

Memorandum of Understanding

dated

28 November 2014

between

as parties hereto

International Integrated Reporting Council ('the IIRC')

10 Lincoln's Inn Fields

London

WC2A 3BP

United Kingdom

and

IFRS Foundation

30 Cannon Street

London

EC4M 6XH

United Kingdom

(each individually a 'Party' and collectively, the 'Parties')

Whereas:

- Integrated Reporting <IR> is a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation and an integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term;
- The IIRC's mission is to enable <IR> to be embedded into mainstream business practice in the public and private sectors. Its long-term vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm. The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as forces for financial stability and sustainability;
- IFRS Foundation is an independent, not-for-profit private sector organization working in the public interest whose principal objectives are to:

- Develop a single set of high quality, understandable, enforceable and globally accepted international financial reporting standards ('IFRSs'), based upon clearly articulated principles, through its standard-setting body, the International Accounting Standards Board ('the IASB');
 - Promote the use and rigorous application of those standards;
 - Take account of the financial reporting needs of emerging economies and small and medium-sized entities; and
 - Promote and facilitate adoption of IFRSs, being the standards and interpretations issued by the IASB;
- The Parties share a vision of the evolution of corporate reporting for the 21st century in which harmonization and clarity of corporate reporting frameworks, standards and requirements that drive coherence, consistency and comparability lead to improved efficiency and effectiveness in corporate reporting practices; and
 - The Parties recognize the benefits to be achieved through cooperation, coordination and alignment of their respective focus on - and activities relating to the further evolution of - corporate reporting;

The Parties agree as follows:

1. Purpose

- 1.1 The purpose of this memorandum of understanding ('MoU') is to articulate the basis and general principles for ongoing cooperation, coordination and alignment between the Parties to promote, support and contribute to the realization of their mutual interests, notably in relation to:
- Efforts to promote the global harmonization and clarity of corporate reporting frameworks, standards and requirements in ways that drive coherence, consistency and comparability, leading to improved efficiency and effectiveness in corporate reporting practices;
 - The development of their respective reporting frameworks, guidelines and standards; and
 - The related transparency and sharing of relevant and significant information between them.

2. Acknowledgments

- 2.1. IFRS Foundation acknowledges that the IIRC's primary role is to maintain and further develop the International <IR> Framework, including the wide promotion of <IR> adoption and leading practice.
- 2.2. The IIRC acknowledges that IFRS Foundation's primary role, acting through the IASB, is to develop and promote the adoption of consistent internationally accepted and applicable financial reporting standards.
- 2.3. Both Parties acknowledge the complementarity of their respective primary roles, on the basis that financial reporting delivers components that are integral to <IR> and is a key pillar on which <IR> is based. Both Parties participate in the Corporate Reporting Dialogue, convened by the IIRC, and acknowledge its aim to promote greater coherence, consistency and comparability between corporate reporting frameworks and standards.

3. Commitments

3.1. Each Party commits to:

- i) Respect the integrity of the other Party's primary role, defer to it on related matters and collaborate with it to fulfil the Parties' respective primary roles in ways that further their mutual interest.
- ii) Proactively engage with each other to: (a) communicate about the direction, content and ongoing process to develop their respective frameworks, guidelines and standards; and (b) strive for complementarity and compatibility (to the extent relevant, applicable and practicable) in the ongoing development and maintenance thereof.
- iii) Work proactively with the other Party to identify ways and means by which <IR> and financial reporting standards can be aligned to strengthen corporate reporting.
- iv) Facilitate regular, frequent and meaningful exchange of information with the other Party on relevant aspects of their respective activities and other matters of common interest, expressing a common voice where possible.
- v) Explore diverse ways in which to extend and strengthen collaboration with the other Party, in each case on terms to be agreed between the Parties.
- vi) Work together with the other Party towards appropriate long-term institutional and governance arrangements that promote the ongoing evolution of corporate reporting on an internationally applicable and accepted basis.

4. Consultation

- 4.1. Each Party undertakes to enter promptly into consultation with the other Party at the latter's request with respect to any matter arising in relation to their respective activities.
- 4.2. The Parties shall endeavour to resolve real or potential conflicts of interest promptly and in good faith.

