



Grant Thornton UK LLP

Public Interest Committee (the 'Committee' or the 'PIC')

Terms of Reference

Membership

The Committee shall comprise of all the Independent non-executive (INE) members of the Partnership Governance Board (PGB). The PGB shall appoint the Chair of the Committee who shall also be an INE. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.

In addition to Committee members, each meeting should be attended by the CEO, Chair of the Risk and Audit Committee (RAC), the Ethics Partner, the Head of Audit, Chair of the Audit Quality Board, and Chair of the Ethics Board. At least one Elected Member of the PGB should also be in attendance.

Members of the firm's leadership such as the other members of the Strategic Leadership Team (SLT), Finance Director, Head of People Operations, the Internal Audit Partner, and the Head of Quality Operations (or their equivalents) may be invited to attend all or part of any meeting.

The Secretary to the PGB shall act as Secretary to the Committee and provide support as required.

Meetings and attendance

The Committee shall meet a minimum of three times per year. Further meetings may be called by any member of the Committee or the CEO if required. The quorum for meetings shall be two thirds of members.

Notice of each meeting confirming the venue, time, and date, together with an agenda of items to be discussed, shall be made available to each member of the Committee (in sufficient time to enable consideration of the issues). Supporting papers will be made available in electronic form to Committee members.

Committee members (INEs) shall also meet periodically as a separate group to discuss matters relating to their remit.

Role and responsibilities

The primary focus of the Committee is to enhance stakeholder confidence in the public interest aspects of the firm's activities. As such, the Committee shall oversee the firm's policies and procedures for promoting audit quality, ensure the protection of the firm's reputation, and reduce the risk of firm failure. In addition, the Committee will be responsible for engaging, together with the firm's leadership, in dialogue with the Regulator, external stakeholders and representatives of shareholders of public interest entities. As such, the Committee shall carry out the following:

- **Audit:** At each meeting, receive an update from the Head of Audit and the Chair of the Audit Quality Board (AQB) on audit quality, updates on developments with the FRC on AQRT reviews, updates on developments with the ICEAW on QAD reviews, and actions arising from these. It will also review the status of, and significant findings from, any regulatory violations and compliance breaches that have occurred in the period.
- **Ethics:** At each meeting, receive updates from the Ethics Partner on the firm's key policies and procedures (insofar as they impact on the public interest aspects of the firm's activities) relating to ethics, and any associated risk management, regulatory or reputational matters. This should include the latest developments on those matters both externally, and within the firm.

- **Quality matters:** At least annually, receive and update from the Head of UK Markets and Client Service (or equivalent) on the firm's key policies and procedures (insofar as they impact on the public interest aspects of the firm's activities) relating to quality matters, and any associated risk management, regulatory or reputational matters. This should include the latest developments on those matters both externally, and within the firm. The committee should also receive a summary report on the key activities and protocols of the Client take-on panel (CTOP).
- **Whistleblowing:** a review of Whistleblowing reports should be conducted at each meeting, and the Head of Quality Operations (or equivalent) may be required to attend all or part of a meeting to provide more detail if required.
- **Financial crime:** Receive and provide comment on a report from the firm's MLRO at least annually
- **People:** At least annually, meet with the Head of People and Culture (or their designate) to consider and provide comment/recommendations on the firm's people policies and procedures, including a review of employee survey results and employee relations data. For the Audit practice specifically, the Committee shall also receive an update on significant policy changes and culture change initiatives, as well as receive the indicators and metrics relating to the monitoring of people matters including (but not limited to) recruitment and retention, learning and development, reward and resourcing.
- **Audit Firm Governance Code (AFGC):** Receive an annual report from the SLT detailing how the firm has met its various obligations under the Audit Firm Governance Code. This should include how the firm has ensured compliance with its Code of Conduct.

Reporting

- Minutes of the Committee shall be made available to the PGB.
- The Chair of the Committee shall report to the PGB following the meeting of the Committee.
- These terms of reference shall be made available to all partners and published on the firm's external website as required by the Regulator
- The Committee shall ensure it reviews its own effectiveness annually as part of the wider self-appraisal process conducted by the PGB, including a review of its composition and these terms of reference.

Other matters

The Committee is authorised by the PGB to investigate any activity within its terms of reference and seek any information that it requires from any partner or employee of the firm to conduct its work. As such, the Committee will also:

- Consider any other matters that may affect the public interest, including relevant matters relating to the global network (GTIL)
- Provide comment on the INE Report for the Transparency Report
- Attend periodic meetings with representatives of the Financial Reporting Council and other regulatory authorities as required
- Attend periodic meetings with representatives of shareholders of public interest entities
- Input, as it becomes relevant, into the process of succession planning of the firm's INEs including their onboarding, induction and ongoing training and development

Last reviewed November 2021