

CORPORATE

EIB Group

Corporate Governance Report 2018



European
Investment
Bank Group



EIB GROUP CORPORATE GOVERNANCE REPORT 2018

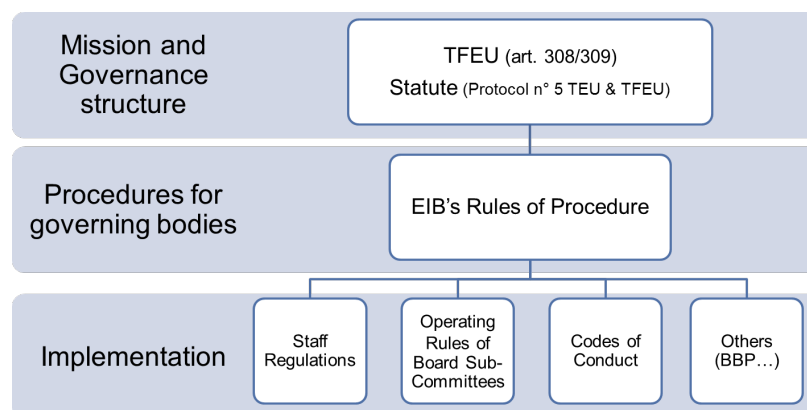
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Preliminary remarks

The EIB Group consists of the European Investment Bank (“EIB”) and the European Investment Fund (“EIF”). To avoid duplication of information, this report focuses on and summarises the most significant corporate governance developments within the EIB Group in 2018 and makes reference to other annual EIB and EIF reports, or the Statute of the EIB and Statutes of the EIF, the full texts of which can be consulted, respectively, on www.eib.org and www.eif.org.

1. EIB Legal framework



Established in 1958 under the Treaty of Rome, the EIB enjoys full legal personality within the European Union (“EU”) and has sole legal responsibility for its own debt.

The Governance of the European Investment Bank (“EIB” or “the Bank”) is determined by the [EIB Statute](#), which constitutes Protocol (No 5) annexed to the Treaty on the European Union (“TEU”) and the Treaty on the Functioning of the European Union (“TFEU”).

In accordance with Article 51 of the TEU, the EIB Statute forms an integral part of both the TFEU and the TEU (“the Treaties”). Having the same legal force as the Treaties, the EIB Statute has primacy over the national law of European Union (“EU”) Member States (“the Member States”).

The EIB Statute was modified in December 2009, following the entering into force of the Lisbon Treaty and was last amended in 2013 to reflect changes in the EIB shareholder structure, following the 2012 paid-in capital increase and Croatia's accession in 2013. Further amendments to the Statute are anticipated in 2019, in the context of the Bank's preparations for the departure of the United Kingdom from the EU.

The [EIB's Rules of Procedure \(“RoP”\)](#), adopted by the Board of Governors, the EIB's highest governing body, set out the provisions that apply to the governing bodies of the EIB.

2. EIB Mission

The EIB performs its functions and carries out its activities in accordance with the provisions of the Treaties and of its Statute. The task of the EIB, as set out in Article 309 of the TFEU is “*to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and steady development of the internal market in the interest of the Union*”.

In implementing this task, the EIB promotes the funding of sound projects, in all sectors of the economy, that:

- seek to develop less-developed regions;
- seek to modernise or convert undertakings, or develop new activities which cannot be completely financed by means available in individual Member States; and
- are of common interest to several Member States.

The TFEU also contains further provisions regarding the EIB’s tasks. In particular, article 175 TFEU provides that the *EIB shall contribute to the promotion of economic, social and territorial cohesion in the Union*” and article 209 TFEU provides that the “*EIB shall support the implementation of measures outside the EU which support the development cooperation policy of the Union*”. The role of the EIB is also referenced in Protocol (No 28) on Economic, Social and Territorial Cohesion, annexed to the Treaties.

The EIB is the EU's bank, and as such provides finance and expertise for economically, technically, financially and environmentally sound investment projects in Europe and beyond, which contribute to furthering EU policy objectives and priorities.

The EIB mainly provides direct loans to large-scale projects for amounts of over EUR 25m, often with long-term tenors, and loans to small and medium-scale projects through local partner banks. In the pursuit of its objectives, the EIB is financially autonomous and raises the bulk of its lending resources on the international capital markets through bond issues.

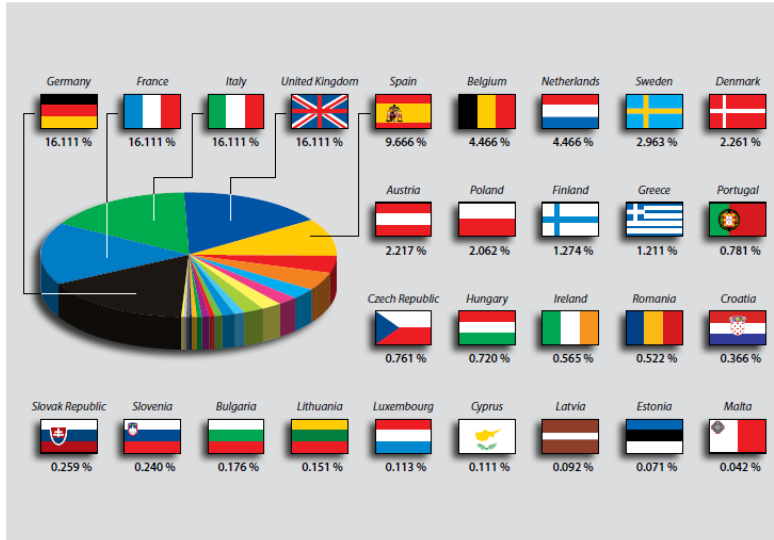
The EIB differs considerably from commercial banks in that its activity is driven by public policy objectives and it operates on a non-profit making basis, as specified in Article 309 of the TFEU. As such, the Bank does not have a specific target for return on equity, but rather aims to generate income that enables it to meet its obligations, to cover its expenses and risks and to build up a reserve fund. For that purpose, the EIB aims to achieve operational excellence and cost efficiency.

Acting with a counter-cyclical approach, the EIB’s financing activities aim to cushion the impact of economic downturns by unlocking access to finance in underserved segments. This approach was reinforced in 2012 by the decision of the Bank’s shareholders to increase the paid-in capital in order to counter the effects of the financial crisis by enabling the EIB to provide over €60 billion in additional long-term lending for economically viable projects within the EU over the period 2013-2015. From 2015 onwards, the EIB has further implemented this approach by taking a leading role in the [European Fund for Strategic Investments](#) (EFSI), which aimed to mobilise EUR 315bn of new investments by mid-2018. The EFSI 2.0 Regulation entered into force on 30 December 2017. The new regulation extends the timeline from of EFSI to the

end of 2020, and increases the investment target from EUR 315 billion to at least EUR 500 billion.

3. EIB Capital & Shareholding structure

3.1. The Bank's members



The members of the European Investment Bank are the 28 Member States of the European Union.

3.2. The Bank's Capital structure

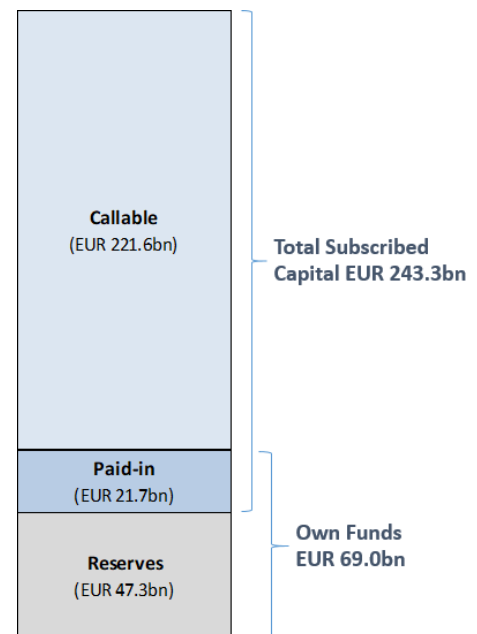
The aggregate subscribed capital of the EIB amounts to EUR 243 billion and its distribution among Member States is set by Article 4.1 of the [EIB Statute](#).

Article 308 TFEU provides, and Article 3 of the EIB Statute restates, that the [EIB members](#) are the EU Member States (the members), which in addition to paid-in capital also commit themselves to provide additional capital upon the request of EIB (callable capital).

