

A Statement from Perpetual

25 June 2020

Perpetual is deeply disappointed regarding the situation that Ms Nicotra and her family are in and we apologise for any distress that has been caused by any delays on our part in relation to this matter.

As a Corporate Trustee acting on behalf of our clients' best interests for over 130 years, this is a matter we are taking very seriously. We are committed to acting in Ms Nicotra's best interests at all times and making sure that she is not financially disadvantaged in any way as a result of this situation. All associated costs to accelerate the remediation work currently underway are being funded by Perpetual.

Perpetual acts as administrator for Ms Nicotra, who is the registered owner of the property. We appointed an independent third party and a licensed builder in NSW to act as the owner's agent. As the owner's agent, the third party undertakes the responsibilities which the owner of the property would ordinarily undertake. This includes the administration of the building contract and the performance of the owner's obligations under the building contract. He was not at any time responsible for providing services for the building construction. Under the Queensland Building and Construction Commission (QBCC) Act, the agent acting in this capacity is exempt from requiring a license.

Serious building defects have been identified in the Nicotra home which we believe to be as a result of poor construction work by the builder who was selected by Ms Nicotra's family. The building defects have recently meant that living in the home while remediation work is completed would be a health and safety risk for the family. The health and safety of the family has been our first priority and we have encouraged them to relocate from the property until the remediation works are completed. Perpetual has offered to meet any costs associated with that move.

At all times, we have sought to remediate the building but have not received timely cooperation from the builder. To expedite this process, Perpetual lodged a complaint with the Queensland Building and Construction Commission (QBCC) in February 2020. The QBCC inspected the property on 27 April 2020 and, on 11 May 2020 issued a Direction to Rectify 26 of the 59 defects that had been notified to it at that time. This course of action required us to follow a dispute resolution and assessment process which is a timetable determined by the QBCC.

It is regrettable that the escalation of this matter internally to our senior management over the last few months, most recently to our independent Head of Client Advocacy, has meant that the family has at times, needed to deal with a number of people across our business. We are providing the Hartman family with all additional information requested by them throughout this process. At no time have we denied the Hartman family access to information about costs incurred by the Trust.

We acknowledge that certain aspects of our response to this could have been handled better. We have appointed a dedicated team to focus on ensuring that the remediation works are pursued and undertaken as a top priority and have since taken steps to improve our communication with Ms Hartman. A Perpetual employee is making regular site visits to provide assistance and support to the family through the process. We have also appointed our own independent construction expert who has uncovered further evidence of significant building defects which we have recently brought to the attention of the builder.

We are committed to working alongside Ms Nicotra and her family to ensure all issues are resolved to their complete satisfaction as soon as possible.

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About Perpetual's role: Perpetual is the administrator for Ms Nicotra of a settlement award pursuant to orders made by the Supreme Court of Queensland on 21 July 2017. In this role, Perpetual manages the settlement award by providing investment services and making payments for Ms Nicotra's benefit.

About Perpetual

Perpetual is a 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