

Call for EFRAG Board Candidates

7 June 2017

Dear Madam, Dear Sir,

Nominations for the EFRAG Board

Since 31 October 2014 EFRAG has been operating under a governance structure with the objective of Europe speaking with one voice. The EFRAG Board is responsible for all EFRAG positions, relying on the advice provided by the EFRAG Technical Expert Group (EFRAG TEG). All of EFRAG's draft and final due process documents are issued under the EFRAG Board's authority. The current EFRAG Board members will have served their first three year term in October this year and the first rotation of the Board is therefore due. The revised composition of the EFRAG Board will be effective from 1 November 2017 after appointment by the EFRAG General Assembly. All members whose term expires are eligible for reappointment.

In March 2017 EFRAG issued [a call for expressions](#) of interest for new member organisations aiming at broadening its membership among European organisations and National organisations with an interest in financial reporting.

The nomination and selection process is supported and coordinated by the [EFRAG General Assembly Nominating Committee \(EFRAG GA NC\)](#).

Call for candidates

EFRAG GA NC is launching this call for candidates for the EFRAG Board. Candidates can in principle only be nominated by European Stakeholder Organisations and National Standard Setters ("nominating organisations")¹. Individuals interested in putting forward their candidature for the EFRAG Board should therefore contact the relevant nominating organisation.

European Stakeholder Organisations or National Standard Setters proposing candidates for seats in the EFRAG Board for that sector, do so only after consultation with the other organisations in the sector, or the other relevant National Standard Setters.

In determining the renewed composition of the EFRAG Board, a high priority will be given to achieving a broad geographical spread and a gender balance. In order to promote a broad

¹ In general only organisations that contribute to the funding of EFRAG can nominate EFRAG Board members. In exceptional circumstances and at the discretion of the EFRAG General Assembly, however, candidates nominated by organisations who do not contribute to the funding of EFRAG can be appointed. These exceptional circumstances relate in particular to European organisations representing users of financial statements, including smaller investors.

geographical spread the EFRAG Internal Rules specify that no more than three EFRAG Board members can come from the same country.

Profile

EFRAG Board members should be high-level persons of recognised standing, competent and qualified within their professional or business background and have the knowledge and experience to assess the overall strategic and wider economic impacts of financial reporting, in particular how financial reporting is used and how it may affect economic growth and financial stability. EFRAG Board members should be financially knowledgeable and have a good understanding of financial reporting. They should exercise, or have exercised within the past three years, responsibilities either in the private sector or in the public sector that relate to financial or corporate reporting.

An understanding of the European and global economic environment and an insight in oversight structures and the political processes in the EU would also be an advantage. EFRAG Board members must uphold the highest standards of integrity, objectivity and discipline and must be able to work with another in reaching consensus.

The EFRAG Board works in a collegial atmosphere. The working language is English.

Additional information

The EFRAG Board typically holds 10 one-day meetings per year. In between meetings occasionally conference calls are organised.

EFRAG Board members must have sufficient time to attend and prepare for EFRAG Board meetings and participate in Committee work.

Appendix 1 lists the commitments of the EFRAG Board members. The role of the EFRAG Board is described in Appendix 2 and Appendix 3 is providing an extract of the [EFRAG Internal Rules](#) on the appointment and status of EFRAG Board members.

EFRAG Board members will receive no remuneration from EFRAG for their duties and are expected to bear their own expenses.

Nominating organisations should provide the expressions of interest for membership of the EFRAG Board at the latest by 4 September 2017 for the attention of Jean-Paul Gauzès, Chairman of the EFRAG GA Nominating Committee at nominations@efrag.org Expressions of interest should at minimum include an application letter and CV.

It would be helpful if the candidates for EFRAG Board membership could indicate in their CVs or application letters, how they meet the requested profile, as well as how familiar they are with EFRAG and European financial reporting interests and their implications for economic growth and financial instability; the candidates should also describe their experience with IFRS and their current involvement on the European and international financial reporting scene.

Candidates may be requested to attend an interview with a delegation of the EFRAG GA NC as part of the selection process. These interviews will take place in Brussels on Friday 6

October (preferred date) and Friday 13 October (fall back date). Candidates are requested to reserve these dates in their diaries.

Further information about EFRAG can be found on the [EFRAG website](#). In particular, the EFRAG [Annual Review](#) may be of interest.

We are looking forward to receiving the candidatures from the nominating organisations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JP Gauzès', written in a cursive style.

Jean-Paul Gauzès

Chairman of the EFRAG GA Nominating Committee

Appendix 1

Commitments of EFRAG Board members

Article 6 from the EFRAG Internal Rules

All EFRAG Board members are required to commit themselves formally to acting in the European public interest in all matters in their EFRAG Board member role, irrespective of the fact that they represent particular private or national interests. All members are also required to formally commit to:

- a) work in the context of the European IAS Regulation and make their best endeavours to help this Regulation best serve the European public interest;
- b) serve the objective of Europe speaking with one voice in accounting to the extent feasible and of making decisions within the EFRAG Board by consensus;
- c) deliver EFRAG positions in a timely manner thereby respecting EFRAG's due process, to allow EFRAG to influence the IASB's standard setting process in the most effective and efficient way and to submit endorsement advice in a timely manner on final standards and interpretations following a request of the European Commission;
- d) provide the rationale for their positions, so that EFRAG can be fully accountable to its stakeholders and European institutions;
- e) commit to EFRAG's due process including the public consultation process with European constituents; and
- f) exercise their judgement in their own right. They should have the mandate and confidence of the organisation by which they are nominated to contribute to the discussions and to the development of consensus-based European positions from a European public interest perspective.

