



European Investment Bank

Code of Conduct for the Members of the Audit Committee

CODE OF CONDUCT FOR THE MEMBERS OF THE AUDIT COMMITTEE OF THE EUROPEAN INVESTMENT BANK

Application of Code

This Code of Conduct (hereafter "the Code") applies upon acceptance of their mandate to the Members and to the observer(s) of the Audit Committee (hereafter "the member(s)).

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

Basic standard of conduct

1. Members of the Audit Committee shall:

- Discharge their duties professionally, with due diligence and efficiency and to the best of their abilities, and shall, at all times, maintain an attitude consistent with both the international character of the Bank and their duties.
- Observe current laws and regulations, in particular the Bank's Statute and its Rules of Procedure, insofar the provisions contained therein have a bearing on the Audit Committee.
- Be aware that the maintenance of professional competence requires a continuing reasonable awareness of developments and best practice in accounting, auditing and internal control, including relevant national and international pronouncements on these matters and on other relevant regulations and statutory requirements.

2. In discharging their duties to the Bank, Members of the Audit Committee shall, in particular, endeavour to:

- act without allowing themselves to be influenced by personal interests or relationships;
- avoid any situation which may give rise to a conflict of interest;
- respect the obligation of confidentiality 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;
- refrain from overstepping the powers conferred upon them as determined by the Bank's Statute and Rules of Procedure;
- respect the dignity and private lives of their colleagues, members of the other governing bodies of the Bank, staff members and anyone whom they come in contact with during the discharge of their duties to the Bank;
- make use of the Bank's name and resources only in the interest of the Bank.

Independence

3. In performing their duties, the Members shall neither seek nor accept instructions from any government, any other organisation or any person within or outside the Bank. Members of the Audit Committee shall ascertain that their action remains within the powers conferred upon them and remains compatible with the nature of their post. They shall have full responsibility for the duties conferred upon them.

Conflicts of interest, disclosure and outside appointments

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

Members shall not allow other direct or indirect professional relationships to affect in any way the conduct of their activities for the EIB, and vice versa. Where a member – using his/her best judgement – comes to the conclusion that he/she may be in a position or situation liable to give rise to a conflict of interest, it shall be that member's duty to declare so forthwith in writing to the Chairman of the Audit Committee, who will decide what course of action is to be taken.

Should a Member of the Audit Committee be called upon to express an opinion on a lending, guarantee or any other Bank operation, and should such a Member be personally related directly or indirectly to or have an interest in a likely beneficiary of such operation, or should be in a position or situation liable to give rise to a conflict of interests, it shall be that Member's duty to declare so forthwith in writing to the Chairman of the Audit Committee, who will decide what course of action is to be taken.

The Secretary General of the Bank shall receive a copy of the aforementioned declarations.

In accordance with Art.11.4 of the Rules of Procedure, an Ethics and Compliance Committee ('ECC') is established within the Board of Directors and it is i) composed of the three longest serving directors who have volunteered to participate in it, plus the Chairman of the Audit Committee; and ii) chaired by the longest serving director. The Group Chief Compliance Officer ('CCO') shall participate in the meetings of the Committee without the right to vote.

In accordance with the Operating Rules of the ECC, Members of the Audit Committee may request, on a voluntary basis, the opinion of the ECC on any potential conflict of interest.

When requesting an opinion from the ECC, the members of the Audit Committee shall submit to the procedure specified in the Operating Rules of the ECC, with the exception of the provision on disputes set up in section 9. Should the Member decide to bring the ECC opinion before the Audit Committee, the Audit Committee, with the exception of the Member in question, will review the case and give a final and binding opinion.

For all other matters outside the scope of the ECC, or the scope of any requests for opinions addressed on a voluntary basis to the ECC the Chairman of the Audit Committee shall supervise the application of the Code of Conduct and will decide what course of action is to be taken.

Confidentiality and inside information

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

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

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

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

shall not

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

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

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

Acceptance of gifts and other advantages

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

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

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

Expenses

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

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

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

Use of Bank property

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

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

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

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

Privileges and immunities

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

Cooperation with investigation bodies

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

Other rules

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

Administration of the Code

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

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



The EU Bank



Contacts

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