

Partnership, People & Culture Committee (PP&C)

Terms of Reference

Section 1: General

1. Role of the Committee	<p>The broad remit of the Partnership, People & Culture Committee (Committee) is to assist the Governance Board (Board) to effectively discharge its powers, duties, functions and responsibilities under the Partnership Agreement including in relation to:</p> <ul style="list-style-type: none"> • partner admissions, retirements, transfers, secondments and suspensions • the application of the Partner Evaluation and Income Scheme (PEIS) • People strategies and plans, including culture relation to both Partners and staff.
2. Committee members	<p>As determined by the Board from time to time but including an Appointed Board member as Committee Chair.</p>
3. Key executive alignment	<p>Chief People Officer Head of Partnership</p> <p>The individuals holding the above roles have a standing invitation to attend Committee meetings, except where their attendance may present a conflict of interest.</p>
4. Delegation of Board's powers, duties, functions and responsibilities	<ul style="list-style-type: none"> • By approving these terms of reference and in accordance with the Partnership Agreement, the Board delegates to the Committee the powers, duties, functions and responsibilities specified in section 2 below. • As specified in the Partnership Agreement, the Committee exercises the powers delegated in accordance with any directions of the Board and a power exercised by the Committee is deemed to have been exercised by the Board. • The Board is responsible for the supervision of the exercise of powers, duties, functions and responsibilities delegated by the Board to the Committee.
5. Delegation of Board Chair's powers, duties, functions and responsibilities	<p>By approval of these terms of reference, the Board Chair delegates to the Chair of the Committee their powers, duties, functions and responsibilities specified in section 2(h) below.</p>
6. Reporting back to Board	<ul style="list-style-type: none"> • The Committee reports to the Board any decisions made by the Committee in the exercise of the Board's powers delegated to it, and where appropriate, provides recommendations to the Board on other matters within its remit. • Minutes of the Committee's meetings are prepared and circulated to Board members. The minutes must clearly identify any exercise of power by the Committee under delegation.
7. Structure of the Committee	<p>The composition, Chair and terms of reference of the Committee are determined by the Board, on the recommendation of the Chair of the Board.</p>
8. Proceedings of the Committee	<ul style="list-style-type: none"> • The proceedings of the Committee are conducted in accordance with the applicable requirements of the Partnership Agreement. Accordingly:

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	<ul style="list-style-type: none">– the Committee meets whenever the Committee determines it is appropriate. For practical purposes the Committee Chair is responsible for the control of the Committee's operating rhythm;– meetings, or agenda items, relating to the Committee's responsibilities set out in items 13 and 14 of these Terms of Reference are generally chaired by the Chair of the Committee, while the Deputy Chair generally chairs the meetings, or agenda items, relating to the Committee's responsibilities set out in item 12.– quorum for a meeting is 2/3rds Committee members. A member present by way of proxy is included in quorum;– the Committee may invite any person (including any external adviser) to attend its meeting/s and/or to provide written or verbal advice;– minutes of the Committee's meetings are prepared and circulated first to the Chair of the particular meeting and then to all other Committee members for review. <p>The Committee has unrestricted access to all staff and relevant records of the Firm it considers necessary to fulfill its obligations and has the right to seek explanations and additional information from Management.</p>
9. Decisions of the Committee	A resolution is passed if 2/3rds of members participating in the vote approve the resolution. Each Committee member is entitled to one vote.
10. Review	As part of the Board's annual performance assessment process, the Committee's performance and its terms of reference will be reviewed to ensure it is operating effectively. The Committee will recommend any changes to improve its performance to the Board, for approval.

Section 2: Scope of delegated powers, duties, functions and responsibilities

By approval of these terms of reference and in accordance with the Partnership Agreement, the Board delegates to the Committee, to exercise on its behalf, the following powers, duties, functions and responsibilities, and to report to the Board. If specified below or where the Committee considers it appropriate, the Committee may make recommendations to the Board.

11. Partner admissions, retirements, secondments and transfers and other partner related matters	
a. Guidelines for application of Board powers and responsibilities delegated to Committee	<p>Review guidelines for the application of the Board's powers delegated to the Committee including in relation to:</p> <ul style="list-style-type: none">• partner admissions and retirements including the application of the income suspension or withhold provisions in the Partnership Agreement• domestic transfers and international secondments• suspension, mandatory retirement and retirement on notice.
b. Ensuring a fair and equitable process for admission is adhered to by Management for Partner admissions	<ul style="list-style-type: none">• Annually assess, and report to the Board, whether a fair, consistent and equitable process for partner admissions is consistently adhered to by Management, and whether the processes adopted are in accordance with Network and local guidelines.• Identify areas of Management processes to be adjusted to ensure a fair and equitable process.

