

# *Appendix to the PwC SA Integrated Report 2017*

(read in conjunction with the  
PwC SA IR report pages 20-24)

## *Governance framework*

*Sound governance and transparency form the bedrock of good leadership. At PwC, we are committed to serving as a force for integrity, good sense and wise solutions to the problems facing businesses, capital markets, stakeholders and the broader society*

## Board subcommittees

The committees of the governance and governing boards and their roles and responsibilities are tabled below

### Board subcommittees: Roles and responsibilities

Committee	Responsibilities
 <p>Risk and Operations</p>	<p>The committee is responsible for assisting the Board with the oversight of a number of risk and operations matters, including:</p> <ul style="list-style-type: none"> <li>• Reviewing, prior to approval by the Board, the annual budgets, strategies and business plans for the firm and providing input into the content of such strategies and plans, where necessary; and</li> <li>• Reviewing, on recommendation of management, material transactions, financial commitments and other matters that could materially impact the business.</li> </ul> <p>The committee is also responsible for assisting the Board in ensuring that the related administrative activities and controls are soundly managed, that proper budgetary procedures are in place and that prompt recording of financial results and financial position is maintained. This includes:</p> <ul style="list-style-type: none"> <li>• Reviewing the firm’s procedures to ensure sound financial and internal controls and custody of assets;</li> <li>• Reviewing the plans and outcomes of internal and external audits;</li> <li>• Reviewing the quarterly financial statements and annual results;</li> <li>• Reviewing banking and loan facilities and approval levels and forward cover arrangements;</li> <li>• Ensuring compliance is maintained in terms of statutory, fiscal and financial requirements and regulations;</li> <li>• Ensuring that the firm’s computerised systems are maintained and adequate for its future needs;</li> <li>• Reviewing the procedures that are in place to ensure that the insurance of assets and risks are adequate; and</li> <li>• Drawing matters within its mandate to the attention of the governance board as occasion requires.</li> </ul>
 <p>Human Capital</p>	<p>In addition to the main Human Capital committee there are other committees that deal specifically with partners’ affairs, partner admissions and partner compensation. These committees assist the Board with the oversight of the following human capital matters:</p> <ul style="list-style-type: none"> <li>• Approving the determination of the evaluation and compensation of partners pursuant to the requirements of the partnership agreement; and</li> <li>• Approving the determination by management of the admission, withdrawal and removal of partners pursuant to the requirements of the partnership agreement.</li> </ul>

Committee	Responsibilities
 <p data-bbox="102 421 187 475"><b>Human Capital</b></p>	<p data-bbox="387 236 1421 261">The committee is responsible for assisting the Board with overseeing the firm’s compliance with:</p> <ul data-bbox="387 293 1910 571" style="list-style-type: none"> <li>• Policies and initiatives affecting the global and local strategic objectives of the human capital function including recruiting, and learning and education for partners and staff;</li> <li>• Initiatives, performance measures and metrics to assess the effectiveness of human capital strategies and policies;</li> <li>• The competitiveness of staff compensation and benefit programmes/initiatives and considering needs for new programmes/initiatives;</li> <li>• Ensuring management has appropriate processes in place to obtain feedback from partners and staff;</li> <li>• Ensuring appropriate and timely internal communication regarding human capital issues; and</li> <li>• Drawing matters within its mandate to the attention of the Governance Board as occasion requires.</li> </ul>
 <p data-bbox="102 804 208 826"><b>Appeals</b></p>	<p data-bbox="387 628 1817 708">This committee fulfils an independent role in terms of the partner compensation and appeals process. Membership of this committee comprises non-Board members, except for the chairperson of the committee. This committee considers partner appeals in respect of the following:</p> <ul data-bbox="387 740 855 900" style="list-style-type: none"> <li>• Remuneration awarded;</li> <li>• Partner portfolio mapping;</li> <li>• Partner evaluations; and</li> <li>• Application of the remuneration process.</li> </ul> <p data-bbox="387 922 1208 948">The decisions of the committee are final and binding on the parties involved.</p>
 <p data-bbox="102 1161 238 1216"><b>Clients and Markets</b></p>	<p data-bbox="387 986 1881 1043">This committee is responsible for assisting the Governance Board to oversee the firm’s client service and management strategies, including overseeing the effectiveness of marketing and comm</p>

Committee	Responsibilities
 <p data-bbox="104 432 242 453"><b>Governance</b></p>	<p data-bbox="393 236 1825 256">The mandate of the Governance committee is to assist the Governance Board with the oversight of the following governance matters:</p> <ul data-bbox="393 293 2034 528" style="list-style-type: none"> <li data-bbox="393 293 1491 314">• Managing and overseeing the process for the nomination and election of the territory senior partner;</li> <li data-bbox="393 341 1630 362">• Setting eligibility requirements for its members and for candidates to stand for election as territory senior partner;</li> <li data-bbox="393 389 1236 410">• Determining the evaluation and compensation of the territory senior partner;</li> <li data-bbox="393 437 2034 483">• Approving the procedures for the election of members of the governance board and implementing a nomination and election process for candidates to be elected to the governance board; and</li> <li data-bbox="393 507 1561 528">• Approving the procedures for partners' meetings and partner votes pursuant to the partnership agreement.</li> </ul>
 <p data-bbox="104 767 242 788"><b>Transformation</b></p>	<p data-bbox="393 587 2034 639">The mandate of the committee is to provide an objective and independent forum to discuss significant matters relating to transformation and to assist the Governance Board to oversee the following matters:</p> <ul data-bbox="393 676 2034 927" style="list-style-type: none"> <li data-bbox="393 676 1498 697">• Management embracing the principles of transformation across all the firm's line of service activities;</li> <li data-bbox="393 724 1395 745">• Management's development and implementation of an appropriate transformation strategy;</li> <li data-bbox="393 772 2034 793">• Monitoring and assessing the plans and processes in place to achieve the targets and the effectiveness thereof in terms of the transformation strategy;</li> <li data-bbox="393 820 1970 866">• Monitoring, reviewing and evaluating of the firm's progress on transformation, with specific reference to the seven primary transformation charter pillars; and</li> <li data-bbox="393 890 2034 936">• Assessing performance in each area of the B-BBEE scorecard and ensuring that meaningful progress is made to achieve targets for the firm and each line of service business area.</li> </ul>
 <p data-bbox="104 1155 221 1201"><b>Social and Ethics</b></p>	<p data-bbox="393 995 2008 1042">This committee is responsible for assisting the Governance Board to oversee the firm's client service and management strategies, including overseeing the effectiveness of marketing and comm</p>

