

1. Introduction

- 1.1 The Executive Board (“EB”) is the executive management board of BDO LLP and has been established in accordance with the firm’s Members’ Agreement.
- 1.2 The EB has the power to determine its own procedures under the Members’ Agreement and has approved and adopted these Terms of Reference.
- 1.3 In the event that there is any inconsistency between these Terms of Reference and the terms of the Members’ Agreement, the terms of the Members’ Agreement shall prevail.

2. Purpose and Objectives of the EB

- 2.1 The primary purpose of the EB is to lead the executive management of the firm in the formation and delivery of its strategic plan.
- 2.2 In fulfilling its purpose, the EB shall give due consideration to:
 - upholding the integrity, brand and reputation of BDO;
 - balancing the interests of various stakeholders (employees, partners and clients of the firm, regulators and the public interest);
 - the Braganza duty (that is, where the firm has a contractual discretion conferred by the Members’ Agreement, the exercise of which may adversely affect the interests of equity partner(s) or others, then that discretion will be exercised honestly, rationally and for the purpose for which it was conferred and such discretion will not be exercised capriciously or unreasonably;
 - the firm’s purpose and values; and
 - the firm’s obligations and commitments as a firm within the BDO Network.
- 2.3 The EB’s objectives are aligned with BDO’s purpose, vision, and strategic goals - and, in particular, the following Strategic Imperatives and all associated Priorities¹:
 - create a growth culture to dominate our mid-market heartland of entrepreneurial, ambitious and growing businesses;
 - collaborate better to provide client-focused solutions;
 - put our people & culture at the heart of our organisation to attract, develop, engage & retain our talent;
 - drive beliefs, behaviours & processes to ensure we serve the public interest & do the right thing for business and for society;
 - improve our ways of working, using technology & data to drive efficiency & quality; and
 - harness the full potential of our international network.

¹ As per slide 4 of Strategy Refresh.

3. Responsibilities

3.1 The EB is responsible for the executive management of the firm, for compliance with the Audit Firm Governance Code (“AFGC”) and has ultimate responsibility and accountability for the firm’s system of quality management under the International Standard on Quality Management (UK) 1.

3.2 It fulfils its executive management responsibilities as follows.

3.3 Firstly, through the actions of the Managing Partner (“MP”), whose roles and responsibilities are set out in the document “Managing Partner - Definition of Role”. Members of the EB have responsibility for their respective portfolios, and have collective or cabinet responsibility more widely. In addition to his own responsibilities, the MP also is responsible for chairing the EB.

3.4 Secondly, through the executive management of, and holding to account, the EB’s eight executives (“the Eight Executives”) and their EB leads being:

- Audit Executive;
- Tax Executive;
- Deals Executive; and
- Consulting, Risk & Outsourcing Executive (collectively the “Stream Executives”); and
- People, Culture & Purpose Executive;
- Growth, Regions & Markets Executive;
- Quality & Risk Executive; and
- Operations Executive.

3.5 Thirdly, through facilitating discussions and initiatives that cross the Eight Executives in respect of the following:

- designing and driving the content of long-term, sustainable strategy (including the firm’s purpose, values and culture), to ensure the ongoing resilience of the firm;
- setting the policies of the firm including professional standards, conduct and independence;
- ensuring an appropriate focus on quality, including (but not limited to) audit quality;
- ensuring an appropriate focus on all aspects of the firm’s Environmental, Social & Governance strategy including, but not limited to, any ambitions or targets set in these areas;
- setting the firm’s annual budget and regularly monitoring the firm’s financial performance against budget throughout the year, including discussing and, if agreed, setting re-forecasts and monitoring the firm’s commercial management - taking appropriate action where needed;

