

Quality and integrity

Leading governance



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Strong governance and leadership structures help Deloitte member firms maintain high levels of quality and integrity, allowing them to sustain the trust of their clients, their people, the capital markets, and the public.

As a global network comprising Deloitte Touche Tohmatsu Limited (DTTL), its member firms, and each of their affiliates in more than 150 countries and territories, Deloitte has governance and management structures in place at both the global and member firm levels.

The DTTL Executive

The Executive, composed of senior leaders from DTTL and certain member firms, is responsible for establishing DTTL's vision and strategy. These senior leaders have DTTL management responsibility in areas such as:

- Clients, services, and talent;
- Operations;
- Regulatory; and
- Legal | Office of General Counsel [an ex-officio position].

The Executive complement also includes 10 member firm CEOs from those countries which have the greatest revenue impact on the network. Additionally, there are three regional managing directors, covering EMEA, the Americas, and Asia-Pacific. The DTTL leaders of Risk & Reputation and Strategy, Growth & Brand join the Executive as participating nonmembers as the agenda is relevant. The Executive works in a collegial style and reaches decisions through consensus.

DTTL Chief Executive Officer Barry Salzberg leads and manages the Executive. Salzberg began his four-year term on 1 June 2011. His appointment was ratified by the partners of the individual member firms. Salzberg appoints the members of the Executive subject to approval by the Governance Committee of the DTTL Board of Directors.

During FY2014, the Executive was composed of 19 members. Two new members joined the committee, replacing members who retired or completed their terms as member firm leaders.

The DTTL Board

The Board of Directors is DTTL's highest governing body. The Board addresses DTTL's most important governance issues, such as global strategies, major transactions, and the election of the CEO. During FY2014, the Board's 32 members represented 15 member firms covering more than 50 countries. Among the Board's committees is a standing Governance Committee, which exercises oversight of DTTL's management.

Steve Almond is the current Chairman of the DTTL Board. Like Salzberg, he began his four-year term of office on 1 June 2011.

Board members are appointed by individual member firms that are themselves selected based on size, the number of significant clients they serve, and other factors. The Board also includes three regional seats, ensuring smaller member firms are represented. Members of the DTTL Board are senior member firm partners or principals and are usually on the executives or boards of their member firms.

Determinations regarding the allocation of DTTL Board seats are made by the Board Composition Committee every four years with an interim review after two years. Board composition is multicultural with proportionate representation of member firms.

Gender is considered by member firms as they elect individuals to these positions. There are currently three women board members. Moreover, the CEOs of the Canada, France, UK, and U.S. member firms, who hold board seats, have exercised their rights, under DTTL's constitutional documents, to designate alternates, all of whom are women in FY2015 (started 1 June 2014).

Members of the Governance Committee are drawn from the 12 member firms that are considered to have the greatest impact on the network based on a number of metrics including, but not restricted to, revenue. The Committee engages in open discussions of issues and matters within its purview and makes recommendations to the Board of Directors. Each committee member has one vote on matters considered by the committee, except for the CEO, who is ex-officio. To avoid conflicts of interest, no member of the Governance Committee may also serve on the Executive, except for the CEO.

The Board's other subcommittees are responsible for considering and recommending action on a wide range of issues falling within their remit. They include Board Composition, Succession, Risk, Audit & Finance, Membership Affairs, and Chairman and CEO Evaluation and CEO Compensation.

The Board performs an annual self-assessment to gather feedback on its collective performance from individual Board members and to identify



[Learn more about how the DTTL Global Center for Corporate](#)

Governance collaborates with member firms to promote dialogue and activity on critical topic of corporate governance and its impact on corporations and their boards, investors, and others.

potential areas for operational improvements. As its name suggests, the Chairman and CEO Evaluation and CEO Compensation Committee objectively evaluates the goals and objectives of the CEO and Chairman, and recommends appropriate compensation for the CEO.

Member firm leadership

To foster effective and responsive management within member firms, DTTL has adopted standards describing specific leadership and governance structures to be implemented by member firms, including:

- A formal management structure, including an elected chief executive officer or managing partner who is responsible for managing the member firm and working with the member firm's leaders to align its functional and client strategies with DTTL;
- A governing body, such as a board of directors, to facilitate sound governance of the individual practice, including, among other things, the establishment of a formal nominating committee process to select the chief executive officer or managing partner of the member firm; and
- A representative, typically the chief executive officer or managing partner, to represent the member firm at the DTTL World Meeting. The World Meeting is held annually to discuss strategy and initiatives proposed by DTTL management. Representatives vote on specific DTTL matters, such as approval of Board members, financial statements, voting entitlements of the member firms, and changes in the governing documents.

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LEADING TOGETHER

LEADING WITH INTEGRITY

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Data privacy and security

Regulatory and public policy engagement

Ethics

Independence

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