

Notice of Annual General Meeting

30 April 2012



By order of the Board

24 February 2012

Adam Awty CPA

Company Secretary

NOTICE is hereby given that the Annual General Meeting of Members of CPA Australia Ltd (**the Company**) will be held at the offices of CPA Australia Ltd, Level 20, 28 Freshwater Place, Southbank, Victoria on Monday 30 April 2012 at 5.30 pm (Melbourne time).

Ordinary Business

Item 1: Receipt of Annual Financial Report

To receive and consider the Company's Financial Report, the Directors' Report and the Auditor's Report for the year ended 31 December 2011.

Special Business

To consider and, if thought fit, pass the following resolutions as special resolutions:

Special Resolution 1: Amendment of Constitution of the Company to introduce a Best of the Best model for Director Appointments

THAT with immediate effect, the proposed amendments to Article 44 of the Constitution of the Company set out in Annexure A, be approved and adopted.

Special Resolution 2: Amendment of Constitution of the Company to amend Director Remuneration provisions

THAT with immediate effect, the proposed amendments to Articles 1, 45 and 46 of the Constitution of the Company set out in Annexure B, be approved and adopted.

Special Resolution 3: Amendment of Constitution of the Company to alter the maximum number of consecutive years a Deputy President can hold office

THAT with immediate effect, the proposed amendments to Article 67 of the Constitution of the Company set out in Annexure C, be approved and adopted.

A detailed explanation of the background to and the reasons for these proposed special resolutions is set out in the attached Explanatory Memorandum (which forms part of this notice).

*Note: for each special resolution to be passed, at least 75% of the votes cast for that resolution must be in favour.

How to Vote or Appoint a Proxy

In person: You may attend the Annual General Meeting in person at the date, time and place specified in the Notice of Meeting and cast your vote personally. Prior registration is not required.

Online: You can appoint a proxy to vote on your behalf by completing the online form available at cpaaustralia.com.au/agmproxy

By Mail: You can also appoint a proxy by completing the details requested in the attached Proxy Voting Form and sending it to the Company Secretary at Level 20, 28 Freshwater Place, Southbank, VIC 3006 or facsimile number +61 3 9682 0567.

Important: All proxy forms must be submitted and received by the Company Secretary by no later than 5.30pm (Melbourne time) on Saturday 28 April 2012.

Notes

- 1) A Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. The foregoing note is a Corporations Act requirement, even though it does not apply to the Company, as a company limited by guarantee.
- 2) The proxy appointed by a Member need not themselves be a Member of the Company.

Questions from Members

Members who are unable to attend the AGM and would like to ask questions of the Board concerning matters to be considered at the AGM, are invited to do so by submitting the online form available at cpaaustralia.com.au/agmproxy or completing the attached Proxy Voting Form.

Your questions are important to us and although we will not be able to reply to each question individually, we will respond to as many of the frequently asked questions as possible at the AGM and those answers will be posted on our website.

Enquiries

For further information relating to the 2012 Annual General Meeting, please refer to cpaaustralia.com.au or contact the Company Secretary of CPA Australia Ltd at its registered office at Level 20, 28 Freshwater Place, Southbank, Victoria, 3006 or call +61 3 9606 9606.

