

EFRAG ADMINISTRATIVE BOARD NOMINATING COMMITTEE

TERMS OF REFERENCE

[APPROVED BY THE EFRAG ADMINISTRATIVE BOARD IN ITS MEETING OF 4 MARCH 2025]

1. The EFRAG Administrative Board Nominating Committee (NC)

- 1.1 These terms of reference are established by the EFRAG Administrative Board.
- 1.2 The EFRAG Administrative Board Nominating Committee¹ (EFRAG Administrative Board NC) is a standing committee of the EFRAG Administrative Board set up in accordance with Art 7.3.7 of the EFRAG Statutes.
- 1.3 Its role is to assist the EFRAG Administrative Board in its responsibility for making recommendations on the composition and term of the EFRAG Reporting Boards to the EFRAG General Assembly and facilitate and coordinate the nomination process of the EFRAG Reporting Boards; to support the EFRAG Administrative Board in organising and overseeing the EFRAG Reporting Boards performance review process; and to support the EFRAG Administrative Board in assisting the EFRAG Reporting Boards in appointing members and Vice- Chairs of the EFRAG Reporting TEGs.
- 1.4 The EFRAG Administrative Board NC is appointed by the EFRAG Administrative Board and consists of members of the EFRAG Administrative Board with at least one representative from each of the Chapters: the European Stakeholders Organisations Chapter, the National Organisations Chapter and the Civil Society Organisations Chapter with relevant experience for the tasks of the Committee.
- 1.5 The EFRAG Reporting Boards designate up to four members, including the Chair of the EFRAG Reporting Board, to participate in the supporting and selection process for the appointment of the members and Chair of their related EFRAG Reporting TEG. The EFRAG Reporting TEG Chair also participates in the supporting and selection process for the appointment of EFRAG Reporting TEG members and is consulted, when his or her mandate expires, on the candidates for EFRAG Reporting TEG Chair.
- 1.6 The EFRAG Administrative Board President either chairs the EFRAG Administrative Board NC or delegates this task to another EFRAG Administrative Board member, while remaining responsible for the neutrality of proceedings.

¹ Based on Article 23 of the EFRAG Internal Rules

1.7 The European Commission can participate in the EFRAG Administrative Board Nominating Committee as an observer with speaking rights.

Quorum and decision rules

1.8 The following quorum and decision rules apply²:

- Two-thirds (2/3) of the members of the EFRAG Administrative Board NC including the members designated by the EFRAG Reporting Boards in case of the EFRAG Reporting TEGs selection process present or represented by a written proxy constitute a quorum.
- Decisions by the EFRAG Administrative Board NC require the support of a simple majority of those present. Notwithstanding the above, the Committee would strive for consensus in its recommendations to the EFRAG Administrative Board.

1.9 In situations where the votes the EFRAG Administrative NC are evenly split, the EFRAG Administrative Board NC reports the situation to the EFRAG Administrative Board, explaining the reasons for the different views expressed without expressing a formal recommendation.

1.10 A proxy may only be given to another EFRAG Administrative Board NC member. No member may hold more than one proxy.

2. Role³

2.1. The role of the EFRAG Administrative Board NC is to provide advice and make recommendations to the EFRAG Administrative Board as follows:

- a) Assist the EFRAG Administrative Board in fulfilling its responsibility for making recommendations on the composition and term of the EFRAG Reporting Boards to the EFRAG General Assembly and facilitate and coordinate the nomination process of the EFRAG Reporting Boards.
- b) Support the EFRAG Administrative Board in organising and overseeing the EFRAG Reporting Boards performance review processes.
- c) Support the EFRAG Administrative Board in assisting the EFRAG Reporting Boards in appointing members and Vice-Chairs of the EFRAG Reporting TEGs including:
 - i. Seek candidates for membership of EFRAG Reporting TEGs;
 - ii. Identify qualified candidates (which include candidates nominated by and coming from National Standard Setters) against the criteria set out in the call for candidates.

² Article 23.4 of the EFRAG Internal Rules.

³ Article 22.2 of the EFRAG Internal Rules, see appendix

- iii. Make recommendations to the EFRAG Reporting Boards for appointments of EFRAG Reporting TEGs members including the Vice-Chairs and the term of such appointments.
 - iv. The EFRAG Administrative Board NC will liaise with the EFRAG Administrative Board Remuneration Committee before discussing any remuneration conditions with candidates for the EFRAG Reporting TEG Chair positions.
- d) Provides advice on recruitment of members of the management team (other than the EFRAG Reporting TEG Chairs who are covered as EFRAG Reporting TEG members).
- e) Make recommendations to the EFRAG Administrative Board on the recruitment of the EFRAG CEO (Art 7.3.4.1 of the EFRAG Statutes).

3. Modus Operandi

Meetings

- 3.1 The EFRAG Administrative Board NC Chair convenes the meetings and prepares the agenda. The agenda is circulated no later than five working days before the meeting. Additional background papers and material are circulated five working days in advance of the meeting.

