

# Notice of Member Vote

---

*5 October 2021*





# NOTICE OF MEMBER VOTE

Dear Fellow Members

As part of its commitment to building a sustainable profession, and as foreshadowed at the 2020 AGM, the Board commenced a review of Chartered Accountants Australia and New Zealand's (CA ANZ) corporate governance framework during 2021. Initiatives have included ensuring that CA ANZ is compliant with the ASX's 4<sup>th</sup> Edition of its Corporate Governance Principles and Recommendations (**ASX Principles**), given our role as a founding member of the ASX Corporate Governance Council. It has also included looking at how we engage with our members and the potential benefits of facilitating digital engagement through online voting and clearer optionality in respect of proxy voting. The Board has also determined to adopt an approach of "continuous improvement" in respect of CA ANZ's By-Laws which will allow an agile approach to addressing areas of the By-laws that require modernising or clarifying to respond to environmental change.

The Board is now seeking your support to update and amend certain of CA ANZ's By-Laws by conducting a member vote by electronic ballot (**Member Vote**). The Member Vote will open at 9am on 5 October 2021 and will close at 5pm AEDT on 29 October 2021, being the day of CA ANZ's 2021 AGM. Holding the vote in this manner will allow members the choice of:

- casting their vote electronically at any time whilst the voting remains open; or
- being able to attend the 2021 AGM and ask any questions they may have of the Board in relation to the proposed amendments prior to casting their vote.

The proposed amendments can be categorised into three topics which will be addressed by four resolutions, as follows:

1. **Amendments that will modernise member participation:** These changes seek to contemporise the By-Laws, bring them into line with best practice and allow CA ANZ to engage more easily with members. They include clarifying the ability to hold AGMs in a digital format, allowing electronic voting contemporaneously during a members' meeting and including comprehensive proxy provisions so that members who cannot attend can give a proxy with their vote.
2. **Amendments to facilitate succession planning at CA ANZ Council and Nominations and Governance Committee:** These changes include:
  - (a) a change to the maximum tenure provisions for CA ANZ Councillors who are appointed to the role of Vice President or President from 6 years to 9 years. This means that a CA ANZ Councillor may stay on Council for an additional 3 years but only in the capacity of Vice President or President. This will provide potential Office Bearers with the opportunity to build their tenure on CA ANZ Council before taking a leadership role and should broaden the pool of candidates that are eligible for appointment as Office Bearers.



## NOTICE OF MEMBER VOTE

(b) changing the eligibility and tenure for the independent members on the Nominations and Governance Committee. The amendments will adopt the concept of independence set out in the ASX Principles to align CA ANZ with best practice. The second change is to increase the maximum tenure provisions for members of the Nominations and Governance Committee from 6 years to 9 years, to provide for a longer corporate memory and continuity of tenure on the Nominations and Governance Committee. This should help to ensure that the Board appointment process remains robust and thorough.

3. **Amendments to modernise some internal CA ANZ practices:** These amendments seek to reflect contemporary practice in respect of the ability to hold and call meetings via the use of technology, as well as changes to clarify certain sections of the By-Laws. This will allow the organisation to function more efficiently and align certain internal processes to reflect the fact that the role of the Chair and the President are now held by two different individuals.

Voting is voluntary. However, all full financial members are strongly encouraged to vote so that their voices are heard and their interests as members continue to be represented. Your CA ANZ Council and Board have endorsed the proposed changes and believe that supporting these amendments will improve CA ANZ's governance and practices for our membership. Further details are set out within the Explanatory Memorandum.

We invite you to submit any questions you may have to [governance@charteredaccountantsanz.com](mailto:governance@charteredaccountantsanz.com). Further details of how to submit a question are set out in the attached Information Sheet.

---

John Palermo, Chair  
Chartered Accountants Australia and New Zealand  
On behalf of the Board of Directors

---

Nives Botica-Redmayne, President  
Chartered Accountants Australia and New Zealand  
On behalf of the Board of Directors



# INFORMATION SHEET

## What are the key dates to be aware of?

<b>Explanatory Memorandum available:</b>	<b>Tuesday 5 October 2021</b>
<b>Voting opens:</b>	9am AEDT Tuesday 5 October 2021
<b>Voting closes:</b>	5pm AEDT Friday 29 October 2021
<b>AGM:</b>	2pm AEDT Friday 29 October 2021

### Why are we having a Member Vote?

We are having a Member Vote to modernise sections of our By-Laws, to facilitate succession planning and to contemporise our internal processes. The changes should have a positive impact on members ability to engage with CA ANZ at its AGM and enhance the overall efficiency of the governance framework. Changes to the By-Laws can only take place by a Member Vote.

### Who is eligible to vote?

All CA ANZ full financial members are eligible to vote on proposed changes to the By-Laws.