Annexure A

Resolution 1: Directors

44. Appointment of Directors

- (a) The Board shall be appointed by the Representative Council and shall consist of a maximum of 12 Directors, such Directors being:
- (i) ~~one Member who is attached to each Division (as at the time of the person's appointment to the Board); up to 10 persons who are Members;~~ and
 - (ii) up to ~~two~~ 2 persons who are neither a Member nor an employee of the company.
- (b) Subject to Article 44(g), each Director appointed by the Representative Council must retire on 30 September of the third calendar year following the calendar year during which the Director is appointed.
- (c) Once appointed to the Board, a Director cannot be removed by the Representative Council.
- (d) On or before 30 September in the year in which a Director is to retire under this Article 44, the Representative Council shall meet and may appoint a replacement Director to the Board in accordance with this Article 44.
- (e) Subject to the requirements of the Corporations Act, on the retirement of a Director, the retiring Director shall be eligible for reappointment but the Director shall, subject to Article 44(f), be ineligible for any subsequent re-appointment.
- (f) A Director appointed by the Representative Council under Article 44(g) to fill a casual vacancy in the Board, and who is reappointed, is eligible for one subsequent re-appointment if he or she was not a Director for more than 1 year before being reappointed.
- (g) Any casual vacancy occurring in the Board may be filled by the Representative Council appointing a new Director ~~who is (except in the case of an External Director) attached to the same Division as the vacating Director and~~ who shall retain office, and be subject to, and have the benefit of, all the rights, duties and privileges attaching to that office, for so long as the vacating Director would have retained the office if no vacancy had occurred. A Director appointed under this Article 44(g) must retire on the same date on which the vacating Director would have retired in accordance with Article 44(b) or Article 44(h), as applicable.

(h) Notwithstanding any provisions of this Constitution, or any provisions contained in the constitution of the Company prior to the Amending Date, the following transitional provisions regarding the Directors and the composition of the Board shall apply:

- (i) those Directors appointed by the Representative Council for a term of 2 years commencing on 1 April 2009 and expiring on 31 March 2011 (or any person appointed by the Representative Council to fill a casual vacancy caused by any such Director vacating their office) shall continue in office until 30 September 2011, and on the expiry of that extended term shall retire and shall either be reappointed or replaced by new appointees, as determined by the Representative Council in accordance with Article 44(a), each such appointment to be:
 - A. in respect of 2 Directors, for a term of 3 years commencing on 1 October 2011 and expiring on 30 September 2014. On expiry of those terms, these Directors shall retire and may either be replaced by new appointees or, subject to this Article, be reappointed. These Directors shall be eligible for reappointment on 1 October 2014, except that a Director is ineligible for a further consecutive reappointment on 1 October 2014 if that Director was reappointed on 1 April 2009 and has also been reappointed on 1 October 2011; and
 - B. in respect of 4 Directors, for a term of 4 years commencing on 1 October 2011 and expiring on 30 September 2015. On expiry of those terms, these Directors shall retire and may either be replaced by new appointees or, subject to this Article, be reappointed. These Directors shall be eligible for reappointment on 1 October 2015, except that a Director is ineligible for a further consecutive reappointment on 1 October 2015 if that Director was reappointed on 1 October 2011.

Subject to Article 44(h)(iii), the Director appointments contemplated by this Article 44(h)(i) ~~to~~ that may be made by the Representative Council on:

- C. 1 October 2014 shall be made subject to and in accordance with Articles 44(a) to (d), (f) and (g); and
- D. 1 October 2015 shall be made subject to and in accordance with Articles 44(a) to (g).

The Board shall determine whether a Director is appointed on the basis of Article 44(h)(i)A or 44(h)(i)B.

(ii) those Directors appointed by the Representative Council for a term of 30 months commencing on 1 October 2007 and expiring on 31 March 2010 (or any person appointed by the Representative Council to fill a casual vacancy caused by any such Director vacating their office) shall continue in office until 30 September 2010, and on expiry of that extended term shall retire and shall either be reappointed or replaced by new appointees, as determined by the Representative Council in accordance with Article 44(a), each such appointment to be:

A. in respect of 4 Directors for a term of 3 years commencing on 1 October 2010 and expiring on 30 September 2013. On expiry of those terms, these Directors shall retire and may either be replaced by new appointees or, subject to this Article, be reappointed. These Directors shall be eligible for reappointment on 1 October 2013, except that a Director is ineligible for a further consecutive reappointment on 1 October 2013 if the Director has been reappointed on 1 October 2010; and

B. in respect of 2 Directors, for a term of 4 years commencing on 1 October 2010 and expiring on 30 September 2014. On expiry of those terms, these Directors shall retire and may either be replaced by new appointees or, subject to this Article, be reappointed. These Directors shall be eligible for reappointment on 1 October 2014, except that a Director is ineligible for a further consecutive reappointment on 1 October 2014 if the Director has been reappointed on 1 October 2010.