4. EFRAG Reporting Boards

Terms of appointment⁴

- 4.1 Members (including Chair and Vice-Chair) of the EFRAG Reporting Boards are appointed by the EFRAG General Assembly for a period of three years renewable for a further three-year term. In exceptional circumstances, further extensions of up to three years can be granted.
- 4.2 An exception can be made for the members appointed on the nomination of National Organisations or their National Standard Setters, the EFRAG General Assembly can make an exception to the maximum term of 6 years if, and only during the term, the member is the Chair of the National Standard Setter.
- 4.3 The EFRAG General Assembly can organise staggered appointments of the members of the EFRAG Reporting Boards by appointing one-third of the members each year.
- 4.4 The Chairs of the EFRAG Reporting Boards are directly nominated by the European Commission, after having heard the European Parliament and the Council of the European Union, and are appointed by the EFRAG General Assembly.

⁴ Article 26.4 of the EFRAG Internal Rules, see appendix

4.5 Members of the EFRAG Reporting Boards may not be represented by alternates.

4.6 An EFRAG Reporting Board member who has not attended three (3) consecutive regularly- convened meetings of the EFRAG Reporting Board for whatever reason is assumed to have resigned. In such a circumstance, The EFRAG Administrative Board President will liaise with the nominating organisation (s) for his/her replacement for the remaining term that meets the individual profile and quality criteria supported by the EFRAG Administrative Board NC.

4.7 When an EFRAG Reporting Board member decides to resign from the EFRAG Reporting Board or the nominating organisation(s) decides to request his/her removal, the EFRAG Administrative Board President will liaise with the nominating organisation(s) to consider his/her replacement. In coordination with the President of the EFRAG Administrative Board and supported by the EFRAG Administrative Board NC, the nominating organisation(s) can nominate a replacement for the remaining term that meets the individual member profile and quality criteria. In case the nominating organisations entitled to nominate candidates for the EFRAG Reporting Board seat concerned are unable to agree on a replacement, the nominating organisations can put forward candidates and the EFRAG Administrative Board supported by its Nominating Committee will recommend the replacement to the EFRAG General Assembly taking into account the individual and collective membership criteria.

Performance reviews EFRAG Board

4.8 The EFRAG Reporting Boards review their own performance annually and report to the EFRAG Administrative Board. The EFRAG Administrative Board (supported by its Nominating Committee) will oversee and organise the performance review process and present the results to the General Assembly.

Process and call for candidates

4.9 A member of the EFRAG Administrative Board NC from a particular Chapter cannot vote on the recommendation of a candidate for the EFRAG Reporting Board membership of the nominating organisation if there is more than one candidate for the EFRAG Reporting Board seat concerned. In case of more than one candidate per seat, the EFRAG Administrative Board NC will recommend the most qualified candidates based on their profile and taking into account the professional background, and geographical and gender balance in the EFRAG Reporting Boards. The voting process for the recommendation of the composition of the EFRAG Reporting Boards should be organised in such a way that no conflict of interest would arise.

4.10 The EFRAG Administrative Board supported by its Nominating Committee launches a call for candidates from European Stakeholder Organisations and National Standard Setters from EEA countries other than countries with permanent seats, and Civil Society Organisations if applicable; and recommends the most

qualified candidates to the EFRAG General Assembly taking into account the individual and collective criteria.

4.11 The EFRAG Administrative Board Nominating Committee will make recommendations to the EFRAG Administrative Board for submission to the EFRAG General Assembly on the process and composition of the EFRAG Reporting Boards indicating the names of those candidates nominated and recommended for appointment, together with the term for such appointments and with an indication the CVs are available at request.

Communication and recommendations to the EFRAG Board

4.12 The EFRAG Administrative Board Nominating Committee provides regular progress reports to the EFRAG Administrative Board on the nomination process and progress made in order to ensure that the EFRAG Administrative Board is properly informed at all stages of the nomination and selection process.

4.13 The EFRAG Administrative Board Nominating Committee will provide its recommendations for (re)appointments and the term of the (re)appointment following the interviews, in principle at least 10 days before the EFRAG Administrative Board meeting in which the recommendations are to be agreed and also at least 10 days before the EFRAG General Assembly meetings in which the appointments are to be approved.

4.14 Successful candidates will be informed by telephone, webcast meeting or e-mail. Unsuccessful candidates will be informed at the same time. EFRAG will publish a list of new appointments as soon as candidates have been informed – i.e. as soon as possible after the EFRAG General Assembly meeting and preferably at least two months before the date of expiration of their term.

4.15 Exit interviews should be undertaken with leaving EFRAG Reporting Board members by a member of the EFRAG Administrative Board Nominating Committee and by the EFRAG Reporting Board Chair. However, part of the interview should be without the EFRAG Reporting Board Chair. The EFRAG Administrative Board should be informed about the main issues resulting from the interview.

5. EFRAG Reporting TEGs and their Chairs

Terms of appointment⁵

5.1 Members of EFRAG Reporting TEGs are appointed for terms of up to 2 years, renewable to the extent that the total term as a member of the EFRAG Reporting

⁵ Article 37 of the EFRAG Internal Rules, see appendix

TEGs does not exceed 6 years. Where an ad hoc vacancy arises from a resignation or for any other reason, the incoming candidate will initially be appointed to complete the term of appointment of the outgoing member.