Callable capital (or un-called capital) is effectively a guarantee, and can be called by the EIB under certain circumstances. It represents a contingent liability for Member States. Total un-called capital amounts to EUR 221.6bn (end-2018).

Paid-in capital (or called-up capital) is part of the EIB's own funds (or equity) and is capital subscribed and paid-in by Member States at foundation, accession, or through capital increases. Total paid-in capital amounts to EUR 21.7bn (end-2018). The rate between paid-in and subscribed capital is currently fixed at 8.9%.

Reserves, which are also part of own funds, are separate from paid-in capital in that they are built up gradually from the Bank's retained earnings. Total reserves amount to EUR 47.3bn (end-2018).



3.3. Increases in EIB Capital

In accordance with Article 4.3 of the Statute, the Board of Governors may unanimously decide to increase the subscribed capital. In the event of a capital increase, the Board of Governors fixes the percentage to be paid up and the arrangements for payment.

EIB capital increases occur automatically with the accession of new Member States, but can also be decided in other circumstances, to enhance or maintain the level of EIB activities. Capital increases can be symmetrical (the relative proportions between existing Member States in the total subscribed capital is preserved) or asymmetrical (certain Member States increase their relative proportion with respect to other Member States by subscribing disproportionately more new capital¹). Furthermore, capital increases can be financed by Member States (paid-in capital paid by Member States) or by the Bank (paid-in capital paid from EIB's reserves).

3.4. The Impact of the UK Exit on the Bank's Capital Structure

The UK holds a share of 16.11% in EIB capital, i.e. EUR 35.7bn in subscribed callable capital and EUR 3.5bn in subscribed paid-in capital.

At the time the UK ceases being a member of the EU, it will no longer be a member of the EIB.

The UK's capital subscription is a key element of EIB membership and is currently specified under Article 4 of the Statute. The UK's subscription will lapse as soon as it is no longer an EIB member.

This lapse of the UK subscription would cause an immediate reduction of the EIB's subscribed capital, both paid-in and callable, by 16.11%. Paid-in capital would decrease by EUR 3.5bn, and the callable share of UK subscribed capital, which amounts to EUR 35.7bn, would no longer be callable.

As a result, on 16 April 2019 the Board of Governors adopted a decision to replace the UK capital share by a pro-rata capital increase for the remaining members. The paid-in part of that capital increase will be financed out of the EIB's reserves. This capital increase would be effective as of the withdrawal of the United Kingdom from the EU.

In addition, in December 2018, the Board of Directors proposed to the Board of Governors to further increase the capital subscribed by Poland and Romania by EUR 5,386,000,000 and EUR 125,452,381, respectively. The EU Council decision after consultation of the European Parliament and the European Commission on the foregoing proposal is expected at the end of Q2 2019. ²

¹ In addition, at the occasion of accession or increase in percentage share in the capital, Member States contribute to pre-existing reserves and provisions in accordance with the principle that new Member States must participate pro rate in all of the assets, rights and obligations of the Bank.

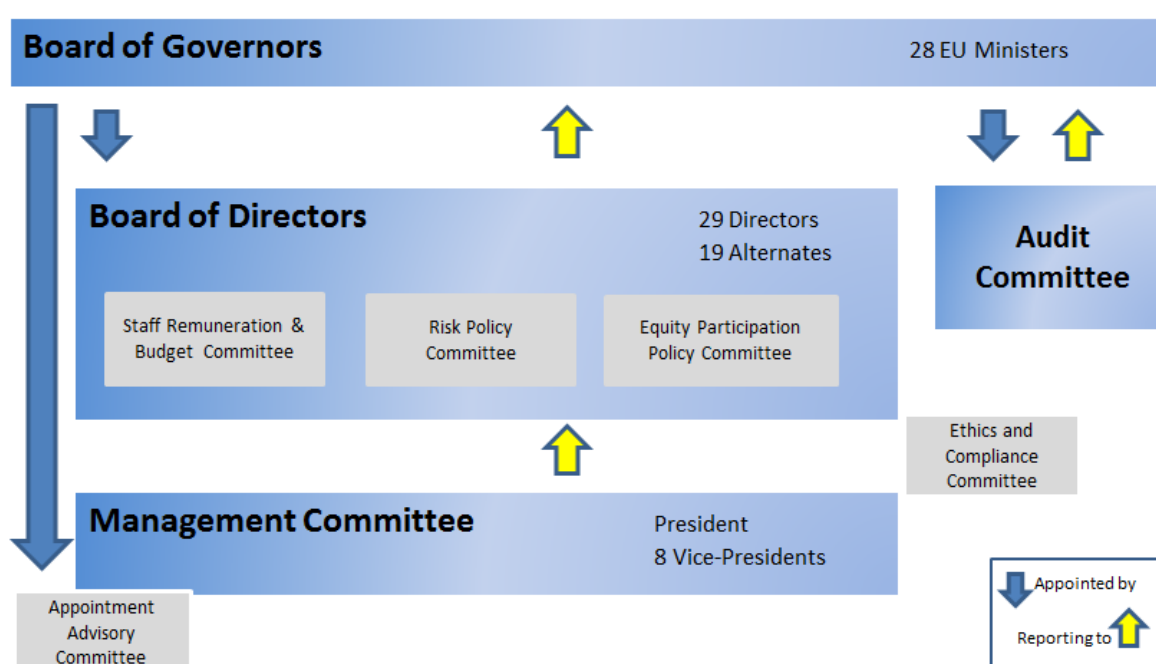
² On March 5th, the Board of Governors approved an increase in subscribed capital by Poland and Romania, and decided to request to the EU Council the launch of the procedure set forth in Art. 308 of the Treaty on the Functioning of the European Union for the statutory amendments as regards the capital subscribed by Poland and Romania, and the reshuffling of the constituencies.

4. EIB statutory bodies

Under its Statute, the EIB Governance relies on three decision-making bodies:

- (i) a **Board of Governors, composed** of ministers designated by the Member States;
- (ii) a **Board of Directors**, composed of members appointed by the Board of Governors (following nomination by the Member States and the Commission); and
- (iii) a **Management Committee**, the executive management board of the EIB whose members are appointed by the Board of Governors on a proposal from the Board of Directors.

Together with the Bank's independent **Audit Committee**, these make up the [statutory bodies of the EIB](#) whose respective members³ are appointed by the Board of Governors and shall attend the Annual Meeting of the Board of Governors.⁴



4.1. The Board of Governors

The **Board of Governors** is the institution's highest body and comprises ministers designated by each of the 28 Member States. The Board of Governors' main competences are to lay down general directives for the credit policy of EIB (in accordance with the Union's objectives), to approve the annual report, the annual balance sheet and the profit and loss account, to decide on the Bank's participation in financing operations outside the European Union, and to approve capital increases. The Board of Governors appoints the members of the Board of Directors⁵ and of the Management Committee, as well as the members of the Audit Committee and the Appointment Advisory Committee.

³ A list of all the members of the EIB governing bodies and their curricula vitae is published on the Bank's website.

⁴ The provisions applying to the functioning of the EIB's statutory bodies are set out in the Bank's [Statute](#) and [Rules of Procedure](#).

⁵ The Board of Directors may co-opt non-voting experts in order to broaden its professional expertise.

The Board of Governors holds an Annual Meeting for the purpose of examining the annual report and determining the general directives for the EIB. In 2018, the last Annual Meeting was held in 22 June 2018.⁶ Extraordinary General Meetings may be convened by the Chairman of the Board of Governors or at the request of one of its members. Decisions can also be taken via written procedure throughout the year. In principle, decisions by the Board of Governors must be supported by a majority of its members representing at least 50% of the subscribed capital.

The office of Chairman is held by each member of the Board of Governors in rotation according to the [order of protocol of the Member States](#) established by the Council of the European Union.

The Board of Governors is a non-remunerated governing body, but it sets the compensation of the Board of Directors, the Management Committee and the Audit Committee.⁷

4.2. The Board of Directors

The EIB's **Board of Directors** is not a resident board and consists of 29 directors (one Director nominated by each Member State and one by the European Commission) and 19 alternate directors⁸. They are chosen from persons whose independence and competence are beyond doubt⁹ and are appointed by the Board of Governors for a collective five years mandate¹⁰. The Board of Directors also includes three non-voting experts as well as three alternate experts¹¹. Members of the Board of Directors are responsible only to the Bank. However, many members of the Board occupy senior positions in national ministries or public institutions that usually bear some connection with EIB activities inside or outside Europe. At the end of 2018, women made up 45,65% of the Board of Directors¹².

