Our governance, as codified in our Constitution, is founded on our market-led strategy, as well as our reliance on effective partnerships to fulfil our mission. It strikes an important balance between the legal authority and responsibilities of our Board and the significant weight and influence of our Council.

There were no significant changes in our structure and governance processes in the year – you can find a summary in Supplementary Information. Below we focus on governance activities and developments in 2019.

### OUR BOARD

The Board comprises leaders whose individual backgrounds and combined experience reflect our broad constituency base. The skills and diversity of Board members lend healthy debate, guidance and discipline to such activities as strategic development and risk management.

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**HOW OUR GOVERNANCE SUPPORTS VALUE CREATION**

**AUTHORITY AND CREDIBILITY**

- **Our Council** provides global coverage – at a very senior level – of all parts of the corporate reporting system, with global, institutional and regional impact and influence. It provides the IIRC with its crucial voice as an ‘umbrella’ framework for corporate reporting, with a mandate for global system change.

- Our robust governance and the calibre of our governing body members, as monitored by the Governance and Nominations Committee, provides the IIRC with legitimacy as a global player in the corporate reporting system.

- These attributes enhance market acceptance of our outputs and lead to our invitation to global policy discussions.

- The quality and diversity of our **Board** also enrich our strategic decisions.

- Engagement with Council ensures we remain market-led, their experience and diversity ensuring we understand and appropriately connect to market developments.
BOARD OF DIRECTORS
At the date of this report (2019 meeting attendance rate in brackets)

Barry Melancon, (100%)
Chair of the Board
CEO of the Association of International Certified Professional Accountants and President and CEO of the American Institute of CPAs (AICPA), Barry is a recognized expert and leader in the accounting profession and is active in shaping the role and responsibilities of the profession.

Aron Cramer (60%)
President and CEO of Business for Social Responsibility since 2004, Aron is recognized globally as a pre-eminent authority on corporate responsibility and sustainability strategy by business, NGOs, and the public sector.

Richard Sexton (80%)
Richard worked at PwC for 38 years before retiring as Vice Chairman, Global Assurance in 2018. Richard was a member of PwC’s Global Leadership Team with responsibility for assurance and audit, was formerly PwC’s UK Assurance Leader and the inaugural Head of Reputation and Policy.

Michael Bray (100%)
27 years a KPMG Australia audit partner, Michael is a Director of Better Business Reporting, and KPMG Fellow of Integrated Reporting at Deakin University. Michael is also a Project Executive of the Australian Business Reporting Leaders Forum and formerly a Director of the Australian Energy Policy Institute.

Helen Brand OBE (80%)
Chief Executive of the Association of Chartered Certified Accountants (ACCA) since 2008, Helen is a regular media commentator on the role ethics and the delivery of public value play in business and society.

Izumi Kobayashi (80%)
Izumi is an independent board member of several Japanese corporations and involved in a variety of initiatives to improve corporate governance and corporate disclosure. Prior to this Izumi was CEO and Executive Vice President of the Multilateral Investment Guarantee Agency in the World Bank Group.

Pru Bennett (100%)
(Appointed August 2019)
Pru advises boards on corporate governance and shareholder related issues with a focus on improved and sustainable shareholder value. She is a member of the Advisory Council for Oasis Capital and until January 2019, was a Managing Director and Head of Investment Stewardship for APAC at BlackRock.

Louise Davidson (100%)
AM - CEO of the Australian Council of Superannuation Investors since 2015, Louise was made a Member of the Order of Australia in 2019 for significant service to the superannuation and funds management sectors, and to breast cancer research.

David Nussbaum (100%)
Deputy Chair of the Board
David is Chief Executive of The Elders, a group of independent global leaders working to promote peace and human rights founded by Nelson Mandela, and formerly Chief Executive of WWF-UK and Chair of the International WWF Global Climate and Energy Initiative.

UK Sinha (100%)
UK is formerly Chairman of Securities and Exchange Board of India (2011-2017) and Chairman of the Asia Pacific Regional Committee of the International Organization of Securities Commissions. UK has actively contributed to financial sector reforms and starting the micro pension movement in India.

Directors that have stood down:  Alessandro Broedel Lopes, January 2019 | Richard Howitt, Chief Executive Officer, June 2019
BOARD EVALUATION 2019

Though not a legal requirement, the Board undertook its second biennial Board evaluation in 2019 (prior to the departure of CEO Richard Howitt), which comprised feedback from the IIRC Board, and the Chairs of the Council and Governance and Nominations Committee.