Subject to Article 44(h)(iii), the Director appointments contemplated by this Article 44(h)(ii) ~~to that may~~ be made by the Representative Council on 1 October 2013 or 1 October 2014 (as the case may be) shall be made subject to and in accordance with Articles 44(a) to (g). The Board shall determine whether a Director is appointed on the basis of Article 44(h)(ii)A or 44(h)(ii)B.

(iii) in any event, a Director shall not be eligible for reappointment under this Article 44(h) or otherwise if being reappointed would result in that person being a Director for more than 8.5 consecutive years (for this purpose, excluding any time served by a Director prior to 1 October 2007).

Annexure B

Resolution 2: Director Remuneration

1. Definitions

In this Constitution:

.....

Director Year means:-

~~(a) the Transitional Director Year; and~~

~~(b) each 12 month period commencing on 1 October in each calendar year from 2010 and onwards, and ending on 30 September in the next calendar year.~~

.....

~~**Transitional Director Year** means the 18 month period commencing on 1 April 2009 and ending on 30 September 2010.~~

45. Remuneration and benefits of Directors

(a) Subject to Articles 45(b) to (d) and Article 45(g), the Company may:

(i) prior to 31 March 2010, pay or provide to:

A. an External Director;

B. a Member Director, provided that the Member Director is self-employed;

C. the employer of a Member Director; or

D. a Practice Entity with which a Member Director is Closely Associated,

fees in an amount or value determined by the Board;

(ii) from 1 April 2010 onwards:

A. pay or provide to a Director fees in an amount or value determined by the Board; or

B. if, as a condition of a Director's employment with his or her employer, that Director is not permitted to receive fees from the Company personally, pay or provide amounts to the Director's employer by way of an honorarium to compensate the Director's employer for the release of the Director's time from his or her employment and making the Director available to serve as a director of the Company.

(b) Subject to Article 45(i), the amount paid to a Director (other than the President or the Deputy Presidents), the employer of such a Director or a Practice Entity with which such a Director is Closely Associated (as applicable, and when and where permissible) pursuant to Article 45(a) (for the avoidance of doubt, excluding any amounts paid pursuant to Articles 45(e) or (f)), in any Director Year: calendar year will be determined by the Board for the relevant calendar year but must not exceed 15% of

~~(i) must not be less than 10% of; and~~

~~(ii) must not exceed 15% of;~~

the total annual salary package of the Auditor-General of Australia as varied from time to time and prevailing at the date of the Board determination. The amount paid to a Director (other than the President or Deputy Presidents) will be as determined by the Board for the relevant Director Year; prorated for any period where the Director is not entitled to be paid fees by reason of Article 45(g) or serves as a Director for a period of less than 12 months in a calendar year. (or in the case of the Transitional Director Year, more than 12 months);

Save for any pro rata reduction to reflect a non-entitlement to be paid fees by reason of Article 45(g) or service of less than 12 months ~~(or 18 months, in the case of the Transitional Director Year)~~, the same amount of fees shall be paid under this Article 45(b) in respect of each Director for each Director Year calendar year, however the Board may vary the amount of fees payable in respect of a Director to take into account such additional responsibilities within the Company that a Director may have.

