

Business Interest Oversight Board - Terms of Reference

Purpose and objectives of the body

- To provide oversight of the stewardship, accountability and leadership of the firm ensuring alignment to the firm's purpose, values and strategic framework, and including oversight of the quality and risk management framework, as delegated by PC
- To ensure the firm's strategy is appropriate and consistent with the public interest
- To provide oversight of the delivery of the strategy and appropriate leadership of the firm by the Leadership Team, ensuring a focus on the agreed priorities
- To ensure strong governance (including firm culture), risk, financial and people strategy oversight

The Business Interest Oversight Board (BIOB) is accountable to the Partnership Council (PC). It is responsible for holding the Managing Partner and Leadership Team to account in respect of their functions.

The BIOB will ensure there is effective two way communication in its work with PC and other stakeholders to visibly demonstrate this accountability in action. It will deliver quarterly updates to PC on the challenge and oversight being undertaken by BIOB on business aspects of the partnership.

Stakeholders

The BIOB will need to balance the interest of different stakeholders. The key stakeholders for the BIOB to consider include:

- Partners - through effective engagement with the PC, ensure that partners' (current and future) interests are protected into the long term; that partner issues are understood and taken into account and there is a process to keep partners informed.
- Employees - supporting an environment where employees can be themselves and bring their best selves to work; ensure they are treated and rewarded fairly in a positive environment where there is opportunity for continued development in their roles; ensure our employee value proposition (EVP) is fit for purpose and a lived experience.
- Clients - ensuring our strategic focus on quality to the benefit of our clients; ensuring excellence to maintain our trusted reputation operating in line with our purpose: helping you succeed



- Regulators and government - effective oversight to ensure high standards of quality, independence and responsible business practices to meet or exceed our regulatory requirements. Use our voice to influence as a responsible business.
- BDO Global - ensure our strategy is aligned to the global strategy, strong senior leadership interconnectivity and influence with Global
- Wider society - maintain public trust, recognise our responsibility as a business to influence aligned to our ESG priorities, has trusted business relationships with suppliers

The BIOB will ensure it provides supportive and constructive challenge to the LT and recognises the distinct roles of LT's responsibility for delivering the firm's strategy and plans versus the BIOB oversight role.

Membership

The BIOB will be made up of six members, comprising the Senior Partner, 2 members drawn from the Partnership Council, 2 Independent Non-Executive (INEs) and the Ethics Partner.

The Audit Committee Chair, Managing Partner and one other member of LT (selected by the MP) will be invited to attend BIOB meetings, as required to report to the Board as well as for their own benefit and understanding of the work of the BIOB.

Selection:

- PC members will be selected via an interview process involving the Senior Partner and 2 INEs. They will need to demonstrate capability in business oversight and have broad understanding of the firm's whole business
- INE members will be selected on the basis of their experience in business oversight.
- Members must be exemplars of the firm's values, acting with integrity, fairness and in the interest of the firm, at all times
- The Senior Partner will remain in post for the period they serve as Senior Partner of the Firm
- The PC members of BIOB will remain members of BIOB on a two year rotation and be subject to a reselection process. The maximum number of terms any PC member can serve on BIOB is two terms of two years. The Ethics Partner will remain on the BIOB by virtue of their role; the INEs will remain members for their term of office.
- A deputy chair will be appointed by the Senior Partner from amongst the members of the BIOB to stand in for the Chair, when required.
- A BIOB member from the PC can request to step down by making a formal request to the Chair. The Chair will consider the basis of the request and if granted will follow the selection process to appoint a new member of BIOB.
- Should there be a change in the INEs, a new INE with the appropriate skills will be selected to sit on the BIOB.
- The Senior Partner has the ability to remove any member from the BIOB (excluding the Ethics Partner) following consultation and agreement with the PC.

Chairing the body

- The Senior Partner will chair the BIOB.
- The tenure of the Chair will be for the period they serve as Senior Partner of the Firm
- Should the Senior Partner office change there will be a direct handover from the outgoing Senior Partner to the incoming Senior Partner.
- Should the Chair require it, the deputy chair will chair the meeting (including agreeing the agenda, papers and managing the BIOB group)
- With the support of a BIOB Secretariat, the Chair will have the following responsibilities:
 - Convene meetings
 - Set the agenda
 - Prepare and collate papers and ensure they are available at least a week in advance of the meetings.
 - Draft and agree with the BIOB the wording of the report to be presented to PC
 - Ensure full and factual minutes are prepared, approved and stored appropriately

Meetings

- The BIOB will meet at least six times per year
- A non-routine meeting of the BIOB can be called by the Chair or any member, at any time
- A meeting will be quorate when three members are in attendance
- The BIOB has the right to meet in closed session, normally this will be at the start and/or end of each meeting.
- The BIOB will have the right to invite members of the LT or senior operational PMD leads to the meetings if appropriate and with the consent of the Chair
- There will be an opportunity to declare any actual or perceived conflicts of interest at the start of each meeting. Should any member or BIOB believe there is a conflict of interest this must be declared and minuted. If it is agreed, there is a conflict, the member must not be present in the meeting for that agenda item.