Appendix 2

Role of the EFRAG Board

As extracted from Article 7.4.3 of the EFRAG Statutes and Article 6 from the EFRAG Internal Rules

The EFRAG Board has the following responsibilities:

- Appointing the CEO, the Chairman and the members of the EFRAG Technical Expert Group (EFRAG TEG) and oversee the appointment of any working groups by the Technical Expert Group;
- Approving the remuneration policy for EFRAG's staff and decide on the remuneration package for the Chairman of EFRAG TEG and the of the Technical Expert Group and the CEO;
- Fundraising;
- Recommending the approval of budgets and annual accounts to EFRAG General Assembly (EFRAG GA) and monitoring of expenditures;
- Reviewing internal rules and recommending changes of the EFRAG Statutes and EFRAG Internal Rules to the EFRAG GA;
- Approving the Annual Review;
- Being responsible for all positions of EFRAG, after having considered the technical advice provided by EFRAG TEG and reflecting the results of EFRAG's due process;
- Ensuring that EFRAG has an open and transparent due process including a public consultation process with European constituents on draft EFRAG positions;

In order to fulfil these latter two tasks the EFRAG Board is more specifically responsible for:

- Setting the strategic direction of EFRAG
- Providing directions to and request technical advice from EFRAG TEG on issues relevant for the EFRAG Board's positions including the due process; overseeing the work of the EFRAG TEG, and providing guidance and feedback to the EFRAG TEG on its work;
- Providing directions on the field work of EFRAG where specific consultations or investigations are deemed necessary to provide an economic assessment.
- Ensuring pooling of resources with National Standard Setters, European Stakeholder Organisations, European public institutions and other organisations.
- Advising the European Commission on the strategic direction in relation to financial reporting;
- Considering and commenting upon proposed developments to European regulations, directives, guidelines and guidance as requested by the European Commission;
- Deciding on the agenda of EFRAG's research activities, after consultation with the European Commission and after public consultation on possible projects to be included in the research agenda;
- Providing input to the IASB's agenda consultations after consultation with the European Commission and after public consultation.

Appendix 3

Extract from the EFRAG Internal Rules

Article 7 Appointment and status of EFRAG Board members

1. The President of the EFRAG Board is directly nominated by the European Commission, after having heard the Council of the European Union and the European Parliament, and is appointed by the EFRAG General Assembly (Article 7.2.2 d) of the EFRAG Statutes).
2. The EFRAG General Assembly will decide on appointments to the EFRAG Board with due consideration of the report of the President of the EFRAG Board supported by the EFRAG GA NC and the EFRAG Board member profiles.
3. Members of the EFRAG Board are appointed by the EFRAG General Assembly for a period of three (3) years renewable for a further three-year term. In exceptional circumstances a second extension of up to three (3) years can be granted (Article 7.3.1 of the EFRAG Statutes).
4. Paragraph 3 notwithstanding, the EFRAG General Assembly can organise the appointment of the members of the EFRAG Board in such a way that the EFRAG General Assembly will appoint each year one-third (1/3) of the members (i.e. staggered appointments).
5. Members of the EFRAG Board may not be represented by alternates.
6. Members of the EFRAG Board may in exceptional circumstances bring advisors to the meeting that specialise in certain topics. Advisors may be accorded speaking rights by the President of the EFRAG Board by invitation at all or part of any meeting as and when appropriate.
7. The EFRAG Board shall review its own performance annually and report to the EFRAG General Assembly. The EFRAG General Assembly will oversee the performance review process.
8. The EFRAG General Assembly is responsible for the compensation and travel policy for EFRAG Board members as deemed appropriate. These decisions require a qualified majority described in the EFRAG Statutes in Article 7.2.5. In the absence of any decision, no compensation is paid and no reimbursement of travel costs is paid. The EFRAG General Assembly approves the amount of any compensation granted to an individual EFRAG Board member. Any compensation of the President of the Board is determined in due consultation with the European Commission.
9. Where an EFRAG Board member has not attended five (5) consecutive regularly convened meetings of the EFRAG Board, the President of the EFRAG Board will liaise with the nominating organisation (s) to consider asking for his resignation (Article 7.3.2 of the EFRAG Statutes). The nominating organisations in case of resignation of an EFRAG Board member can nominate a replacement for the remaining term that meets the individual profile and quality criteria as set out in Article 4.5 in coordination with the EFRAG President and supported by the EFRAG GA NC if deemed necessary.

10. When an EFRAG Board member decides to resign from the EFRAG Board, the President of the EFRAG Board will liaise with the nominating organisation(s) to consider his replacement (Article 7.3.2 of the EFRAG Statutes). The nominating organisation(s) can nominate a replacement for the remaining term that meets the individual profile and quality criteria as set out in Article 4.5 in coordination with the EFRAG President and supported by the EFRAG GA NC if deemed necessary.

11. If an EFRAG Board member on the user organisations' seat and where applicable on other European Stakeholder Organisations seats or on the NSS seats from EEA countries other than France, Germany, Italy and the UK, resigns, the nominating organisation(s) of the resigning member nominates a replacement for the remaining term that meets the individual profile and quality criteria as set out in Article 4.5 in coordination with the EFRAG President and supported by the EFRAG GA NC if deemed necessary. In the situation the nominating organisation(s) is (are) unable to nominate a candidate meeting the individual and collective criteria, the EFRAG GA NC should issue a call for candidates.