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**International
Accounting Standards
Committee Foundation**

This document is provided as a convenience to observers at IASCF meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

IASCF Meeting with Monitoring Board 1 April 2009

Agenda Paper MB 4

Proposed process for Trustees Appointments in 2009

This year will be the first year that Trustee appointments will be made under new Monitoring Board procedures. Under the arrangement, a nominations process is to be agreed with the Monitoring Board, and the Trustees are then to manage the process and make recommendations to the Monitoring Board for their approval.

This paper represents the proposal of the Trustees' Nominating Committee, which was tasked with developing a structured process for Trustee appointments and reappointments to recommend to the Monitoring Board.

The Trustees are looking for agreement with the members of the Monitoring Board before initiating the process.

Positions up for consideration

The Trustees and the Monitoring Board will have up to seven positions to consider—four of which being possible reappointments. The following Trustees have terms expiring at the end of 2009:

- **Phil Laskawy**, Vice Chairman of the Trustees; retired CEO and Chairman, Ernst & Young (United States)
- **Bertrand Collomb**, Honorary Chairman, Lafarge; Former Chairman, Association Française des Entreprises Privées (France)
- **David Sidwell**, Former Chief Financial Officer, Morgan Stanley; Director, UBS, Board Member, Federal National Mortgage Association (United States)

- **Paul Tellier**, Former President and CEO, Bombardier and CN; former Clerk of the Privy Council and Secretary of the Cabinet, Director, Tio Tinto plc and Rio Tinto Ltd; Director McCain Foods; Chairman, Global Container Terminals (Canada)
- **Jeff van Rooyen**, Chief Executive, Uranus Investment Holdings; former Vice Chairman, Executive Committee, International Organization of Securities Commissions (IOSCO); former CEO, South African Financial Services Board (South Africa)
- **Luigi Spaventa**, Former Chairman, Commissione nazionale per le società e la borsa (Consob); Professor Emeritus, University of Rome; former Minister of the Budget (Italy)

Phil Laskawy and Bertrand Collomb are not eligible for reappointment, while the others are. The other four members have indicated their willingness to accept reappointment if invited. Because of their effective participation in Trustee activities, the Trustees are minded to recommend reappointing these four eligible Trustees, subject to the agreed process established in consultation with the Monitoring Board.

The Trustees also indicated that they should consider the status of Trustees who failed to participate regularly in scheduled Trustee and Committee meetings (defined as approximately two-thirds of scheduled meetings) and to undertake regular outreach with relevant public officials and interested parties within their own country. The Trustees will notify the Monitoring Board of any Trustees who have failed to attend to their duties.

Constitutional and practical considerations

Geographical diversity: The Constitution requires the following balance of Trustees—six from Asia-Oceania, six from Europe, six from North America, and four from any region. The current balance of Trustees is the following: six from Asia-Oceania, eight from Europe (including the Chairman), six from North America, one from Africa, and one from South America. It is recommended that the geographical balance remain the same to reflect the balance of the world’s economies and active use of IFRSs, although there is some flexibility among the number of European Trustees and candidates (because of Europe’s overweighting versus the Constitutional requirement).

Other issues related to diversity of Trustees: There is a desire to identify more women candidates for the Trustees. Furthermore, the Trustees have actively searched for members from both the investor and preparer (corporate) communities. There is a continuing desire among key stakeholders to have these perspectives reflected among the Trustees’ membership.

Proposed process for consideration of appointments and reappointments

With the above considerations in mind, the Nominating Committee is proposing the following process for appointments and reappointments.

Related to reappointments:

- The Trustees should inform the members of the Monitoring Board at the April 1 meeting that the Trustees are likely to recommend the reappointments of:
- **David Sidwell**, Former Chief Financial Officer, Morgan Stanley; Director, UBS, Board Member, Federal National Mortgage Association (United States)

- **Paul Tellier**, Former President and CEO, Bombardier and CN; former Clerk of the Privy Council and Secretary of the Cabinet, Director, Tio Tinto plc and Rio Tinto Ltd; Director McCain Foods; Chairman, Global Container Terminals (Canada)
- **Jeff van Rooyen**, Chief Executive, Uranus Investment Holdings; former Vice Chairman, Executive Committee, International Organization of Securities Commissions (IOSCO); former CEO, South African Financial Services Board (South Africa)
- **Luigi Spaventa**, Former Chairman, Commissione nazionale per le società e la borsa (Consob); Professor Emeritus, University of Rome; former Minister of the Budget (Italy)
- After the April meeting, the Trustees would consult with relevant parties in the home jurisdictions of those Trustees eligible for reappointment to help ensure that there remained widespread support for the particular Trustees' continued membership. Assuming that there is support, the Trustees then would make a formal recommendation to reappoint eligible Trustees.
- The Trustees would provide a month or more to enable the Monitoring Board to consider these possible reappointments and to provide comments to the Trustees.
- At the end of the month, the Trustees and the Monitoring Board would share information, and assuming that no objections existed, the Monitoring Board would confirm reappointment.
- If a reappointment was not recommended, then the Trustees and Monitoring Board would follow the procedures for general appointments, described below.

Proposed process for appointments

I am proposing the following process for new appointments:

- In April, the Trustees should advertise for a minimum of two positions (Laskawy and Collomb) in order to invite nominations from Europe and North America. The advertisement will be released in early April in the *Economist* and provide six weeks for nominations.
- In April and May, the Trustees will provide the opportunity for the Monitoring Board to put forward candidates for consideration by the Trustees during the period of advertisement.
- Simultaneously, the Trustees will write relevant stakeholder groups, particularly from the investor, preparer and official communities, to seek nominations.
- In June, the Nominating Committee will then develop a possible shortlist of candidates based upon the input received from the Monitoring Board and other parties and will conduct background research where appropriate.
- At the July Trustees' meeting, the Nominating Committee would present a recommendation to the full Trustees' meeting.

- Once supported by the Trustees, the Trustees would formally present nominations to the Monitoring Board for consideration. The process should be complete by September.