- visibly promoting our brand;
- monitoring our markets and responding accordingly;
- monitoring our competition and market developments and responding accordingly, including in respect of offshoring, the use of technology/AI, changing business/ownership structures and balance sheet and profit and loss account management;
- helping our partners and people to succeed;
- to the extent appropriate through regulation, helping our clients succeed;
- engaging with external stakeholders, including regulators;
- reviewing the design, implementation and the operational effectiveness of the firm's System of Quality Management and its internal control systems more widely - as well as their supporting quality and risk management frameworks;
- assessing and appropriately managing the principal risks facing the firm, including those that would threaten its resilience, business model, future performance, solvency or liquidity;
- assessing the resilience and sustainability of the firm's audit practice;
- approving appointments to the Eight Executives and, to the extent they are not roles on an Executive, appointments of Stream Leaders, SBU Lead Partners, Regional Managing Partners and National Sector Leaders (note that, in the case of Stream Leaders, Nomination Committee approval will also be required);
- setting an appropriate approach to profit sharing, and the annual profit share for equity partners. This to take into account both appropriately rewarding partners and driving partner behaviours more widely;
- discussing and agreeing the methodology for producing the suite of annual reports published by the firm:
 - Transparency Report
 - Annual Report
 - Carbon Footprint Methodology
 - Pay Gap Report
 - Combined Pay Gap Report
 - Impact Report
 - GRI Content Index
 - Modern Slavery Statement
- protecting the reputation of the firm;
- demonstrating commitment to the firm's values ("Our Values");
- ensuring compliance with the AFGC, the Audit Regulations and other regulations which apply to the firm and its partners and staff; and
- agreeing the firm's response to issues relating to significant international and domestic events.

3.6 Fourthly, through collaborating with the Oversight Board (“OB”):

- to nurture, sustain and evolve our culture;
- to facilitate effective oversight of the EB by the OB;
- to fulfil the objectives of the Nomination Committee; and
- to fulfil the objectives of the Risk Oversight Committee.

4. Authority

4.1 The EB is one of the firm’s Governance, Leadership and Management bodies further to the Partner Protocol “Governance, Leadership and Management”.

4.2 The EB continues in office for the period of the term of office of the MP in accordance with the document “Managing Partner - Definition of Role”². Changes are to be proposed to the OB by the MP for agreement by the OB.

4.3 The EB and its members have duly delegated authority to carry out their responsibilities as set out in:

- these Terms of Reference;
- their respective role mandates approved by the MP; and
- in the Terms of Reference of their respective executives.

5. EB Composition

5.1 The members of the EB are appointed by the MP as part of the MP’s slate following approval by the OB³ following a recommendation from the Nomination Committee. The members of the EB hold their position for the period of the MP’s term of office, unless otherwise changed by agreement of the OB (after consultation with the Nomination Committee) at the recommendation of the MP in the meantime.

5.2 There is no minimum or maximum number of members of the EB, but the EB is required to be of such number that allows for suitably diverse thinking and representation of the whole organisation, but not too large in number to be difficult to chair or manage.

5.3 The composition of the EB is also required to reflect the needs of the firm in terms of skills mix and behavioural attributes. In selecting individual members of the EB, the MP must pay due regard to the skills, independence and expertise required by the role.

² “Develops organisational plans for appropriate structures and bodies that report into the Leadership Team that assist in the delivery of the firm’s vision and strategy from a strategic, tactical and operational perspective”- page 2.

³Partner Protocol Governance, Leadership and Management – page 8.

