

PEOPLE, REMUNERATION & CULTURE COMMITTEE CHARTER

CPA Australia Ltd
ACN 008 392 452

1 Introduction

- 1.1 This Charter has been approved by the Board and outlines roles, responsibilities, composition, membership and meeting procedures of the People, Remuneration & Culture Committee. The conduct of the Committee is also governed, where applicable, by the Constitution of CPA Australia.
- 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 the people, remuneration and culture of CPA Australia. The Committee's strategic agenda is supported and implemented by the Chief Executive Officer (**CEO**) and their nominees, principally the Chief Financial Officer (**CFO**) and the Executive General Manager People & Culture.
- 2.2 The Committee provides governance, oversight of and advice regarding:
- (a) human resources strategy, policies and practices to:
 - (i) support the organisation's Strategic Plan;
 - (ii) enable the staff resources employed to achieve their goals;
 - (iii) promote an inclusive, tolerant and diverse workplace; and
 - (iv) enable clients, volunteers, staff, contractors and members of the general public to be safe in all workplaces;
 - (b) compliance with all relevant legal requirements and best practice;
 - (c) remuneration policies and practices and succession planning which enables the attraction and retention of leaders and talented staff; and
 - (d) induction and continuing professional development for Directors.
- 2.3 Ultimate responsibility for the people, remuneration and culture 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.

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 **People & Culture**

- (a) satisfy itself that the culture is aligned with the organisation's purpose, values and acting lawfully, ethically and responsibly and that the culture supports relevant risk mitigation assisting the achievement of strategic objectives;
- (b) oversee 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.
- (c) review CPA Australia's human resources policies on an annual basis to ensure their currency and relevance to the organisation's overall mission and objectives and that the policies are operating effectively;
- (d) evaluate and provide advice on the organisation's strategy for industrial relations and monitor its implementation; and
- (e) monitor the content of and compliance with the organisation's people and culture systems and processes including in the important areas of:
 - (i) workplace health and safety;
 - (ii) 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.

3.2 **Chief Executive Officer (CEO)**

With regard to the CEO, recommend to the Board the appointment and the terms of engagement of a CEO.

3.3 **Senior Executives**

With regard to the senior executives who report directly to the CEO:

- (a) consider and, if appropriate, approve recommendations from the CEO on the appointment and terms of engagement;
- (b) review performance against targets set by the CEO, consider, and if appropriate, approve changes in remuneration based on the CEO's recommendation;
- (c) consider and approve the remuneration (including for those employees with the title General Manager and above); and

- (d) review the development and maintenance of succession plans for leaders.

3.4 **Staff Remuneration**

- (a) review and approve CPA Australia's remuneration framework and associated policies (including the incentive methodology and annual movements in the salary scales);
- (b) monitor CPA Australia policies and oversight of them including but not limited to the Inclusion and Diversity Policy; and
- (c) provide oversight of any disciplinary action including dismissal, and any restructuring leading to senior executive redundancy.

3.5 **Board of Directors**

Manage induction of newly appointed Directors and the professional development of all Directors and examine ways to improve Board performance.

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 written notice of that interest as soon as that member becomes aware of the interest.
- 4.2 A notice required under 4.1 above must:
 - (a) give details of the nature and extent of the interest; 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) to the extent relevant to the exercise of their powers.

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. 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 Chair, which approval shall not be unreasonably withheld. Travel, accommodation and out-of-pocket expenses incurred by Directors shall be met 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:

- (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 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 in accordance with the ASX Corporate Governance Principles and Recommendations as previously determined by the Board. 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 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 auditors.
- (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 fifty percent plus one 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 serving 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 their 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. 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 ensure it remains consistent with the Committee's objectives and responsibilities, applicable law, the Constitution 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 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 meeting 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 there is any inconsistency between this Charter and CPA Australia's Constitution, the Constitution will prevail.

Adopted by the Board of Directors on 10 December 2018

Amended by the Board of Directors on 9 December 2019