



# Policy Committee Terms of Reference

KPMG in Ireland  
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# Policy Committee

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Power to make all policy decisions is vested in the Policy Committee with the exception of such matters requiring to be determined by way of Extraordinary or Special Resolution. The Committee’s policy decisions are binding on the partnership. As a matter of practice, the Policy Committee concerns itself with significant matters of policy and does not concern itself with operational matters.

## Function and Authority

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## Responsibility

**In addition to the above, the Policy Committee shall advise and assist the partnership and the Managing Partner on a number of matters including, but not limited to, the following:**

- Recommending for approval to the partnership the strategic plan of the firm
- Recommended by the Managing Partner and the Executive Team, and monitoring its implementation;
- Recommending for approval to the partnership the appointment of Partners, Resident Partners, Responsible Individuals and Directors;
- Recommending for approval to the partnership the one year and three year plans of the firm (including the planned key initiatives and actions, the financial plan and the capital expenditure plan);
- Approving any planned variations in the agreed plan in excess of 5% of planned profit and 10% of planned capital expenditure;
- Supervising at a strategic level the performance of the firm and, in particular, considering a half yearly report from the Managing Partner and the Executive Team on the implementation of the firm’s plan – extending to any ad hoc reviews of strategic nature that may arise from time to time;
- Making recommendations for approval to the partnership on all matters reserved for decision by the partnership other than profit sharing;
- In conjunction with the Head of People and Operations, performing the annual counselling of the Managing Partner under arrangements set out in appendix six;
- Recommending for approval to the partnership any change to the governance structure of the firm which require partnership approval;
- Approving payments recommended by the Managing Partner to settle significant litigation/ arbitration matters;
- Sharing with partners the annual agenda for the Policy Committee;
- Determining the drawings policy of the firm;
- Recommending for approval to the partnership the appointment of the Chairman of Partners’ Meetings.

*An extract from the current Partnership deed showing matters requiring an extraordinary or special resolution is set out in the appendix.*

### **Composition**

In accordance with clause 13 of the Deed of Partnership, the form, number, tenure and procedure for election of the Policy Committee shall be as decided by Special Resolution. The Managing Partner is an ex officio member, and chairs the committee, and currently there are 8 elected members of the Policy Committee each of whom serves for a term of two years and can be elected for one consecutive term before standing down for a period of two years.

### **Convening of meetings**

Meetings of the Policy Committee may be convened by the Managing Partner or at the request of a majority in number of the Policy Committee. The Secretary (see below) must convene a meeting as soon as possible if so requested by no fewer than three members of the Committee.

### **Chairman**

The Managing Partner is Chairman of the Policy Committee.

### **Quorum**

A quorum is four members, one of whom must be the Managing Partner (MP), unless the MP is unavoidably absent and unlikely to be able to attend a meeting within a reasonable time.

### **Conflicts of interest**

It is expected that the members of the Policy Committee will act impartially in the best interests of the Firm as a whole and be clear when their individual roles or interests may be in conflict. In situations where interests and roles are in conflict, they should be declared before the business is discussed. A member may be asked to excuse themselves from a meeting for an item if it is decided that they have a personal or financial interest.

### **Voting**

Each member has one vote, and in the event of a tie, the Chairman has a casting vote. It is envisaged that agreement will normally be by consensus and that formal voting will not be necessary.

### **Secretary**

The Secretary to the Committee is appointed by the Committee and while normally not an existing Committee-member, can be an existing Committee member.

The Secretary will prepare and circulate in advance the agenda for meetings together with related papers to include those matters required to be included on the agenda:

- by the Managing Partner;
- by a majority in number of the Policy Committee; or
- on the request of not less than one sixth of Partners.

### **Sub-committees**

The Committee may appoint a sub-committee to consider any matters that require detailed research and investigation. Such sub-committees are ad-hoc in nature and in all cases report to the Committee. A sub-committee must include at least one person who is a member of the Committee and may include other partners or staff as considered appropriate.

### **Communication**

At the Partners' Meeting which approves the Business Plan for any period, the issues which Policy Committee plan to review during that period will be put before partners for comment.

The Managing Partner shall circulate the agenda for each meeting (but not the related papers) to partners in advance of each meeting.

The Policy Committee shall report to partners at least twice a year updating them on its activities and the issues it is addressing. It shall issue minutes of its meetings on a timely basis.

### **Timetable**

At the start of each performance year, the Committee will agree a timetable of meetings to include the addressing of the specific responsibilities set out above

## Appendix 1

### Matters requiring Extraordinary and Special Resolutions

(Sourced from clause 20 of conformed copy of Deed of Partnership, including amendments up to 26 April 2017). The full text of these matters is set out in the Deed.)

#### The following matters shall be dealt with by way of Extraordinary Resolution:

- a. Waiver of restrictions on a Partner (under clause 27);
- b. Admission of a Partner (under clause 29 (i));
- c. Compulsory Retirement of a Partner (under clause 31 (iv) and (v));
- d. Basis of unfunded pension (clause 33 (iiA) and (iiiA) and (iiiB));
- e. Disposal of any substantial part of the assets of the Firm;
- f. Termination of the Firm (under clause 35);
- g. Ceasing to practise;
- h. Merger or any permanent or significant association with another firm; and
- i. Alteration of these presents (under clause 37).

#### The following matters shall be dealt with by way of Special Resolution:

- a. The alteration of the Firm's name (under clause 1);
- b. The determination of the respective profit entitlements of partners (under clause 5);
- c. The appointment or dismissal of a partner to or from the position of Managing Partner, the procedure for appointing a Managing Partner and the approval of the eligibility of a Managing Partner for a third or subsequent term (under clause 10 and 11);
- d. The appointment, and extension of the tenure of an Interim Managing Partner under Clause 12;
- e. Constitution of the Policy Committee (under clause 13);
- f. The approval of the accounts of the Firm (under clause 16);
- g. Appointment of a person to the position of Resident Partner, Audit Principal, Managing Director Consulting or equivalent Grade, or Director;
- h. Appointment of chairman of Partners' Meetings (under clause 25);
- i. Special Category Early Retirement (under clause 31 (iiA));
- j. First Stage Early Retirement (under clause 31 (iiB));
- k. Acceleration of Voluntary Retirement (under clause 31 (i)); and
- l. Granting of power of attorney to execute agreements or instruments relating to employee Pension Funds established by the Firm (under clause 33(xii)).