(c) Subject to Article 45(i), the amount paid to the President, the employer of the President or a Practice Entity with which the President is Closely Associated (as applicable, and when and where permissible) pursuant to Article 45(a) (for the avoidance of doubt, excluding any amounts paid pursuant to Articles 45(e) or (f)), in any Director Year: calendar year will be determined by the Board for the relevant calendar year but must not exceed 60% of

~~(i) must not be less than 50% of; and~~

~~(ii) must not exceed 60% of;~~

the total annual salary package of the Auditor-General of Australia as varied from time to time prevailing at the date of the Board determination. The amount paid to the President will be and as determined by the Board for the relevant Director Year prorated for any period where the President serves as the President for a period for less than 12 months in a calendar year. (or in the case of the Transitional Director Year, more than 12 months);

(d) Subject to Article 45(i), the amount paid to each Deputy President, the employer of a Deputy President or a Practice Entity with which a Deputy President is Closely Associated (as applicable, and when and where permissible) pursuant to Article 45(a) (for the avoidance of doubt, excluding any amounts paid pursuant to Articles 45(e) or (f)), in any Director Year: calendar year will be determined by the Board for the relevant calendar year but must not exceed 25% of

~~(i) must not be less than 15% of; and~~

~~(ii) must not exceed 25% of;~~

the total annual salary package of the Auditor-General of Australia as varied from time to time prevailing at the date of the Board determination. The amount paid to a Deputy President will be and as determined by the Board for the relevant Director Year prorated for any period where a Deputy President serves as the Deputy President for a period for less than 12 months in a calendar year. (or in the case of the Transitional Director Year, more than 12 months);

(e) Where a Director resident outside Australia for tax purposes receives any fees under this Article 45 that are taxable in a country other than Australia but is required to pay such fees to an unrelated third party and is unable to claim a tax deduction or other offset, and is therefore subject to an amount of personal taxation on such fees (the Residual Tax Amount), the Company may pay to the Director or to a taxation authority in respect of any Director Year calendar year, the Residual Tax Amount or such other amount as is considered appropriate (as determined by the Board) to compensate that Director.

(f) The Company must pay all reasonable travelling, accommodation and other expenses that a Director properly incurs in attending meetings of the Board, committees of the Board, meetings of Members, or otherwise in connection with the business of the Company.

(g) No amounts may be paid to any Director (except for the President, the Deputy Presidents and External Directors), the employer of any such Director, or a Practice Entity with which any such Director is Closely Associated pursuant to Article 45(a), or Article 45(e) prior to 1 April 2010.

(h) Articles 45(a) – (d) do not apply to any payments made pursuant to Article 50.

(i) Notwithstanding anything else to the contrary in Articles 45(b) to (d), in relation to any amounts paid as an honorarium to the employer of a Director pursuant to Article 45(a)(ii)B:

~~(i) the minimum percentages specified in Articles 45(b) to (d) do not apply;~~

~~(ii)~~(i) if the amount so paid as an honorarium is to the employer of a Director (who is not the President or a Deputy President), then such amount may be different from the amount of fees paid to other Directors (who are not the President or a Deputy President) in the relevant ~~Director Year~~ calendar year; and

~~(ii)~~(i) no amounts may be paid (either to a Director or the employer of a Director) pursuant to Article 45(e) in connection with the amount so paid as an honorarium.

46. Termination of office

A person ceases to be a Director if the person:

- (a) is a Member Director and they cease to be a Member;
- (b) fails to attend 2 consecutive Board meetings (either personally or by giving notice to the Company pursuant to Article 54(i)) without the consent of the Board;
- (c) fails to personally attend 3 consecutive Board meetings without the consent of the Board (even if the person gives notice to the Company pursuant to Article 57(i) in relation to any or all of those meetings);
- (d) resigns by notice in writing to the Company;
- (e) is not ~~re-elected~~ ~~re-appointed~~ pursuant to Article ~~44(e)~~ 44(a) on the expiry of their term in office;
- (f) is removed from office pursuant to the Corporations Act;
- (g) becomes Insolvent;
- (h) becomes of unsound mind or a person whose property is liable to be dealt with pursuant to a law about mental health;
- (i) is not permitted to be a director, or to manage a corporation, pursuant to the Corporations Act;
- (j) is a Member Director and his or her membership subscription is overdue for 60 days or more;
- (k) is a Member Director and his or her membership is suspended;
- (l) was appointed as an External Director and is, or becomes, a Member; or
- (m) is, or becomes, an employee of the Company.

