

CORPORATE

Terms of Reference of the **Committee** on **Equity Participation Policy**



European
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Bank

The EU bank 



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**Terms of Reference
of the Committee
on Equity Participation Policy**

*Adopted by the Board of Directors in September 2018
Effective as from 18 September 2018*

1. Mandate

- 1.1. The Role of the Committee on Equity participation Policy (hereby, "EPPC" or "the 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.

2. Duties

- 2.1. The Committee advises the Board of Directors on EIB's equity participation by reviewing the Bank's policies with respect to direct and indirect equity participations held or acquired by the Bank. It provides opinions and/or recommendations to the Board of Directors as to whether these policies are appropriate to the Bank. To that end, the Committee may examine the portfolio of investment operations of the EIB that are not guarantee, lending, or treasury activities.
- 2.2. Beyond opinions and recommendations, the Committee may provide the Board of Directors with its feedback in relation to any other documentation submitted to it by the Bank.
- 2.3. The Committee will organize its activities around a work schedule as much as possible.

3. Composition

Membership

- 3.1. The Committee shall be composed of nine (9) members of the Board of Directors, appointed by the Board of Directors on a proposal by the Chairman of the Board of Directors, with one per Member State or group of Member States that nominate alternate Directors as specified under Article 9(2) of the Statute. Members willing to resign from the Committee shall promptly notify the Secretary General of their resignation and of the date on which that resignation is to take effect.
- 3.2. Membership of the Committee is on a voluntary basis. All Board Directors and alternate Directors are eligible. However, reasonable representation should exist across Member States.
- 3.3. Each member of the Committee is entitled to appoint an alternate member of the Committee, to be chosen among Board Directors or alternate Directors of its Member State or group of Member States that nominate alternate Directors as specified under Article 9(2) of the Statute. This alternate member of the Committee replaces the member of the Committee in case of absence of the latter.
- 3.4. The Committee may invite the Board's experts to join the meetings. Members of the Committee may specifically request an opinion or a piece of analysis from these experts, or when specifically needed from external experts.

Chairmanship

- 3.5. As a Committee of the Board of Directors, the chairmanship shall be on the same basis as for the Board itself (i.e., as laid down in Article 9(2) of the Statute and in Article 11.3 of the Bank's Rules of procedure) and hence it shall be chaired by the EIB President, who may delegate the chairmanship to a Vice-President or a member of the Committee.

4. Meetings

Notice of meetings

- 4.1. The Chairman of the Committee convenes Committee meetings in writing by any communication means, including electronic means.
- 4.2. Notice of EPPC meetings shall be issued not less than ten (10) working days before the date set for each meeting. Supporting documents shall normally be issued not less than ten (10) working days before the date set for each meeting.
- 4.3. The Committee meets quarterly, or more frequently at the request of the Chairman of the Committee or at the request of a minimum of three (3) members of the Committee.
- 4.4. Members can request elements to be included on the agenda in writing to the Secretary General no less than five (5) working days before the meeting. For items that are requested at least a calendar month before the meeting, the requesting member or the Chairman may ask that it be accompanied by a report from the EIB services reviewing the specific questions raised.
- 4.5. Meetings can consist of a gathering of all participants in a physical location, or of video or telephone conferences. Meetings may be scheduled on the eve of Board meetings or, when longer discussion and/or preparation time is required for the Committee to issue its opinions and recommendations, separate from the Board of Directors meetings.

Meeting attendance and support

- 4.6. The Vice-President charged with the oversight of Risk Management and the Director General of the Risk Management Directorate attend every meeting of the Committee and answer directly the questions of the members of the Committee. Members of the Management Committee may attend EPPC meetings as well as the Directors General in charge of Finances and operational activities. EIB Group staff may attend EPPC meetings, upon request to the Secretary General.
- 4.7. The Secretary General of the Bank shall attend each meeting of the Committee and, in accordance with Art. 11.3 of the Rules of Procedure of the EIB, shall provide secretarial services for the Committee. The Secretary General may delegate this task to another staff member under his/her direct responsibility.
- 4.8. In the interests of preserving confidentiality, the Chairman can decide that attendance is strictly restricted to the Chairman and the members of the Committee. However, if the restricted attendance is not explicitly planned, other Board members who are not members or alternates of the Committee are entitled to attend the meetings of the Committee as observers. Subject to the abovementioned conditions, a listening room may be set up, when available, to enable Board members' desk officers to follow the Committee meeting and take notes of discussions, provided that desk officers are subject to an equivalent duty of confidentiality than Board members.
- 4.9. The EPPC can extend an invitation to hold joint sessions with the Committee on Risk Policy when appropriate papers for discussion are tabled or with other Committees of the Board of Directors, as deemed necessary.

Committee's Opinions

- 4.10. The Secretariat is responsible for the preparation of opinions and recommendations in relation to issues discussed by the Committee, as submitted by the Management Committee and for the submission of these opinions and recommendations to the Board of Directors on behalf of the Committee.
- 4.11. In addition, Committee members can table opinions to the Committee on issues within the Committee's mandate.

- 4.12. Formal opinions and recommendations of the Committee are reached, where possible, by consensus. In case this would not be possible, any disagreement is recorded in the opinions and recommendations at the request of the Committee members concerned.

Meeting Report

- 4.13. The Board of Directors should be regularly informed of the progress of the Committee. To that end, next to a statement by the President at the Board of Directors, an outcome note will be produced following each Committee meeting.

5. Disclosure and confidentiality

- 5.1. Confidentiality and non-disclosure shall be governed by the relevant provisions of the Code of Conduct of the Board of Directors.
- 5.2. The present terms of reference and the names of the members of the Committee will be published on the Bank's website.

6. Modification of the terms of reference

- 6.1. The present terms of reference are adopted by the Board of Directors.

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