

Nomination & Remuneration Committee Charter

CPA Australia Ltd

ACN 008 392 452

1. PURPOSE

1.1 Structure

The Nomination and Remuneration Committee (**Committee**) is a committee of the board of directors (**Board**) of CPA Australia Ltd (**Company**) pursuant to Article 54 of the Company's constitution (**Constitution**).

This charter governs the meetings and proceedings of the Committee. This charter should be read in conjunction with the Board charter. To the extent that this charter does not expressly provide, the provisions of the Board charter will apply to the Committee.

Nothing in this charter limits any powers or responsibilities of the Board.

References to Chair refer to the chair of the committee unless otherwise stated.

1.2 General Purpose

The role of the Committee is to assist the Board in exercising its authority in relation to the matters set out in this charter. The Committee is accountable to the Board for its performance.

The Committee's work is supported by the Chief Executive Officer (**CEO**) and his or her nominees, principally the Company Secretary and Chief Operating Officers.

1.3 Committee responsibilities

(a) The Committee's responsibilities are set out as follows:

Remuneration

(i) CEO:

- Recommend to the Board proposed candidates for the role of CEO;
- Recommend to the Board the terms and conditions of employment for, including the remuneration of, the CEO and any variation to those terms and conditions;
- Evaluate performance and recommend salary changes and discretionary bonus payments to the CEO;

(ii) General:

- Approval of the Company's remuneration framework and associated policies (including the incentive methodology and annual movements in the salary scales);
- Oversight of the Diversity and Inclusion policy; and
- Oversight in the adoption of annual incentive plans;

Nomination

- (i) Board composition and performance responsibilities:
 - assess and recommend to the Board, the desired competencies and skills required on the Board with reference to areas such as gender, employment, age and experience;
 - from time to time assess the extent to which the required skills are represented on the Board; and
 - at the request of the Board, facilitate evaluation of the Board's performance.
 - (ii) Board and Committee nominations
 - establish processes for the identification of suitable candidates for recommendation for appointment to the Board;
 - at the request of the Representative Council, make recommendations to the Representative Council for appointments to the Board subject to the processes set out in the Constitution and By-Laws; and
 - make recommendations to the Board for the appointment of current directors and other persons to Advisory and Member Compliance Committees.
 - (iii) Representative Council:

As delegated by the Board, approve the appointment of members to the Representative Council from any group or body established or recognised by the Board to reflect the diversity of membership as referred to in Article 62(a)(iii) of the Company's Constitution.
 - (iv) Succession planning:
 - review and advise the Board and the Representative Council on succession plans for the Board;
 - review and advise the Board on succession plans for the Advisory Committees; and
 - actively plan and advise the Board and Representative Council on succession planning for the leadership of the Board.
 - (v) Awards
Consider nominations and make recommendations to the Board for the awarding of the following honours:
 - Life Membership
 - Lifetime Achievement Award
 - Board of Directors Award for Outstanding Service
 - Honorary Membership
- (b) The Committee has delegated authority and power as approved by the Board from time to time and included in the Schedule of Delegations attached to the Board's Charter.
 - (c) 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.
 - (d) A notice required under 1.3(c) above must:
 - (i) give details of the nature and extent of the interest; and
 - (ii) the relation of the interest to the affairs of the Company.

1.4 Purpose of the Committee

- (a) The Committee's role is to assist the Board and the Representative Council in the effective discharge of their responsibilities for ensuring that the Board and its committees comprise individuals who are best able to discharge their responsibilities as directors and committee members, having regard to the law, the highest standards of governance and the diversity of the membership.
- (b) The Committee does not relieve any directors of their responsibilities for these matters.
- (c) The Committee is a committee of the Board. It plays an advisory role and is authorised to exercise those Board powers expressly delegated to it in this charter.
- (d) Other than to the Board and the Representative Council, the Committee has no direct obligation to or from any management group, branch or Division.

1.5 Functions of the Committee

The members of the Committee are not employees of the Company. The Committee:

- (a) is not required to personally conduct studies, reviews, interviews, and all communications; and
- (b) is entitled to rely on employees of the Company or professional advisers or consultants engaged by the Company where:
 - (i) there are reasonable grounds to believe that the employee, adviser or consultant is reliable and competent; and
 - (ii) the reliance was made in good faith and after making an independent assessment of the information.

1.6 Exercise of powers

- (a) The Committee must exercise the powers delegated to it in accordance with any directions, strategies, objectives or policies of the Board. Without limiting the generality of the foregoing, the Committee must obtain the Board's prior approval of the skills mix and selection criteria to be applied by the Committee when seeking applications or recommending or short-listing any persons for appointment to the Board.
- (b) The Committee must act in accordance with any directions of the Representative Council as to the suitability of those persons nominated as directors including any direction from the Representative Council to locate further candidates.
- (c) The Committee's recommendations to the Representative Council for Board appointments must be set out in a report containing:
 - (i) a short-list of preferred and recommended candidates;
 - (ii) a long-list of all candidates; and
 - (iii) such other relevant information as the Committee considers appropriate or is reasonably requested by the Board or the Representative Council or is required by the By-Laws.Where possible, the Committee must endeavour to identify and have nominated at least 2 candidates for each vacancy arising on the Board.
- (d) Recommendations of the Committee shall not be binding on the Company unless:
 - (i) in respect of nominations to the Board, the recommendations are approved by the Representative Council; and
 - (ii) in every other case, the recommendations are approved by the Board.

