



Reputation Committee – Terms of Reference

1 Purpose

The purpose of the Reputation Committee is to:

- 1.1 assist the Board in its stewardship and oversight of the firm's reputation;
- 1.2 monitor, on an ongoing basis and in real time, the threats and challenges faced by the firm in terms of its reputation, including assisting the Board in its oversight of the firm's response to specific incidents;
- 1.3 scan the horizon of emerging and future issues that may impact the firm's reputation across all parts of the business and advise the Board on addressing them;
- 1.4 promote and monitor the effective management of reputation risk within the firm; and
- 1.5 consider and advise the Board in relation to the firm's corporate communications strategy and significant campaigns.

2 Authority

- 2.1 The Reputation Committee is a Committee of the Board of KPMG LLP ("the Board") from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any Partner, officer or employee.

3 Constitution

3.1 Chairperson

- 3.1.1 The Chair of the Committee will be a Non-Executive Board member appointed by the Chairman.
- 3.1.2 In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 3.1.3 The Committee Chair does not have a casting vote.

3.2 Membership

- 3.2.1 The Committee will comprise at least two Non-Executive Board members, the Head of Quality & Risk Management and the Head of Corporate Affairs.
- 3.2.2 The respective Chairs of the Audit and Risk Committee and Ethics Committee shall have a standing invitation to attend the Committee in the interests of facilitating liaison on reputation-related matters,
- 3.2.3 One external Independent Non-Executive, being the Chair of the Public Interest Committee, shall be invited to attend all meetings of the Committee, but shall not be a voting member.
- 3.2.4 Members of the Committee shall be appointed by the Board on the joint recommendation of the Chairman and the Senior Non-Executive Board member; in the case of co-opted members, appointments shall be made on recommendation of the Chair of the Committee.
- 3.2.5 Members may be removed from the Committee at any time by the Board.

3.3 Duration of appointments

- 3.3.1 Unless otherwise determined by the Board, the duration of appointments of Non-Executive members of the Committee shall be for a period of up to three years which may be extended by the Board for an additional period of two years.
- 3.3.2 The duration of appointments of executive members of the Committee shall be for any period determined by the Chairman or, in the case of *ex officio* members, for the period that they hold the relevant office.

3.4 Secretary

- 3.4.1 The Board Secretary or their nominee shall act as Secretary to the Committee and attend all meetings.
- 3.4.2 The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all members and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4 Proceedings of Meetings

4.1 Frequency of Meetings

- 4.1.1 The Committee shall meet at least 10 times a year and otherwise as required.
- 4.1.2 Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- 4.2.1 Any three members of the Committee may form a quorum, provided at least one Non-Executive Board member is in attendance.
- 4.2.2 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.
- 4.2.3 In the event of difficulty in forming a quorum, Non-Executive Board members who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

- 4.3.1 Only the members of the Committee and other Non-Executive members of the Board have the right to attend Committee meetings.
- 4.3.2 However, the following will be expected to attend Committee meetings on a regular basis:
 - a) Chair of the Public Interest Committee
 - b) General Counsel
 - c) Board Secretary.
- 4.3.3 Any Partner, officer or employee of the LLP may attend at the invitation of the Chair of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chair of the Committee.

5 Responsibilities

In fulfilling its purpose, the Committee shall:

5.1 Stewardship of Reputation

- 5.1.1 liaise with ExCo (and its members) as well as with the Audit & Risk, Ethics and Public Interest Committees, to support their respective roles in stewardship of the firm's reputation and to ensure that the Committee is appropriately consulted on relevant business matters or policies that might significantly impact the firm's reputation;
- 5.1.2 receive reports from management on significant matters with potential impact on the firm's reputation, whether related to the firm's clients, people, regulators or other external stakeholders, in order to be satisfied that reputation issues are handled appropriately;
- 5.1.3 be kept updated on any major issues raised by regulators and how they are being addressed;
- 5.1.4 provide monthly reports to the board and, where deemed appropriate, escalate at any time any significant reputation related matters to the Board;

5.2 Monitoring of Threats

- 5.2.1 ensure the Committee is appropriately represented on (a) the regular (approximately weekly) conference calls or meetings convened by the Head of Corporate Affairs to monitor threats to the firm's reputation, and (b) any crisis response team established by the Senior Partner or Managing Partner, depending on the relevant circumstances;
- 5.2.2 receive monthly reports on any relevant reputational issues for the Committee to consider arising from the meetings referenced in 5.2.1 above;
- 5.2.3 receive regular (approximately monthly) updates on any relevant reputational or brand issues for the Committee to consider arising from threats, incidents or trends that exist or emerge internationally, through liaison between the Chairman, the Head of Corporate Affairs and the Head of Quality & Risk Management with their counterparts at KPMG International and across the KPMG network;

5.3 Horizon Scanning

- 5.3.1 seek input from both internal and external sources and perspectives with a forward-looking lens, and consider them in depth on at least a quarterly basis;
- 5.3.2 leverage tools, such as social media analyses, to monitor and investigate patterns;
- 5.3.3 ensure the appropriate delegation to the relevant management body or Board committee of any identified reputational issues;

5.4 Reputation Risk

- 5.4.1 at least annually review the reputation implications of the Enterprise Risk Management risk register / heat map;
- 5.4.2 review the firm's framework and processes for managing reputation risk, including high risk sectors and clients, as well as crisis response planning;
- 5.4.3 review the reputation risk aspects of (a) any actual incidents or crises, (b) the aggregation of issues, or (c) developments in the profession, in order to provide recommendations to the Board and/or ExCo;
- 5.4.4 monitor and advise the Board in relation to any network contagion risk impacting the firm's reputation;

5.5 Corporate Affairs and Communications

- 5.5.1 provide input to the Senior Partner and Board on the firm's public trust and brand positioning and key strategic messages; and
- 5.5.2 as requested by the Board, monitor execution of specific campaigns.

5.6 The Committee may submit any matter within its areas of responsibility to the Board for its consideration and, where relevant, approval.

5.7 In addition, members of the Committee may be requested by the Chairman or the Managing Partner to participate in specific Crisis Response Leadership Teams with relevant members of ExCo and others, as the need may arise.

6 Reporting

6.1 Minutes of each Committee meeting will be disclosed at the next meeting of the Board and periodically the Chair of the Committee shall report to the Board on matters within its duties and responsibilities.

6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of significant issues dealt with by the Committee.

6.3 The Committee shall work and liaise as necessary with other Committees of the Board, in particular the Audit & Risk Committee, the Ethics Committee and the Public Interest Committee.

7 Governance and Resources

7.1 The Committee shall, via the Secretary, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.

7.2 The Committee shall conduct an annual self-assessment under these Terms of Reference and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its annual plan of work is manageable.

7.3 The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk implications of its decisions.

7.4 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.

8 Terms of Reference

8.1 The Committee shall annually review its Terms of Reference and may recommend to the Board any amendments to its Terms of Reference.