



MEMBER ENGAGEMENT and CULTURE 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 Member Engagement and Culture 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's role is to assist the Board in the effective discharge of its responsibilities in relation to matters involving:

- (a) engagement with all of CPA Australia's members; and
- (b) the people, remuneration and culture of CPA Australia.

The Committee's work is supported by the Chief Executive Officer (**CEO**) and their nominees, principally the Executive General Manager, Member Experience, the Executive General Manager, People and Culture and the Company Secretary.

2.2 The Committee's work relates to the following objectives:

- (a) Members
 - (i) providing advice to the Board on member-related strategies;
 - (ii) providing advice to the Board on member services and product (at a strategic level);
 - (iii) advising on and maximising the effectiveness of communications with members and other key stakeholders; and
 - (iv) doing all it reasonably can to protect and enhance the external reputation of CPA Australia.
- (b) People Remuneration and Culture
 - (i) providing advice to the Board on human resources strategy, policies and practices to:
 - (A) support the organisation's Strategy;
 - (B) enable CPA Australia's employees to achieve their goals;
 - (C) promote a safe, respectful and inclusive workplace where diversity is valued and a culture that is focused on achieving high performance through the organisational values ("The CPA Australia Way"); and
 - (D) enable contractors, sub-contractors, labour hire employees, apprentices, trainees, volunteers and members of the general

public, to be safe in all workplaces;

- (ii) promote compliance with all relevant legal requirements and best practice; and
- (iii) provide remuneration policies and practices and succession planning which enables the attraction and retention of leaders and talented staff.

2.3 Ultimate responsibility for member engagement and people, remuneration and culture rests with the full Board notwithstanding the establishment of this 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 or Division.

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 Member Engagement

- (a) verifying that CPA Australia has established, and maintains, an appropriate member database that is up-to-date and which collects appropriate data to enable tailored, relevant communication with members;
- (b) determining and approving any CPA Australia-initiated research into member engagement / membership-related issues and overseeing any implementation of actions emanating from such research;
- (c) driving the Board's engagement with the membership through face-to-face and other communication channels (for example, an annual calendar of events/communications);
- (d) monitoring the effectiveness of communications with members and stakeholders, and the effectiveness of the various communication channels with them (which will include both traditional and digital channels);
- (e) monitoring the risk management of communication strategies and engagement with members and stakeholders;
- (f) satisfying itself that CPA Australia delivers focused strategies which will meaningfully respond to the continuing professional and mental health needs of the members including during periods of disaster, disruption and also recovery; and
- (g) overseeing and monitoring the implementation of the organisation's ESG strategy in

relation to member engagement including:

- (i) the effectiveness with which the organisation is supporting members with useful and relevant ESG resources; and
- (ii) communicating with members and stakeholders to enable them to capture the full value of ESG opportunities and to recognise ESG risks.

3.2 **Divisional Councils**

- (a) facilitating through a consultative process how Divisional Councils, along with their respective committees and discussion groups, effectively engage with members;
- (b) facilitating direct communication and reporting guidelines with all Divisional Councils to hear about “on the ground” engagement;
- (c) making recommendations to the Board regarding any changes to the member engagement structure (such as Divisional boundaries, the number of Councillors, establishment of any new Divisions and various regional and cultural considerations);
- (d) developing and maintaining the guidelines for the role and procedures of Divisional Councils, committees and discussion groups (taking into account various regional and cultural considerations); and
- (e) monitoring that Divisional Council elections have been conducted in accordance with the processes set out in the By-laws.

3.3 **Committee Nominations**

- (a) facilitating engagement between Advisory and Compliance Committees, Centres of Excellence and the Board of Directors;
- (b) recommending to the Board any proposed changes to the structure, Charters or applicable policies relating to the Advisory and Compliance Committees or the Centres of Excellence;
- (c) overseeing the procedures for nominating and identifying potential candidates for appointment to the Disciplinary Panel, external bodies, their boards and committees and taskforces; and
- (d) making recommendations to the Board for the appointment of members and other persons to the Disciplinary Panel, external bodies and taskforces.

3.4 **Awards and Honours**

- (a) recommending to the Board any proposed changes to the structure or applicable policies (including any criteria) relating to CPA Australia’s awards and honours;
- (b) considering nominations and making recommendations to the Board for the

awarding of the following awards and honours:

- (i) CPA Australia Life Membership;
- (ii) Board of Directors Lifetime Achievement Award;
- (iii) Board of Directors Award for Outstanding Service; and
- (iv) CPA Australia Honorary Membership;

and

- (c) receiving reporting on the Divisional Presidents Awards of Excellence.