### How will voting be conducted electronically?

We are conducting voting via an independent, external voting provider, [electionz.com](http://electionz.com), who will run the voting process. All full financial members will be sent an email from [iro@electionz.com](mailto:iro@electionz.com) with instructions on how to vote, which will include a PIN and password. If you require a hard copy ballot paper, please contact [electionz.com](http://electionz.com) on:

- 0800 666 028 NZ only
- 1800 859 370 Australia only
- or email [iro@electionz.com](mailto:iro@electionz.com)

Please be advised that voting closes at 5pm AEDT on Friday 29 October 2021.

### Do I have to vote in favour of all resolutions?

No, each resolution will be put to members on its own merits. You may vote in favour of some resolutions and against others; in favour of all resolutions; or against all resolutions.

### How do I ask questions?

A detailed explanatory memorandum is included with this Notice which seeks to answer frequently asked questions. Members may also lodge questions in relation to the By-Law amendments prior to the AGM by emailing their questions to CA ANZ at [governance@charteredaccountantsanz.com](mailto:governance@charteredaccountantsanz.com)

Members may also ask questions during the AGM by clicking on the Q&A icon to the right of the webcast window, completing the detail and clicking send. Questions will then be addressed during the AGM and prior to the vote closing.



# INFORMATION SHEET

## **Do I have to attend the AGM?**

No, you may cast your vote via the electronic voting platform at any time before 5pm AEDT on Friday 29 October 2021. If you do wish to attend the AGM, please click [here](#) to register. Once registered you will receive a link approximately one day prior to the AGM, together with instructions on how to attend virtually.

The AGM webcasting platform will go live at 1.30pm AEDT on the day of the AGM. You can then log in any time after it has gone live until the Chair of the meeting closes the AGM.

Please test your AGM login when you receive your details, well in advance of the AGM. This will allow you to determine if you are having any technological issues and allow enough time to work through them before the meeting commences. If you are having difficulties, please email [support@cmsaustralasia.com](mailto:support@cmsaustralasia.com) or call 1300 559 379. If you cannot reach the livestream page, please ensure that you have copied the livestream URL correctly into your browser. If this does not resolve the issue, try using Google Chrome or Safari to view instead. If you need the details resent, please contact [support@cmsaustralasia.com](mailto:support@cmsaustralasia.com) or call 1300 559 379.

## **When will the results of the Member Vote be released?**

In accordance with By-Law 78, the results of the Member Vote will be examined by electionz.com, as independent scrutineer, within 7 days of the vote closing. The results will then be published to our website.

## **What level of approval is required for a successful vote?**

The proposed recommended amendments to the By-Laws must be approved by a majority of members who vote.

## **What happens if a majority of members vote 'no'?**

Changes to the By-Laws cannot be made without a successful Member Vote.

## **When will the changes come into effect?**

If a successful Member Vote occurs, the proposed amendments must then be submitted to the

Australian Governor General to receive Royal Assent. This is a legal process and does not involve the Australian Governor General making judgements on the proposed changes. Once Royal Assent has been received, the changes will come into effect immediately.

The process of seeking Royal Assent is anticipated to take between 2 - 4 weeks, unless a Federal Election is called in the intervening period. If a Federal Election is called, the Australian Governor General transitions to caretaker mode and will not receive requests for Royal Assent until after the Federal Election is completed.



# RESOLUTIONS

In accordance with Article 21 of CA ANZ's Supplemental Royal Charter and By-Law 78 and for all other purposes, Members entitled to vote are asked to vote on, and if thought fit, approve the following resolutions which are unanimously recommended by the Board:

## **Resolution 1: modernising members' ability to participate**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“that, for the purpose of Article 21 of CA ANZ's Supplemental Royal Charter and for all other purposes, approval is given to amend By-Laws 2(ccc), 60, 61, 65, 68, 74(b), 78, 79, 81, 82, 83, 84 and 85, to insert a new heading to By-Laws 80 to 86 (inclusive) and to insert new By-Laws 59A, 65A, 70A and 81A, in each case in the form shown in the marked up extract set out in the second column of the table in the relevant section of the accompanying Explanatory Memorandum.”*

## **Resolution 2: CA ANZ Council succession planning**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“that, for the purpose of Article 21 of CA ANZ's Supplemental Royal Charter and for all other purposes, approval is given to amend By-Laws 106B and 106BB and to insert a new By-Law 106BC in the form shown in the marked up extract set out in the second column of the table in the relevant section of the accompanying Explanatory Memorandum.”*

## **Resolution 3: Nominations and Governance Committee composition**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“that, for the purpose of Article 21 of CA ANZ's Supplemental Royal Charter and for all other purposes, approval is given to amend By-Law 106W in the form shown in the marked up extract set out in the second column of the table in the relevant section of the accompanying Explanatory Memorandum.”*

