misleading and deceptive conduct issues.



Engagement

We reached out to PEXA after an article was published outlining concerns about Warrells' previous roles. As long-term investors and fiduciaries of our clients' assets, we place significant emphasis on high standards of corporate governance and ethical standards. We relayed these concerns to PEXA and enquired about the process undertaken to appoint Warrell and PEXA's Board's current views.

We were pleased that PEXA responded within 24 hours to our enquiry. PEXA detailed their thorough process to select Warrell and their confidence in her appointment.



Outcomes and monitoring

We are satisfied with PEXA's response which allayed our concerns. We have high conviction on PEXA, especially in relation to the growth of PEXA's expansion into the United Kingdom with its launch of a PEXA Go Digital conveyancing platform. We maintain our views that robust corporate governance is integral. We will continue to monitor and assess accordingly.

Mineral Resources

Engagement Issues



Governance

- Business ethics & best practice
- Board

Background

Established in 2006, Mineral Resources is a mining services company, and has operations in lithium, iron ore, energy, mining and mining related activities. In October 2024 an investigation revealed that Mineral Resources' Chief Executive, Chris Ellison had reshuffled funds offshore to avoid paying tax. This prompted an investigation by the Mineral Resources' board, which revealed a taxation evasion scheme that involved multiple executives at Mineral Resources, who received compensation as a result of this scheme.



Engagement

We engaged with Mineral Resources after there were media reports released regarding the misuse of company funds for personal gain and the transfer of assets at artificially low prices. We felt that these reports raised serious concerns and questions about Mineral Resources' corporate governance practices.

We reached out to Mineral Resources with a list of questions regarding these releases and detailing our concerns to the company. We enquired about the accuracy of allegations from various media sources. We also asked about efforts to improve corporate governance practices.



Outcomes and monitoring

Although Mineral Resources has made efforts to improve its corporate governance procedures and practices, we were disappointed with the limited improvements. As such, we have downgraded our rating of Mineral Resources from an investability perspective and removed Mineral Resources from our approved product list. We continued to stay abreast of updates and activity.

More information

1800 631 381

perpetualprivate@perpetual.com.au

perpetual.com.au/managed-accounts

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