

Appointment Advisory Committee Operating Rules

Version in effect as from 28 April 2020



European
Investment
Bank

The EU bank 

Appointment Advisory Committee Operating Rules

CHAPTER I - MISSION OF THE COMMITTEE

Article 1 - Role

By virtue of Article 23.a.2 and Article 27.8 of the Rules of Procedure, the Appointment Advisory Committee ("Committee") shall give non-binding opinions on candidates' suitability to perform the duties of a member of the Management Committee and of a full member or an observer of the Audit Committee of the European Investment Bank ("Bank").

Article 2 - Criteria for assessment

A. General criteria for appointment to the Management Committee and to the Audit Committee

1. When assessing whether a candidate satisfies the criteria set out in the Rules of Procedure of the Bank, the Committee shall take into account, notably, the nature, scale and complexity of the business of the European Investment Bank, the responsibilities inherent to the position, as well as the gender balance. In this respect, the Management Committee and the Audit Committee shall possess adequate collective knowledge, skills and experience to carry out their duties as described in the Rules of Procedure.
2. A candidate shall be considered to be of high integrity and high reputation if there is no evidence to suggest otherwise and if his or her personal or business conduct does not give rise to any material doubt about his or her high integrity and high reputation as well as his or her ability to ensure the sound and prudent management of the Bank. In this respect, account shall be taken of factors such as convictions or pending prosecutions of a criminal offence as well as relevant current or past investigations and/or enforcement actions relating to the candidate, or the imposition of administrative sanctions for non-compliance with any banking or financial services legislation. The surrounding, including mitigating, circumstances and the seriousness of any relevant offence or administrative or supervisory action, the time period elapsed and the candidate's conduct since the offence and the relevance of the offence or administrative or supervisory action to the position of member of the Management Committee or of the Audit Committee should be considered. Also, the cumulative effects of more minor incidents, which individually do not impinge on a candidate's reputation but may in sum have a material impact, should be considered.
3. The assessment of a candidate's experience shall involve consideration of his or her theoretical experience attained through education and training and his or her practical experience gained in previous occupations. The Committee shall take into account the skills and knowledge acquired and demonstrated by the professional conduct of the candidate.
4. When assessing the suitability of a candidate, other ancillary criteria relevant for the functioning of the Management Committee and of the Audit Committee shall be assessed, including its overall composition, the collective knowledge and expertise required.

B. Specific criteria for appointment to the Management Committee

1. As regards proposals for appointments to the Management Committee, consideration shall be particularly given to experience in fields such as European Union matters, International Financial Institutions, financial markets, regulatory framework and requirements, strategic planning, and understanding of a bank's business strategy, risk management, creating effective governance, oversight and controls and interpreting a bank's financial

information, identifying key issues based on this information and appropriate controls and measures, and the candidate's ability to perform his or her duties independently.

C. Specific criteria for appointment to the Audit Committee

1. Full members and observers of the Audit Committee shall be chosen from persons having independence, competence and integrity. They shall possess financial, audit or banking supervisory expertise in the private or public sector, and among themselves should cover the whole range of expertise.
2. The Committee shall include at least two full members or observers having proven experience in supervisory review and evaluation process, drawn from among current or former members of banking supervisory authorities in the EU.
3. In addition, consideration shall be given to experience in fields such as Corporate Governance, Management, Banking, Banking Regulation, Accounting and Financial Reporting, Risk Management, Conduct, Compliance, Human Resources, Information Technology and the EU institutional relationships.

CHAPTER II - FUNCTIONING OF THE COMMITTEE

Article 3 – Members

1. Members of the Committee are appointed pursuant to Article 23.a, second paragraph, of the Rules of Procedure of the Bank.
2. Former members of a governing body of the Bank can be appointed three years after they cease to be a member of such governing body.
3. Former members of the Bank's staff cannot be members of the Committee.

Article 4 – Chairman

1. The Committee shall be chaired by one of its members, appointed by such members during their first meeting.
2. The Chairman of the Committee shall have a casting vote in case of equality of votes.