The Board of Directors is charged with ensuring that the Bank is properly run and managed in accordance with the provisions of the Treaties, the EIB Statute and the general directives laid down by the Board of Governors. The Board of Directors is responsible for taking decisions in respect of granting finance, particularly in the form of loans and guarantees, raising loans, fixing of interest rates on loans granted, as well as commission and other charges. The Board of Directors also approves a global borrowing authorisation on an annual basis. Save as otherwise provided in the Statute, decisions taken by the Board of Directors shall be taken by at least one-third of voting members representing 50% of the subscribed capital.

⁶ In line with its transparency policy, the EIB published on its website the [agenda](#) of the meeting and the [summary](#) of the decisions taken.

⁷ <http://www.eib.org/about/governance-and-structure/statutory-bodies/remuneration.htm>

⁸ Some nominated by individual Member States and some by common accord of several Member States (constituencies).

⁹ EIB Statute, Article 9(2).

¹⁰ Which will expire in 2018 either at the end of the day of the Annual Meeting or on the day that the EIB's financial statements are approved for the previous year, whichever occurs the latest.

¹¹ In order to broaden its professional expertise, the Board of Directors has made use of the possibility of co-opting non-voting experts. The end of their mandate coincides with that of the entire Board of Directors.

¹² Including Directors, Alternate Directors, Experts and Alternate Experts.

Consistent with best banking practice, the following committees exist within the EIB Board of Directors: a **Risk Policy Committee**, an **Equity Participation Policy Committee** and a **Committee on Staff Remuneration and Budget**.

- The role of the [Risk Policy Committee](#) shall be to discuss and advise the Board of Directors on the Bank's risk policies, including those policies relevant for aspects of the EIB Group, by providing non-binding opinions and/or recommendations to the Board of Directors so as to facilitate the decision-making process of the Board.
- The role of the [Equity Participation Policy Committee](#) shall be to discuss and advise the Board of Directors on the Bank's equity investment policy including those relevant for aspects of the EIB Group by providing non-binding opinions and/or recommendations to the Board of Directors so as to facilitate the decision-making process of the Board.
- The role of the [Committee on Staff Remuneration and Budget](#) shall be to pre-discuss (i) remuneration and pension review issues and (ii) Operating Expenses budget revisions, with a view to preparing the ground for Board discussions on budget, staff remuneration and pensions. In any event, the Committee shall be consultative and shall provide only opinions without prejudice to the decision-making process of the governance of the Bank and the respective powers of the Board of Directors and the Management Committee.

The powers and responsibilities of each Committee are established in the applicable Committees' Terms of Reference, which are approved by the Board of Directors. The members of these committees are chosen from among the directors and alternate directors of the Board of Directors. In 2018, the scope, mandate, mode of operation and organisation of Board Committees were reviewed to harmonize their operating framework. A list of Board Committee members is regularly updated and published on the Bank's website, together with the respective descriptions of the purpose of the Committees.

There are also several working groups within the EIB Board of Directors: a Working Group on Governance, a Working Group on Lending Policy, Evaluation and Impact, and a Working Group on Tax and Compliance matters. These working groups are established by the Board of Directors, which also adopt their respective terms of reference.

There is an induction programme in place for all new directors. Regular thematic Board seminars are provided to all Board members ahead of Board meetings.

A register of Board members' attendance is detailed in annex 1 and 2.

4.3. The Management Committee

The **Management Committee** is the Bank's permanent collegiate executive body and consists of a President and eight Vice-Presidents, appointed for a period of six years by the Board of Governors on a proposal from the Board of Directors¹³. Before the appointment by the Board of Governors, an Appointment Advisory Committee¹⁴ provides non-binding opinions on candidates' suitability to perform the duties of member of the Management Committee of the EIB to the Member State presenting the candidate. Their appointments are renewable. The Management Committee is responsible for the current business of the Bank, under the authority of the President and the supervision of the Board of Directors. The Management Committee prepares the decisions of the Board of Directors and ensures that these decisions are implemented.

Members of the Management Committee meet as and when required by the business of the Bank¹⁵. In 2018, 33 scheduled meetings were held (compared to 37 in 2017). The Management Committee acts by majority when providing opinions to the Board of Directors on proposals for raising loans or granting of finance, in particular in the form of loans and guarantees.

A report on Management Committee Members' oversights is provided in annex 4.

4.4. The Audit Committee

The Bank's **Audit Committee** is an independent statutory body appointed by and accountable directly to the Board of Governors. The Audit Committee comprises six members appointed on the basis of their qualifications with a non-renewable mandate of six consecutive financial years. A maximum of three observers can be appointed by the Board of Governors, also for a non-renewable mandate of six years, on the basis of their qualifications, in particular banking supervision expertise.

The Audit Committee checks annually that the operations of the Bank have been conducted and its books kept in a proper manner. To this end, it verifies that the Bank's activities have been carried out in compliance with the formalities and procedures laid down by its Statute and Rules of Procedure. It ascertains whether the financial statements (as well as any other financial information contained in the Annual Financial Report drawn up by the Board of Directors) give a true and fair view of the assets and liabilities, results of operations and cash flows for the year then ended of the Bank, the EIB Group, and certain Trust Funds administered by the Bank. The Audit Committee reports on the EIB's compliance with best banking practice through its Annual Report to the Board of Governors.

¹³ Information published on the EIB's website on the composition of its decision-making bodies includes a curriculum vitae (summary of professional qualifications and experience) of the members of the Board of Directors and the Management Committee.

¹⁴ http://www.eib.org/about/governance-and-structure/statutory-bodies/board_of_governors/appointment-advisory-committee/index.htm

¹⁵ The Management Committee may delegate the adoption of management or administrative measures to the President or one or more Vice-Presidents, subject to the conditions laid down in the decision to delegate. The Management Committee may delegate the adoption of other measures jointly to the President and one or more Vice-Presidents, subject to the conditions laid down in the decision to delegate, if it is not possible, given the circumstances, to take a decision in the meeting.

In relation to the oversight of the external audit process, the Audit Committee designates the external auditors, and reviews and monitors their independence and the objectivity and effectiveness of the audit process. It approves the scope and fees for audit services and oversees compliance with the Bank's policies on the provision by the external auditor of non-financial services. To that end, private meetings are held with the external auditor without Bank's management being present to ensure that there are no restrictions on the scope or independence of its audit.

The EIB uses the EU Accounting Directives for its stand-alone statutory accounts and the International Financial Reporting Standards ("IFRS") as adopted by the EU for its consolidated financial statements. Since 2009, a second set of consolidated financial statements is also produced under the EU Accounting Directives.

5. EIB Best Banking Practice framework

According to Article 12 of the EIB Statute, the activities of the EIB have to conform to best banking practice (BBP). The conformity to best banking practice is verified by the Audit Committee (AC) of the EIB. The Rules of Procedure of the EIB refer to adherence to best banking practice "applicable to it" implying that the specificities of the EIB's business model may warrant modified application of the regulatory requirements.

Since the introduction in 2009 of the statutory requirement on BBP, the Audit Committee and the EIB's Board of Directors have identified the general framework which sets out the best banking practice reference documents applicable to the EIB, against which the EIB's compliance with BBP is assessed. The BBP framework is based on the hierarchy of the relevant legal and regulatory rules consisting of the EU Treaties, EIB Statute and Rules of Procedure, EU banking directives and regulations and further standards and guidelines issued by regulatory bodies (such as BCBS). On the basis of annual self-assessments undertaken by EIB Directorates, the Audit Committee approves updates to the BBP framework and verifies its implementation, the outcome of which it reports to the EIB's governing bodies on a yearly basis.

In order to further codify and reinforce the EIB's approach to best banking practice, the Board of Governors approved in July 2018 the EIB Best Banking Practice Guiding Principles. The said document defines the overall principles and the general scope of financial regulations applicable to EIB as BBP, and considers specificities of the Bank's business model by way of general adjustments.

To that end, the Board of Directors will adopt in the course of 2019 a BBP Book that will specify the banking regulatory requirements which are not applicable to the EIB as BBP or which are adapted to its specific features, taking into account its nature, policy mission, specific tasks and governance structure.