## **Resolution 4: modernising internal CA ANZ procedures**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

*“that, for the purpose of Article 21 of CA ANZ's Supplemental Royal Charter and for all other purposes, approval is given to amend By-Laws 96A, 106H, 106JJ, 106V, 121, 122 and 158 in the form shown in the marked up extract set out in the second column of the table in the relevant section of the accompanying Explanatory Memorandum.”*

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

## Resolution 1 : modernising members' ability to participate

By-Law	Amendment	Rationale
2(ccc) Definition of "Post"	<b>Post</b> means sending by post, facsimile transmission, email or <del>document exchange</del> <b>other electronic transmission</b> , and <b>Posted, Posting Postal</b> and <b>Postal-Ballot</b> have corresponding meanings;	This change modernises the methods of communication that CA ANZ may use when providing notices to members, including by SMS, QR Code links, etc.
59A	<u>The Board may determine the venue(s) of ordinary general CA ANZ meetings in its discretion.</u>	This new By-Law formalises the ability for the Board to determine the location and venue of the AGM and references the By-Law 65(d) which permits hybrid or virtual meetings.
60	The Board, wherever it thinks fit and shall upon a requisition made in writing by <del>200-100</del> Members entitled to vote, convene a special meeting of Members. Such meetings shall be called special general CA ANZ meetings.	This amendment aligns with the proposed change to By-Law 68 and will mirror analogous provisions in the <i>Corporations Act 2001</i> (Cth).
61	At every ordinary or special general CA ANZ meeting the <u>President Chair of the Board appointed under By-Law 119C</u> shall take the <del>C</del> chair. If the office of <del>President</del> <u>the Chair of the Board</u> is vacant or if the <del>President</del> <u>Chair of the Board</u> is not present at the time appointed for the meeting, <del>either of the Vice Presidents shall take the Chair. If neither the President nor the Vice Presidents are the members of the Board present, the Individual Members present shall choose</del> <u>elect</u> 1 of their number to act as <del>C</del> chair.	The current By-Law dates to a time pre-merger when the role of President and Chair vested in one person. The amendment reflects current practice, which is that the Board is responsible for calling the AGM and the Chair acts as chair for the formal parts of the meeting.
65	<p><u>(a) Subject to By-Law <del>65(b)</del>, 65(b) and 65(c), every Member entitled to receive notices of meetings must be provided at least 21 days' notice of each meeting served in accordance with By-Law 149(a) specifying:</u></p> <ul style="list-style-type: none"> <li><u>i. the <del>place</del>, venue(s), day and hour of meeting;</u></li> <li><u>ii. if the meeting will be held using technology under By-Law 65(d), the technology that will used at the meeting; and;</u></li> <li><u>iii. in case of special business, the general nature of such business, <del>shall be given of every meeting by notice served in accordance with By-Law 149(a) on each Member entitled to receive notices of meetings. Provided that,</del></u></li> </ul> <p><del>(a)(b)</del><u>Subject to By-Law 65(a)</u>, where notice of any motion or business is accepted by the CEO, Regional Manager or Overseas Regional Manager pursuant to By-Law 68 less than 30 days before the date of an ordinary general meeting, such notice shall be given to Members entitled to receive notices of meetings of the proposed motion as the Board, Regional Council or Overseas Regional Council as the case may be shall deem fit and, in its discretion, the Board, Regional Council or Overseas Regional Council as the case may be may dispense with any such notice.</p> <p><del>(b)(c)</del><u>With the consent in writing of two-thirds of the Directors or members of the Regional Council or Overseas Regional Council, as the case may be, a meeting (other than a meeting convened to consider the rescission or variation of or addition to these By-Laws, or amendments or additions to the Supplemental Charter) may be convened by shorter notice and in any manner they think fit.</u></p> <p><u>(d) Subject to By-Law 59A, a meeting may be held at 2 or more venues and/or be conducted such that a Member may remotely participate in a physical meeting using any technology that:</u></p> <ul style="list-style-type: none"> <li><u>i. gives the Members as a whole a reasonable opportunity to participate;</u></li> <li><u>ii. enables the Chair to be aware of members' participation in the proceedings; and</u></li> <li><u>i-iii. enables the Members in each venue or participating remotely to vote on a poll if required by conducting an electronic contemporaneous poll.</u></li> </ul>	The By-Laws are silent on the ability to hold hybrid or virtual AGMs which became pertinent during 2020. Relief was given to incorporated bodies under the <i>Corporations Act 2001</i> (Cth), but this relief did not apply to CA ANZ as a body incorporated under Royal Charter. This amendment expressly permits CA ANZ to hold hybrid or virtual AGMs.