Article 5 - Quorum and deliberations

1. Meetings of the Committee shall be valid if at least three of its members attend the meeting. In case of written procedure valid votes shall require the votes of at least three members.
2. Opinions shall be adopted by majority of the votes cast.

Article 6 - Meetings

1. Meetings are convened in writing by the Chairman and notice is sent together with the relevant documents not less than one week before the date set for the meeting.
2. The President of the Bank may be asked to attend meetings.

3. Deliberations of the Committee shall take place in camera. The opinions of the Committee shall be recorded by a secretariat to be organised by the Bank for these purposes.
4. The Committee may meet, vote on and adopt opinions also via written or electronic correspondence. The Committee may also have recourse to teleconferencing, videoconferencing or other electronic media on terms that it shall lay down.

CHAPTER III - PROCEDURE BEFORE THE COMMITTEE

Article 7 - Referral to the Committee

As soon as a Member State presents a candidate to be proposed for appointment as a member of the Management Committee or as a full member of the Audit Committee, or as soon as the President of the Bank jointly with the Chairman of the Audit Committee present a candidate to be proposed for appointment as an observer of the Audit Committee, the Secretary General of the Bank shall send that proposal to the Chairman of the Committee.

Article 8 - Request for additional information

1. The Committee may ask the Member State or the President of the Bank and the Chairman of the Audit Committee (in case of Audit Committee observers) presenting the candidate to send such additional information or other material which the Committee deems necessary for its deliberations.
2. In the context of the assessment of the collective knowledge and expertise of the Management Committee or the Audit Committee pursuant to Article 2.A.4, the Committee shall consult the President of the Bank for nominations to the Management Committee and the Chairman of the Audit Committee for nominations to the Audit Committee on any potential specific need within the Management Committee or the Audit Committee at the time of appointment.
3. The Committee is authorised to ask for and use any information it deems relevant for the proper performance of its duties.

Article 9 - Hearing

The Committee may hear the candidate. The hearing shall be confidential.

Article 10 - Addressee of the opinion

1. The Committee shall address its opinion to the Member State presenting the candidate or the President of the Bank and the Chairman of the Audit Committee in case of Audit Committee observers.
2. Should the Member State or the President of the Bank jointly with the Chairman of the Audit Committee (in case of Audit Committee observers), after receiving the opinion of the Committee, decide to formally present the candidate for appointment, the President of the Bank, the Chairman of the Audit Committee, the Board of Directors and the Board of Governors, as the case may be, shall be provided with the opinion of the Committee.

Article 11 - Statement of reasons for opinion

1. The opinion of the Committee shall conclude either on a *non-objection* or on a *statement of reservation* with regard to the candidate proposed.
2. In case of statement of reservation, the Committee shall give reasons for its opinion. It shall set out the principal grounds upon which the opinion is based.

Article 12 - Time limitations

1. The Committee shall send its opinion within one month from (i) the receipt of the proposal for appointment from the Secretary General, (ii) the receipt of any additional information possibly requested, or (iii) the hearing of the candidate, whichever is the latest, and in any event no later than sixty (60) days from the day the Committee receives the request for its opinion.
2. Should the Committee not send its opinion within this period, the Member State or the President of the Bank jointly with the Chairman of the Audit Committee (in case of Audit Committee observers) can present the candidate pursuant to Article 11.1 and Article 12.1 of the Statute as well as Article 27.1 and Article 27.6 of the Rules of Procedure.

Article 13 - Delegation

The Committee may not delegate any of its responsibilities.

CHAPTER IV - ADMINISTRATIVE AND FINANCIAL PROVISIONS

Article 14 – Reporting

The Committee shall report annually to the Board of Governors on its activities.

Article 15 - Financial provisions

1. Members of the Committee shall be remunerated and compensated for their expenses on the same basis as members of the Board of Directors.

Article 16 - Modification of the operating rules

1. The present operating rules are adopted by the Board of Governors.
2. The Board of Governors delegates any subsequent modification of these operating rules to the Board of Directors.
3. Any modification shall be done within the limits set out in the relevant provisions of the Rules of Procedure and Statute of the Bank.
4. The Board of Governors will be immediately informed of any modification.

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