

# NOMINATION 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 Nomination 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 and the Appointments Council in the effective discharge of their respective responsibilities for ensuring that the Board and its Committees comprise individuals who are best able to discharge their responsibilities as Directors and Committee members (as applicable) having regard to the law, the highest standards of governance and the diversity of the membership. The Committee's work is supported by the Chief Executive Officer and other key management personnel, principally the Company Secretary.
- 2.2 The Committee's work includes the following objectives:
- (a) assessing and recommending to the Board competencies, skills and attributes required for Directors on the Board or any board of a subsidiary of CPA Australia;
  - (b) establishment of processes, assessment and recommendations to the Appointments Council of suitable candidates for the appointment to the Board; and
  - (c) advising the Board and Appointments Council on succession plans for the Board.
- 2.3 The Committee does not relieve any Directors of their responsibilities under the Constitution.
- 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 and to the Appointments Council, 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 and the Appointments Council with advice and guidance on the following:

### 3.1 Board composition and performance

- (a) assess and recommend to the Board and to the Appointments Council, the desired competencies, skills and attributes required on the Board (also having regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (CGPR) and succession plans for the Board) with reference to

areas such as experience, expertise and diversity (which includes but is not limited to gender, ethnicity and cultural background);

- (b) from time to time assess the extent to which the required competencies, skills and attributes are represented on the Board; and
- (c) at the request of the Board, facilitate evaluation of the Board's performance.

### 3.2 **Board Nominations**

- (a) establish processes for the identification of suitable candidates for recommendation for appointment to the Board; and
- (b) at the request of the Appointments Council, make recommendations to the Appointments Council for appointments to the Board subject to the processes set out in the Constitution and By-Laws.

### 3.3 **Exercise of Powers**

The Committee must:

- (a) exercise the powers delegated to it in accordance with any directions, strategies, objectives or policies of the Board;
- (b) obtain the Board's prior approval of the skills mix and selection criteria to be applied by the Committee when seeking applications, recommending or short-listing any persons for appointment to the Board;
- (c) act in accordance with any directions of the Appointments Council as to the suitability of those persons nominated as Directors including any direction from the Appointments Council to locate further candidates within the time-frames set out in the By-Laws;
- (d) set out its recommendations to the Appointments Council for Board appointments in a report containing:
  - (i) a short-list of preferred and recommended candidates;
  - (ii) a long-list of all candidates;
  - (iii) such other relevant information as the Committee considers appropriate or is reasonably requested by the Board or the Appointments Council or is required by the By-Laws; and
- (e) where possible, endeavor to identify and have nominated at least two candidates for

each vacancy arising on the Board.

#### **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 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 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 (including 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 general management 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 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 shall not be unreasonably withheld. Reimbursement of travel, accommodation and out-of-pocket expenses incurred by Committee members 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:
  - (i) at least two Directors of CPA Australia as appointed by the Board;
  - (ii) two Appointments Councillors appointed by the Appointments Council; and
  - (iii) two non-Directors co-opted by the Committee members referred to in clauses 8.1(a)(i) and (ii) of this Charter who will provide specific skills and expertise as required.
- (b) All Committee members shall be non-executive and independent as determined by the Board in accordance with the CGPR. 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**

- (a) The terms of the two Director Committee members will coincide with their terms on the Board, unless the Board determines otherwise.
- (b) The terms of the two Appointments Council Committee members will be for the remainder of the calendar year in which they are appointed until 31 January in the following calendar year, or such earlier period as the Board may determine from time to time.
- (c) Subject to clause 8.3(d) of this Charter, the terms of the co-opted independent Committee members appointed under Clause 8.1(a)(iii) will be for a term of two years commencing on 1 February for the first year of the term for which they are appointed until 31 January of the second calendar year following the calendar year from the year they are appointed and they shall be eligible for reappointment for a further

period of two years.

- (d) In order to facilitate transition and the retention of knowledge and expertise in the Committee with respect to the two independent Committee members co-opted under clause 8.1(a)(iii) of this Charter and so that they do not retire at the same time, the Committee members appointed under Clauses 8.1 (a)(i) and (ii) of this Charter may resolve with respect to one of the co-opted members who was first appointed up to a term ending at any time by 31 January 2022, to reappoint the member for a fifth consecutive year but no co-opted independent Committee member can be on the Committee for more than five consecutive years.

#### **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 times each calendar year or more frequently as circumstances dictate.
- (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 or the Company Secretary.
- (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**

At least one member from each of the groups of Committee members described in clauses 8.1(a)(i), 8.1(a)(ii) and 8.1(a)(iii), i.e. one Director, one Appointments Councillor and one co-opted non-Director present in person or by using any technology, shall constitute a quorum. 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 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.
- (b) 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 Company Secretariat;
  - (ii) any other employee or officer of CPA Australia; and
  - (iii) any other third-party consultant.
- (c) 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; and
  - (ii) all Directors of the Board (with the exception of those being elected in any one year) 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 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 its 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, 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. In respect of those Committee members who are not Directors of CPA Australia, the principles set out in the Directors' Code of Conduct are to apply with such changes as are necessary to reflect that those Committee members are not Directors of CPA Australia.

### 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 that there is any inconsistency between this Charter and the 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

Amended by the Board of Directors on 31 August 2020

Amended by the Board of Directors on 14 December 2020