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

By-Law	Amendment	Rationale
65A	<p><u>If, before or during any meeting, any technical difficulty occurs where one or more of the matters set out in By-Law 65(d) is not satisfied, the Chair may:</u></p> <p><u>(a) adjourn the meeting until the difficulty is remedied; or</u></p> <p><u>(a)(b) provided the Chair reasonably determines that a quorum is still present and able to participate, elect to continue to hold the meeting and transact business and no Member may object to the meeting being continued or held.</u></p>	<p>This amendment adds a By-Law to make it clear what the process is if there are technical difficulties. It provides the Chair with the power to continue the meeting and no Member may object.</p>
68	<p>A Member or Members entitled to vote wishing to bring before a meeting any motion or business not relating to the ordinary business of the meeting may only do so if <del>10</del> 100 or more Members give notice thereof in writing to the Board, Regional Council or Overseas Regional Council as the case may be, such notice to be in the hands of the CEO, Regional Manager or Overseas Regional Manager as the case may be, not later than 60 days before the date fixed for such meeting, provided that the CEO, Regional Manager or Overseas Regional Manager as the case may be may, in his or her discretion, accept such notices up to 21 days before the date fixed for such meeting.</p>	<p>This amendment aligns By-Law 68 with By-Law 60 which requires that 100 members can requisition an extraordinary meeting of members. It also aligns it more closely to the current requirements under the <i>Corporations Act 2001</i> (Cth), namely that a motion can only be tabled at an AGM by at least 100 members.</p> <p>The current low threshold of 10 members allows a very small minority of members (0.008%) to put forward motions that have no meaningful support amongst the membership. Addressing such motions has historically been expensive for CA ANZ.</p>
70A	<p><u>Subject to By-Laws 79, 81 and 85, a Member present by the use of technology under By-Law 65(d) is taken to be personally present at a meeting and is entitled to exercise all rights as if they were personally present.</u></p>	<p>This amendment ensures that Members are not disenfranchised and, in the event of a wholly virtual meeting, ensures that virtual participation can constitute a Quorum.</p>
74(b)	<p>(a) Except on a motion for adjournment or for the election of a Chair, either the Chair of the meeting or 10 Members personally present and entitled to vote at such meeting may demand a poll.</p> <p>(b) A poll shall be taken at the meeting in such manner as the Chair of the meeting directs <u>(including by contemporaneous electronic means under By-Law 65(d))</u> and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.</p> <p>(c) On a voting by show of hands or on a poll a Chair shall be entitled to vote as a Member, but shall have no additional or casting vote, and in all cases where there is an equality of votes, the question or resolution submitted to the meeting shall be deemed to have lapsed.</p> <p>(d) Any question or resolution submitted to any meeting for determination shall be decided by a simple majority of votes of the Members then present, other than any resolution which, under the Supplemental Charter or these By-Laws, is required to be passed by a specified number of Members or by a specified majority of Members.</p>	<p>This amendment expressly makes clear that voting by contemporaneous electronic means is permitted and is not just an electronic vote before the meeting (see By-Law 77 amendments).</p>

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

By-Law	Amendment	Rationale
78	<p>(a) The Board may at any time resolve that, in lieu of submitting a proposal to a meeting, it shall submit a resolution or resolutions to Members entitled to vote by means of a Postal <del>or Postal and electronic ballot</del> <del>vote</del> which <del>ballot</del> shall be conducted as nearly as practicable in the manner set forth in this By-Law.</p> <p>(b) The Board shall engage an external service provider to be scrutineer.</p> <p>(c) The Board shall set out the resolution or resolutions proposed by it in a notice to Members entitled to vote and shall cause the notice and voting papers setting out the resolution or resolutions and containing full directions as to the method of voting to be posted or emailed (in the case of Members who have advised CA ANZ of their email address) to all Members who would have been entitled, if present, to vote at a meeting held on the day of the Posting of the said notice and voting papers. Such notice and voting papers shall be sent to each such Member in accordance with By-Law 149(a).</p> <p>(d) All Members entitled to vote and wishing to vote on the resolution or (if there be more than 1 resolution) on any resolution, must do so by voting in the manner indicated in the directions and by Posting the voting papers to CA ANZ or by voting online (in the case of Members who have received the notice by email) in either case in accordance with the directions in the voting papers, so as to be received not later than 21 days after the date of service of the notice from CA ANZ (or such longer period (if any) as is specified in the directions).</p> <p>(e) Within 7 days after the last day upon which votes can be received under By-Law 78(d), the scrutineer shall meet and examine the voting papers or voting papers and online votes.</p> <p>(f) The voting papers and online votes may be examined either before or at a scrutineer meeting. The scrutineer shall reject the vote of any Member who at the date of such meeting was in arrears for more than 3 months in payment of any subscription, fee or other amount payable by him or her to CA ANZ or who has failed to observe the directions mentioned in By-Law- 78(c) (unless in their opinion <del>he or she has</del> <del>they have</del> clearly indicated the way in which <del>he or she they</del> wishes to vote) and they may reject any other vote which, in their view, ought properly to be rejected. The scrutineer shall, as soon as practicable, report the result of the voting to the CEO and shall include in such report a statement of the number of votes rejected by them and the reasons for such rejection. The CEO shall arrange for the result of the Postal <del>or Postal and electronic ballot</del> <del>vote</del> to be reported to Members within a reasonable time after receipt of such report, whether by publication in CA ANZ's journal, its website or otherwise. A report of the scrutineer as to the result of the voting shall be conclusive. A resolution passed by such ballot shall have the same force and effect as if it were a resolution passed at a meeting of Members held on the date of the report of the scrutineer.</p> <p>(g) (Deleted August 2007).</p>	<p>The usage of the term “Postal and electronic ballot” was ambiguous. With the corresponding change to the definition of “Postal” (i.e. now includes any form of electronic communication, such as online services which facilitate electronic voting).</p>