The implementation of the BBP Guiding Principles and the BBP Book shall be verified annually by the EIB's Audit Committee.

6. Specific features of the EIB Governance framework

6.1. EIB's role

The European Investment Bank has a dual role:

- as a financial institution, the EIB provides finance and expertise for economically, technically, financially and environmentally sound investment projects in Europe and beyond the Bank; it ensures that its business is conducted in accordance with the rules and procedures laid down in the Statute and the Rules of Procedure, and in line with best banking practices applicable to it; and
- as a European body serving the policies of the EU, the EIB carries out its statutory role and the tasks assigned to it in a transparent manner, in accordance with the provisions that are applicable to it.

6.2. Governing structure

As explained above, under its Statute the EIB is governed by a three-tier structure: the Board of Governors, the Board of Directors and the Management Committee.

While the President of the EIB is also the Chairman of the EIB Board of Directors, the EIB President does not have voting rights at the Board of Directors. The chair of both bodies serves the purpose of guaranteeing continuity in the decision-making process between the non-resident Board of Directors and the resident Management Committee.

There is a separation of power between the President of the EIB and the Chairman of the Board of Governors, which is the highest governing body of the EIB. The Board of Governors appoints the members of the Board of Directors and of the Management Committee, including the EIB President. Its Chairperson does not belong to either the Board of Directors or the Management Committee.

6.3. Optimisation of the EIB Governance

The Board of Directors outlined several organisational and governance changes in July 2018 and approved an Implementation Roadmap in December 2018. These included:

- a) a proposal to change to the EIB Statute – that has been approved in April 2019¹⁶ - to increase the number of alternate members of the Board of Directors and to introduce qualified majority voting with respect to certain governance matters;
- b) further initiatives to be implemented (i) to reflect, in line with best banking practice, the principles of the "Three Lines of Defence" model across the Bank, (ii) to enhance the Bank's Internal Control and Risk Management environment, in particular by creating a Group Risk Function exercised by a Group Chief Risk Officer, (iii) to put in place the remaining elements of the EIB Best Banking Practice Framework, (iv) to enhance the support of alternate Board members and non-voting experts in the decision-making process.

¹⁶ This change to the EIB Statute was approved by the Council on 15 April 2019 but will enter into force when the UK withdraws from the EU.

As regard the implementation of the above-mentioned initiatives, the related changes to the relevant and applicable texts will be submitted to the relevant governing bodies in the course of 2019.

6.4. Remuneration scheme for members of the EIB statutory bodies

The EIB web site publishes detailed information on the [remuneration and other benefits applicable to members of its decision-making and supervisory bodies](#) and to the [members of its staff](#)¹⁷.

Information is also provided on, for instance, the remuneration of members of the Board of Directors and the Audit Committee (attendance fees), the rules for determining the bonuses awarded to senior management and the Bank's pension schemes.

The **Board of Governors** is a non-remunerated governing body and sets the compensation of the Board of Directors, the Management Committee and the Audit Committee.

The members of the **Board of Directors** do not receive remuneration from the Bank, but do receive an attendance allowance of EUR 600 for each meeting day of the Board in which they participate. The attendance allowance amount has been kept constant in nominal terms (i.e. no increase for inflation) since 2002. Some Board members are civil servants and may be required by national rules to pay the attendance allowance received to their national administration. The members of the Board of Directors do not receive a bonus and are not paid for preparation times between Board meetings or for written decisions.

The Bank reimburses the travel expenses of Board members in respect of their attendance at meetings of the EIB Board of Directors, meetings of Board Committees or Working Groups and other events convened by the governing bodies of the Bank. When travelling, members of the Board of Directors have to use the most efficient and economical route possible. Private expenses must be strictly separated from expenses linked to the purposes of fulfilling duties connected with membership of the EIB's Board of Directors, and should never give rise to an increase of the expenses incurred by the EIB.

A flat-rate subsistence allowance (currently EUR 250) is credited to Board members for each hotel night to attend Board meetings or other events convened by the governing bodies of the Bank in Luxembourg.¹⁸

The remuneration of the **Management Committee** members is set by the Board of Governors and does not include individual rewards nor Bank's performance objectives. The emoluments of the members of the Management Committee (President and Vice-Presidents of the EIB) are aligned with those of the President and Vice-Presidents of the European Commission respectively.

¹⁷ In particular, salary scales and performance award applicable to staff members.

¹⁸ In June 2018, the Board of Governors decided to review the flat-rate subsistence allowance of the EIB Board of Directors and Audit Committee members providing for increase of the flat-rate subsistence allowance from EUR 200 to EUR 250 to cover hotel costs and expenses related thereto.

The **Audit Committee** members and observers are not remunerated by the Bank. For each meeting day in which they participate, members and observers of the Audit Committee receive an attendance allowance of EUR 1050, an amount that is set by the Board of Governors and has not changed since 2002. In addition, the Bank pays a flat-rate subsistence allowance of EUR 250 as a lump-sum reimbursement for hotel and related expenses incurred by individual Audit Committee members and reimburses their travel expenses.

6.5. Ethics and Compliance

A specific Code of Conduct applies upon acceptance of their mandate to:

- [the members of the Board of Directors](#), to their alternates and to their non-voting alternate experts and, where specifically provided for, to the former members of the Board of Directors, to former alternates and to former non-voting experts;
- [the members of the Management Committee](#) and, where specifically provided for, to the former members of the Management Committee; and
- [the members and to the observer\(s\) of the Audit Committee](#).

These respective Codes of Conduct set out the rules applicable in matters of professional ethics and behaviour to these statutory bodies.

Pursuant to Article 11.4 of the [Rules of Procedure](#) of the EIB, the [Ethics and Compliance Committee](#) (ECC) rules on any potential conflict of interest of a member of the Board of Directors or of the Management Committee and former members of these bodies, with regard to the cooling-off period. Since 1 September 2016, the Ethics and Compliance Committee also provides opinions on any ethical matter concerning members of the Board of Directors or of the Management Committee regulated in their respective Codes of Conduct or in related relevant provisions, during the period of their mandate.

The operating rules of the Ethics and Compliance Committee are adopted by the Board of Governors and were last reviewed in 2016. These rules also provide the possibility for a member of the Audit Committee to request the opinion of the Committee on a voluntary basis.

The Ethics and Compliance Committee is composed of the four longest-serving directors who have volunteered to participate in it, plus the Chairman of the Audit Committee. Decisions of the Ethics and Compliance Committee are periodically communicated to the Board of Directors and to the Board of Governors in an annual report.

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.

6.6. Appointment Advisory Committee

Pursuant to Article 23.a.2. of the [Rules of Procedure](#) of the EIB, the [Appointment Advisory Committee](#) provides non-binding opinions on candidates' suitability to perform the duties of member of the Management Committee of the EIB to the Member

State presenting the candidate, prior to the Member State formally presenting the candidate to the Board of Directors and Board of Governors under the appointment procedure.

The Committee comprises five members external to the Bank, appointed by the Board of Governors upon proposal of the President, having independence and competence, as well as high integrity and reputation. The overall composition of the Committee aims to reflect an adequately broad range of expertise as well as gender diversity. Members of the Appointment Advisory Committee are remunerated and compensated for their expenses on the same basis as members of the Board of Directors.

7. EIB Organisation Structure

The EIB's services are structured as follows:

- The [General Secretariat \(SG\)](#) is responsible for implementing and monitoring the decision-making process and the provision of secretariat services for all the governing bodies in the Bank. It defines institutional strategy (including the Operational Plan), provides economic analysis on the employment and growth impact of EIB activities and potential new products, and coordinates and develops relations with EU institutions, international and development financing agencies and non-governmental organisations ("NGOs"). It is also responsible for communications and corporate responsibility. Moreover, it supervises the areas of Advisory Services as well as the Bank's external offices.
- The [Legal Directorate \(JU\)](#) advises on legal matters. It is responsible for (i) drafting and negotiating project-related legal documentation and, when requested, other contractual documentation; (ii) providing legal advice on the Bank's activity, its organisation, the interpretation of the Statute and other legal texts; and (iii) defending the Bank's interests in any litigation it is concerned by.
- The [Corporate Services Directorate \(CS\)](#) is responsible for Personnel and for central corporate services including information technology and data governance, facilities management, and information management and procurement.
- The [Directorate for Operations \(OPS\)](#) is responsible for investment operations within the European Union, the Candidate and Potential Candidate Countries, the EFTA Countries, as well as outside the European Union in other Partner Countries that are not Candidate or Potential Candidate Countries or EFTA Countries.
- The [Transaction Management and Restructuring Directorate \(TMR\)](#) is responsible for financial monitoring and event resolutions of counterparts as well as distressed transactions, late payments, guarantee calls and Know-Your-Customer processes.
- The [Finance Directorate \(FI\)](#) is responsible for all borrowing and treasury operations and back office support for all equity, lending, borrowing and funding operations.
- The [Projects Directorate \(PJ\)](#) appraises and monitors projects, assessing their economic, environmental, social and technical sustainability and their compliance with EU and EIB sector policies. It also provides advice to promoters on the

preparation and implementation of projects, either directly or through external consultants.

