

Code of Conduct of the Audit Committee

August 2021



European
Investment
Bank

The EU bank 

Code of Conduct of the Audit Committee of the European Investment Bank

Effective as from 27 August 2021.

Application of the Code

This Code of Conduct (hereafter “the Code”) applies upon acceptance of its mandate to the Members and to the observer(s) of the Audit Committee (hereafter “the Member(s)”).

The Code sets out the rules applicable in matters of professional ethics and behaviour.

Basic standard of conduct

1. Members of the Audit Committee shall:
 - Discharge their duties professionally, with due diligence and efficiency and to the best of their abilities, and shall, at all times, maintain an attitude consistent with both the international character of the Bank and their duties.
 - Observe current laws and regulations, in particular the Bank’s Statute and its Rules of Procedure, insofar as the provisions contained therein have a bearing on the Audit Committee.
 - Be aware that the maintenance of professional competence requires a continuing reasonable awareness of developments and best practice in accounting, auditing and internal control, including relevant national and international pronouncements on these matters and on other relevant regulations and statutory requirements.
2. In discharging their duties to the Bank, Members of the Audit Committee shall, in particular, endeavour to:
 - act without allowing themselves to be influenced by personal interests or relationships;
 - avoid any situation which may give rise to a conflict of interest;
 - respect the obligation of confidentiality vis-à-vis information received in the course of their duties and continue to be bound by this obligation after termination of their mandate;
 - refrain from overstepping the powers conferred upon them as determined by the Bank’s Statute and Rules of Procedure;
 - respect the dignity and private lives of their colleagues, members of the other governing bodies of the Bank, staff members and anyone they come in contact with during the discharge of their duties to the Bank;
 - make use of the Bank’s name and resources only in the interest of the Bank.

Independence, conflicts of interest and outside appointments

3. Independence

In the course of their duties as Members of the Audit Committee, Members shall act independently and objectively in the interest of the EIB. To that end, they shall, in particular:

- not seek or accept instructions from any government, authority, organisation or other entity or person;
- perform their official duties in a manner that preserves and enhances public confidence in their integrity and the integrity of the Bank;
- act, in all circumstances, in the exclusive interest of the Bank, without allowing themselves to be influenced by other considerations;
- not act or express themselves, through whatever medium, in a manner which adversely affects the public perception of their independence and of their integrity;
- not accept any financial interest in any EIB Group transaction in any form;
- refrain from any action incompatible with their duties or the performance of their tasks.

The Members of the Audit Committee shall not use their position to be involved in negotiations and implementation of individual EIB projects.

4. Conflict of interest

For the purposes of this Code, a conflict of interest means a conflict between the official duties of a Member of the Audit Committee and their private or professional interests, or interests of their close family members, or personal or professional acquaintances which could improperly influence the performance of their official duties and responsibilities, or could compromise their impartiality, objectivity or independence.

Members of the Audit Committee shall avoid all situations that may give rise to an actual, potential or apparent personal conflict of interest to them and the EIB Group. If these conflicts of interest cannot be avoided, these situations should be adequately and cautiously mitigated.

Actual, potential and apparent conflicts of interest might arise on a regular basis during the normal course of business. An actual conflict of interest involves a direct and existing conflict of interest. A potential conflict of interest involves a situation where a conflict of interest may materialise under certain specific circumstances. An apparent conflict of interest occurs where a conflict of interest could reasonably be perceived or appears to exist.

Assuming two or more roles in different institutions, bodies or structures may result in a conflict of interest, if, in the discharge of EIB duties, the judgment or decision of a Member of the Audit Committee may reasonably and objectively be perceived as being affected.

Members of the Audit Committee shall not allow their possible responsibilities or role in different institutions, bodies or structures or membership to conflict with, or to affect, their judgment or decision-making as a Member of the Audit Committee.

Management of conflict of interest situations

Where a Member of the Audit Committee after receiving the agenda of a meeting or otherwise – using his/her best judgment – comes to the conclusion that s/he may be in a position or situation liable to give rise to a conflict of interest with regard to an agenda item, it shall be that Member's duty to declare so forthwith in writing to the Chair of the Audit Committee via the Audit Committee Secretariat.

The conflicted Member shall not communicate with other Members of the Audit Committee about the agenda item concerned and shall excuse himself or herself by withdrawing from attendance and participation in deliberations or decision-making connected with that matter. Any such declaration concerning a decision of the Audit Committee shall be included in the minutes of the meeting.

Members of the Audit Committee who consider that another Member is in a situation which may result in or be perceived as resulting in a conflict of interest shall immediately declare so to the Chair of the Audit Committee.

The Audit Committee, with the exception of the Member concerned, may decide to temporarily restrict access to information, to exclude the Member concerned from individual agenda items or a full meeting of the Audit Committee, or take other appropriate mitigating measures subject to the following paragraph. Any such decision shall be based on an opinion from the Ethics and Compliance Committee (the "ECC") and shall be included in the minutes of the meeting.

Ultimately, and only after having received an opinion from the ECC and in cases where mitigating measures cannot be defined, the Audit Committee can raise the matter with the Chair of the Board of Governors, who may subsequently decide to initiate a process of compulsory retirement of a Member of the Audit Committee, in line with Article 27(4) of the Rules of Procedure.

Any Member of the Audit Committee may approach the ECC for an opinion. The Audit Committee, with the exception of the Member in question, shall review the case based on the ECC opinion and make a final and binding decision, having heard the Member concerned.

If the Chair of the Audit Committee is concerned personally, the second longest serving member of the Audit Committee shall perform the tasks of the Chair as described above.