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

By-Law	Amendment	Rationale
79	<p>(a) On a show of hands every Member of a class of Members with voting rights who is personally present and entitled to vote shall have 1 vote.</p> <p>(b) Upon a poll <u>(including by electronic means under By-Law 65(c))</u> every Member who is entitled to vote shall have 1 vote.</p> <p>(c) Upon a Postal <u>Ballot</u> every Member who is entitled to vote shall have 1 vote.</p> <p>(d) Honorary Members shall not be entitled to a vote.</p> <p>(e) Affiliate Members shall not be entitled to a vote.</p> <p>(f) Practice entity Members shall not be entitled to a vote.</p> <p>(g) Provisional Members shall not be entitled to a vote.</p>	<p>The By-laws do not currently include any rules in respect of voting entitlements for electronic ballots. CA ANZ has previously adopted the approach that every member entitled to vote shall have 1 vote. This amendment removes the current ambiguity.</p>
N/A	Insert "Proxies" as a sub-heading immediately before By-Law 80.	
81	No person shall vote as attorney under power or as proxy who is not a <u>member of CA ANZ Member and entitled to vote. The Chair of the meeting may vote as proxy in accordance with By-Law 81A whether or not they are a Member</u> and entitled to vote.	<p>This amendment ensures Members who direct their proxies to the Chair of the meeting are not disenfranchised if the Chair of the meeting, for whatever reason, is a non-Member (such as an independent Director stepping in if the CA ANZ Chair is suddenly unavailable).</p>
81A	<p><u>Subject to By-Laws 85 and 86, an appointment of a proxy may specify the way the proxy is to vote on a particular resolution. If it does:</u></p> <p>(a) <u>the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;</u></p> <p>(b) <u>if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;</u></p> <p>(c) <u>if the proxy is the Chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way;</u></p> <p>(d) <u>if the proxy is not the Chair of the meeting:</u></p> <p>i. <u>the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way; and</u></p> <p>ii. <u>if the proxy is not in attendance or does not vote on the resolution, the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.</u></p>	<p>This amendment traces section 250BB of the <i>Corporations Act 2001</i> (Cth) and sets out the treatment of proxy votes.</p>
82	The instrument appointing a proxy <del>or</del> <u>and</u> the power of attorney (if any) under which any proxy <del>paper</del> <u>appointment</u> is signed or under which an attorney proposes to vote <del>shall</del> <u>must</u> be <del>deposited for verification with the CEO at the office</del> <u>actually received by CA ANZ by the means specified in the relevant notice of meeting</u> not less than 48 hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the proxy or attorney proposes to vote but no instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.	<p>This amendment provides CA ANZ the flexibility to determine how proxies are received.</p>
83	A vote given in accordance with the terms of a power of attorney or instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the power of attorney or proxy, provided no intimation in writing of the death or revocation shall have been received <del>at</del> <u>by CA ANZ by the office</u> <del>means</del> <u>specified in the relevant notice of meeting</u> before the meeting.	<p>This amendment aligns the wording with By-Law 81.</p>