- 5.2 An exception can be made to the requirement in 5.1 in relation to EFRAG Reporting TEGs members with a country liaison role that are nominated by and coming from the National Standard Setters of France, Germany and Italy that are technical director or have a similar function of the National Standard Setter. The EFRAG Administrative Board supported by its Nominating Committee can recommend to the EFRAG Reporting Boards to make an exception to the maximum term of 6 years for those members.
- 5.3 However, if the working relationship with their respective National Standard Setter or National Organisation would terminate during the appointment term, then the EFRAG Reporting TEG membership terminates at that same date. The National Standard Setter/ National Organisation concerned nominates a new candidate for EFRAG Reporting TEG membership.
- 5.4 Former EFRAG Reporting TEG members and former EFRAG Reporting TEG Country Liaison members may reapply for EFRAG Reporting TEG membership after a cooling-off period of at least three years from the end of their membership.
- 5.5 The maximum period that any EFRAG TEG member can serve on EFRAG TEG is 12 years.
- 5.6 A member of the EFRAG Reporting TEGs cannot be a member of the EFRAG Reporting Boards.
- 5.7 The EFRAG Reporting Board may appoint a Vice-Chair of the EFRAG Reporting TEG who will substitute the EFRAG Reporting TEG Chair when necessary.
- 5.8 When a suitable candidate has been identified in the nomination process, but for any good reason cannot be appointed, the EFRAG Reporting Board on recommendation of the EFRAG Administrative Board may ask whether the candidate would agree to be registered on a list of qualified candidates for a maximum period of two years. When a member of the EFRAG Reporting TEG resigns or is no longer able to fulfil his responsibilities, the EFRAG Reporting Board, on the proposal of the EFRAG Administrative Board, may decide to appoint a suitable candidate who is on the list of qualified candidates, without a public call for applications.

Performance reviews EFRAG TEG

- 5.1 The EFRAG Reporting TEGs review their own performance annually and report to their EFRAG Reporting Board and to the EFRAG Administrative Board and its Nominating Committee⁶.

⁶ Not a formal requirement in the EFRAG Internal Rules but good practice

Call for candidates⁷

5.2 When new appointments are to be made, the search for candidates shall normally be announced no later than 5 months in advance of the date of appointment unless the vacancy arises unexpectedly at a later date. The EFRAG Administrative Board supported by its Nominating Committee aims at submitting the call for candidates in relation to the yearly EFRAG Reporting TEGs rotation process in the first half of July⁸.

5.3 The call for candidates is accompanied by explanations that make it clear that candidates are chosen primarily on the basis of technical corporate reporting competences, subject matter knowledge and practical experience but that in order to achieve an appropriate balance and diversity, EFRAG will also take other factors into account. In particular, EFRAG will consider the balance between preparers, professional accountants/auditors, users, academics and where applicable civil society organisations (including NGOs, trade unions and consumer organisations) and other relevant backgrounds, together with the balance of geographic backgrounds. EFRAG also aims at respecting an appropriate gender balance.

5.4 The call for candidates will also indicate the principles used in the nomination process:

- The nationality of EFRAG Reporting TEG members with a user or civil society organisations background would not be taken into account in considering and respecting the geographical balance; they have in many cases a European profile;
- For the purpose of determining geographic spread, in the selection process both the nationality and the country in which a candidate has gained his or her main professional experience are considered;
- Members of National Standard Setters/National Organisations are eligible for appointment and may continue in both roles, provided they are able to devote the necessary time to EFRAG's activities.

5.5 EFRAG Reporting TEG members are required to commit themselves formally to acting in the European public interest in all matters in their EFRAG Reporting TEG member role.⁹

5.6 In the selection process the EFRAG Administrative Board supported by its Nominating Committee applies in addition the principle that EFRAG TEG members that had initially been appointed for one year would in principle be reappointed on the condition that the evaluation of their performance and attendance is positive.

5.7 The call for candidates indicates the dates for the (physical) interviews.

⁷ Article 23 and 24 of the EFRAG Internal Rules, see appendix

⁸ Exceptions may be made during the first period of establishment of the EFRAG Sustainability Reporting TEG

⁹ Art 38.9 EFRAG Internal Rules

5.8 The search process will involve at least:

- Publication of potential vacancies on the EFRAG website.
- Notification of the invitation for candidates to European Stakeholder Organisations, National Standard Setters of EEA countries and, where applicable, Civil Society Organisations.
- Consideration of further steps to be taken to attract suitable candidates.

Seeking suitable candidates

5.9 Following the call for candidates, a two-month period is at least allowed for names to be put forward. Candidatures may be submitted on an individual basis or may be supported by an organisation or National Standard Setter. The EFRAG Administrative Board and its Nominating Committee should also proactively, with help of the relevant EFRAG Reporting Board, EFRAG Member Organisations and National Standard Setters, identify suitable candidates.

5.10 In the event that there are insufficient suitable candidates, the call for candidates should be relaunched or the deadline to put forward candidatures should be extended.

5.11 The candidates are required to submit an application and a CV. A shortlist of candidates, meeting the required criteria and profile, is drawn up for interview. Certain candidates may first be interviewed by webcast meeting. As applicants might not wish their candidature to be made public, the EFRAG Administrative Board supported by its Nominating Committee does not advise the EFRAG Reporting Board of the names of all candidates but indicates the number of applicants, the reasons for its recommendations and the names and CVs (at request) of those it recommends for appointment to the EFRAG Reporting TEG. The EFRAG Administrative Board is informed about the names and CVs of all candidates for EFRAG Reporting TEG's Chairmanship

5.12 Interviews will be held sufficiently early to provide the EFRAG Reporting Board with recommendations on the EFRAG Reporting TEG members to be appointed and reappointed and allowing EFRAG to announce publicly the new appointments well in advance of the rotation date with the (re)appointments taking effect from 1 April for the EFRAG FR TEG and 1 May for the EFRAG SR TEG.