Annexure C

Resolution 3: Deputy President terms

67. Election of President and Deputy Presidents

- (a) Subject to Articles 67(e) and 76(a), prior to 30 September in each calendar year from 2010 and onwards, the Board shall elect from amongst:
 - (i) those Directors whose terms do not expire before 1 October of that calendar year; and
 - (ii) those persons who the Representative Council has resolved to appoint to the Board for terms commencing on 1 October during that calendar year,a President and 2 Deputy Presidents (all of whom must be Members).
- (b) Each person so elected as President or Deputy President pursuant to Article 67(a) shall hold office for a term of 1 year commencing on 1 October of that calendar year and ending on 30 September in the next calendar year. Prior to 30 September in the next calendar year following the election of each such President or Deputy President, the term of each such President or Deputy President may be extended for a further 1 year term by election of the Board, provided that the President or the relevant Deputy President (as the case may be) is either:
 - (i) not required to retire from office as a Director pursuant to Article 44(b), 44(g) or 44(h) on 30 September in that next calendar year; or
 - (ii) required to retire from office as a Director pursuant to Article 44(b), 44(g) or 44(h) on 30 September in that next calendar year but has been reappointed as a Director by the Representative Council pursuant to Article 44(d),but ~~each such the~~ President can only hold office for a maximum of 2 consecutive years and each ~~or~~ Deputy President can only hold office for a maximum of ~~2~~ 4 consecutive years.
- (c) If a casual vacancy occurs for the position of President or a Deputy President during the term of their office, the Board may appoint a Member Director to fill the casual vacancy for as long as the vacating President or Deputy President would have retained office if no vacancy had occurred.

- (d) All such elections shall be conducted in the manner set out in the By-Laws.
- (e) Notwithstanding anything else to the contrary in this Constitution, or the constitution of the Company in force immediately before the Amending Date, the persons holding the offices of President and Deputy President immediately before the Amending Date shall continue to hold those offices until 30 September 2010. On the expiry of those extended terms, the terms of each such:
- (i) President, may not be extended for a further 1 year term pursuant to Article 67(b); and
 - (ii) Deputy President:
 - A. whose term was extended for a further term commencing on 1 April 2009, may not be extended for a further 1 year term pursuant to Article 67(b); and
 - B. who was appointed to that office for the first time on 1 April 2009, may be extended for a further 1 year term pursuant to Article 67(b).

Explanatory Memorandum

Amendments to the existing Constitution will be considered for adoption at the Annual General Meeting of CPA Australia Ltd (CPA Australia) on 30 April 2012 in Melbourne.

THE FOLLOWING EXPLANATORY NOTES DESCRIBE THE RESOLUTIONS AND PROVIDE AN EXPLANATION OF THE PROPOSED CHANGES TO THE CONSTITUTION.

Other than as described, key structural features of CPA Australia's governance, for example the composition of the Representative Council and the Board's role and responsibilities, will remain unaltered.

Resolution 1: Adoption of amendments to the existing Constitution – Best of the Best Model

The amendments proposed adopt a "best of the best model" for the appointment of Directors, rather than appointments being linked to a geographic location.

The current Constitution provides that the Board will be appointed by the Representative Council¹. The Board currently consists of a maximum of 12 Directors comprising 10 members, which must include 1 from each of the 10 geographically based Divisions and up to 2 persons who are neither members nor employees of CPA Australia.

The Representative Council has requested that the Board consider proposing to the members an amendment to the Constitution to remove the geographic requirements relating to the appointment of member Directors. This change will enable up to 10 of the most suitably qualified members to be appointed to the Board regardless of their location, and would for the first time in CPA Australia's 125 year history, give every eligible member the opportunity to be appointed to the Board if they are the most suitable candidate. There will also be consistency between non-member and member Director appointments in that there will be no geographic requirement on either group.