- 5.4 The MP is required to indicate the broad areas of strategic, tactical or operational responsibility of each member of the EB and each of the Eight Executives is to be assigned an appropriately experienced EB member as lead. This will usually be the relevant Stream Leader or EB portfolio holder.
- 5.5 The MP may change the composition of the EB during their tenure with the approval of the OB (following a recommendation from the Nomination Committee).
- 5.6 Changes may be to the number of members or the individuals appointed, or the allocation of their respective portfolio areas.
- 5.7 All EB roles are executive roles.
- 5.8 Members of the EB must uphold the highest standards of conduct, including regarding the often confidential nature of matters discussed at meetings.
- 5.9 The MP is a member of and shall chair the EB.
- 5.10 In the anticipated absence of the MP, the MP shall nominate another member of the EB to be Chair.
- 5.11 The MP's responsibilities as chair include:
- effective chairing of meetings of the EB;
 - determining the agenda for any meetings;
 - ensuring agenda items are consistent with the EB's responsibilities as set out in the Terms of Reference;
 - ensuring that the agenda clearly sets out the purpose of each agenda item and that the supporting papers provide sufficient detail and clarity for EB members to carry out their responsibilities (but that the papers are not so long/detailed so as to be inappropriate for an executive board);
 - ensuring the EB's responsibilities are appropriately discharged within the scheduled meetings⁴ of the EB;
 - reviewing the papers for each meeting, ensuring they are received sufficiently in advance of the meeting;
 - ensuring that the EB receives appropriate, accurate, timely and clear information;
 - ensuring that all EB members are involved in discussions and decision-making;
 - ensuring that EB members are held to account for their actions in the EB action log;
 - ensuring that EB members' objectives are appropriate and that they are held to account in discharging their respective objectives; and

⁴ It is not expected that every scheduled meeting deals with all responsibilities listed above but each responsibility must be covered at least once every year.

- reporting to the EB on the development status of the Strategic Imperatives and associated Priorities.

6. EB Secretary (“EBSec”)

- 6.1 The EBSec shall be Fiona Brown or appropriate substitute if required.
- 6.2 In the absence of the appointed EBSec, a suitable alternative will be supplied from the Governance team.
- 6.3 The role of the EBSec shall be to:
- organise meetings of the EB;
 - collate papers for meetings of the EB;
 - ensure that such papers adhere to the minimum standards for Executive meetings set by the EB;
 - take minutes of meetings of the EB;
 - timeously produce a draft of such minutes and circulate to members of the EB for comment/approval prior to the next meeting of the EB; and
 - maintain a log of actions arising from EB meetings and, with the support of the Chair, hold EB members to account for their completion.

7. Meetings

Scheduled meetings

- 7.1 The EB shall have scheduled meetings at least 10 times a year, as addressed below. These meetings are currently structured in the following way but can be changed as needed by the MP, after consulting the EB:
- Business as Usual - broadly monthly
 - Portfolio reviews - broadly monthly
 - Strategy reviews - broadly bi-annually
 - Technology/AI - quarterly
 - Profit sharing - annually
 - Ad hoc - as needed.
- 7.2 The EBSec will ensure that, so far as is practicable, scheduled Business as Usual meetings take place the week after scheduled meetings of the Eight Executives.
- 7.3 So far as scheduled meetings are concerned, the MP will approve the agenda which, together with supporting papers, will be circulated to members of EB 3 days in advance of the meeting by way of Sharepoint or Diligent - subject to papers being received on a timely basis.

- 7.4 The agenda will clearly set out the purpose of each point, including whether an EB decision is required.
- 7.5 The supporting papers should ensure that members of the EB have a sufficient understanding of the issues to be discussed at the meeting.
- 7.6 A scheduled meeting of the EB shall be quorate when 50% of members are in attendance - either in person or remotely.
- 7.7 Scheduled meetings are to be held in person. Remote attendance is to be agreed with the Chair in advance and such agreement will be strictly by exception.
- 7.8 Where a matter is to be decided by the EB at a scheduled meeting, a vote shall be taken of members present and matters decided on a simple majority.

Ad hoc meetings

- 7.9 The MP can call an ad hoc meeting of the EB at any time.
- 7.10 The MP and EBSec shall ensure that an agenda and supporting papers are provided as soon as practicable prior to the meeting to ensure that members of the EB understand the matters to be discussed sufficiently including whether an EB decision is required.
- 7.11 An ad hoc meeting of the EB shall be quorate when a simple majority of EB members are in attendance - either in person or remotely.
- 7.12 An ad-hoc meeting may be held by Teams at the Chair's discretion, taking into account logistics and the nature of the issue to be discussed.
- 7.13 Where a matter is to be decided by the EB at an ad hoc meeting, a vote shall be taken of members present and matters will be decided by a simple majority vote of those members in attendance as well as the votes cast by non-attending members who have given the MP his/her mandate by email to vote in a particular way.

