



# **FINANCE AND INVESTMENT COMMITTEE CHARTER**

CPA Australia Ltd  
ACN 008 392 452

## 1 Introduction

- 1.1 This Charter has been approved by the Board and outlines the roles, responsibilities, composition, membership and meeting procedures of the Finance & Investment Committee. The conduct of the Committee is also governed, where applicable, by the Constitution of CPA Australia (**Constitution**).
- 1.2 Nothing in this Charter limits any powers or responsibilities of the Board.

## 2 Objectives of the Committee

- 2.1 The Committee is a committee of the Board. The Committee is to assist the Board in fulfilling its statutory, corporate governance and oversight responsibilities relating to CPA Australia's financial and investment strategies. The Committee's work is supported and implemented by the Chief Executive Officer (**CEO**) and their nominees, principally the Chief Financial Officer (**CFO**).
- 2.2 The Committee's work includes the following objectives:
  - (a) monitoring that the financial and investment strategies and programs of CPA Australia deliver its business strategies and organisational objectives efficiently and effectively;
  - (b) monitoring that the tax strategy and tax policy are effective to discharge the organisation's tax compliance obligations;
  - (c) assisting the Board to discharge its responsibility to oversee the budgetary processes and strategic financial management of CPA Australia;
  - (d) providing a formal forum for communication between the Board and the executive general management in relation to finance and investment matters;
  - (e) improving the quality of internal and external reporting of financial and non-financial information;
  - (f) determining that there is a rigorous correlation between the organisation's Key Performance Indicators (**KPIs**) and related financial and non-financial information;
  - (g) developing and maintaining a financial management culture within CPA Australia that fosters integrity and credibility in financial and non-financial reporting and diligent review of all projects planned or proposed by the organisation (within the Committee's delegation);
  - (h) assisting the Board in its consideration and oversight of CPA Australia's longer-term financial sustainability including its ability to viably meet and service the future needs of its Members and to also fiscally accommodate the non-financial challenges posed by economic, social or environmental occurrences and any regulatory responses to them; and
  - (i) oversee the sustainability practices of the organisation as they relate to the work of the Committee.

- 2.3 Ultimate responsibility for the organisation's financial and investment oversight rests with the full Board notwithstanding the establishment of the Committee.
- 2.4 The Committee plays an advisory role and is authorised to exercise those Board powers expressly delegated to it in this Charter.
- 2.5 Other than to the Board, the Committee has no direct obligation to or from any management group, Branch or Division of CPA Australia.
- 2.6 The purpose of this Committee does not extend to the operational financial and investment management of CPA Australia.

### **3 Committee Responsibilities**

Without limiting the general role or powers of the Board, the Committee is responsible for providing the Board with advice and guidance on the following:

#### **3.1 Strategy**

- (a) reviewing, assessing and advising the Board on the economic, financial and investment strategies, practices, plans and major projects of CPA Australia pursuant to the organisational Strategy;
- (b) in consultation with the Member Engagement & Culture Committee, satisfying itself that the financial and investment strategy of the organisation is focused on member interests;
- (c) in consultation with the Audit, Risk & Compliance Committee, determining that the financial and investment strategy of the organisation is aligned to the approved Risk Appetite Statement and within the parameters of the Risk Management Framework;
- (d) reviewing, assessing and advising the Board on the economics of CPA Australia's major products and services and any restructuring options as appropriate;
- (e) reviewing investment/divestment strategies (including the financial implications of business cases and material commercial contracts); and
- (f) monitoring that the financial and investment strategy positions enable:
  - (i) CPA Australia to be appropriately responsive during periods of disaster, disruption and recovery; and
  - (ii) support the organisation's long term financial sustainability.

#### **3.2 Financial**

- (a) reviewing the operational and capital budgets as prepared by management and recommending them to the Board for approval, including but not limited to, preparation of pricing policy across major business units and financial modelling;
- (b) approving business cases within the approved operational budget;

- (c) periodically reviewing forecasts;
- (d) monitoring foreign exchange guidelines and associated risks;
- (e) monitoring the taxation strategy, policy and obligations;
- (f) reviewing the financial delegations annually and recommending amendments from time to time;
- (g) reviewing and endorsing membership and CPA Program pricing;
- (h) considering the annual operating requirements of the organisation;
- (i) reviewing, endorsing and scoring the KPIs annually; and
- (j) reviewing transactions or financial issues that management or the Board requests that the Committee review, including considering the identification and management of financial risks and overall sustainability.

