

USER PANEL

TERMS OF REFERENCE

EFRAG has decided to establish a User Panel (the Panel) to assist the EFRAG Technical Experts Group (TEG) in its work by providing input from the user community on its comment letters and endorsement advice. In addition the Panel will be asked to give input on the long-term proactive work carried out by EFRAG itself and the projects carried out in connection with the *Proactive Accounting Activities in Europe* in partnership with the European standard setters. When appropriate, the Panel will also assist the user representatives in the various EFRAG working groups.

The intention is to try and seek the Panel's input on all issues to be dealt with by the TEG, but sometimes (because of, for example, timing issues) that will not be practicable and it is not a requirement for TEG to obtain the Panel's input before it issues letters, advice or papers.

Composition of the Panel:

- The intention is that the Panel members should be actual users of financial statements and that the membership as a whole should cover - and achieve a reasonable balance between - all user groups including financial analysts and investors taking investment decisions.
- The members should have a good mix of country backgrounds, but should also reflect the size of the various capital markets in Europe.
- Members should have an interest in IFRS accounting issues and have some knowledge of international accounting standards and accounting practice.
- The intention is that the Panel will have at least 10 members and not more than 20.
- The Panel will be chaired by a member of the EFRAG TEG and assisted by the EFRAG secretariat. The TEG member with a user background will be member of the Panel.

Meetings of the Panel:

- The Panel is to meet for one day every three months in Brussels. Its meetings will be organised so as to enable most members to travel to and from Brussels on the same day.
- The members of the Panel will be provided with supporting papers that will be made available via EFRAG's website about a week before the meeting. The intention is that those papers will make input possible with a reasonable level of preparation.
- The exact format of Panel meetings will vary, with the Panel sometimes meeting with all of the EFRAG TEG and sometimes with representatives from EFRAG TEG.
- The intention is to hold the first meeting in November 2006 depending on the availability of the members.

EFRAG is a low cost organisation and therefore the members will be expected to cover their own travel and potential accommodation costs.

If you have any queries concerning the Panel, please contact the EFRAG TEG Chairman, Stig Enevoldsen, at stig@efrag.org or on +32-2 210 44 00.

More information on EFRAG is available from its website (www.efrag.org). A particularly useful source of information is EFRAG's annual review, which can be downloaded from EFRAG's website by going to the news item on the home page dated 24 May 2006 or can be obtained in hardcopy form from the secretariat.

Brussels, 20 August 2006