3.5 **People and culture**

- (a) satisfying itself that the culture is aligned with the organisation’s purpose, “The CPA Australia Way” values;
- (b) acting lawfully, ethically and responsibly and that the culture supports relevant risk mitigation assisting the achievement of the organisation’s strategic objectives;
- (c) overseeing and monitoring the implementation of the organisation’s ESG strategy in relation to its people and culture:
 - (i) including having a workplace where employees are engaged and motivated, where wellbeing, inclusion, diversity and gender equality are valued, where people are supported with appropriate codes of conduct and policies and where processes are fair and transparent; and
 - (ii) identifying opportunities for continuous improvement;
- (d) overseeing management in its implementation of the organisation’s culture and related objectives including:
 - (i) the determination of appropriate and meaningful benchmarking;
 - (ii) key performance indicators; and
 - (iii) more specific targets for senior executives;
- (e) reviewing and evaluating CPA Australia’s People and Culture policies at least every two years or when there is a change to internal strategies or legislation (whichever comes first) to ensure their currency and relevance to the organisation’s overall mission and objectives and that the policies are operating effectively;
- (f) ascertaining that the organisation delivers focused strategies which will meaningfully respond to the continuing professional needs and overall health and well-being of its people;
- (g) encouraging the adoption by human resources management of sustainable

practices in the workplace including throughout employee lifecycles commencing with recruitment, onboarding, training and daily tasks, to deliver efficiencies;

- (h) evaluating and providing advice on the organisation’s strategy for industrial relations and monitoring its implementation;
- (i) monitoring the content of and compliance with the organisation’s people and culture policies, systems and processes including in the important areas of:
 - (i) workplace health (including wellbeing) and safety including maintaining a workplace free from discrimination, harassment and bullying and which provides equal opportunity;
 - (ii) inclusion and employment diversity;
 - (iii) the Reconciliation Action Plan;
 - (iv) executive succession planning and talent management;
 - (v) remuneration policy; and
 - (vi) paid and volunteer workforce planning and management.

3.6 **Employee Remuneration**

- (a) reviewing and approving CPA Australia’s remuneration framework and associated policies (including the incentive methodology and annual movements in the salary scales); and
- (b) providing oversight of any disciplinary action including dismissal, and any restructuring leading to senior executive redundancy.

3.7 **Board of Directors and CEO Remuneration**

Board of Directors’ fees, CEO remuneration and the remuneration of the direct reports to the CEO are set directly by the Board of the organisation under the leadership of the President and Chair of the Board. The practices of the Committee for employee remuneration and performance will be managed to be consistent and comparable.

4 **Conflict 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 CPA Australia.

- 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 the Independence Standards) (**Code**) to the extent relevant to the requirements ('Requirements') of the Code.

5 Independent Advice and Information for the 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. The executive leadership team and key management personnel should supply the Committee with information in a form and timeframe, and of a quality that enables the Committee to discharge its responsibilities and duties effectively. 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 must not be unreasonably withheld. Reimbursement of travel, accommodation and out-of-pocket expenses properly incurred by Committee members must be met on the basis set out in Article 42(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:

- (a) 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;
- (b) 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
- (c) 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 three members with a maximum of six

members, all of whom must 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 must be non-executive and independent as previously determined by the Board. No Committee members must be (or must have been in the past three years) a professional adviser or from senior management of CPA Australia.

8.2 **Committee Chair**

The Board Chair must nominate an appropriate individual as Committee Chair or, in their absence, such other person that the Committee may determine for that meeting will be chair.

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 appointed under the terms of this Charter, will be three 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 Chair at least annually.
- (b) From time to time, the Committee should consider what training or development could be undertaken by its members (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 will meet, adjourn and otherwise regulate its meetings as it thinks fit, but must meet no less than four times each calendar year or more frequently as circumstances dictate.

- (b) The Committee Chair should consider calling an unscheduled meeting if requested to do so by a Committee member, the CEO or Company Secretary.
- (c) Meetings may be held face-to-face, or by use of technology (or any combination of technologies) as considered appropriate by the Chair.
- (d) The Committee may confer without management or any other person present and at each scheduled meeting may have a private session.
- (e) Meetings of the Committee should be conducted professionally and respectfully in accordance with the organisation's agreed behaviours and values as set out in The CPA Australia Way: <https://www.cpaaustralia.com.au/about-cpa-australia/work-with-us/careers/our-values>
- (f) At the commencement of each Committee meeting, the Committee Chair will:
 - (i) open with an *Acknowledgment of Country* relevant to the place or places from where the meeting is being held; and
 - (ii) appoint a meeting reviewer from the Directors in attendance to provide a review of the meeting at the end of the meeting incorporating a reflection on how the meeting met CPA Australia's values.

10.2 **Quorum**

A quorum will 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 must be decided by a majority of votes recorded. In the case of an equal number of votes, the Committee Chair has 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 leave.
- (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 leave.
- (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) members of the Board Secretariat;
 - (ii) any other employee or officer of CPA Australia; and
 - (iii) 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 must 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 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 a member of the Committee, in accordance with section 198F of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

10.6 **Minutes of Committee Meetings**

Minutes of the Committee must accurately reflect its proceedings and are to 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*. Minutes signed by the Committee Chair are conclusive evidence of the proceedings 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 53 of the Constitution.

11 **Review of Charter**

The Committee will at least once each year review this Charter to ensure 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**

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

15 **Consistency with Constitution**

- (a) 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.
- (b) To the extent that there is any inconsistency between this Charter and the Constitution or the By-Laws, the Constitution will prevail over both and the By-Laws will prevail over this Charter.

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

Amended by the Board of Directors on 6 December 2021. Effective: 1 January 2022

Amended by the Board of Directors on 8 December 2022. Effective: 1 January 2023