As the current Directors retire, their replacements would be selected from the most suitable candidates, without geographic restrictions.

¹ The composition of the Representative Council is designed to reflect the diversity of CPA Australia's membership and includes one representative from each Divisional Council and Advisory Committee. For larger Divisions which account for 20 per cent or more of the total membership, an additional Divisional Council member is appointed. The Council also includes one member representing each of the following groups: young members, mature members, the corporate sector, the SME sector, the public sector, and the staffed branches.

Main Differences with current Constitution

The Best of the Best model moves away from the current approach in that instead of appointing one member from each Division, the Representative Council would simply appoint up to 10 members to the Board irrespective of the Divisions to which those members are attached. Except for the removal of the geographic requirements, the appointment process would essentially remain the same for Directors. The procedures for appointing persons to the Representative Council and each Divisional Council are not affected by the proposal.

The selection of the best of the best candidates for appointment to the Board will benefit CPA Australia in that the preferred skills mix of the Board can more effectively be covered without limitations on where a Director resides. A more diverse range of candidates can be considered from a larger pool.

Wording Changes

Article 44(a): (partly amended) The inclusion of the words “up to 10” means that the Representative Council may potentially appoint less than 10 members to the Board from time to time. For instance, the Representative Council may potentially decide not to fill a Board vacancy (whether arising as a casual vacancy or by reason of a Director retiring on expiry of his or her term), provided the Board numbers do not fall below the statutory minimum of 3 directors for a public company such as CPA Australia. There is also a minimum of 6 Member Directors required for a Board quorum as per Article 57(j). Because the current Constitution mandates that there “shall” be one Director appointed from each Division, there are some minor consequential changes to Article 44 in recognition of the fact that the number of Directors would technically now become more discretionary i.e. “may”.

It is currently envisaged that the Representative Council will continue with the practice of having 10 Member Directors at all times except in exceptional circumstances.

The general Director term limit in Article 44(e) has not been changed. This means that “the best of the best” could not be appointed for more than 2 consecutive terms of 3 years. There will be no change to the current terms of the incumbent Directors.

Subject to Article 7(e)(i)A (which expressly precludes an honorary member from holding office as a Director), any member could be appointed to the Board, including members who are not attached to a Division.

Article 44(g): (partly amended) As soon as the proposed amendments to the Constitution take effect, any casual vacancy subsequently arising on the Board would be filled under Article 44(g) by applying the new “best of the best model”. In other words, if a casual vacancy arose in relation to an existing Director who was appointed on the basis of being a member attached to a particular Division, then the replacement Director need not be from the same Division.

Article 44(h): The sentence which has been inserted (and replicated 4 times) clarifies that the Directors to which this transitional provision applies are required to retire at the expiry of their terms and that they may be reappointed.

Resolution 2: Adoption of amendments to the existing Constitution – Directors’ Remuneration

The amendments proposed change the remuneration provisions for Directors to remove the need to pay Directors (including the President and Deputy Presidents) a minimum percentage of the Auditor-General of Australia’s total salary package.

Currently CPA Australia remunerates the President, Deputy Presidents and Directors by reference to a percentage of the Auditor-General of Australia’s total annual salary package as varied from time to time, within the minimum and maximum percentage ranges set out in the Constitution. The actual amount paid to the President, Deputy Presidents and Directors is determined by the Board and, as the Constitution is presently drafted, the amount must not be less than or greater than certain percentages of the Auditor-General’s salary.

Accordingly, any increases in the Auditor-General of Australia’s salary would automatically increase the minimum amount payable to the President, Deputy Presidents and Directors regardless of whether that amount is determined to be appropriate, relative to the market remuneration for Directors of CPA Australia. For example, if the Auditor-General of Australia’s salary package increases by 10%, the minimum Directors’ remuneration would similarly increase even if the relative market levels for Director salaries has only increased by 4%.