- The **Risk Management Directorate (RM)** is responsible for controlling, monitoring and reporting on credit, market and operational risks and risks relating to the equity, lending, funding, treasury and derivative operations that the Bank performs.
- The **Inspectorate General (IG)** groups together three independent control and accountability functions, namely the evaluation of operations and related policies and strategies, the investigation into prohibited conduct, and the complaints mechanism.
- The **Compliance Directorate (OCCO)** is responsible for identifying, assessing, advising on, monitoring and reporting on the compliance risk of the EIB Group. Compliance risk is defined as the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a member of the EIB Group may suffer as a result of its failure to comply with applicable laws, regulations, codes of conduct and standards of good practice. In particular, it is responsible for Compliance policies, Ethics standards, Codes of Conduct, Anti-Money Laundering and Combating the Financing of Terrorism standards and taxation related controls through the due diligence and on-going monitoring of EIB counterparties and operations. Furthermore, OCCO is co-responsible for the identification, assessment, monitoring and reporting of non-financial risks.
- The **Financial Control Directorate (FC)** is mainly responsible for informing internal and external stakeholders about the Bank's financial position, results and performance. FC has to ensure the integrity, completeness and accuracy of the Bank's financial statements and compliance with the applicable accounting standards and best practices. Since 2016, FC has established the Internal Control Framework Division, which aims at strengthening the Bank's second line of defence and has as per objective to provide a common platform to assess and report on EIB's control risks.
- The **Internal Audit Department (IA)** is responsible for examining and evaluating the relevance and effectiveness of the internal control systems and the procedures involved in managing risk within the EIB Group. To that end, Internal Audit reviews and tests controls in critical banking, information technology and administrative areas on a rotational basis using a risk-based approach.

8. The EIB Group

The EIB and the EIF are both EU bodies and supranational institutions, qualifying as International Financial Institutions ("IFIs"), each with the status of a multilateral development bank ("MDB"). The EIB consolidates the EIF accounts by virtue of its majority shareholding, under the relevant accounting principles.

The European Investment Fund ("EIF") was established in 1994 on the basis of Article 28 of the Statute of the EIB, by decision of the Board of Governors of the EIB, with

legal personality and financial autonomy. The EIF has a unique shareholding structure combining public and private investors¹⁹.

The EIF is a specialist institution, which provides risk finance to support micro-entrepreneurs, small and medium-sized enterprises ("SMEs") and small MidCaps in accessing finance. The EIF develops and implements equity and debt financial instruments that respond to the financing needs of European businesses.

In accordance with Article 2 of the Statutes, the EIF's mission is to contribute to the objectives of the European Union. The level of remuneration or other income sought by the EIF shall be determined in such a way as to reflect risks incurred, cover operating expenses, establish necessary reserves and, in accordance with Article 24 of the Statutes, generate an appropriate return on its resources.

9. EIB Group's internal control and risk management principles

9.1. Overview

The Bank's internal control functions and risk management systems are consistent with the three-lines-of defence model ("3LoD"). As a first line of defence, the front units are responsible, within their respective areas, for managing risks within the established set of limits and boundaries. Amongst other functions, the second line of defence includes the respective Risk Management and Compliance functions as well as IT resources and Financial Control responsible for the maintenance and development of the risk management and control framework, providing advice regarding its application, following up on its implementation and ensuring the compliance with respective policies and regulations.

Furthermore, the Financial Control Directorate has established the Internal Controls and Assertion Division, which aims at strengthening the Banks second line of defence and has the objective to provide a common platform to assess and report on EIBs control risks. The second line of defence also includes functions in the EIBs Project Directorate and the Legal Directorate.

The Third line of defence is ensured by the Internal Audit function which provides an independent review of the risk management practices and internal control framework and reporting to the Audit Committee or to the EIF's Audit Board, as relevant.

The Group operates under a [Group Risk Management Charter²⁰](#), which sets out the overarching principles of risk management at the Group level. In line with best banking practice, the EIB as the parent entity of the EIB Group is responsible for exercising oversight of Group Risks, while respecting the statutory, legal and governance requirements that apply to the Group's entities individually. The EIB sets the Group Risk Appetite Framework, which encompasses both financial and non-financial risks and oversees its application. Within the remit of the Group Risk Appetite Framework, the EIB and the EIF define their individual risk appetite as the level of risk that they are

¹⁹ EIF shareholders as at 31 December 2018: European Investment Bank (58.645%), European Union represented by the European Commission (29.710%), 33 public and private financial institutions (11.645%).

²⁰ The Group Risk Management Charter has been revised in 2019 to ensure conformity with evolving best banking practice, including regulatory requirements on internal governance.

willing to take in pursuing their activities in the context of their policy mandate and objectives and in compliance with their respective governing texts.

At both the EIB and the EIF, the segregation of duties is guaranteed as internal control functions are separate functions, each having privileged direct access to the relevant executive body (Management Committee for the EIB, Chief Executive for the EIF) and to their respective Boards of Directors (and, in the case of the EIB, to the Risk Policy Committee of the Board of Directors).

For each of the internal control functions, there is coordination at group level between the EIB and the EIF. The inter-institutional collaboration was strengthened in 2013 to increase exchanges between the EIB and the EIF on key control functions according to the 3LoD model. Furthermore, in March 2018, the "Memorandum of Understanding between the EIB and the EIF establishing a framework for cooperation between the Compliance Functions" was signed, with a view to formalising and strengthening an aligned Group compliance risk assessment framework.

In line with the "Principles of Cooperation between the EIB Audit Committee and the EIF Audit Board", the two statutory bodies met on three occasions in 2018 and discussed specific areas of audit focus and shared matters of interest, including the outcome of joint internal audits, EIB Group risk management, cyber security and equity activities, the provision of certain shared services and, where appropriate, common working practices.

In 2018, pursuant to the EIB Audit Committee recommendations, and as part of the organisational and governance changes, steps were taken towards the creation of a Group Chief Risk Officer, to be positioned at staff level and responsible for risk management at Group level to further enhance the internal control and risk management environment²¹.

9.2. Main internal control structures

The EIB [Risk Management Directorate](#) identifies, assesses, monitors, reports, and controls all risks to which the Bank is exposed to. It covers various areas of risk such as credit, market, operational and liquidity risks. The EIB Risk Management Directorate is independent from the Operations front office and does not delegate its responsibilities when participating in the various committees of the Bank. The EIF's Risk Management department is independent from the front office transactions and mandate management departments and focuses on the core areas of financial and non-financial risks.

The [Inspector General](#) is in charge of three control functions at group level: the Fraud Investigation division, the (ex post) Operations Evaluation division and the Complaints Mechanism division. The Inspector General has privileged direct access to the President and the Audit Committee as well as to the EIF's Audit Board.

The [Internal Audit function](#) provides an independent review of the first two lines of defence by examining and evaluating the relevance and effectiveness of the internal

²¹ The Group Chief Risk Officer's remit covers Group Risks defined as both financial and non-financial risks, including credit, market, liquidity, concentration, operational, IT reputational, legal, conduct, compliance and strategic risks applicable to the Group.

control systems and the procedures involved in managing risk within the EIB Group. For the EIF, this function is outsourced to the EIB Internal Audit.