### 3.3 **Investment**

- (a) reviewing the investment guidelines and the Investment Policy Statement (IPS), monitoring the financial performance of funds invested (the Funds) by the organisation and the reporting processes;
- (b) monitoring the organisation's investment goals and how the IPS will support its purpose and strategic focus;
- (c) recommending to the Board as appropriate the appointment or removal of the Investment Adviser;
- (d) reviewing the established internal controls and processes so as to meet the objectives for the Funds and their protection from loss, theft or inappropriate use;
- (e) appointing an independent party from time to time to conduct an audit of the Funds which audit is to verify compliance with the IPS and relevant legislation;
- (f) resolving all questions of interpretation of the IPS relating to the Funds;
- (g) selecting, monitoring and replacing third party advisers, such as consultants and the providers of investment services; and
- (h) reviewing and evaluating annually the performance of the Investment Adviser appointed by the Board from time to time.

### 3.4 **Procurement**

Overseeing the property and procurement strategies.

## 4 **Conflicts of Interest**

- 4.1 If any Committee member has a material personal interest in or an interest by way of a personal or other relationship to any matter being considered by the Committee, then that Committee

member must give the Committee and the Board notice of that interest as soon as that member becomes aware of the interest.

- 4.2 A notice required under clause 4.1 above must:

- (a) give details of the nature and extent of the interest (also having regard to any obligations of confidentiality to another party or other parties if applicable); and
- (b) the relation of the interest to the affairs of the organisation.

- 4.3 A Committee member who has a material interest in a matter that is being considered at a Committee meeting must otherwise act in accordance with APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (**Code**) to the extent relevant to the requirements ('Requirements') of the Code.

## **5 Independent Advice and Information for Committee**

- 5.1 The Committee may obtain reasonable independent professional advice to assist it in the proper exercise of its powers and responsibilities.
- 5.2 The Committee members should be provided with the information the Committee needs to discharge its responsibilities effectively. To this end, the executive general management and key management personnel should supply the Committee with information in a form, within a timeframe and of a quality that enables the Committee to do so. Committee members are entitled to request additional information where they consider such information necessary to make informed decisions.

## **6 Reimbursement of Costs**

Committee members are entitled to reimbursement for the reasonable costs of any independent advice obtained in respect of their office. If a Committee member wishes to obtain independent external advice then the Committee member must notify the Committee before seeking that advice and obtain the prior approval of the Committee Chair, which approval shall not be unreasonably withheld. Travel, accommodation and out-of-pocket expenses incurred by Directors shall be reimbursed on the basis set out in Article 45(h) of the Constitution.

## **7 Reliance**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- 7.1 an employee of the organisation or any of its subsidiaries whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- 7.2 a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- 7.3 another Director or officer of CPA Australia or any of its subsidiaries in relation to matters within the Director's or officer's authority.

## **8 Appointment and Composition of the Committee**

### **8.1 Size**

- (a) The Committee will consist of at least 3 members with a maximum of 6 members, all of whom shall be Directors of CPA Australia.
- (b) Each member of the Committee should have the skills and experience necessary to carry out the duties and obligations as determined under this Charter.
- (c) In addition to the Committee members, the Committee may co-opt non-Directors or other Directors to provide specific skills or expertise as required.
- (d) All Committee members shall be non-executive and independent as determined by the Board in accordance with the ASX Corporate Governance Principles and Recommendations. No Committee members shall be (or shall have been in the past 3 years) a professional adviser or from senior management of CPA Australia.

### **8.2 Committee Chair**

The Board (or its delegated Committee) shall nominate an appropriate individual as Committee Chair or, in their absence, such other person that the Committee may determine for that meeting.

### **8.3 Tenure**

The terms of the Committee members will coincide with their terms on the Board, unless the Board determines otherwise. Subject to annual confirmation by the Board, the terms of any members of the Committee who are co-opted under the terms of this Charter, will be 2 years or such earlier period as the Board may determine from time to time.

### **8.4 Review of Committee Performance and Skills Development**

- (a) The Committee will assess and review its performance and that of the Committee Chair at least annually.
- (b) From time to time, the Committee should consider what training or development could be undertaken (with the approval of the Board and at CPA Australia's expense) to keep their expertise, skills and knowledge relevant to the operation of CPA Australia as required to fulfil their role on the Committee.

### **8.5 Secretary**

The Company Secretary will act as Secretary of the Committee.

## **9 Internal Governance**

The Committee has delegated authority and power as approved by the Board from time to time.

