



12th October 2017

Mr Peter Wilson
President and Chairman

CPA Australia Ltd
Level 20, 28 Freshwater Place
Southbank Victoria 3006

By email to: boardofdirectors@cpaaustralia.com.au

Dear Mr Wilson

Congratulations on your appointment to the Board of CPA Australia. I wish you every success in your role, because as a member of CPA Australia of some 20 years standing I have a lot at stake in the turnaround you are presiding over.

I'm sure you are aware that I am the coordinator of the CPA Spillers, a group of almost 4,000 CPAs who came together initially to support a resolution to spill the remaining board members of CPA Australia. Although our former board directors eventually announced their resignations before we had the chance to remove them, we're still here. Because the damage to our association caused by that board, and the CEO they endorsed, is still here too.

CPA Australia is an association that exists for its members, and to provide confidence in the financial sector, and our previous board and CEO lost sight of that. In their greed and self-interest, it appears they forgot that every member has invested years in gaining their designation and countless dollars in annual subscriptions, and we take very personally the damage they've inflicted upon us.

And so it is that CPA Spillers has committed to continuing as a member advocacy group that will hold you and your new board members to account in restoring the reputation of our professional association.

It is our intention to closely monitor the actions and dealings of your new board, and to propose resolutions at the 2018 AGM that we deem necessary to restore power to the members. We are of the firm belief that the former board has wronged us, and we include in that our former President Jim Dickson who you so publicly congratulated yesterday in the media. For the record, we don't hold the same appreciation for Mr Dickson's stewardship, and that of his colleagues.

The following Balanced Scorecard will be used to monitor the progress of your Board, and to make an assessment within the appropriate timeframes of any actions necessary to take to the 2018

JEN DALITZ & ASSOCIATES PTY LTD

AGM. I trust you will have the sense to confirm at your earliest opportunity that this AGM will be held in Australia – since Mr Dickson was unable to do so at the Senate Economics Committee Hearing in Canberra last month.

Please also note that – from our perspective - the newly refreshed board of CPA Australia Ltd is no more than an Interim Board pending the 2018 AGM when we expect constitutional amendments will be effected to reinstate direct member voting of Directors. Whether such resolutions will be effected at your instigation, or ours, remains to be seen.

The metrics by which we will monitor your performance in the lead up to that AGM are outlined on the following page.

I would welcome the opportunity to discuss these metrics with you, and the broader background of CPA Spillers, at a mutually convenient time.

Yours sincerely,

A handwritten signature in cursive script that reads "Jen Dalitz". The signature is written in black ink on a light blue rectangular background.

Jennifer Dalitz CPA
CPA Member 1537319
For the CPA Spillers

SCORECARD FOR REFRESHED BOARD OF CPA AUSTRALIA
For assessment by the CPA Spillers prior to the 2018 AGM

1. Governance measurements

- a. Remove Representative Council and reinstate direct member voting for Directors.
- b. New Board members who served on Divisions or Representative Council during Malley reign and failed to speak out should leave the Board.
- c. Director terms limited to 6 years. Reduced to 8 members.
- d. Board not permitted to establish commercial businesses without reference to AGM.
- e. CEO term limited to 5 years.
- f. Directors Dolan, Petty, Wade to be removed as directors of CPA Australia Advice effectively immediately.
- g. "Double-dipping" remuneration to executives of both CPA Australia and CPA Australia Advice to cease with immediate effect.
- h. Life membership of Alex Malley, Graham Wade and Richard Petty to be revoked.

2. Remuneration measurements

- a. Disclose to all members the details of firms to be engaged in remuneration benchmarking project prior to publishing their findings.
- b. Board to commence action against former Directors to recover Malley's "unreasonable" \$4.9 termination payment.
- c. Full end to end organisation review of roles, responsibilities and remuneration to be undertaken with significant reduction in executive remuneration in line with appropriate market rates for a not-for-profit member organisation.
- d. Ongoing disclosure of all director and KMP remuneration, that members must approve by resolution at AGM.

3. Marketing recommendations

- a. Full review of Rabbitoh's sponsorship – who attended the corporate box? - with view to recovering full amount from Malley/Board due to "personal interest" element.
- b. Remove any directors with links to current "sponsorship" arrangements.
- c. Create new Marketing Director position on executive team to evaluate all future marketing spend with appropriate business case analysis.

4. Member services & engagement recommendations

- a. New Chairman to issue public apology to whistleblower members referred to as "rebel" or "rogue" by executive and past board, in prominent national media and in an all-member communication to all CPA Members.
- b. CPA's PSC Scheme restored.
- c. Creation of Member Advocacy role reporting direct to CEO as the "Voice of the Member".
- d. New strategy to be focused on servicing and supporting, not growth alone, and to be put to AGM for member approval.
- e. Members to receive a reduction in member fees for FY2018 reflective of significant accumulated surpluses held on balance sheet.
- f. Annual report to disclose greater level of detail above and beyond minimum reporting requirements and include performance against a five year forecast.

5. CPA Australia Advice measurements

- a. CPA Australia Advice to be shut down.
- b. No additional funds to be loaned from CPA Australia to CPA Australia Advice.