5.13 At least three members of the EFRAG Administrative Board Nominating Committee should participate in the interviews of candidates and a recording (with consent of the candidate) and rough notes the interviews held should be prepared and made available to all members of the EFRAG Administrative Board Nominating Committee (subsequently to be deleted for GDPR reasons see below).

5.14 The EFRAG Administrative Board Nominating Committee members may observe EFRAG Reporting TEG meetings during the year to evaluate the performance of existing EFRAG Reporting TEGs members and EFRAG Reporting TEGs Chair. The

EFRAG Administrative Board Nominating Committee through the additional members of the EFRAG Reporting Boards may also have the opportunity to evaluate the performance of existing EFRAG Reporting TEG members during joint EFRAG Reporting Board and the related EFRAG Reporting TEG meetings, EFRAG CFFS meetings that take place from time to time.

- 5.15 Members of EFRAG Reporting TEGs eligible for re-appointment are required to advise the Chairs of the EFRAG Reporting Boards and the EFRAG Administrative Board President and the EFRAG Reporting TEG Chair or EFRAG CEO of their interest in being re-appointed as soon as possible, preferably at least six months before the expiry of their term but in any case no later than the closing date for nominations in the call for candidates.

EFRAG Reporting TEG Chairs

- 5.16 At least 6 months before the end of the first term of up to three years, the EFRAG Reporting TEG Chair indicates whether he or she is available for reappointment. If the existing EFRAG Reporting TEG Chair indicates he/she is available the EFRAG Administrative Board Nominating Committee evaluates his/her performance and makes a recommendation to the EFRAG Administrative Board as to whether or not to reappoint the existing EFRAG Reporting TEG Chair.

- 5.17 If the existing EFRAG Reporting TEG Chair is not available for reappointment, or if the EFRAG Administrative Board in consultation with the Chair of the relevant EFRAG Reporting Board decides not to reappoint the existing EFRAG Reporting TEG Chair, a call for candidates for EFRAG Reporting TEG Chair is issued.

- 5.18 The existing EFRAG Reporting TEG Chair should be consulted on the candidates for chairmanship but should not be involved in the interviews of the candidates and the final decision on the EFRAG Reporting TEG Chair.

- 5.19 The existing EFRAG Reporting TEG Chair should not communicate externally or collectively with the EFRAG Administrative Board, the EFRAG Reporting Board or EFRAG Administrative Board Nominating Committee on issues regarding the nomination process of the EFRAG Reporting TEG Chair without first briefing and consulting with the EFRAG Administrative Board President.

Communication and recommendations to the EFRAG Administrative Board and the EFRAG Reporting Board

- 5.20 The EFRAG Administrative Board Nominating Committee provides regular progress reports to the EFRAG Administrative Board and to the relevant EFRAG Reporting Board on the nomination process and progress made in order to ensure that the EFRAG Administrative Board is properly informed at all stages of the nomination and selection process.

5.21 The EFRAG Administrative Board Nominating Committee will provide its recommendations for (re)appointments and the term of the (re)appointment following the interviews, in principle at least 10 days before the EFRAG Administrative Board meeting in which the recommendations are to be agreed and also at least 10 days before the EFRAG Reporting Board meetings in which the appointments are to be approved.

5.22 Successful candidates will be informed by telephone, webcast meeting or e-mail. Unsuccessful candidates will be informed at the same time. EFRAG will publish a list of new appointments as soon as candidates have been informed – i.e. as soon as possible after the EFRAG Reporting Board meeting and preferably at least two months before the date of expiration of their term.

5.23 Exit interviews should be undertaken with leaving EFRAG Reporting TEG members by a member of the EFRAG Administrative Board Nominating Committee that is designated by the relevant EFRAG Reporting Board and by the EFRAG Reporting TEG Chair. However, part of the interview should be without the EFRAG Reporting TEG Chair. The EFRAG Administrative Board and the EFRAG Reporting Board should be informed about the main issues resulting from the interview.

6. Confidentiality, privacy and data protection

6.1 All members of the EFRAG Administrative Board and EFRAG Administrative Board Nominating Committee should respect the confidential nature of the information circulated as part of the consultation process. The EFRAG Administrative Board Nominating Committee members should consult as considered appropriate with EFRAG Member Organisations and National Standard Setters concerning individual candidates. Personal data and other confidential information may not be shared with third parties except to the extent necessary for the purposes for which the personal data and/or confidential information were initially collected.

6.2 EFRAG Administrative Board members, EFRAG Administrative Board Nominating Committee members, members of the EFRAG Reporting Boards that participate in the EFRAG Administrative Board Nominating Committee and the EFRAG Secretariat should not collect and process more personal data, such as contact details, CVs, short descriptions photos, interview notes and recordings than needed for the intended purposes. In addition, EFRAG Administrative Board members, EFRAG Administrative Board Nominating Committee members and the EFRAG Secretariat should keep personal data no longer than needed for the EFRAG Reporting TEG appointment process:

- unsuccessful candidates: all personal data to be removed when the EFRAG Reporting Board has approved the new composition of the EFRAG Reporting TEG or the EFRAG General Assembly the composition of the EFRAG Reporting Board.