## **10 Meetings**

### **10.1 Holding of Meetings**

- (a) Subject to paragraphs (b) and (c), the Committee shall meet, adjourn and otherwise regulate its meetings as it thinks fit, but shall meet no less than four (4) times each calendar year.
- (b) A member of the Committee may request that a meeting of the Committee be convened.
- (c) The Committee Chair should consider calling an unscheduled meeting if requested to do so by a Committee member, the CEO, the CFO, or the internal or external auditor.
- (d) Meetings may be face-to-face, via teleconference or videoconference as considered appropriate by the Chair.
- (e) The Committee may confer without management or any other person present and at each scheduled meeting may have a private session.

### **10.2 Quorum**

A quorum shall consist of no less than a majority of Committee members. The quorum must be present at all times during the meeting.

### **10.3 Voting**

Decisions at any meeting of the Committee shall be decided by a majority of votes recorded. In the case of an equality of votes, the Committee Chair shall have a casting vote.

### **10.4 Attendance at Meetings**

- (a) The CEO may attend Committee meetings by standing invitation of the Committee only and may be requested to leave by any Committee member present at the meeting. If requested to leave, the CEO must immediately comply with the request. The CEO shall not have a right to vote at such meetings.
- (b) The Company Secretary may attend Committee meetings by standing invitation of the Committee only and may be requested to leave by any Committee member present at the meeting. If requested to leave, the Company Secretary must immediately comply with the request. The Company Secretary shall not have a right to vote at such meetings.
- (c) Any Director of CPA Australia may attend Committee meetings by standing invitation of the Committee.
- (d) In addition, the Committee Chair may invite any of the following to attend a meeting or an item of a meeting of the Committee:
  - (i) the CFO;

- (ii) members of the Company Secretariat;
  - (iii) the Chair of the Audit, Risk and Compliance Committee;
  - (iv) any other employee or officer of CPA Australia; and
  - (v) any other third-party consultant.
- (e) Each invitee must undertake to keep the relevant communications of the proceedings of the Committee meeting confidential, including in accordance with clause 12 below.

#### **10.5 Committee Papers**

- (a) Unless otherwise directed by the Committee Chair, the Committee Secretary shall distribute in advance of a meeting of the Committee an agenda and any related papers to:
  - (i) each member of the Committee;
  - (ii) the CEO, the CFO and other members of the management team as deemed appropriate; and
  - (iii) all Directors of the Board via the Board repository.
- (b) Subject to any further rights granted under a Deed of Indemnity, Insurance and Access, Committee members who are Directors may access Committee papers on request, for the period when they were a Committee member even if they have ceased to be on the Committee in accordance with section 198F of the Corporations Act.

#### **10.6 Minutes of Committee Meetings**

Minutes of the Committee shall accurately reflect its decisions and shall be made available to the Committee members in accordance with the provisions of the Constitution, the Deed of Indemnity, Insurance and Access and the Corporations Act and submitted to the Board in accordance with clause 14 below. Minutes signed by the Committee Chair shall be conclusive evidence of the matters recorded in the minutes.

#### **10.7 Written Resolutions**

Apart from passing resolutions at actual Committee meetings, the Committee may also pass written resolutions in the manner set out in Article 56 of the Constitution.

### **11 Review of Charters**

The Committee will at least once each year review this Charter to verify that it remains consistent with the Committee's objectives and responsibilities, applicable law, the Constitution, the By-Laws and relevant standards of corporate governance and recommend any changes to the Board.

### **12 Confidentiality**

Unless Directors resolve to the contrary, Committee members are required to keep Committee discussions, Committee papers and deliberations confidential.

### **13 Code of Conduct**

Each Committee member has an obligation to comply with the spirit, as well as the letter of the law, the Constitution, the By-Laws and the principles set out in the Directors' Code of Conduct.

### **14 Reporting to the Board**

- 14.1 Minutes of each meeting shall be submitted to the Board for noting.
- 14.2 The Committee Chair, or delegate, must report to the Board after each Committee concerning:
  - (a) the proceedings of the Committee; and
  - (b) all matters relevant to the Committee's role and responsibilities.

### **15 Consistency with Constitution**

- 15.1 This Charter may be amended by the Board from time to time subject to the requirements of the Constitution and the law. Whilst this Charter does not form part of the Constitution, this Charter (as in force from time to time) is nevertheless binding on the Committee and each of the Committee members.
- 15.2 To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

Adopted by the Board of Directors on 14 December 2020. Effective 1 January 2021.