5. Intellectual property

- 5.1. Each Party will share with the other Party such concepts, ideas and other facets of its intellectual property as are relevant and appropriate to advance the collaborative ends of this MoU, provided that neither Party shall seek to benefit unduly in any way from the other Party's intellectual property and each Party will respect the intellectual property rights of the other by reference to the latter's related policies and procedures and in accordance with relevant laws. All intellectual property rights in any materials, documents, software or other items created by or licensed to either Party will remain vested in such Party (or its licensors).
- 5.2. The Parties will on a case-by-case basis agree in advance and in writing on the extent to which, by reference to their respective policies and procedures and in accordance with relevant laws, each will enjoy intellectual property rights relating to new materials, documents, software or other items created by the Parties, individually or collectively, as a result of collaboration with each other further to this MoU.

6. Confidentiality

- 6.1. Each Party will use information gained as a result of collaboration with the other Party further to this MoU with due discretion and solely to the ends for which it was provided.
- 6.2. Neither Party will, without the other Party's prior agreement, during the period covered by this MoU or at any time thereafter, for any reason whatsoever disclose to any third party or in any way make use of, any information provided to it by, or otherwise acquired from, the other Party which is: (a) not in the public domain; or (b) is marked, considered, or by its nature would reasonably be expected to be treated as confidential.

7. Costs

- 7.1. Nothing under this MoU shall be taken to represent a commitment of funds on the part of either Party and, unless otherwise agreed between the Parties in writing, each Party will bear its own costs relating to activities undertaken further to this MoU.

8. Publicity

- 8.1. The Parties may make public reference to the existence of this MoU as they think relevant and appropriate.

9. Use of logos and trademarks

- 9.1. Either Party may, with the prior written consent of the other Party, use, where relevant and appropriate, the other Party's logo or trademark, which each Party will make available to the other in digital format for such use on request.
- 9.2. The Parties undertake not to use each other's logo or trademark, provided in terms of this MOU, for any purpose other than as determined in the written consent.

10. Institutional arrangements

- 10.1. The Parties will periodically review whether, to what extent and in what capacity each will be represented on the other's bodies, subject to the provisions of their respective constitutional arrangements and policies from time to time applicable relating to such appointments.

11. Contact

- 11.1. Each party will designate a staff member to act as the primary contact for coordination of all matters arising in relation to, or further to, this MoU and facilitate the exchange of information between the parties on matters of common interest.

11.2. As at the date hereof, the parties' designated primary contacts are as follows:

	For the IIRC	For IFRS Foundation
Name:	Neil Stevenson	Yael Almog
Title:	Managing Director, Global Implementation	Executive Director
Telephone:	+44 20 7504 2573	+44 20 7246 6450
Email:	neil.stevenson@theiirc.org	yalmog@ifrs.org
Postal address:	10 Lincoln's Inn Fields London WC2A 3BP United Kingdom	30 Cannon Street London EC4M 6XH United Kingdom

11.3. Either Party may at any time revise its designated primary contact point by notice to the other.

11.4. Any notice required to be provided hereunder shall be deemed duly given if made by either Party to the other Party's designated primary contact in writing, which for the purposes hereof shall include by email.

12. Status of MoU

12.1. This MoU represents an expression of common intent and nothing herein shall be construed as creating a joint venture, agency relationship or legal partnership between the Parties. No provision of this MoU shall be construed so as to in any way interfere with the respective decision-making processes of the Parties with regard to their own respective work and operation.

12.2. Neither Party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other.

13. Validity

13.1. This MoU shall be effective from the date of signature by both Parties until 31 December 2017 inclusive. Its validity may be extended by agreement in writing between the Parties.

13.2. This MoU may be terminated by either Party for reasonable cause upon three months' prior written notice to the other Party, such notice to provide the grounds for termination.

14. Revisions

14.1. Any revisions to this MoU shall be agreed in writing between the Parties.

15. Assignment

15.1. Neither Party may assign or otherwise transfer its rights or obligations hereunder, or any part thereof, to any third party without the prior written approval of the other Party.

16. Disputes

16.1. The Parties will endeavour to resolve any dispute as between them relating to the interpretation of this MoU, or any matter covered by it, through negotiation and constructive discussion between senior personnel.

Signed for agreement and acceptance for and on behalf of the Parties.

The IIRC

IFRS Foundation



By: Paul Druckman

By: Hans Hoogervorst

Title: Chief Executive Officer

Title: Chairman IASB

Date: 2014

Date: 5/12/..... 2014