The [Financial Control Directorate](#) is responsible for budgetary control, accounting and reporting. In order to improve transparency and with the objective of providing an unbiased true and fair view of its financial position and results, the statutory financial statements are drawn up in accordance with EU Accounting Directives (EU-AD) while the consolidated financial statements are prepared in two sets: one in accordance with IFRS as approved by the European Union; and the other based on EU-AD. Since 2016, the Financial Control Directorate has established the Internal Control Framework Division, which aims at strengthening the Bank's second line of defence and has as an objective to provide a common platform to assess and report on EIB's control risks. The EIF's Financial Control Division is responsible for payment of financial transactions, accounting and reporting. With the objective of providing a true and fair view of its financial position and results, the statutory financial statements are drawn up in accordance with International Financial Reporting Standards ("IFRS") while two sets of group reporting packages are prepared in accordance with IFRS and with EU Accounting Directives (EU-AD) and provided to the EIB for the purpose of participating to the preparation of the two sets of consolidated financial statements.

The [Compliance Directorate](#), headed by the [Group Chief Compliance Officer \("GCCO"\)](#), is an independent Directorate that carries out integrity checks on potential EIB counterparts, ensures compliance with the EIB rules applicable to non-compliant jurisdictions, ensures compliance with the rules on EIB procurement for its own account, monitors the compliance of staff with the ethical rules and contributes, with the Ethics and Compliance Committee, to reviewing the compliance of members of EIB governing bodies with the ethical rules applicable to them. The [EIF's Head of Compliance](#) holds an equivalent role at the EIF, with similar responsibilities. The GCCO coordinates Group compliance risk, in line with the provisions of the aforementioned Memorandum of Understanding for cooperation between the EIB and the EIF Compliance Functions. The EIB and the EIF Data Protection Officers are independent functions within, respectively, the Office of the Group Chief Compliance Officer and EIF Compliance, and are tasked with controlling compliance, within their respective remits, with EU data protection rules.

10. EIF Governance framework²²

10.1. EIF statutory bodies

According to its Statutes, the EIF is governed by a three-layer structure: the [General Meeting](#), the [Board of Directors](#) and the [Chief Executive](#).

Together with the [Audit Board](#), they make up the statutory bodies of the EIF. The provisions relevant to the functioning of the EIF's statutory bodies are set out in the [EIF's Statutes](#) and [Rules of Procedure](#). The list of members of these bodies and their curricula vitae for the members of the Board of Directors and the Audit Board, along with additional information on remuneration arrangements and Codes of Conduct, are published on the [EIF's website](#).

²² For more detailed information on the European Investment Fund, please see the EIF's Annual Report on www.eif.org.

A specific Code of Conduct applies upon acceptance of their mandate to:

- the members of the Board of Directors and to their alternates and, where specifically provided for, to the former members of the Board of Directors and former alternates;
- the Chief Executive and Deputy Chief Executive;
- the members and alternate member of the Audit Board.

These respective Codes of Conduct set out the rules applicable in matters of professional ethics and behaviour to these statutory bodies.

The **General Meeting** consists of one representative of each EIF shareholder: the EIB (usually its President or a Vice-President), the European Commission representing the European Union, and each Financial Institution. The General Meeting is chaired by the representative of the shareholder with the highest number of shares in the EIF. The Annual General Meeting (AGM) must be held by 30 June at the latest for the purpose of examining the annual report, balance sheet and profit and loss account together with all relevant documents. At the same time, the appropriation of net income and distribution of net income for the year in question is also determined. The 2018 AGM was held on 11 April.²³

The **Board of Directors** consists of seven members and seven alternates, designated by the shareholders of the EIF and mandated to act independently and serve the best interests of the EIF in carrying out their duties: four members/alternates designated by the EIB, two designated by the European Commission, and one designated by the Financial Institutions. The members and alternates are appointed by and accountable to the General Meeting. The term of office of the Board of Directors is for two years. The mandates of the current members and alternate members end on the day of the 2020 Annual General Meeting.

The members and alternate members of the Board of Directors are entitled to receive an attendance allowance of EUR 300 net for each meeting day of the Board in which they participate and a flat-rate subsistence allowance (currently EUR 220 net). The EIF also reimburses the travel expenses incurred by participating members and alternate members. Some Board members are civil servants and may not be entitled to receive the attendance allowance or may be required by national rules to pay the allowance to their national administration. The members of the Board of Directors do not receive a bonus and are not paid for preparation time between Board meetings or for decisions taken by written procedure and therefore do not entail a physical meeting.

The **Chief Executive** is responsible for the day-to-day management of the EIF and reports to the EIF Board of Directors. The current Chief Executive, Mr. Pier Luigi GILIBERT, was appointed by the Board on 3 February 2014 and took office on 16 March 2014.

A delegation of powers from the Board of Directors to the Chief Executive, updated in July 2018, defines the scope of authorisation within which the Chief Executive may approve certain new transactions, certain changes to already-approved operations, as well as measures for the management of the EIF's tail-end funds portfolio.

²³ For AGM minutes: http://www.eif.org/who_we_are/governance/annual_general_meeting/index.htm

The **Audit Board** has the statutory responsibility to confirm on an annual basis to the members of the General Meeting that the balance sheet and profit and loss account of the EIF give a true and fair view of the financial position of the EIF with respect to its assets and liabilities, and of the results of its operations for the financial year under review. It shall also confirm that the operations of the EIF have been carried out in compliance with the formalities and procedures laid down in the Statutes and the Rules of Procedure. The Audit Board consists of three members, designated by the EIB, the European Commission and the Financial Institutions, respectively, and one alternate designated on a rotating basis by the aforementioned shareholders. The members and alternate member of the Audit Board are appointed by and accountable to the General Meeting and hold terms of office of three years.

The members and the alternate member of the Audit Board are entitled to receive an attendance fee of EUR 1,050 net per day of attendance, an amount that is set by the General Meeting and has not changed since 2008. In addition, the EIF pays a flat-rate subsistence allowance (currently EUR 200 net). The EIF also reimburses the travel expenses incurred by participating members and alternate members.

10.2. EIF capital and shareholders

The EIF has an authorised capital of EUR 4.5bn, divided into 4,500 shares, all issued and fully subscribed, with a nominal value of EUR 1m each.

One new financial institution was admitted as member of the EIF in 2018 when ProCredit Holding AG & Co. KGaA acquired three shares, effective 28 December 2018. One existing financial institution shareholder, Banco BPI S.A., sold 11 out of the 14 EIF shares it held to the EIB, effective 26 April 2018.

As at 31 December 2018, the [EIF's shareholders](#) consisted of the EIB holding 2,639 (58.645%) of the issued shares, the European Union represented by the European Commission holding 1,337 shares (29.710%) and 33 financial institutions holding the remaining 524 shares (11.645%).

10.3. EIF Best Practice framework

While the EIF is not subject to prudential banking or other regulatory supervision. In accordance with its Statutes, the EIF bases its activities on sound banking principles or other sound commercial principles and practices as applicable (“Best Market Practices” or “BMP”).

In the context of the EIF, BMP refers to the financial sector practices and principles relevant to the EIF’s activities, as identified by the EIF, that the EIF considers appropriate to apply, as long as they do not conflict with its core legal framework (the EU Treaties and the EIF Statutes) in a manner proportional to its nature, scale and complexity.

To this end, the EIF monitors applicable BMP based on a hierarchical set of reference documents (including EU Treaties, the EIF’s Statutes and Rules of Procedure, EU Banking Directives and Regulations, guidance and principles issued by, or best practice adopted by global and EU regulatory bodies (e.g. BCBS, EBA, ESMA and ECB).

11. EIB Institutional network

The EIB is both a bank that follows the best banking practice applicable to it and an EU body, owned by the EU Member States and embedded in the EU institutional framework of accountability and control. In particular:

- The [European Commission](#) provides an opinion²⁴ on every operation presented for approval by the Management Committee to the EIB Board of Directors. Where the European Commission delivers an unfavourable opinion, the Board of Directors may not grant the finance concerned unless its decision is unanimous, with the director nominated by the European Commission abstaining.
- For EIB activities within the EU, no finance can be granted in the case of a negative opinion by the Member State in which an operation is located.
- [The European Parliament](#) reports every year on the EIB's annual report.
- [The Court of Justice of the EU rules](#) on disputes that may arise between the EIB and the Member States and, where necessary, assesses the legality of the decisions taken by the Board of Governors and Board of Directors. Disputes between the Bank on the one hand, and its creditors, debtors or any other person on the other hand, shall be decided by the competent national courts, save where jurisdiction has been conferred to the Court of Justice of the EU. Disputes concerning measures adopted by the organs of the EIF shall be subject to the jurisdiction of the Court of Justice of the EU, whereas dispute between the EIF on the one hand and the beneficiaries of its operations on the other, shall be decided by the competent national courts or through arbitration.
- Operations under mandates conferred by the EU on the EIB or the EIF and operations managed by the EIB or the EIF that are entered into, and guaranteed by, the general budget of the EU, are subject to documentary audits and if necessary on-the-spot audits by the [European Court of Auditors](#), in accordance with Article 287(3) of the TFEU²⁵.
- The EIB Group Fraud Investigation division fully cooperates with the European Anti-Fraud Office (“[OLAF](#)”) on [potential fraud cases](#) within the [OLAF remit](#).
- The EIB and EIF Data Protection Officers monitor compliance with the rules regarding personal data protection and in particular with [Regulation 45/2001](#). They cooperate with the [European Data Protection Supervisor](#) and inform him of any processing operation involving sensitive data.
- If not satisfied with the review by the [EIB Group Complaints Mechanism](#), any physical or legal person may then lodge a complaint for maladministration against the EIB or the EIF with the [European Ombudsman](#).
- Since 2009, the European Investment Bank has access to the [liquidity mechanism of the Eurosystem](#) and, as such, complies with the relevant regulatory requirements, which are monitored by the Central Bank of Luxembourg on behalf of the European System of Central Banks.

