



# Ethics and Compliance Committee

## Operating Rules



# Ethics and Compliance Committee Operating Rules

## 1. Scope of activity of the Ethics and Compliance Committee

### 1.1. Role

- 1.1.1. The Ethics and Compliance Committee (hereafter "ECC") is established pursuant to Art. 11.4 of the Rules of Procedure of the European Investment Bank (hereafter the "EIB or the "Bank"). It shall exercise all powers attributed to it.

#### **Decisions on potential conflicts of interest**

- 1.1.2. Pursuant to Art. 11.4 of the Rules of Procedure of the EIB, the ECC shall rule and make decisions on any potential conflict of interest of:
- a member of the Board of Directors or of the Management Committee;
  - a former member of the Board of Directors or of the Management Committee, with regard to the cooling-off period; and
  - a member of the Audit Committee who requests the opinion of the ECC on a voluntary basis;

in accordance with these Operating Rules (hereafter "ORs") and the applicable Codes of Conduct.

The ECC shall take follow up action to confirm that its decisions have been complied with by their addressees.

#### **Opinions on ethical matters**

- 1.1.3. Pursuant to Art. 11.4 of the Rules of Procedure of the EIB, the ECC shall provide opinions on ethical matters concerning members of the Board of Directors or of the Management Committee, regulated in the Code of Conduct of the Board of Directors or of the Management Committee or in related relevant provisions during the period of their mandate.

#### **Incompatibility with duties**

- 1.1.4. The ECC shall apply the legal provisions concerning incompatibility with duties adopted by the Board of Governors.

## 1.2. Authority and powers

- 1.2.1. Pursuant to the last paragraph of Art. 11.4, the Board of Governors shall adopt the ORs of the ECC. The ECC and/or the Management Committee may submit proposals to the Board of Directors for the review of those ORs.

- 1.2.2. The Board of Directors shall approve the Code of Conduct of the Management Committee and the Code of Conduct of the Board of Directors.
- 1.2.3. The ORs and the relevant Code of Conduct shall be binding upon any member of the Board of Directors or of the Management Committee immediately upon acceptance of their mandate.
- 1.2.4. Any reference to former members of the Board of Directors or of the Management Committee in these ORs shall be considered as limited to their respective cooling off periods as defined in their respective Codes of Conduct.
- 1.2.5. These ORs also apply to the President, where applicable, both in the capacity as Chair of the Board of Directors and as President of the Bank. Unless otherwise stated, any reference to members of the Management Committee shall be considered as including the President.

### **Reporting of decisions**

- 1.2.6. ECC's decisions pursuant to Art. 1.1.2. are periodically communicated to the Board of Directors and to the Board of Governors in an annual report.

### **Delegation**

- 1.2.7. The ECC may not delegate any or all of its responsibilities.

### **Access to information**

- 1.2.8. In relation to current or former members of the Board of Directors and of the Management Committee, the ECC is authorised to ask, from appropriate sources, for information deemed relevant for the purposes of implementation of these ORs, provided it is necessary for the proper performance of its duties.

## **2. Composition of the ECC**

### **Voting members**

- 2.1. The ECC shall be composed of the four longest-serving members of the Board of Directors who have volunteered to participate in its activities and of the Chairman of the Audit Committee. All members are voting members.
- 2.2. In case one of the said members of the Board of Directors informs the President of the Bank in writing that he/she declines to take part in the activity of the ECC, the longest-serving member among all remaining members of the Board of Directors, or in case of equal terms of office the member most senior in age, shall be appointed member of the ECC.
- 2.3. The term of office of ECC members shall commence on the day of their acceptance to become a member of the ECC.

### **Chairman**

- 2.4. The ECC shall be chaired by the longest-serving member of the Board of Directors among the ECC members or, in case of equal terms of office, by the one most senior in age.
- 2.5. The term of office as Chairman shall be three years after which he/she shall be replaced as Chairman by the next longest-serving member of the Board of Directors

among the ECC members or, in case of equal terms of office, by the one most senior in age. At the end of his/her three years mandate as Chairman of the ECC, the member shall remain member of the ECC.

- 2.6. An ECC member can be appointed Chairman more than once in accordance with Article 2.5 above.