Decision making and responsibilities

Voting

- The Board shall reach decisions by a simple majority of voting on the matters in question. If the numbers of votes for and against a certain proposal are equal, the Senior Partner has the casting vote. All decisions should be captured within the minutes of the meeting, to be subsequently approved by all members at the following meeting.
- If it becomes necessary to escalate an issue or point of disagreement, this should be escalated to the PC.

The following table sets out the role and responsibilities of the BIOB

Strategy	<ul style="list-style-type: none"> • Review and recommend for approval by the PC the strategy that has been developed by the Leadership Team; including approval of strategic objectives. • Oversight of delivery of the strategy. • To receive, challenge and approve the business plan for the forthcoming year from LT, from an overall firm level and stream level
Management	<ul style="list-style-type: none"> • Approval of the annual budget including capital investment • Oversight of delivery of the annual operational plan (from the Operations Board to LT) through receipt of regular reports from LT on business matters and performance against the business plan as previously approved and provide appropriate challenge to leadership/management • Review of any new material areas of activity or decision to cease any material aspect of the firm's activities (value over 1% of previous year's audited turnover) and make recommendations to LT/PC for further consideration as necessary • To consider major capital expenditure and investments in excess of 2% of the previous year's audited turnover and make recommendations to LT/PC for further consideration as necessary • To review any major contracts where the transaction value is over 1% of the previous year's audited turnover and make recommendations to LT/PC for further consideration as necessary
People and Culture	<ul style="list-style-type: none"> • Approval of the Firm's Core Purpose, vision and values • Approval of key policies relating to risk, culture, values, ethics and independence • Consider the firm's diversity statistics and receive equality, diversity and inclusion reports annually (prior to publication of the annual culture/ESG report and pay gap reporting) • To consider any redundancy programmes over 2% of the total staff numbers and make recommendations to LT/PC for further consideration as necessary
Structure	<ul style="list-style-type: none"> • Approval of any changes in relation to the firm's corporate structure

Strategic partnerships, mergers and acquisitions	<ul style="list-style-type: none"> To review strategic partnerships, mergers and acquisitions in relation to Firm cultural fit, strategic direction of the Firm and impact on the Equity Partners, providing appropriate challenge to leadership and management. BIOB should report the relevant facts to PC for transaction approval from a Firm cultural perspective
Taxation	<ul style="list-style-type: none"> To receive a report at least annually in relation to partnership taxation matters from the COO/Finance Partner. Where equity considerations arise refer these to PC for consideration and decisions if required. To review the tax status and strategy of the firm
Funding	<ul style="list-style-type: none"> To review and consider a report from LT on the cash flow of the business and the arrangements put in place to secure ongoing financing, providing appropriate challenge Refer to PC where financing considerations impact equity Approve the renewal of bank facilities on behalf of the Partnership
Audit Committee	<ul style="list-style-type: none"> To receive a report at least twice a year from the Chair of the Audit Committee on the scope of the work conducted by that Committee
Quality and Risk	<ul style="list-style-type: none"> To receive regular updates from LT/Chair of QRMC on how the quality and risk management framework is supporting the business interest of the firm To receive regular updates from the firm's COBRA Committee on significant risk matters affecting the firm, including how these are being addressed and potential outcomes.

Connectivity with other bodies

The key connectivity will be with the PC in reporting back on BIOB activities and LT in ensuring appropriate oversight is achieved. There will also be connectivity with the Audit Committee, Quality and Risk Committee and Public Interest Committee

Assessing effectiveness of the Chair and the body

The Board will agree objectives annually that are specific and measurable and will regularly review its progress in meeting and delivering the objectives through an annual self-effectiveness review

Schedule for reviewing Terms of Reference

The terms of reference will be reviewed as part of the effectiveness review on an annual basis. Any changes will be agreed with the PC.

BIOB Secretariat

The BIOB Secretariat will support the BIOB Chair by helping the BIOB to run effectively including ensuring effective arrangements for presentation of high quality information on a timely basis with comprehensive minutes and a process to follow up on agreed actions.