2. COMPOSITION OF COMMITTEE

2.1 Membership

- (a) The committee will consist of (as appointed by the Board) at least 3 members, one of whom must be a director of the Company.
- (b) In addition to the Committee members, the Committee may co-opt non-directors or other directors to provide specific skills or expertise as required.
- (c) All Committee members shall be non-executive and independent as previously determined by the Board. No Committee members shall be (or shall have been in the past 3 years) a professional adviser of the Company or senior management of the Company.

2.2 Skills development

A member of the Committee may, with the approval of the Board and at the Company's expense, attend seminars or training courses related to issues related to the functions and responsibilities of the Committee.

2.3 Committee Chair

The Board (or its delegated committee) shall nominate an appropriate individual as Committee Chair or, in his or her absence, such other person that the Committee may determine for that meeting, provided that the Chair of the Board shall not be the Committee Chair.

The Committee Chair should have a number of years' experience with the Company preferably as a previous member of the Board or the Committee.

2.4 Tenure

The terms of the 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.

2.5 Secretary

The Committee Secretary will be the Company Secretary or delegate.

2.6 Code of Conduct

The members of the Committee will comply with the Company's applicable Code of Conduct as amended from time to time.

3. POWERS OF THE COMMITTEE

3.1 Access to management

The Committee, in performing its functions, may:

- (a) request any employee of the Company to attend a meeting of the Committee;
- (b) to the extent permitted by law, access any document, report, material or information in the possession of an employee or external adviser of the Company; and
- (c) have unlimited access to senior management of the Company.

The CEO, Company Secretary and Chief Operating Officers shall have direct access to the Committee on an as needs basis.

3.2 Access to independent advice

The Committee may obtain reasonable independent professional advice to assist it in the proper exercise of its powers and responsibilities, with the cost to be borne by the Company.

3.3 Reimbursement of reasonable expense

Any reasonable travel, accommodation or out of pocket expenses incurred by Committee members in attending Committee meetings shall be met in accordance with Article 45(f) of the Constitution and any relevant travel policy.

4. MEETINGS

4.1 Holding of meetings

- (a) Subject to paragraphs (c) and (d), the Committee will meet at least 2 times a year, or more frequently as circumstances dictate.
- (b) Meetings may be face-to-face, or via telephone or video conference as considered appropriate by the Committee Chair.
- (c) A member of the Committee may request that a meeting of the Committee be convened.
- (d) The Committee Chair should consider calling an unscheduled meeting if requested to do so by a Committee member, the CEO, the Company Secretary or Chief Operating Officers.

4.2 Quorum

At least fifty percent plus one of the members of the Committee, present in person or by using any technology, shall constitute a quorum. The quorum must be present at all times during the meeting.

4.3 Attendance at meetings

- (a) The CEO, Company Secretary, Chief Operating Officers or their delegates may attend all meetings of the Committee, other than those meetings or parts of Committee meetings which are deemed to be closed to management.
- (b) The Chair, may invite any of the following to attend a meeting of the Committee:
 - (i) any other employee or officer of the Company; and
 - (ii) a party external to the Company.

Each invitee must undertake to keep the relevant communications of the proceedings of the Committee meeting confidential, including in accordance with clause 7 below.

4.4 Committee papers

Unless 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:

- (a) each member of the Committee;
- (b) the CEO, Chief Operating Officers and other members of the management team;
- (c) if requested, to any Director of the Board.

4.5 Committee minutes

- (a) The Committee Secretary shall prepare minutes of meetings and have them approved by the Committee Chair.
- (b) Minutes of meetings shall be submitted to the next meeting of the Committee.
- (c) Minutes signed by the Committee Chair shall be conclusive evidence of the matters recorded in such minutes.

4.6 Written Resolutions

Apart from passing resolutions at actual Committee meetings, the Committee may also pass Written Resolutions in accordance with Article 56 of the Constitution.

5. COMMITTEE REVIEW

The Committee shall review its charter and performance and that of its members from time to time and report to the Board on the results of this review.

6. REPORTING TO THE BOARD

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

7. CONFIDENTIALITY

Unless otherwise required by law or the Constitution, the members of the Committee are required to keep Committee discussions, committee papers and deliberations confidential.

8. INCONSISTENCY WITH CONSTITUTION

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.

To the extent there is any inconsistency between this charter and the Constitution, the Constitution will prevail.

First approved by the Board: **August 2003**

Amended by the Board: **April 2004**

Amended by the Board: **29 & 30 April 2007**

Amended by the Board: **3 December 2007**

Amended by the Board: **4 August 2008**

Amended by the Board: **24 April 2009**

Amended by the Board: **7 September 2009**

Amended by the Board: **27 July 2010**

Amended by the Board: **3 December 2012**

Amended by the Board: **21 February 2013**

Amended by the Board: **4 October 2013**

Amended by the Board: **1 December 2014**

Amended by the Board: **8 June 2017**

Amended by the Board: **4 August 2017**