### **Conflicts of interests or ethical matters involving ECC members**

- 2.7. If one of the members of the Board of Directors who is a member of the ECC is subject to a potential conflict of interest or is concerned by the assessment of an ethical matter, he/she shall be replaced with immediate effect until:
- the decision of the ECC on the potential conflict of interest is final; or
  - the opinion of the ECC on the alleged ethical matter has been issued;

by the longest serving member or, in case of equal terms of office, by the member of the Board of Directors most senior in age, among all remaining members of the Board of Directors.

- 2.8. If the Chairman of the Audit Committee is subject to a potential conflict of interest, he/she shall be replaced in relation to such matter, with immediate effect and until the decision of the ECC on the matter is final, by the longest serving member, or in case of equal terms of office, by the most senior in age among all remaining members of the Audit Committee.

### **Observers**

- 2.9. The Chief Compliance Officer shall receive communication of all the documents provided to the ECC and shall participate in the meetings of the ECC without the right to vote.
- 2.10. The Inspector General shall receive communication of all the documents provided to the ECC concerning fraud related matters such as matters related to the EIB anti-fraud policy as amended from time to time and shall participate in the meetings of the ECC when fraud related matters are discussed without the right to vote.

## **3. Provisions on Professional Ethics and Incompatibilities**

- 3.1. The members and, where specified herein, the former members of the Board of Directors and of the Management Committee shall act in accordance with the following professional ethical principles and standards, as laid down in the Codes of Conduct of the Board of Directors and of the Management Committee and in the relevant EIB rules, policies and guidelines from time to time in force:
- Compliance with applicable laws and regulations and with EIB's rules, policies and guidelines;
  - Loyalty and independence: members of the Board of Directors and of the Management Committee shall act in the exclusive interest of the Bank, without allowing themselves to be influenced by other considerations;
  - Avoidance of conflict of interests: the members and, during the cooling off period, the former members of the Board of Directors and of the Management Committee shall avoid any situation which may give rise to a conflict of interest;
  - Non-discrimination: members of the Board of Directors and of the Management Committee shall refrain from any form of discrimination or harassment, including discrimination based on sex, age, nationality, political opinions, philosophical views or religious convictions, sexual orientation or, in general, the manner in which the Bank's staff or members of the Bank's

- governing bodies choose to live their lives. They are also bound by a duty to lend assistance to the victims of any form of discrimination, harassment or bullying and to ensure that the Bank takes appropriate measures;
- Confidentiality: the members and former members of the Board of Directors and of the Management Committee are bound by the obligation of confidentiality in respect of information received in the course of their duties and shall continue to be bound by this obligation after termination of their mandate;
  - Appropriate use of the Bank's name and resources: members of the Board of Directors and of the Management Committee shall not misuse the Bank's resources or make improper use of the Bank's name, reputation or financial support.
- 3.2. In particular, members of the Management Committee undertaking an activity not connected with the Bank's work shall comply with the above ethical principles and respect the following provisions: (i) the activity shall not be perceived as affecting the independence of judgement or decision of the Management Committee member (ii) the activity shall still allow Management Committee members to ensure a full and proper discharge of their duties and responsibilities in the Bank (iii) the activity shall not be perceived as being harmful or embarrassing to the mission or reputation of the Bank or in any case contrary to the interests of the Bank (iv) the activity shall not be perceived as resulting in a conflict between the personal interest of a member of the Management Committee and the interests of the Bank.
- 3.3. Before engaging in any activity not connected with the Bank's work, members of the Management Committee, either during their period in office or during the cooling-off period, shall seek the ECC's approval. The ECC may authorize or prohibit the activity, or impose terms and conditions in relation to the pursuit of any such activity and may revoke at any time its authorization in connection with such activity.
- 3.4. Provisions on professional ethics to be considered by the ECC shall also include - but are not limited to - relevant guidelines, principles, directives and regulations which form part of the EIB Best Banking Practice framework in line with Article 12.1 of the Statute.

## **4. Referral to the ECC**

ECC opinions will be formulated and its decisions shall be taken upon request from:

- the Chairman of the Board of Governors;
- any member of the ECC;
- any member of the Board of Directors, the Management Committee or the Audit Committee;
- any former member of the Board of Directors or of the Management Committee during its cooling-off period on own potential conflict of interest matters;
- the Secretary General;
- the Chief Compliance Officer; and/or
- the Inspector General, on fraud related matters.

## **5. Procedure to assess potential conflict of interest**

- 5.1. All requests for an ECC decision on potential conflict of interest shall be submitted confidentially and in writing to the ECC Secretariat.