- candidates that are not appointed to EFRAG Reporting TEGs but are included in the list of qualified candidates: all personal data to be removed when the two years period for being on the list of qualified candidates has expired;
- candidates that are appointed to the EFRAG Reporting TEGs and the EFRAG Reporting Boards: personal data will be kept during their appointment term (maximum of six years (whereby the six years are not necessarily sequential), or in case of the EFRAG TEG (Vice-) Chair and some other exceptions as included in the EFRAG Internal Rules twelve years)

6.3 The performance reviews of individual EFRAG Reporting Board members and of EFRAG Reporting TEG members will be kept during their appointment term (maximum of six years (whereby the six years are not necessarily sequential), or in case of the EFRAG Reporting TEGs (Vice-) Chair and where applicable Country Liaison EFRAG Reporting TEGs members, EFRAG Reporting Boards (Vice-) Chairs twelve years) for maximum one year thereafter.

6.4 In case of a data breach, meaning that personal data was accidentally or unlawfully disclosed to unauthorized persons, destructed, lost, altered or otherwise processed in breach of the initial purposes, the relevant EFRAG Administrative Board members, EFRAG Administrative Board Nominating Committee members, members of the EFRAG Reporting Boards that participate in the EFRAG Administrative Board Nominating Committee and the EFRAG Secretariat should immediately contact EFRAG at [saskia.slomp @efrag.org](mailto:saskia.slomp@efrag.org).

7. Advisory Role on recruitment of members of the management team

7.1 The EFRAG Administrative Board Nominating Committee advises the EFRAG management team at the request of the EFRAG CEO on recruitment of members of the management team (other than the EFRAG Reporting TEG Chairs who are covered as EFRAG Reporting TEG members).¹⁰

7.2 The advisory role consists of:

- Giving input to the development of the profile of the management function;
- Actively stimulating candidates to apply for the management function (through the networks of the Committee members);
- Where relevant seeking and checking out references for shortlisted or preferred candidate(s);
- Assessing the candidate recommended by the EFRAG management against the profile based on CV, description of short list of candidates and the motivation of the management for selecting the candidate.

¹⁰ This additional responsibility is advisory in nature and therefore not laid down in the EFRAG Internal Rules

7.3 The final decision remains with the EFRAG management team in line with the EFRAG governance as laid down in the EFRAG Statutes and EFRAG Internal Rules.

7.4 The EFRAG Administrative Board Nominating Committee makes recommendations to the EFRAG Administrative Board on the recruitment of the EFRAG CEO.

7.5 The confidentiality, privacy and data protection requirements as set out in section 6 apply equally to the personal data shared with the EFRAG Administrative Board Nominating Committee as part of the recruitment process for management functions. EFRAG Administrative Board Nominating Committee members and the EFRAG Secretariat should keep personal data no longer than needed for the EFRAG recruitment process for management functions.

Appendix Extract of the EFRAG Internal Rules in relation to the Nomination and Appointment of EFRAG Reporting Board and EFRAG Reporting TEG members

ARTICLE 22 Nomination procedure for EFRAG Reporting Boards' members (EFRAG Financial Reporting Board – EFRAG FRB and EFRAG Sustainability Reporting Board – EFRAG SRB)

1. The EFRAG Reporting Boards shall comprise individuals nominated by organisations in the Chapters relevant for their pillar (Financial reporting pillar and sustainability reporting Pillar) (i.e. European Stakeholder Organisations, National Organisations and Civil Society Organisations). Each nominated individual should have a general understanding of corporate reporting, the relevant subject matters and its interaction with economic policy
2. In addition to the composition in the relevant Chapters, the mix of EFRAG Reporting Boards' members shall reflect a diversity of geographical origin, gender and professional backgrounds. In order to achieve such a balance not more than three (3) members should come from the same country unless exceptional circumstances arise. Any appointment resulting from exceptional circumstances should be on a temporary basis (not exceeding a period of 6 months) and upon recommendation of the EFRAG Administrative Board. The EFRAG Administrative Board decides whether exceptional circumstances exist on a case-by-case basis.
3. Only candidates nominated by members organisations that contribute to the funding of the relevant pillar (Financial reporting pillar or Sustainability reporting pillar) can be appointed as an EFRAG Reporting Board member with the exception of organisations in the Civil Society Organisations Chapter for the Sustainability reporting pillar. No nationality restrictions are imposed on the EFRAG Reporting Board members with a civil society background with a maximum of two members representing the Civil Society Chapter with the same nationality.
4. In nominating candidates, the nominating organisations take into account the profile and criteria for EFRAG Reporting Board members.
5. In order for a National Organisation or National Standard Setter to be entitled to nominate candidates for the EFRAG Reporting Boards, the National Organisation should yearly contribute the GDP/size criterion standard contribution in accordance with Art 2.4 and 2.6. If the amount resulting from the application of Articles 2.4 and 2.6 is lower than fifty thousand (50K) euro, the National Organisation or National Standard Setter is not entitled to nominate a candidate to the EFRAG Reporting Board unless it increases its contribution to fifty thousand (50K) euro.
6. In order for a sector to be entitled to nominate candidates for the EFRAG Reporting Boards, the sector should yearly contribute the standard contribution in accordance with Art 2.3 and 2.5 unless the EFRAG General Assembly grants an exemption for the term of the appointment.
7. In order for a Civil Society Organisation to be entitled to nominate candidates for the EFRAG SRB, the Civil Society Organisation should yearly contribute the standard contribution in accordance with Art 2.7 unless the EFRAG General Assembly grants an exemption for the term of the appointment.
8. Organisations nominating members for the EFRAG Reporting Boards shall be ready to provide an alternative candidate if this is needed to meet the collective criteria.
9. A member of the EFRAG Reporting Boards cannot be at the same time member of the EFRAG Reporting TEGs.
10. EFRAG Reporting Board members should ideally meet certain high-level criteria including:

