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Public Interest Committee Terms of Reference

1. Background

1.1. The Public Interest Committee (the "Committee") is constituted in accordance with Deloitte LLP Partnership Agreement, as amended from time to time (the "Partnership Agreement"), and shall exercise its duties, powers and responsibilities as set out in the Partnership Agreement and as further described in these Terms of Reference.

1.2. These Terms of Reference should be read in conjunction with the Partnership Agreement. Expressions used but not defined in these Terms of Reference shall have the meanings given to them in the Partnership Agreement unless otherwise stated. In the event of any inconsistency or contradiction, the Partnership Agreement shall prevail.

2. Purpose

2.1. The Committee shall provide a forum to assist those appointed to the Firm as an Independent Non-Executive and/or Audit Non-Executive to oversee public interest matters as they affect the Firm and perform other functions in accordance with the expectations of the FRC's Audit Firm Governance Code (the "Code").

3. Composition and Membership

3.1. The Members of the Committee shall comprise those individuals appointed to the Firm to act as an Independent Non-Executive.

3.2. The Chair of the Board shall appoint one of the Independent Non-Executives of the Committee to act as chair. The Chair of the Committee shall not be the Chair of the Audit Governance Board. In the absence of the Chair of the Committee, or in the event that the Chair of the Committee is conflicted in respect of any matter, the remaining Members of the Committee shall appoint one of themselves to chair the meeting, or the relevant section of the meeting.

3.3. The quorum for any meeting of the Committee shall be not less than two Members.

3.4. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Powers and Responsibilities

To the extent required in connection with its consideration of the public interest and the purpose of the Code, the Committee shall provide its Members with an opportunity for 'deeper dives' into relevant matters, including the following specific areas:

4.1. Culture and Ethics including consideration of the effectiveness of:

4.1.1. the Firm's systems for the promotion and embedding of an appropriate culture underpinned by sound values and behaviour across the Firm, and in audit in particular; and

4.1.2. the Firm's whistleblowing policy and procedures in place for people to feel able to speak up;

4.2. Risk management and internal control: including the Firm's policies and procedures for ensuring that risks are being effectively managed (including any risks related to the operational and financial resilience of the Firm, independence, conflicts of interest, and cyber security);

4.3. People and purpose: including the public interest considerations relating to people management policies and procedures relating to remuneration and incentive structures, recruitment and promotion processes, training and development activities and diversity and inclusion; and

4.4. Public policy: contributing constructively and responsibly to key debates, including responding to consultations.

5. Conflicts of Interest

5.1. If a matter considered by the Committee is one where a Committee Member, either directly or indirectly, has a conflict of interest, that Member shall not be permitted to take part in any discussion on any such matter.

5.2. The decision of the Chair of the Committee as regards whether a Member has a conflict of interest is determinative. If the question of conflict relates to the Chair of the Committee, the decision of the other Committee Members in attendance (acting by a simple majority) is determinative.

6. Committee Procedures

6.1. Meetings of the Committee shall be held not less than four (4) times a year and more frequently as circumstances may require.

6.2. The procedure for dealing with any fundamental disagreement that cannot otherwise be resolved between the Members of the Committee and the members of the Firm's management team and/or governance structures is set out at Annex 1.

6.3. Only Members of the Public Interest Committee shall have the right to attend meetings of the Public Interest Committee. Other attendees may be invited to attend all or any part of any meeting, as and when appropriate, including the 'doubly-independent' Audit Non-Executive who shall attend meetings of the Public Interest Committee as an observer, where such attendance does not compromise their independence.

6.4. Save as set out in these Terms of Reference, the Committee shall determine its own procedures.

7. General Matters

7.1. There will be a Secretary to the Committee who will minute the proceedings, including recording the names of those present and in attendance, and any conflicts of interest.

7.2. The Chair of the Committee will report formally to the Chair of the Board as appropriate following the Committee meetings.

7.3. The Committee shall have access to all relevant people and information to allow it to discharge its duties.

8. Review and Evaluation

8.1. The Terms of Reference of the Committee shall be subject to review by the Board at least every 12 months and may be amended by the Board from time to time.

Procedure for dealing with fundamental disagreements

Annex 1

1. This process shall be followed in the event that an Independent Non-Executive and/or Audit Non-Executive (a "Non-Executive") has a fundamental disagreement with the Firm or its Partners or staff and shall supersede any prior arrangements.

2. This procedure applies to any Non-Executive, whether or not they are also a member of the Public Interest Committee.

3. The relevant Non-Executive(s) shall notify the individual, or group of individuals with whom they fundamentally disagree (including where that group of individuals is the Executive, Board or a sub-committee).

4. A meeting to discuss and seek to resolve the fundamental disagreement shall be arranged between the relevant Non-Executive(s) and the relevant individual(s) (or, where a group of individuals, a single representative of those individuals) (together the "relevant parties") as soon as reasonably practicable and in any event within 15 working days of a written request from the relevant Non-Executive(s).

5. If the fundamental disagreement is not resolved as a result of the meeting at paragraph 4, the Non-Executive(s) must, within five working days following such meeting, notify the Chair of the Board of the fundamental disagreement. Where one of the relevant parties is the Chair, references to the Chair shall be replaced with the CEO.

6. The relevant Non-Executive(s) and the Chair shall meet within 15 working days of the notification to the Chair as set out at paragraph 5, and shall reasonably co-operate to seek a resolution to the fundamental disagreement.

7. No later than 15 working days following the meeting at paragraph 6, an update shall be provided to the Public Interest Committee to confirm whether in the opinion of each of the relevant Non-Executive(s) and the Chair the fundamental disagreement has been resolved.

8. In the event that the fundamental disagreement has not been resolved, the relevant Non-Executive(s) may resign from the Firm in accordance with the terms of their Letter of Appointment.