The proposed removal of reference to a minimum percentage payable enables the Board to ensure that the minimum remuneration levels do not exceed commensurate market levels if the Auditor-General of Australia’s increased remuneration is disproportionate to market remuneration for the President, Deputy Presidents and Directors. The retention of maximum percentages focuses the Board on responsibly choosing levels of remuneration that are appropriate to the different roles, always bearing in mind the fact that CPA Australia is a member organisation and that the Board is accountable to the members.

Main Differences with current Constitution

The proposed remuneration model for the President, Deputy Presidents and Directors, sets only maximum percentages of the Auditor-General of Australia's total salary package which the Board applies in its determinations of the President's, Deputy Presidents' and Directors' fees.

The proposed amendments will not change the President's, Deputy Presidents' and Director's remuneration for the current remuneration period.

The President's, Deputy Presidents' and Directors' remuneration is currently determined by the Board annually for the period of each Director Year². It is proposed that the fee payment period be brought into line with CPA Australia's financial year, which is the calendar year.

Additionally, the President's, Deputy Presidents' and Directors' remuneration for each calendar year is to be based on the Auditor-General's "prevailing salary package at the date of the Board determination". This proposed change clarifies that remuneration will not automatically be adjusted should the Auditor-General of Australia's salary package be changed within that calendar year. In other words, the remuneration determined by the Board will be fixed for the relevant period irrespective of changes to the Auditor-General's salary package after the date of the Board's determination.

Wording Changes

Article 1: (partly amended) As the defined terms "Director Year" and "Transitional Director Year" are no longer required under the proposed amendments, the definitions of these terms are proposed to be deleted.

Article 45: (partly amended) Reference to all minimum percentage levels for the remuneration of the President, Deputy Presidents and Directors have been deleted in the proposed amendments. The proposed amendments also require the Board to set the remuneration for each calendar year and not Director Year, based on a maximum percentage of the Auditor-General of Australia's "prevailing salary package at the date of the Board determination". This wording also clarifies that the payments for each calendar year will not be adjusted even if the Auditor-General's salary is adjusted within the relevant period. To reduce complexity, the proposed amendments also delete historical transitional provisions regarding the "Transitional Director Year" which are no longer applicable.

Article 46(e): (partly amended) This proposed amendment merely corrects the position and refers to Article 44(a) pursuant to which Director appointments are made even if it is a re-appointment. Article 44(e) refers to eligibility on retirement for re-election. The reference to 44(e) should be changed to 44(a) because it is pursuant to Article 44(a) that reappointments are actually made. This is a technical correction only.

Resolution 3: Adoption of amendments to the existing Constitution – Change of Deputy Presidents' Maximum Terms.

The amendments proposed change the maximum term for each Deputy President from 2 consecutive years up to 4 consecutive years.

It is important that an appropriate and diverse range of skills, experience and expertise is present on the Board, and this is taken into consideration throughout the Board appointment process. The use of 3 year terms with a maximum consecutive tenure of 6 years for all Directors ensures the Board is continually refreshed.

Notwithstanding the above, the Board is mindful that a long term succession plan needs to be in place for the higher demands and experience required for the role of President and Deputy President. A possible succession plan for the position of President is through the two Deputy President positions.

The Constitution currently provides that the President is appointed for a 1 year term but can hold the office for a maximum one additional term of 1 year. Deputy Presidents are appointed for a 1 year term and similarly can serve for no more than 2 consecutive 1 year terms. In the event that a President is elected for a second 1 year term and a Deputy President has already served the maximum 2 years, that Deputy President would be required to stand down as Deputy President before he or she could again be reappointed to that role. This would be less than desirable for succession planning purposes if CPA Australia had invested in preparing that Deputy President to "step-up" to the role of President. The current restriction on maximum consecutive terms for Deputy Presidents therefore reduces the Board's flexibility for succession planning purposes.