- a) Being a high-level person with strong and recognised standing, competent and qualified within his professional background;
- b) Being financially knowledgeable and having a good understanding of corporate reporting and the subject matters and its implications in particular, how it is used and how it may affect economic growth and financial stability;
- c) Exercising, or having exercised in the recent past, responsibilities to understand the interactions of corporate reporting with economic growth and financial stability;
- d) Having a general understanding of the work of European and national regulatory and oversight bodies and of the IFRS Foundation and other relevant global and regional standard setters and initiatives;
- e) Having the necessary degree of integrity, objectivity and discipline;
- f) Being capable of working with one another in reaching consensus views. Members must be able to put this objective above individual philosophies and interests; and
- g) Being committed to provide the time needed.

ARTICLE 23 EFRAG Administrative Board Nominating Committee (EFRAG Administrative Board NC)

1. The EFRAG Administrative Board NC consists of members of the EFRAG Administrative Board with at least one (1) representative from the following Chapters (European Stakeholder Organisations, National Organisations and Civil Society Organisations) with relevant experience for the tasks of the Committee. The EFRAG Reporting Boards designate up to four members, including the Chair of the EFRAG Reporting Board, to participate in the supporting and selection process for the appointment of the members and Chair of their related EFRAG Reporting TEG. The EFRAG Reporting TEG Chair also participates in the supporting and selection process for the appointment of EFRAG Reporting TEG members and is consulted, when his or her mandate expires, on the candidates for EFRAG Reporting TEG Chair. The President of the EFRAG Administrative Board either chairs the EFRAG Administrative Board NC or delegates this task to another EFRAG Administrative Board member, while remaining responsible for the neutrality of proceedings. The European Commission can participate in the EFRAG Administrative Board Nominating Committee as an observer with speaking rights.
2. The role of the EFRAG Administrative Board NC is to provide advice and make recommendations to the EFRAG Administrative Board as follows:
 - a) Assist the EFRAG Administrative Board in fulfilling its responsibility for making recommendations on the composition and term of the EFRAG Reporting Boards to the EFRAG General Assembly and facilitate and coordinate the nomination process of the EFRAG Reporting Boards. This role includes ensuring a proper representation of professional background, geographical and gender balance and subject matter expertise, and facilitating the replacement in case of resignation of an EFRAG Reporting Board member.
 - i. A member of the EFRAG Administrative Board NC from a particular Chapter cannot vote on the recommendation of a candidate for the EFRAG Reporting Board membership of the nominating organisation if there is more than one candidate for the EFRAG Reporting Board seat concerned. In case of more than one candidate per seat, the EFRAG Administrative Board NC will recommend the most qualified candidates based on their profile and taking into account the professional background, and geographical and gender

- balance in the EFRAG Reporting Boards. The voting process for the recommendation of the composition of the EFRAG Reporting Boards should be organised in such a way that no conflict of interest would arise.
- ii. The EFRAG Administrative Board launches a call for candidates from European Stakeholder Organisations and National Standard Setters from EEA countries other than countries with permanent seats, and Civil Society Organisations if applicable; and recommends the most qualified candidates to the EFRAG General Assembly taking into account the individual and collective criteria.
 - iii. The EFRAG Administrative Board NC will make recommendations to the EFRAG Administrative Board for submission to the EFRAG General Assembly on the process and composition of the EFRAG Reporting Boards indicating the names of those candidates nominated and recommended for appointment, together with the term for such appointments and with an indication that the CVs are available at request.
- b) Support the EFRAG Administrative Board in organising and overseeing the EFRAG Reporting Boards performance review processes.
- c) Support the EFRAG Administrative Board in assisting the EFRAG Reporting Boards in appointing members and Vice-Chairs of the EFRAG Reporting TEGs including:
- i. Seek candidates for membership of EFRAG Reporting TEGs;
 - ii. Identify qualified candidates (which include candidates nominated by and coming from National Standard Setters) against the criteria set out in the call for candidates, respecting a balanced composition of the EFRAG Reporting TEGs in professional experience, subject matter knowledge, gender and geographical origin. In particular, the EFRAG Administrative Board NC will consider the balance between preparers, professional accountants/auditors, users, academics, and where relevant, civil society and other relevant backgrounds. They will also consider the balance of geographic backgrounds and gender and, to achieve the widest possible geographical spread, not more than three (3) EFRAG Reporting TEG members can come from the same country unless exceptional circumstances arise. Any appointment resulting from exceptional circumstances should be on a temporary basis (not exceeding a period of 6 months) and be made upon the recommendation of the EFRAG Administrative Board. The EFRAG Administrative Board advises the EFRAG Reporting Boards whether exceptional circumstances exist on a case-by-case basis. No nationality restrictions are imposed on EFRAG Reporting TEG members with a user or civil society background;
 - iii. Make recommendations to the EFRAG Reporting Boards for appointments of EFRAG Reporting TEGs members including the Vice-Chairs and the term of such appointments. The EFRAG Administrative Board NC supports the EFRAG Administrative Board in making its recommendations to the relevant EFRAG Reporting Board by assessing the proposed candidates against the individual profile and respecting the collective criteria and thereafter recommends the most qualified candidates within the context of the overall composition of EFRAG Reporting TEGs. Candidates are chosen primarily on the basis of their technical competences and practical experience. Candidates nominated by and coming from National Standard Setters should equally meet the criteria and profile established for EFRAG Reporting TEG members.
 - iv. The EFRAG Administrative Board NC will liaise with the EFRAG Administrative Board Remuneration Committee before discussing any remuneration conditions with candidates for the EFRAG Reporting TEG Chair positions.
3. The EFRAG Administrative Board NC Chair convenes the meetings and prepares the agenda. The agenda is circulated no later than five (5) working days before the meeting. Additional background papers and material are circulated five (5) working days in advance of the meeting.