- 5.2. A member or former member of the Board of Directors or of the Management Committee who is concerned by a case examined by the ECC shall be promptly notified by the ECC and provided with all related documentation and with the opportunity to present his/her observations within fifteen (15) calendar days after receipt of the ECC notice.
- 5.3. The ECC shall issue its reasoned decision within fifteen (15) calendar days following receipt of the observations of the relevant member or former member of the Board of Directors or of the Management Committee. Should the latter not present observations, the ECC shall issue its reasoned decision within thirty (30) calendar days after sending the notice referred to in 5.2 to the member concerned.
- 5.4. The ECC shall notify its reasoned decision to the member concerned without delay. This decision shall be applicable from the date of its notification.
- 5.5. Should extraordinary circumstances cause a postponement of the ECC decision, such delay shall be promptly notified and duly justified to the relevant member or former member of the Board of Directors or of the Management Committee.
- 5.6. Without prejudice to the above, any member or former member of the Board of Directors or of the Management Committee may, on a strictly confidential basis, informally consult the Chief Compliance Officer for matters related to potential conflicts of interest, activities not connected with the Bank's work, and activities during the cooling-off period. Any such informal and confidential consultation shall be deemed to be for general preliminary information purposes only and shall not be binding for future ECC decisions.

## **6. Procedure in case of appeal against and/or non-compliance with an ECC decision on conflict of interest**

- 6.1. Any member or former member of the Board of Directors or of the Management Committee may bring an appeal before the Board of Directors, against an ECC decision addressed to him/her within two months of its notification.
- 6.2. The Board of Directors shall review the ECC decision concerned at its next meeting, and decide the confirmation, the modification or the annulment of the ECC decision. The member of the Board of Directors or member of the Management Committee concerned shall not attend the deliberations on the review held at the meeting, except at the times he/she is presenting his/her views, should it be required by the Board of Directors.
- 6.3. The decisions of the Board of Directors reviewing an ECC decision can be challenged before the Court of Justice of the European Union in accordance with Art. 263 and Art. 271 of the Treaty on the Functioning of the European Union.
- 6.4. In case of non-compliance with an ECC decision, the ECC is entitled to provide the Board of Directors with an opinion on whether it would be appropriate for the Board of Directors to forward to the Board of Governors:
  - proposals for a suspension;
  - proposals for the compulsory retirement of a member of the Board of Directors or of the Management Committee; and, for the most severe infringements,
  - proposals for the loss, in whole or in part, of any financial right (including but not limited to pension rights) in conjunction with the above compulsory retirement.

## 7. Procedure to assess ethical matters

- 7.1. Any ethical matter concerning members of the Board of Directors or of the Management Committee shall be submitted confidentially and in writing to the ECC Secretariat.
- 7.2. The member of the Board of Directors or of the Management Committee to whom the ethical matter assessed relates shall be promptly notified and provided with all related documentation.
- 7.3. Within thirty (30) calendar days from the notification of the ethical matter to the ECC by the ECC Secretariat, the ECC shall:
  - in case it considers that there is not sufficient evidence of the existence of a material ethical issue, formulate an opinion to this effect, close its assessment and notify the outcome to the requestor and the member of the Board of Directors or of the Management Committee concerned; or
  - if it considers that there is evidence of a material ethical issue, prepare its conclusions and transmit them to the member of the Management Committee or of the Board of Directors concerned. The member concerned shall be given fifteen (15) calendar days following receipt of the conclusions within which to present his/her observations either in writing or orally.
- 7.4. Within ten (10) calendar days from the receipt of the written observations of the member concerned or his/her hearing by the ECC, whichever is the later, the ECC shall prepare its reasoned opinion taking into account these observations. It shall transmit the observations together with the reasoned opinion to the Board of Directors, the President or the Chairman of the Board of Governors, as the case may be.
- 7.5. The ECC shall provide a reasoned opinion:
  - to the Board of Directors, on whether it would be appropriate for the Board of Directors to forward to the Board of Governors proposals for the compulsory retirement of the concerned member of the Board of Directors or of the Management Committee; and, for the most severe infringements, the loss, in whole or in part, of any financial right (including but not limited to pension rights) in conjunction with the above compulsory retirement;
  - to the Board of Directors, on whether it would be appropriate for the Board of Directors to forward to the Board of Governors proposals for the suspension of the concerned member of the Board of Directors;
  - to the President, on whether it would be appropriate, with the agreement of the Chairman of the Board of Governors, to suspend the concerned member of the Management Committee; or
  - to the Chairman of the Board of Governors, on whether it would be appropriate to suspend the President of the Bank.
- 7.6. Notwithstanding the provisions of Art. 7.3, the ECC may at any time during its assessment decide to hear and/or consult the member concerned before preparing its conclusions or closing its assessment pursuant to Art. 7.3.
- 7.7. Following the issuance of a reasoned opinion pursuant to Art. 7.4, and pending the decision on this opinion, the member of the Board of Directors or of the Management Committee concerned shall abstain from the related deliberations.