It was noted that since the last evaluation the IIRC has gone through significant operational change; it has transitioned from its Breakthrough strategic phase into its Momentum Phase, witnessed the emergence of new organizations and initiatives in the market and had its CEO depart. The overall view of the Board’s effectiveness remains positive and there continued to be consensus that the IIRC has a well-functioning Board. The recommendations made were therefore on the basis of further improving the Board’s effectiveness, the most noteworthy of which were:

- Further refinement of IIRC’s objectives that support its strategic ambitions, with appropriate metrics to monitor success.
- Reinforcing and further embedding the IIRC’s culture.

CHANGE OF CEO

The IIRC’s CEO Richard Howitt departed in June 2019 after nearly three years service. Charles Tilley OBE has been appointed Interim CEO in order to bring continuity of leadership at the executive level. Charles has been integral to our movement since inception; as Chair of the Technical Task Force that oversaw the development of the <IR> Framework, as a Council member in his former role as CIMA CEO and latterly as special adviser to the IIRC Board Chair and CEO. The process to appoint a new CEO has begun, with the active search to be initiated once our future strategy is decided upon in 2020.

BOARD MEETINGS

There were five Board meetings in 2019, three teleconferences and two in-person, with 89% attendance rate (2018: 81%). In 2019 the Board’s focus included detailed discussion and direction regarding:

- Exploring strategic initiatives with partners to bring clarity and address confusion in the corporate reporting system.
- Undertaking ongoing evaluation of the IIRC’s management strategy, its capacity and resources and its longer-term focus in order to position the IIRC well for the future and maintain a resilient organization.
- Driving forward the Momentum Phase whilst developing strategies to appropriately position the IIRC for the Global Adoption Phase of 2021.
- Developing thought leadership critical to building credibility.
- Increasing and maintaining relevance to key stakeholders and partners across the IIRC’s activities.
- Monitoring and providing direction on the adoption, relevance, and associated guidance of the <IR> Framework.
- The departure of the IIRC CEO Richard Howitt and the subsequent process to appoint a replacement.

ATTRIBUTES

It is important for our Board to offer a suitable mix of relevant experience, geographic spread, and gender balance.

Experience of the Board

(Directors can have experience in more than one category)

<table>
<thead>
<tr>
<th>Number of Directors</th>
<th>Academia</th>
<th>Accounting profession</th>
<th>Business and other Reporter Entities</th>
<th>Civil Society</th>
<th>Framework Developer/Standard Setter</th>
<th>Policymakers, Regulators and Exchangers</th>
<th>Providers of Financial Capital</th>
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Geographic spread of the Board

OUR COUNCIL

The Council comprises Board or senior executive level designates from our coalition organizations, expressing the coalition’s broad market view and collective voice. Changes to organizations represented on Council are shown below.

A full list of our 68 Council members, and our other governance body members, at the year end is provided as supplementary information here.

Though it is challenging to maintain a high attendance rate at Council (and other governance) meetings due to the seniority and geographic spread of members, these attendance figures are lower than we would like. In 2019 the IIRC initiated a review of the role, processes and constituency of the Council that will continue into 2020 to ensure we have optimal engagement and that the coalition continues to drive developments in corporate reporting globally and be a significant source of the IIRC’s authority and credibility.

In 2019 the Council:

- Reinforced the role of the Council as the key forum for expressing the IIRC coalition’s collective voice and maximizing its effectiveness in undertaking its role.
- Supported efforts to bring clarity and combat confusion in the corporate reporting system.
- Engaged on a number of strategic discussions, including the perceived proliferation of reporting standards, market and economic trends, drawing on its collective expertise to help drive corporate reporting reform.

COUNCIL CHAIR

Chair of Council, Dominic Barton, McKinsey Global Managing Partner Emeritus, stepped down as Council Chair at the end of 2019 as his new appointment as the Canadian Ambassador to China precluded him continuing in this role. However, Dominic will continue to support our mission. Co-Deputy Council Chairs, Peter Bakker and John Stanhope, will share the Chair’s responsibilities until a new Chair is appointed.
Composition of Council

- Policy Makers, Regulators and Exchangers: 5
- Academia: 2
- Civil Society: 6
- Accounting profession: 21
- Framework Developer/Standard setter: 8
- Business and other Reporter Entities: 16
- Providers of Financial Capital: 10

GOVERNANCE AND NOMINATIONS COMMITTEE

There were two in-person GAN Committee meetings in 2019. Attendance rate was 79% (2018: 53%).

<IR> FRAMEWORK PANEL

The Panel met five times in 2019 to provide input and advice on a two-year technical programme. This programme, featuring some 40 action items, stemmed from the IIRC’s <IR> Framework implementation feedback exercise in 2017. The Panel also laid important groundwork for the 2020 <IR> Framework revision.

IIRC AMBASSADORS

Our Ambassadors seek to support the mission and work of the IIRC by helping to promote our aims. Engagement of Ambassadors and leveraging their voice more in key markets is an area for development.