By increasing the maximum consecutive term for Deputy Presidents from 2 to 4 years, the Board would have more flexibility to implement a long term succession plan for the position of President. The Board believes that this flexibility is desirable. It would also allow each Deputy President to be given a greater opportunity to follow a succession route to President. The Deputy Presidents will still be required to be elected each year by the Board, and will still be required to be reappointed to a second 3 year term by the Representative Council.

Main Differences with current Constitution

To ensure a smooth transition for a Board member to President with the accompanying increase in skills required, the Deputy Presidents' maximum consecutive tenure is proposed to be increased from 2 years up to 4 years to allow greater succession planning flexibility where the President is in the role for 2 years.

Wording Changes

Article 67(b): (partly amended) This proposed amendment is to allow a Deputy President to hold that office for a maximum of 4 consecutive years.

² Director Year is defined in the Constitution as the period from 1 October to 30 September.



Proxy voting form

I: of:
Full name of member – please print Address

being a member attached to the Division/Branch/other³ of CPA Australia Ltd (**Company**), hereby appoint:

of:
Name of proxy – please print Division/Branch/other¹

or failing such appointment or the absence of that person, the Chairperson of the Meeting as my proxy to vote for me on my behalf as authorised by Article 28 of the Constitution, at the Annual General Meeting of the Company to be held on Monday 30 April 2012 at 5.30pm (Melbourne time) at the offices of CPA Australia, Level 20, 28 Freshwater Place, Southbank, Victoria and at any adjournment thereof.

Please tick one box only for each of the following special resolutions. Unless otherwise instructed below, the proxy may vote as he or she things fit, or abstain.

Special Resolutions	For	Against	Abstain
1. Adoption of amendments to Article 44 of the existing Constitution regarding the introduction of a Best of the Best model for Director Appointments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Adoption of amendments to Articles 1, 45 and 46 of the existing Constitution regarding Directors Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Adoption of amendments to Article 67 of the existing Constitution regarding a change to Deputy Presidents' maximum terms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The deadline for lodging proxies is 5.30pm (Melbourne time) on Saturday 28 April 2012.

Dated: / / 2012 Membership number:
 Membership status: Signed:
e.g. ASA, CPA or FCPA

Directions

- No member shall be entitled to vote either personally or by proxy if:
 - The member's subscription is overdue for three months or more;
 - The member is an honorary member; or
 - The member is an Associate (unless the member: (i) was an Associate at 30 June 1990; or (ii) successfully completed the Associate program examination by 31 December 1990 and has complied with the requirements for Advancement as an Associate in accordance with the By-Laws in force on 30 June 1990).
- The above instrument appointing a proxy must be submitted to the Company Secretary of CPA Australia Ltd at its registered office at Level 20, 28 Freshwater Place, Southbank, Victoria 3006 or faxed to +61 (0)3 9682 0567. The Company Secretary shall endorse on the instrument a certificate that the appointer is a member qualified to vote at the meetings to which such instrument relates.
- The above instrument must be lodged at the registered office of the Company not less than 48 hours before the time of the holding of the meeting.

Certificate of Company Secretary *(For internal use only)*

I hereby certify that the appointer named above is a member qualified to vote, in accordance with the Constitution, at the meeting to be held on the date mentioned herein.

Signed: Dated: / / 2012
Company Secretary



¹ Delete whichever is inapplicable.



Questions from members

Members who are unable to attend the AGM, or who prefer to register questions beforehand concerning the matters to be considered at the AGM are invited to do so. Your questions are important to us.

Please use this form to submit questions and return it to the Company Secretary, Level 20, 28 Freshwater Place, Southbank, Victoria 3006, or fax to +61 (0)3 9682 0567 by **5.30pm (Melbourne time) on Saturday 28 April, 2012.**

Although we will not be able to reply to each question individually, we will respond to as many of the frequently asked questions as possible at the AGM and those answers will be posted on our website.

Member's Name:

Division/Branch/Other¹:

Membership Number:

Question 1

Question 2

Question 3

Question 4

¹: Delete whichever is inapplicable.