

DAC Beachcroft Unveils Governance Changes To Underpin Programme of Business Modernisation

Published 27 October 2017

The Members of international law firm DAC Beachcroft LLP have voted to approve a new Members' Agreement (MA) for the business following an extensive consultation process.

The adoption of the new MA is a key part of a wider business review, which was started by Senior Partner, Virginia Clegg, and Managing Partner, David Pollitt, when they took up their roles in November 2015. It marks move towards a more corporate approach to decision-making while preserving the key aspects of a limited liability partnership.

DAC Beachcroft has adopted governance best practice and, while its Members retain ultimate control, by agreeing to extend the delegated authority of the LLP Group Board the firm's leadership now has greater decision-making ability in support of quick and efficient management.

The review and documentation were undertaken by Senior Partner, Virginia Clegg, and Giles Peel, who leads the firm's Governance Advisory practice.

Announcing the changes, Virginia Clegg said: "We see this as an important and exciting part of our whole business review. The Members' Agreement is designed to protect and future proof our business and will support a more diverse international business operating in a variety of highly competitive environments. I am confident that these changes will help us to continue to build on our success in delivering sustainable value for our clients and our colleagues."

"Importantly, we have embedded our Cultural Principles, which came out of the detailed work we undertook in 2016, within the Members' Agreement ensuring that our core behavioural values sit at the very heart of our business and that they are properly recognised and rewarded."

The key elements are:

- The LLP Board becomes the LLP Group Board, run by the Senior Partner, to manage the LLP Group.
- A Group Executive under the leadership of the Managing Partner, with express responsibilities delegated from the LLP Group Board.
- Greater clarity about roles, the division of responsibilities and operations between the Members, the LLP Group Board and the Group Executive.
- An LLP Group Audit Committee, with delegated responsibility for monitoring and advising on financial reporting matters and risk.
- An LLP Group Remuneration and Nomination Committee with delegated responsibility, among others, for making recommendations to the LLP Group Board on remuneration.
- Provision (if required) for the introduction of a non-member Chief Executive Officer, up to three Non-Executive board members of the LLP Group Board and a Company Secretary.
- Increased flexibility on Member remuneration.