²⁴ [Working procedure between EIB & EC services on environmental aspects](#)

²⁵ To that end, a "[Tripartite Agreement](#)" has been adopted by the Commission, the Court of Auditors and the EIB.

Annexes

Annex 1 – Directors and Experts' attendance of 2018 meetings

Countries	First Name	Last Name	Last Appointment Date	Max Nbr of meetings	Attendance	Total (%)
Germany	Thomas	WESTPHAL	15/05/2013	10	9	90.00%
France	Emmanuel	MASSE	22/01/2016	10	10	100.00%
Italy	Gelsomina	VIGLIOTTI	11/10/2017	3	3	100.00%
UK	Jonathan	BLACK	08/01/2015	3	0	0 %
	David	<i>replaced by</i> LUNN	12/06/2018	6	4	66.67%
Spain	Carlos	SAN BASILIO PARDO	25/01/2017	6	6	100.00%
	Carla	<i>replaced by</i> DIAZ ALVAREZ de TOLEDO	14/08/2018	4	4	100.00%
Portugal	Filipe	CARTAXO	29/01/2018	10	10	100.00%
Belgium	Marc	DESCHEEMAECKER	15/04/2015	10	8	80.00%
Luxembourg	Arsène	JACOBY	15/05/2013	10	10	100.00%
Netherlands	Mickie	SCHOCH	06/06/2017	10	9	90.00%
Denmark	Julie	SONNE	22/01/2016	10	9	90.00%
Greece	Konstantin J.	ANDREOPOULOS	30/08/2018	9	9	100.00%
Ireland	John A.	MORAN	15/05/2013	5	5	100.00%
	Des	<i>replaced by</i> CARVILLE	16/07/2018	5	5	100.00%
Romania	Attila	GYÖRGY	11/07/2016	10	10	100.00%
Estonia	Andres	KUNINGAS	02/12/2016	10	10	100.00%
Latvia	Armands	EBERHARDS	15/07/2014	10	10	100.00%
Lithuania	Miglé	TUSKIENÉ	15/05/2013	10	9	90.00%
Austria	Karin	RYSAVY	19/05/2017	10	10	100.00%
Finland	Kristina	SARJO	15/05/2013	10	10	100.00%
Sweden	Mattias	HECTOR	01/09/2014	5	2	40.00%
	Eva	<i>replaced by</i> HAGHANIPOUR	16/07/2018	5	5	100.00%
Bulgaria	Marinela	PETROVA	15/09/2016	10	10	100.00%
Czech Republic	Petr	PAVELEK	12/05/2016	10	9	90.00%
Croatia	Vladimira	IVANDIĆ	17/07/2013	5	4	90.00%
	Ante	Replaced by Ante MATIJEVIC	16/07/2018	5	5	100.00%
Cyprus	Kyriacos	KAKOURIS	15/05/2013	10	10	100.00%
Hungary	Zoltán	URBÁN	15/05/2013	2	0	00.00%
	László	<i>replaced by</i> BARANYAY	13/07/2017	5	5	100.00%
Malta	Stanley	MIFSUD	19/08/2016	5	5	100.00%
	Paul	<i>replaced by</i> DEBATTISTA	16/07/2018	5	5	100.00%
Poland	Piotr	NOWAK	18/03/2016	10	10	100.00%
Slovenia	Andrej	KAVCIC	23/01/2018	10	10	100.00%
Slovakia	Ivan	LESAY	03/05/2016	10	10	100.00%

EU Commission	Kerstin	JORNA	09/06/2017	10	10	100.00%
Experts	Angelos	PANGRATIS VACANT as of 22/06/2018	15/12/2015	5	4	80.00%
Experts	Ingrid	HENGSTER VACANT as of 22/06/2018	01/04/2014	5	4	80.00%
Experts	Timothy	STONE VACANT as of 22/06/2018	19/07/2013	5	3	80.00%

Annex 2 – Alternate Directors and Alternate Experts' attendance of 2018 meetings

Countries & Constituency	First Name	Last Name	Last Appointment Date	Max Nbr of meetings	Attendance	Total (%)
Germany	Martin	HEIPERTZ	15/09/2014	10	10	100.00%
	Rudolf	LEPERS	15/05/2013	10	8	80.00%
France	Shanti	BOBIN	07/03/2017	10	10	100.00%
	Remy	RIOUX <i>replaced by</i>	13/07/2016	5	1	20.00%
	Anthony	GAY	22/06/2018	3	3	100.00%
	Carole	<i>replaced by</i> GOSTNER	30/11/2018	1	1	100.00%
Italy	Stefano	SCALERA	10/09/2015	10	9	90.00%
	Francesca	MERCUSA	21/09/2016	10	7	70.00%
UK	Jennifer	YOUNG	03/03/2017	10	7	70.00%
	Sarah	SANYAHUMBI	15/12/2015	10	5	50.00%
Spain & Portugal	Rosa	CAETANO	13/02/2018	9	9	100.00%
Belgium, Luxembourg & Netherlands	Pieter-Jan	VAN STEENKISTE	25/11/2015	2	2	100.00%
	Otto	<i>replaced by</i> de SMETH	22/03/2018	8	7	90.00%
Denmark, Greece, Ireland & Romania	Achilleas	TZIMAS	15/05/2013	1	1	100.00%
	Rasmus	<i>replaced by</i> RONNE-AHM	04/04/2018	8	4	50.00%
	Rasmus	MORTENSEN	05/07/2016	5	5	100.00%
	Boni Florinela	<i>replaced by</i> CUCU	25/06/2018	5	5	100.00%
Estonia, Latvia, Lithuania, Austria, Finland & Sweden	Joanna	TIKKANEN	09/08/2016	5	5	100.00%
	Anne	<i>replaced by</i> af URSIN	25/06/2018	5	5	100.00%
	Aija	ZITCERE	07/07/2017	10	10	100.00%
Bulgaria, Croatia, Czech Republic, Cyprus, Hungary, Malta, Poland, Slovenia, Slovakia	Mateja	DOLINAR <i>replaced by</i> VACANT	28/02/2018	3	3	100.00%
	Péter	TÁRNOKI-ZÁCH	19/10/2016	10	5	50.00%
	Claude G.	CUSCHIERI <i>replaced by</i> VACANT	08/07/2013	5	5	100.00%
	Silvija	BELAJEC	18/10/2016	5	4	90.00%
	Ana	<i>replaced by</i> ZORIC	17/10/2018	2	2	100.00%
EU Commission	Benjamin	ANGEL	28/12/2015	6	0	0.00%
	Saila	<i>replaced by</i> VALTONEN	25/09/2018	3	3	100.00%
Experts	Philippe	MILLS <i>replaced by</i> VACANT	19/07/2013	5	0	0.00%
	Franco	PASSACANTANDO <i>replaced by</i> VACANT	19/07/2013	5	5	100.00%
	José María	MÉNDEZ ÁLVAREZ-CEDRÓN <i>replaced by</i> VACANT	19/07/2013	5	4	80.00%

On average, attendance of Directors was 93.40 % (91.18% in 2017); attendance of Alternate Directors was 80 % (77% in 2017); attendance of Expert Members was 73.33% (60.00% in 2017); and attendance of Alternate Experts Members was 60% (47% in 2017).

