



Mr Peter Wilson  
President and Chairman  
CPA Australia Limited  
Level 20, 28 Freshwater Place  
Southbank VIC 3006

8 February 2018

Dear Peter,

Following our recent discussions, you have asked us to provide our assessment of the approach that CPA Australia Limited (“CPA Australia” or the “Company”) has taken in relation to the setting of its fees for its Board from 1 October 2017.

We understand that CPA Australia engaged Godfrey Remuneration Group Pty Ltd (“GRG”) to conduct a market benchmarking exercise and provide recommendations as to where Board fee levels should be set. We also understand that the Board has since formed its own view in the context of the GRG report, which is outlined in the letter from GRG dated 5 February 2018.

In conducting our review, we have relied upon information provided by CPA Australia, as well as the GRG report, and have not independently verified any information contained therein. Our assessment of the approach also considered the following:

- The member-based structure of CPA Australia
- The roles and accountabilities of each CPA Australia Board member, including time commitment
- The approach to constructing the peer groups
- The Board’s recommendations for fee levels, in the context of the market data provided

On the basis of the information provided, and consideration of the above, our assessment is that the benchmarking methodology adopted by GRG appears to be reasonable. While we acknowledge that benchmarking data is only one input into fee level decision making, the conclusions and proposed fee levels from 1 October 2017 that CPA Australia has arrived at also appear to be reasonable.

This assessment of reasonableness does not constitute a Remuneration Recommendation as defined in the Corporations Act 2001 (Cth).

Yours faithfully,

**Signed for and on behalf of PricewaterhouseCoopers Consulting (Australia) Pty Limited**

A handwritten signature in blue ink that reads 'A. Curcio'.

Andrew Curcio  
Partner

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