5. Outside appointments

Members of the Audit Committee shall be duly bound to conduct themselves honestly and sensitively with respect to the acceptance of certain functions, perquisites or assignments which could conflict with the knowledge acquired by them in the performance of their duties as Members of the Audit Committee. They shall continue to be bound by this obligation after termination of their mandate.

Holding a position in a public-service capacity in a Member State shall not in itself constitute a conflict of interest. Similarly, employment with any decision-making body of European Union institutions, or (an)other international organisation(s), or multilateral/bilateral financial institution(s) shall not in itself constitute a conflict of interest. Members and observers of the Audit Committee must not allow the performance of their duties to conflict with, or be affected by, possible or prospective employment with, or the rendering of services to, an outside entity.

Confidentiality and inside information

6. Members of the Audit Committee shall not divulge any information or data coming to their knowledge during the performance of their duties to persons or bodies outside the Bank.

Members of the Audit Committee are bound by the obligation of confidentiality in respect of information received in the course of their duties, in accordance with the relevant EIB rules, policies and guidelines. They shall continue to be bound by this obligation after termination of their mandate.

Members of the Audit Committee who, in the context of the course of their duties, have direct or indirect access to Inside Information, as defined below, or are in possession of such in respect of:

- the Bank;
- one or more companies or bodies which entertain direct or indirect relations with the Bank; and
- securities of any kind whether issued by these companies/bodies or by the Bank

shall not

- disclose such Inside Information to any other person unless such disclosure is made in the normal exercise of their duties at the service of the Bank on a strict 'need to know basis';
- use, either directly or indirectly, such Inside Information in order to carry out, recommend or advise either in favour or against transactions involving the Bank, these companies or bodies or these securities, for their own account or for that of third parties.

"Inside Information" means information of a precise nature which has not been made public/is not otherwise publicly available, relating to:

- the Bank;
- one or more companies or bodies which entertain direct or indirect relations with the Bank; and
- securities of any kind whether issued by these companies/bodies or by the Bank
- which, if made public, would be likely to have a significant effect on the price of these securities/a material impact of the market value of either Bank securities or the securities of any of these companies/bodies.

Acceptance of gifts and other advantages

7. Members of the Audit Committee shall not apply for, receive or accept from any source any advantage, direct or indirect, which is in any way connected with their mandate in the Bank.

The Members of the Audit Committee are therefore advised to discourage a priori the offer of any gift having more than a token value.

However, should it be impossible to refuse, notably because such refusal could prove embarrassing to the donor, the gift is to be passed over to the Bank through the intermediary of the Secretary General.

Expenses

8. Mission expenses incurred by the Members of the Audit Committee in the execution of their duties are normally paid by the Bank, based on the decisions made by the Board of Governors in this respect. Unnecessary expenses, or expenses not in line with or justified by the results which could eventually be derived or obtained from such expenses, shall be avoided. Where persons or organisations offer to pay or pay on their own initiative the travel, hotel and/or any miscellaneous expenses of a Member of the Audit Committee, this must be declared on each statement of expenses and should preferably be avoided.

However, should it be impossible to refuse, notably because such refusal could prove embarrassing to the donor, the member of the Audit Committee shall inform the Chair of the Audit Committee and the Secretary General of such event.

Where persons or organisations offer to pay or pay on their own initiative such expenses of a Member of the Audit Committee, this must be declared on each statement of expenses.

Use of Bank property

9. The Members of the Audit Committee shall make appropriate use of Bank facilities made available to them for the performance of their duties.

Relations with Bank staff and members of the Bank's governing bodies

10. In their dealings with Bank staff, or with Members of the Bank's governing bodies, Members of the Audit Committee shall refrain from any form of discrimination prohibited by the EU Treaties and the Charter of Fundamental Rights of the European Union.

They shall also refrain from exerting any pressure which might result in infringement of regulations or deviation from procedures, for example in management of the Bank's assets, award of contracts, management of human resources or financial transactions. They have an obligation to inform the President and the Director General of Personnel if they become aware of cases of discrimination, harassment or bullying.

Privileges and immunities

11. The privileges and immunities enjoyed by the Members of the Audit Committee under the "Protocol on the Privileges and Immunities of the European Union" are accorded solely in the performance of their duty. These privileges and immunities shall in no way exempt Members of the Audit Committee from fulfilling their private obligations or complying with the laws and police regulations in force.

Cooperation with investigation bodies

12. Should the need arise, the Members of the Audit Committee shall cooperate fully with persons charged with conducting any criminal or regulatory investigation in accordance with applicable rules or regulations.

Other rules

13. The rules set out above are not intended to be exhaustive. Should the application of the rules of the present Code not allow a decision with respect to a specific matter be made then the Member of the Audit Committee should address the matter to the Chair of the Audit Committee. Where the matters of the Chair are concerned, supervision shall be exercised by the Chair of the Board of Governors.

Administration of the Code

14. The Chair of the Audit Committee shall supervise adherence to this Code of Conduct. Where the conduct or interests of the Chair are concerned, supervision shall be exercised by the Chair of the Board of Governors.

In the event of any breach of the aforementioned rules of confidentiality, neutrality, discretion and probity, it shall fall to the Chair of the Audit Committee or, as the case may be, the Chair of the Board of Governors, to consider any appropriate measure, in keeping with the Statute and the Rules of Procedure.

Code of Conduct of the Audit Committee

August 2021



**European
Investment
Bank**

The EIB bank

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
+352 4379-22000
www.eib.org – info@eib.org