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c. Partner admissions	<ul style="list-style-type: none"> Review and approve candidates for admission to the partnership in accordance with the requirements of the Partnership Agreement and Partner Policies including review and approval of all admission terms. Issue any directions and approve the form of the undertakings required under the Partnership Agreement in relation to partner admissions.
d. Partner retirements	<ul style="list-style-type: none"> Approve partner retirements in accordance with the requirements of the Partnership Agreement including review and approval of all retirement terms. Review and approve waivers of restrictive covenants and restrictions on partners having other interests, in accordance with the requirements of the Partnership Agreement. Determine any matter required under the Partnership Agreement in relation to suspension or withholding of income. Determine a deemed retirement under the Partnership Agreement. Approve the form of a separation deed under the Partnership Agreement.
e. Partner suspension	<ul style="list-style-type: none"> Exercise all the Board's powers, duties, functions and responsibilities under the Partnership Agreement in relation to partner suspensions.
f. Mandatory retirement	<ul style="list-style-type: none"> Exercise all the Board's powers, duties, functions and responsibilities under the Partnership Agreement in relation to mandatory retirements.
g. Retirement on notice	<ul style="list-style-type: none"> Exercise all the Board's powers, duties, functions and responsibilities under the Partnership Agreement, in relation to retirements on notice.
h. Partner domestic transfers and international secondments	<ul style="list-style-type: none"> Approve international secondments and domestic transfers and the terms of those secondments and transfers including those in the circumstances contemplated by the Partnership Agreement. Conduct any process required under the Partnership Agreement in relation to secondments and domestic transfers, noting that the Board Chair has delegated these functions to the Chair of the Committee. The determinations and deeming required of or available to the Board under the Partnership Agreement in relation to non-resident partner capital and the accrual of service for PTP purposes.
i. PTP	<p>Exercise the Board's powers under the Partnership Agreement, including but not limited to</p> <ul style="list-style-type: none"> early commencement of PTPs before age 55 whether a former partner has breached the Independence Test and the transfer of their PTP to Schedule 5 to address the independence issue requests from former partners for waiver of various provisions that would reduce a PTP and/or delay the commencement and/or indexation of a PTP the exercise of its discretion to approve ex gratia payments to be made according to the provisions of the PW 1984 Retirement Plan: <ul style="list-style-type: none"> other than the power to amend the Partnership Agreement to change the Discount Factor which is delegated to the Board Finance Audit and Sustainability Committee.
j. Content of Partner Policies	Review and approve the content of all Partner Policies other than the Partner Evaluation and Income Scheme partner policy.
k. Partner Special Leave	The powers delegated are the Board's powers in the Partner Policy entitled "Special Leave" to approve special leave for partners and determining whether periods of unpaid leave in excess of 3 months shall accrue service for PTP purposes.

Section 2: Scope of delegated powers, duties, functions and responsibilities

I. Other partner matters	<p>Oversee, consider and review (as appropriate) other partner matters such as:</p> <ul style="list-style-type: none"> • periodic review of partner demographics (tenure, admission type, gender, DCB etc) and strategies around demographics • annual update on partner physical and financial health and wellbeing statistics • summary of partner development programs and participation • business areas with retention issues to understand root causes and solutions • former partner matters • annually assess, and report to the Board, on whether the procedures for dealing with partner admissions, retirements, withholds and waivers are fair and equitable and are consistently applied and adhered to by Management, and are in accordance with Network and local guidelines.
12. Partner Evaluation and Income Scheme	
a. Supervise the proper application of the PEIS by Management	<ul style="list-style-type: none"> • Other than in respect of the CSP and members of the Governance Board and the Management Team and having regard to Network regulations, policies and guidelines, undertake: <ul style="list-style-type: none"> – a review to ensure a proper understanding of the process and key principles applied by the CSP against the firm's strategic goals and actual performance, including by attendance at Business moderation meetings – an analytical review of outcomes to inform questions/areas for further testing – an analytical review and testing having regard to the firm's D&I strategy – sample testing of individual outcomes – consideration of the affordability model used for current FY income recommendations – a review of the internal audit regarding the partner income model calculations for the past FY – a review of the approach and principles adopted in determining Individual Performance Awards and Firm Performance Awards for the past FY, including confirmation that requirements of the PEIS for determining those awards have been met for each recipient – a review of adjustments made under the PEIS including confirmation that all adjustments proposed are within the requirements of the PEIS – a review of trends relative to prior years. • Make a recommendation to the Board as to whether the partner performance evaluation and income scheme has been properly applied by Management.
b. Income bands for current FY	<p>Having regard to the matters specified in the Partnership Agreement and having reviewed the report from Management on the impact on PTPs of the proposed income bands, recommend to the Board, in respect of the current FY:</p> <ul style="list-style-type: none"> • the number of RRs • the amount of Responsibility Income to be allocated to each RR • the Firm Performance Income Factors allocated to each RR • the Target FPI Pool and the Target FPIF Value • the total FSPI expected to be allocated to all FSPs.