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

By-Law	Amendment	Rationale
84	<p>(a) Every instrument of proxy, whether for a specified meeting or otherwise, shall be in writing and as nearly as circumstances admit shall be in the form authorised by the Board under By-Law 6. Instruments of proxy may be deposited with, or faxed or emailed to, or lodged electronically with, <del>the CEO, CA ANZ</del> in accordance with any directions in the applicable notice <u>of meeting</u> or voting paper issued by the Board or Regional Council.</p> <p>(b) <u>The Chair of the meeting may disregard any appointment of proxy if the relevant instrument of proxy is not completed, is missing or contains incorrect information specified on the approved instrument of proxy or if the relevant power of attorney or other authority is not provided.</u></p>	This amendment maintains the integrity of any proxy form and process.
85	A Member shall not be entitled to be present or to vote on any question personally or by attorney or by proxy or as attorney or proxy for another Member at any meeting or on any Postal vote or to be reckoned in a quorum whilst <del>he is</del> <u>they are</u> in arrears for more than 3 months in payment of any subscription, fee or other amount payable by him or her to CA ANZ.	This amendment corrects an oversight.

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

## Resolution 2: CA ANZ Council succession planning

By-Law	Amendment	Rationale
106B	<p>(a) The CA ANZ Council shall as soon as practicable after 1 <del>January</del><u>December</u> in each year, appoint from among the CA ANZ Councillors, a President and 2 Vice Presidents for the <del>following</del> <del>at</del> calendar year.</p> <p>(b) The 2 Vice Presidents must comprise of:</p> <ol style="list-style-type: none"> <li>i. 1 Individual Member who resides in Australia; and</li> <li>ii. 1 Individual Member who resides in New Zealand.</li> </ol> <p>(c) <del>The Subject to By-Law 106BC, the</del> President and Vice Presidents so elected will hold office for a term of 1 year from the immediately following 1 January but will thereafter be eligible for re-election for <del>one</del> further term <u>of 1 year</u> pursuant to this By-Law unless, at the time nominations close, the President or either of the Vice Presidents are in arrears in payment of any subscription, fee or other amount payable by the President or Vice Presidents to CA ANZ.</p>	<p>As currently drafted, the By-Laws do not extend a maximum tenure provision to the role of President or Vice President, meaning that theoretically a Councillor could hold the role of office bearer in perpetuity if they were continually re-elected and this cap was not introduced as part of the extension of maximum tenure for office bearers.</p> <p>These amendments allow the Vice President and President rotation to occur outside the 2 x 3 year maximum term for Councillors and that in such circumstances, the Vice President role is limited to 2 years and the President role is limited to 2 years.</p>
106BB	<p><del>The Subject to By-Law 106BC, the</del> term and renewal of terms of the CA ANZ Councillors <del>is</del><u>are</u> as follows:</p> <p>(a) The CA ANZ Councillors representing the Australian Regional Councils, the New Zealand Council and the UK Council shall each hold office for a term of 3 years and shall be eligible to re-apply for the position for 1 further term of 3 years. Each such CA ANZ Councillor will be entitled to re-apply to their relevant Regional Council or UK Council to serve out the full term of his or her appointment to the CA ANZ Council, if his or her term on the relevant Regional Council or UK Council lapses <u>due to effluxion of time</u> during such term.</p> <p>(b) The CA ANZ Councillor representing an Overseas Regional Council in the Asian Region shall hold office for a term of 3 years and is not eligible to re-apply for the position for a further term. The CA ANZ Councillor representing an Overseas Regional Council in the Asian Region must rotate alternatively between representatives appointed by the Overseas Regional Councils of Hong Kong, Malaysia, and Singapore.</p> <p>(c) All other CA ANZ Councillors shall hold office for a term of 3 years and shall be eligible to re-apply for the position in accordance with By-Law 106A<u>A</u> for 1 further term of 3 years.</p>	<p>The change in date to 1 December ensures that the By-Laws reflect current practice. It also allows eligibility to be tested at 1 December which assists with succession planning.</p>
106BC	<p><del>(a) A CA ANZ Councillor who is appointed to the role of Vice President or President may serve on CA ANZ Council in that capacity for further 1 year terms additional to the maximum terms set out in By-Law 106BB provided that:</del></p> <ol style="list-style-type: none"> <li><del>i. they are first appointed to the role of Vice President or President in accordance with By-Law 106B(a) whilst they are still within the maximum permitted terms on CA ANZ Council set out in By-Law 106BB;</del></li> <li><del>ii. no CA ANZ Councillor may remain on CA ANZ Council for more than 9 years in any capacity;</del></li> <li><del>iii. any terms served as President or Vice President must be served consecutively; and</del></li> <li><del>iv. his or her role is automatically vacated if they are not successfully elected or re-elected as President or Vice President and his or her maximum term has otherwise expired under By-Law 106BB.</del></li> </ol> <p><del>(d)(b) Nothing in By-Law 106BC(a) is intended to prevent a CA ANZ Councillor from serving as President or Vice President within the maximum terms set out in By-Law 106BB.</del></p>	