- 7.8. Should extraordinary circumstances cause a postponement of the ECC opinion, such delay shall be promptly notified and duly justified to the relevant member of the Board of Directors or of the Management Committee.
- 7.9. Any member or former member of the Board of Directors or of the Management Committee may, on a strictly confidential basis, informally consult the Chief Compliance Officer for ethical matters. Any such informal and confidential consultation shall be deemed to be for general preliminary information purposes only and shall not be binding for future ECC opinions.

## **8. Support to the ECC**

- 8.1. The Secretary General of the Bank, in accordance with Art. 30 of the Rules of Procedure of the EIB, shall provide secretarial services for the ECC. The Secretary General may delegate this task to another staff member under his/her direct responsibility.
- 8.2. The Chairman of the ECC may request the Secretary General, the Chief Compliance Officer, the Inspector General and the General Counsel or any other staff member to provide additional information on matters within their remit or knowledge.
- 8.3. The Chief Compliance Officer shall provide an opinion at the request of the Chairman of the ECC, but may also provide an opinion upon his own initiative.
- 8.4. The Chairman of the ECC may request the EIB to engage, if needed to carry out ECC functions, the services of special external advisors of high professional standing and experience in relevant areas such as ethics, law, and international organizations.
- 8.5. Members of the Board of Directors and of the Management Committee concerned by proceedings before the ECC may enlist the aid of a counsel of their own choosing. The member concerned has an obligation to ensure that such counsel observes the obligation to maintain a fair process and comply with the relevant policies of the Bank including on disclosure of information. Engagement of a counsel shall not relieve the member concerned of his or her obligations under the respective Codes of Conduct and these ORs.
- 8.6. The services of the Bank shall be at the ECC's disposal for any assistance.

## **9. Meetings**

### **Notice of meetings**

- 9.1. ECC meetings are convened by the Chairman of the ECC in writing by any communication means, including electronic means. The Chairman of the ECC can call a meeting at any time to review a case.

### **Meeting attendance**

- 9.2. In the interests of preserving confidentiality, attendance at meetings of the ECC shall be restricted to Committee Members, the Secretary to the ECC, the Chief Compliance Officer, the Inspector General when fraud related matters are discussed and other individuals whose attendance is specifically authorized or requested by the Chairman of the ECC.
- 9.3. The Chairman of the ECC may decide to convene a meeting in closed session and/or to restrict attendance.

- 9.4. Documents circulated for the consideration of the ECC shall be distributed only to the Committee, the Secretary the Chief Compliance Officer, and the Inspector General when those documents relate to fraud related matters except as specifically authorized by the ECC.

#### **Minutes of meetings**

- 9.5. The Secretary shall minute the proceedings and deliberations of all meetings, including the names of those present and in attendance.
- 9.6. Draft minutes of meetings shall be circulated promptly to all members of the ECC for approval.

#### **Meeting fees**

- 9.7. For meetings that are not held on days of meetings of the related statutory bodies, the ECC members, who are not staff members, receive a compensation and reimbursement of expenses corresponding to what they usually receive for meetings of their respective statutory bodies.

### **10. Voting**

- 10.1. Efforts should be made to reach decisions by consensus, but in case this would not be possible, ECC decisions and opinions will be put to the vote by the Chairman.
- 10.2. At least three votes in favour are necessary to adopt an ECC opinion on ethical matters or a decision on potential conflicts of interests, including for the authorisation of activities that are not connected to the Bank's work or activities during the cooling-off period.
- 10.3. Votes shall be recorded by the Secretariat of the ECC.

### **11. Confidentiality and data protection**

All information and documentation in relation to proceedings and to the activities of the ECC shall be strictly confidential and can only be disclosed to external parties where a legal obligation so requires. The relevant provisions on the protection of personal data according to Regulation (EC) No 45/2001 shall apply to the activities of the ECC.





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