

## Quality and Risk Subcommittee - Terms of Reference

### Purpose and objectives of the Subcommittee

The Quality and Risk Subcommittee ('QRSC') is a subcommittee of the Partnership Council ('PC') and is established to provide PC with appropriate oversight into Quality and Risk matters relating to the management of the firm.

The QRSC may undertake deep dive reviews into Quality and Risk activity within the firm and any decisions that have been put to PC for their review, making recommendations for decisions to be made by PC. It will deliver regular updates to PC on the challenge and oversight of the Quality and Risk function and the wider Quality & Risk environment.

### Membership

The QRSC will be made up of at least five members, comprising the Senior Partner, two members drawn from PC, one Independent Non-Executive and the Director of the Office of the Senior Partner. The Leadership Team ('LT') member responsible for Quality and Risk will be expected to be a regular attendee at QRSC meetings, or in their absence their delegate, subject to agreement in advance of the meeting with the Chair. QRSC will have the right to invite other partners or senior leaders to attend their meetings where additional expertise and experience is needed or as appropriate to the agenda.

PC members will be selected by PC based on relevant skillsets of PC members at the relevant time and will remain members for their term on PC. A member may request to step down from QRSC by making a formal request to the Chair. The Chair will consider the basis of the request and if granted will arrange for a new PC member to step into the vacated role.

The Chair has the ability to remove any PC member from QRSC following consultation and agreement with the remaining members of QRSC. The Chair will then arrange for a new PC member to step into the vacated role.

### Secretary

The QRSC Secretary will be provided by the Office of the Senior Partner and will support the Chair by helping the QRSC run effectively. This includes ensuring effective arrangements for the presentation of high-quality information with papers available a week before the meeting, comprehensive minutes and a process to follow up on agreed actions.

### Chairing the Subcommittee

The Senior Partner will chair the QRSC and will remain Chair for the period that they are Senior Partner. In the absence of the Chair at any meeting, the members present shall appoint a member in attendance as Chair of the meeting.

When the Senior Partner changes there will be a direct handover from the outgoing Senior Partner to the incoming Senior Partner.

With the support of the Secretary, the Chair will have the following responsibilities:

- Convene meetings
- Set the agenda
- Prepare and collate papers and ensure that they are available a week before the meeting
- Draft and agree with QRSC the wording of any report to be presented to PC
- Ensure that full and factual minutes are prepared, approved and stored appropriately.

### **Meetings**

The QRSC will meet at least six times per year.

A non-routine meeting of the QRSC may be called by the Chair or any member, at any time.

There will be an opportunity to declare any actual or perceived conflicts of interest at the start of each meeting. Should any member of QRSC believe there is a conflict of interest this must be declared and minuted. If it is agreed that there is a conflict, the member must not be present in the meeting for that agenda item.

### **Quorum and attendance**

A meeting will be quorate when three members are in attendance, each through any agreed media including remote participation.

Members will have the right to invite members of the LT or senior leaders to the meetings if appropriate and with the consent of the Chair.

Any individual, whether within or outside the firm, may be invited to attend a QRSC meeting as an attendee but not as a member.

### **Minutes**

The Secretary will minute the proceedings and decisions of all the QRSC meetings, including recording the names of those present and in attendance.

Draft minutes of the meetings will be circulated first to the Chair and then to all other members for review and comment. Once approved, the minutes will be shared with PC.

A summary of the meeting will be published to equity partners shortly after the meeting.

### **Decision making and responsibilities**

The QRSC shall reach decisions by a simple majority of voting members regarding the matter in question. If the number of votes for and against a certain proposal are equal, the Chair 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 PC have tasked QRSC with examining in greater detail their responsibilities around Quality and Risk, namely:

- Supporting the firm's commitment to serving the public interest by consistently performing quality engagements by overseeing the development of the firm's System of Quality Management in accordance with applicable regulations. This includes monitoring compliance with ISQM (UK) 1 and implementation and monitoring of QC1000.
- To receive, review and challenge regular updates from LT/Chair of Quality & Risk Executive ('Q&R Exec') on the development and execution of the Quality & Risk strategy as approved by the LT.
- To oversee the effectiveness of the enterprise risk management and internal controls framework and seek assurances which enable the Subcommittee to satisfy themselves that the risks to which the firm may be exposed are being appropriately identified and managed. At least annually, review, challenge (if necessary) and ultimately recommend to PC for approval the enterprise risk management and internal controls framework and any amendments to it. For the avoidance of doubt, the framework will include the Enterprise Risk Management Policy, the Risk Assessment Methodology and the Risk Appetite Statement.
- At least annually to review, challenge (if necessary) and ultimately recommend for PC to approve the Principal Risks identified by the Q&R Exec together with the associated risk mitigations.
- To be advised of new standards, changes in regulations and enhanced requirements and how these are being embedded.
- Reviewing and overseeing any other Quality and Risk matters as requested by the Q&R Exec, PC or any other leadership, management or oversight body.

#### **Connectivity with other bodies**

The key connectivity will be with PC in reporting back on QRSC activities and recommendations and the Q&R Exec in ensuring appropriate oversight into Quality and Risk matters relating to the management of the firm is achieved including how the enterprise risk management and internal controls framework is supporting the business interest of the firm. There will also be connectivity with the Audit Committee, Business Interest Oversight Board and Public Interest Committee.

#### **Assessing effectiveness of the Chair and the Subcommittee**

The QRSC will review its effectiveness through an annual self-effectiveness review and will report any conclusions and recommendations to PC for approval.

#### **Schedule for reviewing Terms of Reference**

The QRSC shall annually review its Terms of Reference and may recommend any changes it considers necessary to PC for approval.

Approved by QRSC in January 2025

Approved by PC in March 2025