4. Two-thirds (2/3) of the members of the EFRAG Administrative Board NC including the members designated by the EFRAG Reporting Boards in case of the EFRAG Reporting TEGs selection process present or represented by a written proxy constitute a quorum and decisions by the EFRAG Administrative Board NC require the support of a simple majority of those present. A proxy may only be given to another EFRAG Administrative Board NC member. No member may hold more than one (1) proxy.

ARTICLE 24 Nomination procedure for EFRAG Reporting TEG members

1. The call for candidates for EFRAG Reporting TEG members is launched by the EFRAG Administrative Board NC no later than five (5) months in advance of the date of the appointment. If the vacancy arises unexpectedly with less than five (5) months' notice, the five (5) month period mentioned above may be shortened as necessary so as to minimise the period in which a vacancy remains unfilled.
2. The call for candidates is accompanied by explanations that make it clear that candidates are chosen primarily on the basis of their technical corporate reporting competences, subject matter knowledge and practical experience but that, in order to achieve an appropriate balance and diversity, EFRAG will also take other factors into account. In particular, EFRAG will consider the balance between preparers, professional accountants/auditors, users, academics and, where applicable, Civil Society Organisations (including NGOs, trade unions and consumer organisations) and other relevant backgrounds, together with the balance of geographic backgrounds.
3. The search process involves at least the following:
 - a) Publication of potential vacancies on the EFRAG website;
 - b) Notification of the invitation for candidates to European Stakeholder Organisations, National Standard Setters of EEA countries and, where applicable, Civil Society Organisations; and
 - c) Consideration of further steps to be taken to attract suitable candidates.
4. The procedure for seeking candidates is as follows:
 - a) Following the call for candidates, a minimum of two (2) months is allowed for names to be put forward. Candidatures may be submitted on an individual basis or may be supported by an organisation or National Standard Setter.
 - b) Candidates are required to submit an application. A short list of candidates meeting the required criteria and profile is drawn up for interviews. As applicants might not wish their candidature to be made public, the EFRAG Administrative Board supported by its Nominating Committee does not advise the EFRAG Reporting Board of the names of all candidates but indicates the number of applicants, the reasons for its recommendations and the names and CVs (at request) of those it recommends for appointment to the EFRAG Reporting TEG. The EFRAG Administrative Board is informed about the names and CVs of all candidates for EFRAG Reporting TEG's Chairmanship.
 - c) Members of the EFRAG Reporting TEG eligible for re-appointment are required to advise the Chairs of the EFRAG Reporting Board and EFRAG Administrative Board President of their interest in being re-appointed as soon as possible, preferably at least six (6) months before the expiry of their term and no later than the closing date for nominations in the call for candidates.

5. In providing recommendations to the EFRAG Reporting Board, the EFRAG Administrative Board (based on the recommendation of its Nominating Committee) applies the following procedures:
 - a) Recommendations for appointments should be made to the EFRAG Reporting Board as soon as possible following the interviews so that the EFRAG Reporting Board can confirm appointments at its next meeting;
 - b) Recommendations for appointment should include recommendations regarding the term of appointment; and
 - c) EFRAG publishes a list of new appointments as soon as all candidates have been informed of the outcome of their application, i.e., after the EFRAG Reporting Board meeting and at least two (2) months before the date the effective date of the EFRAG TEG membership.

[...]