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

## Resolution 3: Nominations and Governance Committee composition

By-Law	Amendment	Rationale
106W	<p>(a) There shall be a committee of CA ANZ Council called the Nominations and Governance Committee.</p> <p>(b) The functions of the Nominations and Governance Committee are to:</p> <ol style="list-style-type: none"> <li>i. identify and recommend candidates to the CA ANZ Council for appointment to the Board and the CA ANZ Council;</li> <li>ii. vet and, if it sees fit, endorse any Individual Member nominated to serve as a representative of the CA ANZ Council in accordance with By-Law 106AA;</li> <li>iii. develop skills matrix, selection criteria, succession plans, codes of conduct, training, and any other requirements, for the Board;</li> <li>iv. recommend to CA ANZ Council remuneration levels for Board members excluding the Chair of the Board;</li> <li>v. undertake and oversee evaluations of the Board and reporting the results of such evaluations to the CA ANZ Council and the Board; and</li> <li>vi. monitor and evaluate governance processes between the CA ANZ Council, the Board, management, and the Nominations and Governance Committee.</li> </ol> <p>(c) The Nominations and Governance Committee shall comprise:</p> <ol style="list-style-type: none"> <li>i. the President (who is the Chair of the CA ANZ Council);</li> <li>ii. the Chair of the Board;</li> <li>iii. <u>3 Independent individual Members who are appointed by the CA ANZ Council on the recommendation of the President and the Chair of the Board and who are</u> comprised of: <ol style="list-style-type: none"> <li>(1) <u>1 Independent</u> Member with substantial relevant experience, who <del>has not held an official position with CA ANZ (including as a Director, a member of the CA ANZ Council, CA ANZ management, a Regional Councillor or an Overseas Regional Councillor or a member of any other CA ANZ committee), within the 5 year period prior to his or her appointment, who</del> will act as Chair of the Nominations and Governance Committee; and</li> <li>(2) <u>2 Independent</u> individual Members with significant governance experience <del>and who have never held an official position with CA ANZ (including as a Director, a member of CA ANZ Council, CA ANZ management, a Regional Councillor or an Overseas Regional Councillor or a member of any other CA ANZ committee).</del></li> <li>(3) The CA ANZ Council may also appoint <u>Independent</u> lay members from time to time at its discretion.</li> </ol> </li> </ol> <p><del>(d)</del> <u>(d)</u> The term of office of members of the Nominations and Governance Committee shall be:</p> <ol style="list-style-type: none"> <li>i. <del>the period of office for the President and Chair of the Board;</del> and</li> <li>iv.ii. <del>a fixed 3 year term for all other members</del> <u>the Independent individual Members</u> renewable, at the discretion of CA ANZ Council, for <del>two</del> <u>a</u> further periods <del>of 3 years</del> allowing a maximum term of office of <del>96</del> <u>6</u> years.</li> </ol> <p><del>(d)</del><u>(e)</u> The Nominations and Governance Committee shall elect its own Chair in accordance with By-Law 106W, provided that the President and Chair of the Board are not eligible to be Chair.</p> <p><del>(e)</del><u>(f)</u> The Nominations and Governance Committee may delegate any of its functions and regulate its own procedures as it thinks fit.</p>	<p>The proposed amendment to By-Law 106W is to improve the ability to select suitably qualified and <u>experienced</u> independent members of CA ANZ's Nominations and Governance Committee (<b>NGC</b>).</p> <p>As currently drafted, the independence requirements are not limited by time or by the relevance of a previously held role to the ability of an individual member of the NGC to be considered independent of the Board, Council and management and to exercise independent judgement. The current requirements disqualify many suitable candidates as any member who has had engagement with CA ANZ in any form either within the last 5 years for 106W(c)(iii)(1) or within any time frame for 106W(c)(iii)(2) is automatically disqualified.</p> <p>This amendment establishes a definition for independence that aligns with the ASX Corporate Governance Principles and Recommendations 4th Edition.</p> <p>In addition, the amendments now allow all NGC members to be paid, rather than only the Chair.</p> <p>The term of NGC members is extended to a maximum of 9 years, which will provide consistency of tenure provisions between Board members, Office Bearers and NGC members.</p>

