

# Grant Thornton UK LLP ('GTUK LLP') and Grant Thornton UK Advisory and Tax LLP ('GTUKA&T LLP') **Public Interest Committee (the 'Committee' or 'PIC')**

## Terms of Reference

### Purpose

In accordance with the Membership Agreement of GTUKA&T LLP the PIC will be a committee of the LLP, but will have oversight (in conjunction with the Audit Oversight Board (AOB) of GTUK LLP) of the following matters for both GTUK LLP and GTUKA&T LLP (together the 'Firm' or 'Grant Thornton UK'):

- Enhancing stakeholder confidence in the public interest aspects of the Firm through the involvement of independent non-executive directors.
- Ensuring that the Firm takes account of the public interest in its decision-making, safeguarding the sustainability and resilience of the Firm.
- Engaging with leadership, in dialogue with the Financial Reporting Counsel (FRC), external stakeholders and representatives of stakeholders of public interest entities.

### Membership

The Committee shall comprise three independent non-executive director members (INEs):

- (a) One shall be an independent non-executive member and shall act as the chair; and
- (b) Two shall be Audit independent non-executive members (AINEs), who are also members of the AOB.

#### Observers

The investor may appoint up to three Investor Observers by written notice to GTUKA&T LLP. Observer(s) can attend PIC meetings but cannot vote or be counted in the quorum. They are entitled to meeting notices and all information given to Committee members, in the same form and at the same time.

#### Chair

The Chair of the Committee shall be the INE member (as noted above) and shall be appointed by a majority decision of the following: (i) the two AINEs appointed by the AOB of GTUK; (ii) the Senior Partner; and (iii) the Elected GT Partner Representative<sup>1</sup>.

In the absence of the Committee Chair, the meeting will be chaired by another Committee member, as nominated by the Chair, or if the Chair is not available to make such nomination, the remaining members of the Committee present shall elect one of themselves to chair the meeting (by way of majority vote).

#### Connectivity with other governance bodies

The AINEs will be 'double hatters' and will also be members of the AOB (in a non-voting capacity). This will ensure effective connectivity across the governance bodies, such that AINEs will have appropriate oversight of the Firm as a whole.

The Committee shall have consultation rights with the chair of the Board.

The INEs will also have observer rights on the Risk and Audit Committee.

## Meetings

### Quorum

The quorum of meetings shall be two thirds of members.

Members participating in a Committee meeting by electronic means shall be deemed to be present in person at the meetings and shall be entitled to be counted in the quorum and to vote.

### Frequency of meetings

The Committee shall meet a minimum of three times per year and otherwise as required.

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

### Notice and minutes

Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be made available in sufficient time to enable consideration of the issues to each member of the Committee and any other person required to attend in advance of the meeting.

The Secretary to the Committee shall document the proceedings and decisions of Committee meetings.

## Roles and Responsibilities

In order to fulfil its remit, the Committee shall:

- **Audit:** at each meeting, receive an update from the Head of Audit, and the Chair of the Audit Oversight Board on audit quality, updates on developments with the FRC on AQR reviews, updates on developments with the ICAEW 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, independence and any associated risk management, regulatory or reputational matters.
- **Quality Matters:** at least annually, receive and update from the Head of Quality and Risk (or equivalent) (or their designate) on the Firm's key policies and procedures (insofar as they impact the public interest aspects of the Firm's activities) relating to quality matters, and any associated risk management, regulatory or reputational matters. 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 and Risk (or equivalent) may be required to attend all or part of a meeting to provide more detail. The effectiveness of the Whistleblowing (including the "Speak Up" policy as relevant to Audit) and procedures should be reviewed periodically as part of this to ensure that the arrangements allow people to raise concerns in confidence and without fear.
- **Financial Crime:** Receive and provide comments on a report from the Firm's MLRO at least annually.
- **People matters and Culture:** At least twice a year, receive and review reporting on People & Culture matters from the Head of People (or their designate). This reporting should enable the Committee to consider and provide comments/ recommendations on the promotion and embedding of an appropriate culture across the Firm, and in the Audit Practice in particular.
- **Audi Firm Governance Code (AFGC):** Receive an annual report on how the Firm has met its obligations under the Code including how it has ensured compliance with its Code of Conduct.

- **Risk Management and Internal Controls:** in conjunction with the AOB, oversee the Firm's review of the effectiveness of the system of internal control (in accordance with the Firms System of Quality Management, as required by ISQM1(UK).
- **Sustainability and Resilience:** Through a review of (at least) annual reporting, support the Firm's assessment of principal risks (including at an international level) which may affect the Firm's model, future performance, solvency and liquidity.

## Reporting Responsibilities

Minutes of the Committee shall be made available to the AOB and other governance bodies as relevant.

The Chair of the Committee shall report to the AOB following the meeting of the Committee.

These terms of reference shall be made available to all partners of the Firm and published on the external website.

## Other matters

The Committee is authorised to investigate any activity within its terms of reference and seek any information it requires from any partner or employee of the Firm to conduct its work.

The Committee will consider any other matters that may affect the public interest, including relevant matters relating to the Global Network.

Provide comment on the Transparency Report.

Attend periodic meetings with representatives of the FRC 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 INEs, including their onboarding, induction and ongoing training and development.

Review annually its own effectiveness and agree objectives that are specific and measurable and regularly review its progress in meeting and delivering its objectives. These terms of reference will be reviewed as part of its effectiveness review on an annual basis and in reaction to regulatory feedback and changes to standards.

The Committee shall consider, in conjunction with the AOB, where appropriate, carrying out an externally facilitated evaluation at least every three years.

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<sup>i</sup> The Senior Partner and GT Partner Representative are members of GTUKA&T LLP and the GT Partner Representatives on the Board.