Article 26 Appointment and Status EFRAG Reporting Board members

1. The Chairs of the EFRAG Reporting Boards are directly nominated by the European Commission, after having heard the European Parliament and the Council of the European Union, and are appointed by the EFRAG General Assembly (Art 7.2.2 j) of the EFRAG Statutes).
2. Having considered the recommendations of the EFRAG Administrative Board supported by the EFRAG Administrative Board NC, the EFRAG General Assembly appoints the EFRAG Reporting Board members and Vice-Chair.
3. If the Chair of the EFRAG Reporting Board is neither able nor available to exercise the duties for a significant period, and whilst awaiting for the nomination or appointment of his/her replacement during any election period, the EFRAG General Assembly appoints an acting Chair of the EFRAG Reporting Board after considering the recommendations of the EFRAG Administrative Board supported by the EFRAG Administrative Board NC and in due consultation with the European Commission. The acting Chair of the EFRAG Reporting Board can be chosen from among the EFRAG Reporting Board members (including the Vice-Chair).
4. Members of the EFRAG Reporting Boards are appointed by the EFRAG General Assembly for a period of three (3) years renewable for a further three-year term. In exceptional circumstances, further extensions of up to three (3) years can be granted.
5. For the members appointed on the nomination of National Organisations or their National Standard Setters, the EFRAG General Assembly can make an exception to the maximum term of six (6) years if, and only during the term, the member is the Chair of the National Standard Setter.
6. Paragraph 3 notwithstanding, the EFRAG General Assembly can organise staggered appointments of the members of the EFRAG Reporting Boards by appointing one-third (1/3) of the members each year.
7. Members of the EFRAG Reporting Boards may not be represented by alternates.
8. Members of the EFRAG Reporting Boards may, in exceptional circumstances, invite advisors that specialise in certain topics to the meeting. The EFRAG Reporting Board Chair may accord speaking rights to advisors during all or part of the meeting as and when appropriate.

9. The EFRAG Reporting Boards shall review their own performance annually and report to the EFRAG Administrative Board. The EFRAG Administrative Board (supported by its Nominating Committee) will oversee and organise the performance review process and present the results to the General Assembly.
10. An EFRAG Reporting Board member who has not attended three (3) consecutive regularly- convened meetings of the EFRAG Reporting Board for whatever reason is assumed to have resigned. In such a circumstance, The President of the EFRAG Administrative Board will liaise with the nominating organisation (s) for his resignation (Art 7.3.2 of the EFRAG Statutes). In case of resignation of an EFRAG Reporting Board member, the nominating organisations can nominate a replacement for the remaining term that meets the individual profile and quality criteria as set out in Art 23.10 in coordination with the President of the EFRAG Administrative Board and supported by the EFRAG Administrative Board NC.
11. When an EFRAG Reporting Board member decides to resign from the EFRAG Reporting Board (Art 7.3.2 of the EFRAG Statutes) or the nominating organisation(s) decides to request his/her removal, the President of the EFRAG Administrative Board will liaise with the nominating organisation(s) to consider his/her replacement. In coordination with the President of the EFRAG Administrative Board and supported by the EFRAG Administrative Board NC, the nominating organisation(s) can nominate a replacement for the remaining term that meets the individual member profile and quality criteria as set out in Article 23.10. In case the nominating organisations entitled to nominate candidates for the EFRAG Reporting Board seat concerned are unable to agree on a replacement, the nominating organisations can put forward candidates and the EFRAG Administrative Board supported by its Nominating Committee will recommend the replacement to the EFRAG General Assembly taking into account the individual and collective membership criteria.

[...]

ARTICLE 37 Appointment of Technical Experts

1. On the recommendation of the EFRAG Administrative Board, supported by its Nominating Committee, the EFRAG Reporting Boards appoint the members of EFRAG Reporting TEGs for terms of up to two (2) years, renewable to the extent that the total term as a member of the EFRAG Reporting TEGs does not exceed six (6) years. Where an ad hoc vacancy arises from a member resignation or for any other reason, the incoming candidate will initially be appointed to complete the term of the outgoing member.
2. For the members appointed on the nomination of National Standard Setters or National Organisations in accordance with Article 38.2, the EFRAG Reporting Board can decide to make an exception to the maximum term of six (6) years for those members if the EFRAG Reporting TEG member is the technical director¹¹ of the National Standard Setter given the nature of the country liaison function. The maximum period that such an EFRAG Reporting TEG member can serve is twelve (12) years.
3. Former EFRAG Reporting TEG members and former EFRAG Reporting TEG Country Liaison members may reapply for EFRAG Reporting TEG membership after a cooling-off period of at least three years from the end of their membership. The maximum number of years that anybody can be an EFRAG Reporting TEG member is twelve years.
4. A member of the EFRAG Reporting TEGs cannot be a member of the EFRAG Reporting Boards.

¹¹ Or equivalent at national level

5. The EFRAG Administrative Board appoints the EFRAG Reporting TEG Chairs for a term of up to three (3) years, renewable to the extent that the total period of service as EFRAG Reporting TEG Chair does not exceed six (6) years (i.e., not including any period as an ordinary member of EFRAG Reporting TEG). The maximum period that the EFRAG Reporting TEG Chair can serve in any capacity on EFRAG Reporting TEG is twelve (12) years.
6. The EFRAG Reporting Board may appoint a Vice-Chair of the EFRAG Reporting TEG who will substitute the EFRAG Reporting TEG Chair when necessary.
7. When a suitable candidate has been identified in the nominating process, but for any good reason cannot be appointed, the EFRAG Reporting Board, on the recommendation of the EFRAG Administrative Board may ask whether he/she would agree to be registered on a list of qualified candidates for a maximum period of two years. When a member of the EFRAG Reporting TEG resigns or is no longer able to fulfil his responsibilities, the EFRAG Reporting Board, on the proposal of the EFRAG Administrative Board, may decide to appoint a suitable candidate who is on the list of qualified candidates, without a public call for applications as set out in Art 24.