Email meetings

- 7.14 The MP can call a meeting to decide an issue by email.
- 7.15 The MP and EBSec shall ensure that an agenda and supporting papers are provided as soon as practicable prior to the email meeting to ensure that members of the EB understand the matter(s) to be discussed sufficiently, including whether an EB decision is required.

- 7.16 Where a matter is to be decided by the EB at an email meeting, a vote shall be taken of members and matters decided by a vote of 70% of members responding by the date notified by the Chair in the email calling the meeting.

Meetings generally

- 7.17 Members of the EB have the right to attend any EB meeting and receive the agenda and papers, including for the avoidance of doubt in the case of an email meeting.
- 7.18 The Chair has the right to require a higher threshold than a simple majority for passing a vote should that be appropriate to the decision in question.
- 7.19 Other individuals can attend a meeting of the EB in whole or in part by invitation only.
- 7.20 Non-EB attendees at a meeting do not have any voting rights, nor do they have the right to be heard save at the invitation of the Chair.
- 7.21 Members of the EB should declare any conflicts of interest at the commencement of the meeting and then, if needed (by agreement with the Chair) recuse themselves from the discussion and/or vote on any matter relating to the conflict. Any such recusal will not impact the quoracy of the meeting and therefore the validity of any discussion and/or vote and the vote itself will still be determined based on a simple majority, but calculated by reference to the non-recused members only. For the avoidance of doubt, this also applies to email meetings.

8. EB sub-committees

- 8.1 The EB may establish Executive Sub-Committees (“ESCs”) to support the fulfilment of the EB’s responsibilities as set out in this Terms of Reference.
- 8.2 The EB shall establish terms of reference for each ESC and approve their composition.
- 8.3 The EB may delegate to ECSs the making of decisions within the scope of the EB’s Terms of Reference.
- 8.4 All duties and powers of such ESCs are subject to the limitations of authority stated in their terms of reference.
- 8.5 The EB shall ensure an annual assessment of the effectiveness of each ESC is undertaken.

9. EB effectiveness and evaluation

- 9.1 As with any other partner, EB members are subject to a yearly performance evaluation. This evaluation shall include their effectiveness on the EB. The MP is a member of the EB, chairing it, as above.
- 9.2 Feedback for the yearly performance evaluation on the effectiveness of the MP will be provided by at least two EB members.
- 9.3 Feedback for the yearly performance evaluation on the effectiveness of each member of the EB will be provided by the MP.
- 9.4 The EB shall conduct an annual assessment of its effectiveness under these Terms of Reference and will agree and implement a plan to take forward any actions arising from the assessment and will report any conclusions or recommendations to the OB.
- 9.5 The EB shall annually review these Terms of Reference and recommend to OB for approval any amendments.

10. General matters

- 10.1 The EB shall have access to all relevant people and information to allow it to discharge its duties.
- 10.2 The EB shall have access to sufficient resources to carry out its duties, including access to the EB member with responsibility for Legal, Governance, Quality & Risk and the firm's Governance Partner and Governance team, and may seek any information it requires from employees of the firm in order to perform its duties.
- 10.3 The EB shall engage independent professional advice where it is judged necessary to discharge its duties.
- 10.4 In the event of a fundamental disagreement between EB members on a point of principle which requires a higher threshold of voting as determined by the MP, the MP shall notify the Senior Partner of the outcome and potential steps proposed to resolve the matter and agree these with the Senior Partner.

Approved by the Executive Board on 21 May 2026

Approved by the Oversight Board on 28 May 2026