The term of office of directors and experts and of their alternates appointed after the 2018 Annual meeting will expire in 2023 at the end of the day of the Annual meeting or on the day that the financial statements are approved for the 2022 financial year, whichever occurs the latest.

According to the EIB's Statute and Rules of Procedure, each director has one vote on the Board of Directors and may be replaced by an alternate director. Where a director is prevented from attending but unable to arrange for an alternate to represent him, he may delegate his vote in writing to another member of the Board of Directors. However, no member of the Board of Directors may have more than two votes. Alternate directors may take part in the meetings of the Board of Directors, but are not entitled to vote, except where they replace one or more directors or where they have been delegated to do so.

Experts are non-voting members of the Board of Directors.

Annex 3 – Audit Committee members' attendance of 2018 meetings

Name	Status	Appointment Date	End of mandate	Number of meeting days	Attendance	Total (%)
Mr Duarte PITTA FERRAZ	Member - Chairman ²⁶	14/05/2013	BoG 2019*	24	24	100%
Mr John SUTHERLAND	Member	30/06/2014	BoG 2020*	24	23	96%
Mr Jacek DOMINIK	Member	19/06/2015	BoG 2018 ²⁷	12	10	83%
Mr László BALOGH	Member	22/06/2018	BoG 2021*	12	8	67%
Mr Mindaugas MACIJAUSKAS	Member	04/07/2016	BoG 2022*	24	23	96%
Mr Vasile IUGA	Member	07/08/2017	BoG 2023*	24	24	100%
Mr Pierre KRIER	Member	21/10/2016	BoG 2022*	24	24	100%
Mr Uldis CERPS	Observer	30/06/2014	BoG 2020*	24	21	88%
Mr Jens Henrik Myllerup LAURSEN	Observer	22/09/2015	BoG 2019*	24	24	100%
Total				192	181	94%

* Appointed as member or observer until the end of the day of the Annual Meeting or of the day of the approval of the financial statements whichever occurs the latest.

²⁶ Chairman as of 25 June 2018

²⁷ Resignation – remainder of mandate taken over by Mr Balogh.

Annex 4 – Management Committee Oversight as of 22 November 2018

Management Committee Oversight			22 November 2018			
	EU	Outside EU	Horizontal	Institutional Relations	Nominations (external)	Nominations (internal)
Werner Hoyer President Appointment date 01/01/2012 Renewed on 01/01/2018			General Secretariat Personnel Risk Management Policy & Strategy Communication Legal Institutional External Offices Internal Audit Planning, Budget & cost (support of VPs Taylor, Fayolle & McDowell) Basel III Implementation	World Economic Forum (Davos) EU Institutions LTIC SSM Bridge Forum		Best Banking Practice Implementation (with VP Taylor)
Dario Scannapieco Vice-President Appointment date 16/08/2007 Renewed on 16/08/2013	Italy Croatia Malta	Albania, Bosnia & Herzegovina, Kosovo, Montenegro, Serbia, WBIF Libya, Egypt, Gaza/West Bank, Israel, Jordan, Lebanon, Syria	Financing SMEs, Midcaps, Equity & equity-type products Migration Counterpart Monitoring & Restructuring EIB - EIF cooperation Adriatic Sea Strategy	LTIC shared with President leading	Chair of EIF Board	
Jonathan Taylor Vice-President Appointment date 01/01/2013	UK Cyprus Greece	Asia (China, Mongolia Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand and Vietnam)	Financing Environment, Climate Action and Circular Economy (until 31 December 2018) Compliance & Control Functions, Planning, Budget & cost support to President (with VPs Fayolle & McDowell)	OLAF Ombudsman European Court of Auditors		Relations with Audit Committee Chairman Compliance & Controls Committee (internal) Best Banking Practice Implementation (with President)
Ambroise Fayolle Vice-President Appointment date 24/02/2015	France Germany	ACP (Africa & Pacific except the Caribbean States and CELAC) OCTs Republic of South Africa	Financing innovation, science, education, digital, health & technology New Products and Special Transactions, Microfinance EFSI Development (policy and horizontal issues) Planning, Budget & cost support to President (with VPs Taylor & McDowell)	International Financial Institutions	EFSI Steering Board Member EIF Board Member	
Andrew McDowell Vice-President Appointment date 01/09/2016	Ireland Austria Romania	EFTA FYROM Asia (India, Pakistan, Sri Lanka, Maldives, Bangladesh, Nepal, Bhutan, Afghanistan, Iran, Iraq and Yemen) WBIF shared with VP Scannapieco leading Turkey	Financing Energy Black Sea Strategy Evaluation & Impact assessment ECON General Mandate Policy EIB Campus Planning, Budget & cost support to President (with VPs Taylor & Fayolle) Financing Natural Resources and Agribusiness/Bio-Economy	Eurostat ECB (other than SSM) OECD WTO BIS Think Tanks		

Management Committee Oversight			22 November 2018			
	EU	Outside EU	Horizontal	Institutional Relations	Nominations (external)	Nominations (internal)
Vazil Hudák Vice-president Appointment date 01/10/2016	Slovakia Bulgaria Czech Republic Hungary Poland Slovenia Croatia shared with VP Scannapieco leading	Ukraine Armenia Azerbaijan Georgia Central Asia	Financing Economic & Social Cohesion Transport financing MFF related to Cohesion and ELM Advisory, Jaspers & EIAH Strategy for the Danube Region JESSICA IT & Data Governance	Vienna Initiative	Alternate Governor of the EBRD	
Alexander Stubb Vice-President Appointment date 01/08/2017	Finland Denmark Sweden Estonia Latvia Lithuania	Russia Belarus Moldova Relations with Gulf Countries	Funding & Treasury MFF Projects eligibility, technical & economic assessment Security & Defence Financing Urban Development, Housing & Social Housing Legal - lending operations Corporate Responsibility Diversity & Inclusion Baltic Sea Strategy	Central Banks Rating Agencies Debt Management Offices	Governor of the EBRD	
Emma Navarro¹ Vice-President Appointment date 01/06/2018	Spain Portugal	Latin America Cuba Caribbean States and CELAC (Community of Latin American and Caribbean States) Algeria, Morocco, Tunisia	Financing Environment, Climate Action and Circular Economy (as of 1st January 2019) EIB Institute	National Promotional Institutions ELTI	Chair of Marguerite Fund Supervisory Board	Chair of FEMIP (Facility for Euro- Mediterranean Investment & Partnership) Committee
Vacant (BENELUX)	In the absence of a BENELUX Vice-President, President Hoyer has delegated temporarily the activities reflected in blue the above oversight table: VP FAYOLLE : ACP/OCT countries (except Caribbean states and CELAC) and Republic of South Africa VP MCDOWELL: Turkey VP HUDAK: Transport Financing VP NAVARRO: Caribbean States and CELAC (Community of Latin American and Caribbean States)					

¹ succeeding Mr Román Escolano

Annex 5 – Composition of EIF Board of Directors & EIF Audit Board as at 31/12/2018

Name	Status	Governing Body	Appointment date	Term date
Dario SCANNAPIECO	Chairman	Board of Directors	11/04/2018	AGM 2020
Benjamin ANGEL	Member	Board of Directors	11/04/2018	AGM 2020
Marc DESCHEEMAECCKER	Member	Board of Directors	11/04/2018	AGM 2020
Ambroise FAYOLLE	Member	Board of Directors	11/04/2018	AGM 2020
Pascal LAGARDE	Member	Board of Directors	11/04/2018	AGM 2020
Emmanuel MASSÉ	Member	Board of Directors	11/04/2018	AGM 2020
Irmfried SCHWIMANN	Member	Board of Directors	11/04/2018	AGM 2020
Vacant post	Alternate Member	Board of Directors	Appointment in 01/2019	AGM 2020
Martin HEIPERTZ	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Eila KREIVI	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Jean-Christophe LALOUX	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Marc LEMAITRE	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Jean-David MALO	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Mark SCICLUNA BARTOLI	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Paolo PERNICE	Chairman	Audit Board	11/04/2016	AGM 2019
Jacek DOMINIK	Member	Audit Board	03/04/2017	AGM 2020
Rudi DRIES	Member	Audit Board	11/04/2018	AGM 2021
Laurentiu OLTEANU	Alternate Member	Audit Board	03/04/2017	AGM 2020

CORPORATE

EIB Group
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