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

By-Law	Amendment	Rationale
	<p><del>(g)</del> The CEO may attend and speak at meetings of the Nominations and Governance Committee but is not entitled to vote.</p> <p>(h) The <del>Chair</del> <u>individual Members appointed under By-Law 106W(c)(iii)</u> of the Nominations and Governance Committee shall be entitled to such remuneration as determined by the CA ANZ Council from time-to-time.</p> <p>(i) <u>For the purposes of By-Law 106W, Independent means a person who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Nominations and Governance Committee and to act in the best interests of CA ANZ as a whole. A person will be taken to be Independent, without limitation, if they:</u></p> <ul style="list-style-type: none"> <li><u>i. are not, and have not been, employed in an executive capacity by a CA ANZ Entity within the last 3 years, and there has been a period of at least 3 years between ceasing any such employment and being appointed as a Director or member of the Nominations and Governance Committee;</u></li> <li><u>ii. are not, and have not been within the last 3 years, a partner, director or senior employee of a provider of material professional services to a CA ANZ Group Entity;</u></li> <li><u>iii. are not, and have not been within the last 3 years, in a personal material business relationship with a CA ANZ Group Entity, or an officer of, or otherwise associated with someone with such a relationship;</u></li> <li><u>iv. do not have a personal material contractual relationship with a CA ANZ Group Entity other than as a Director or member of the Nominations and Governance Committee; and</u></li> <li><u>v. do not have close family ties with any person who falls within any of the categories described above.</u></li> </ul>	

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

## Resolution 4: modernising internal CA ANZ procedures

By-Law	Amendment	Rationale
96A	If more than the requisite number of candidates are nominated under By-Law 96, a Postal <del>ballot or (at the election of the Board) Postal and electronic ballot</del> vote shall be conducted in accordance with the Regulations and the procedures prescribed by the Board from time to time.	This amendment removes the ambiguous term “electronic ballots” and aligns the wording with the rest of the By-Laws in respect of the nomination of Regional and Overseas Councillors.
106H	The CA ANZ Council shall meet <del>in person</del> no fewer than twice per calendar year, at such time or times and at such place or places as it may determine and may regulate its own proceedings.	By-law 106H currently provides that the CA ANZ Council shall meet <i>in person</i> no fewer than twice per calendar year.  The “in person” provision does not appear elsewhere in the By-laws for meetings of the Board, NGC, Regional or Overseas Councils. This amendment provides consistency and also contemporises the By-laws by acknowledging the ability to hold meetings virtually when required. It would leave the option to hold CA ANZ Council meetings in person; but it would no longer be mandatory to do so.
106JJ	The Chair of the Board may at any time call a joint meeting between the Board and the CA ANZ Council <del>and shall call a joint meeting</del> on receipt of a request in writing addressed to <del>the Chair of the Board</del> <u>him or her</u> by any 3 Directors.	This amendment would allow the Chair to call a joint meeting at their own behest; or provide that the Chair must call such a meeting on the written request of 3 directors.  The amendment would reflect current practice, where written notice from 3 directors is not formally received before joint meetings are scheduled; but it would retain the mechanism as a safety valve should the need arise.
106V	CA ANZ may pay the <del>reasonable</del> expenses incurred by CA ANZ Councillors or other persons (whether or not members of CA ANZ) in attending meetings of the CA ANZ Council or of any committee or sub-committee thereof. The CA ANZ Council may also pay out of the funds of CA ANZ the expenses reasonably and properly incurred by the President or Vice Presidents or any other CA ANZ Councillor when acting in his or her official capacity for and on behalf of CA ANZ and may determine and pay the amount of any Presidential or other allowance.	Currently, the By-Law requires that CA ANZ may pay the expenses of Councillors of attending meetings of the Council or sub-committees. This amendment adds a requirement that the expenses be reasonable.
121	A meeting of the Board may at any time be called by <del>the order</del> <u>Chair of the President or the Vice Presidents</u> <del>Board</del> and shall be called by the <del>CEO</del> <u>Chair of the Board</u> on receipt of a request in writing addressed to him or her by any 3 Directors.	As currently drafted, the By-Laws provide that a meeting of the Board may be called by the order of the President or the Vice President and shall be called by the CEO on receipt of a request in writing by any 3 directors.  This By-Law is impractical and the amendment would align the By-Law with current practice. It also reflects the fact that the President and the Chair are now two separate roles.
122	<del>Notice</del> <u>Reasonable notice</u> of every meeting of the Board shall be <del>served in accordance with By-Law 149 on</del> given to each Director <del>by telephone, fax, email or other electronic means, or in any other way consented to by the directors from time to time, with the period of such notice being that approved by the Board from time to time.</del>	This amendment modernises the notification of Board meetings and reflects current practice such as electronic diary invites and flexible callings of meetings.

# EXPLANATORY MEMORANDUM



CHARTERED ACCOUNTANTS™  
AUSTRALIA + NEW ZEALAND

158	The auditor shall be an Individual Member of CA ANZ <u>or a Chartered Firm</u> but no CA ANZ Councillor, Director or Regional Councillor shall be eligible for election to the office of auditor.	The current wording of this By-Law specifies that a specific person be nominated as auditor of CA ANZ. This amendment reflects current practice that a Chartered Firm be appointed.
-----	---	---