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c. Target Income, Target Individual Award Income and indicative Performance Award Range for current FY	<ul style="list-style-type: none"> Recommend to the Board the amount of Firm Target Income, Target Individual Award Income and the Indicative Performance Award Range for the current FY, as established by Management. Confirm that any additional target income allocations to individual partners for the current FY are within the cap on permitted allocations under the PEIS.
d. Adjustment to amount of profit available for distribution for past FY	<p>In conjunction with the Finance Audit & Sustainability Committee:</p> <ul style="list-style-type: none"> review Management's proposed income pool for distribution, and the internal audit report thereon consider and make recommendations to the Board regarding any determinations required under Partnership Agreement, including those relating to adjustments to the amount of profit available for distribution.
e. Form of disclosure	Following consultations with Management, recommend to the Board the form of the disclosure to all partners of details of partner remuneration.
f. PEIS changes	<ul style="list-style-type: none"> Consider, and recommend for Board determination, whether proposed changes to the Partner Performance Evaluation and Income Scheme are major and are to be referred to a Partnership vote, or the changes are to be approved by the Board.
13. People and Culture	
a. Talent and culture	<ul style="list-style-type: none"> Review reports on, develop and oversee initiatives on the Firm's organisational culture and make recommendations to the Board on actions the Committee considers necessary to instil, or reinforce, the desired organisational culture. Review reports on, develop and oversee initiatives to attract, motivate and retain the talent necessary to deliver the Firm's strategies. These programs may include: <ul style="list-style-type: none"> leadership and development training performance management workforce planning succession management Review and recommend for Board approval the Firm's statement of values. Review the CSP's Network Standards Tone at the Top self assessment.
b. Diversity and inclusion	<ul style="list-style-type: none"> Review and make recommendations to the Board on the Firm's policies and measurable objectives relating to diversity and inclusion. Review the Firm's progress in achieving its measurable objectives in relation to diversity, equity and inclusion.
c. Engagement	<ul style="list-style-type: none"> Review the results of culture and engagement surveys and monitor the progress of management actions taken in response to those surveys. Monitor initiatives to enhance people engagement and satisfaction.
d. Code of Conduct	<ul style="list-style-type: none"> Oversee Code of Conduct themes and trends and make recommendations to the Board to address any systemic issues identified. Receive and consider reports on key culture metrics and developments. Receive and consider reports on whistleblowing and complaints. Receive and consider reports on material ethical breaches or incidents and material breaches or incidents relating to the Code of Conduct.

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e. Workplace health safety and wellbeing	<ul style="list-style-type: none"> • Regularly review, monitor and make recommendations to the Board on the Firm's policies relating to the safety, health and wellbeing (including psychosocial well-being) of its people. • Regularly review and monitor the policies, systems and frameworks in place at the Firm for the prevention of and response to sexual harassment to ensure they remain appropriate. • Regularly review the services and support made available by the Firm to assist Partners and employees in maintaining their physical, mental and financial wellbeing. • Review and monitor the Firm's compliance with applicable legal and regulatory requirements associated with workplace, health and safety.
f. Remuneration	<ul style="list-style-type: none"> • Review and make recommendations to the Board in relation to the Firm's remuneration policies and practices. • Review the methodology used to assess People performance and remuneration. • Review the Firm's gender pay equity position, including plans and progress towards addressing any gaps (in conjunction with the measures in section 13(b)). • Review the Firm's remuneration practices to ensure they reflect the organisation's values, needs and aspirations and comply with all regulatory obligations.
g. Non-executive Board member remuneration	<ul style="list-style-type: none"> • Review and make recommendations to the Board on the remuneration of the non-executive Board members, including the Chair of the Board.

Section 3: Interaction with the Board and other Committees

a. Interaction with the Board	<p>The Committee will:</p> <ul style="list-style-type: none"> • assist the Governance Board in developing a proper understanding of key issues falling within the Committee's remit • It is the responsibility of the Committee to identify information, issues and matters falling within its remit that should be the subject of detailed consideration by the Board • Any exercise of power by the Committee under delegation is specifically brought to the Board's attention and noted by the Board in the minutes of its next meeting.
b. Interaction with other Board Committees	<ul style="list-style-type: none"> • On Partnership, People and Culture matters, the Committee will refer matters relating to risk culture to the Board Risk Committee. • The Chairs of the Risk Committee, Financial Audit & Sustainability Committee and the Governance Board, will attend a meeting of this Committee (PP&C) at least annually to: <ul style="list-style-type: none"> – consider material financial, non-financial and people-related matters within the Committee's responsibilities – share information on risk metrics relating to matters within the Committee's responsibilities, to facilitate ongoing oversight of these matters – consider and provide input into any other matters within the Committee's responsibilities. • On PEIS related matters, the Committee: <ul style="list-style-type: none"> – will work with the Finance Audit & Sustainability Committee re determination of the annual partner income pool (review of Management's proposed income pool for distribution and any determinations required under the Partnership Agreement, including adjustments to the amount of profit available for distribution)

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- will liaise with the Risk Committee on learnings from and the application of R&Q risk review consequences for partners.
- On non PEIS related matters:
 - liaise with the Finance Audit & Sustainability Committee to understand the impact on partners of any decisions made in relation to Firm tax management, partner capital contributions and drawings policies
 - work with the Risk Committee on any implication for Partner policies as a result of learnings from and the application of R&Q risk review consequences for partners.

Approved by the Governance Board.