

Operating Rules of the Ethics and Compliance Committee

August 2021



European
Investment
Bank

The EU bank 

Operating Rules of the Ethics and Compliance Committee

Effective as from 27 August 2021.

Chapter I – Mission of the Committee

Article 1 – Role

1. The Ethics and Compliance Committee (hereafter “ECC” or “Committee”) 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.

Conflicts of interest

2. Pursuant to Art. 11.4 of the Rules of Procedure of the EIB, the ECC shall:
 - rule and make decisions on any conflict of interest of a member of the Board of Directors¹ or of the Management Committee;
 - rule and make decisions on any conflict of interest of a former member of the Board of Directors or of the Management Committee, with regard to their cooling-off period;
 - provide opinions on any conflict of interest of a member or an observer of the Audit Committee; and
 - exercise all other powers provided for in these Operating Rulesin 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.

Ethical matters

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.

¹ For the purpose of these Operating Rules, the reference to “Members of the Board of Directors” includes the Members of the Board of Directors of the European Investment Bank, the Alternates and the co-opted non-voting Experts and alternate Experts.

Article 2 – Authority and powers

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.
2. The Board of Governors shall approve the Code of Conduct of the Management Committee, the Code of Conduct of the Board of Directors and the Code of Conduct of the Audit Committee.
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 or members and observers of the Audit Committee immediately upon acceptance of their mandate.
4. The length of the cooling-off periods applicable to former members of the Board of Directors or of the Management Committee defined in their respective Codes of Conduct.
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.

Delegation

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

Access to information

7. The Committee shall be given any information it deems relevant for the proper performance of its duties. To this end, members and former members of the Board of Directors and of the Management Committee as well as members and observers of the Audit Committee shall cooperate with the ECC by providing it with information necessary for the proper performance of its duties.

Chapter II – Functioning of the Committee

Article 3 – Members

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 Chairperson of the Audit Committee. All members are voting members.
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.

3. The term of office of ECC members shall commence on the day of their acceptance to become a member of the ECC.

Article 4 – Chairperson

1. 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. In case of absence, the Chairperson is entitled to delegate the chairpersonship of a meeting to a another member.
2. The term of office as Chairperson shall be three years after which he/she shall be replaced as Chairperson 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 Chairperson of the ECC, the former Chairperson shall remain member of the ECC if s/he so agrees.
3. An ECC member can be appointed Chairperson more than once in accordance with Article 4.2. above.
4. The ECC Chairperson shall ensure that the proceedings of the ECC are impartial, objective, balanced and conducted in an efficient manner with due regard to the procedural rights and obligations of the parties to the proceedings in compliance with the relevant policies of the Bank.
5. Declarations as mentioned in the applicable Codes of Conduct are submitted to the ECC Chairperson for registration and record-keeping purposes.

Article 5 – Observers

1. 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. 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.

Article 6 – Quorum and deliberations

1. Meetings of the Committee shall be valid if at least three of its members attend the meeting.
2. 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 Chairperson.
3. ECC opinions on ethical matters as well as opinions and decisions on conflicts of interest shall be adopted by way of a majority of the votes cast. In case of written procedure, at least three ECC members must approve an opinion or a decision for it to be valid. In the event of a tie, the Chairperson shall have the casting vote.

4. Where a member is prevented from attending an ECC meeting, s/he may delegate her/his vote in writing to another member of the ECC. In such case, the ECC Secretariat shall be informed and this voting delegation shall be recorded in the minutes of the meeting. In case of delegation, no member of the ECC may have more than two votes.
5. The opinions and decisions of the Committee shall be recorded by the ECC Secretariat to be organised by the Bank for these purposes².

Article 7 – Meetings

Notice of meetings

1. ECC meetings are convened by the Chairperson of the ECC in writing by any communication means, including electronic means. The Chairperson of the ECC can call a meeting at any time to examine a case.

Meeting attendance

2. In the interests of preserving confidentiality, attendance at meetings of the ECC shall be restricted to Committee Members, the ECC Secretariat, 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 Chairperson of the ECC.
3. The Chairperson of the ECC may decide to convene a meeting in closed session and/or to restrict attendance.
4. Documents circulated for the consideration of the ECC shall be distributed only to the Committee, the Secretary to the ECC, the Chief Compliance Officer, and the Inspector General when those documents relate to fraud related matters except as specifically authorized by the ECC Chairperson.
5. The Committee may meet, vote on and adopt opinions and decisions also via written, including electronic, correspondence. The Committee may also have recourse to teleconferencing.

Minutes of meetings

6. The ECC Secretariat shall minute the proceedings and deliberations of all meetings, including the names of those present and in attendance.
7. Draft minutes of meetings shall be circulated promptly to all members of the ECC for approval before signature by the ECC Chairperson and the Secretary General.

² Pursuant to Article 13.1 of the ECC OR's, the Secretary General of the Bank shall provide secretarial services for the ECC.

Article 8 – Conflicts of interests or ethical matters involving ECC members

1. If one of the members of the Board of Directors who is a member of the ECC is subject to a 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 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. If the Chair of the Audit Committee is subject to a 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.

Chapter III – Procedure before the Committee

Article 9 – Referral to the ECC

1. **Requestors:** In relation to the members and former members of the Management Committee and of the Board of Directors, ECC opinions will be formulated and its decisions shall be taken upon request from any of the following:
 - the Chair of the Board of Governors;
 - any member of the ECC;
 - any member of the Board of Directors or of the Management Committee;
 - any former member of the Board of Directors or of the Management Committee during his/her cooling-off period concerning their own ethical matters and conflict of interest;
 - the Secretary General;
 - the Chief Compliance Officer; and/or
 - the Inspector General, on fraud related matters.
2. **Requestors:** In relation to the members and observers of the Audit Committee, ECC opinions will be formulated upon request from any of the following:
 - the Chair of the Board of Governors;
 - the Audit Committee;
 - any member or observer of the Audit Committee; and
 - the Secretary General.

Declaration of interest

3. Having complied with Article 2.7 of the Codes of Conduct of the Management Committee and of the Board of Directors, should a member identify an error or inconsistency in his or her declaration of interest, s/he shall approach the ECC Secretariat immediately to rectify the mistake.
4. In the case that the ECC becomes aware that some information is not consistent with, or is missing from, a member's declaration of interest and, from a preliminary assessment, it can be discerned

that such inconsistency and/or omission concerns a declarable interest, the ECC shall seek additional information from the person concerned. The person concerned shall be requested to amend the Declaration of Interest accordingly so that it can be screened in accordance with the relevant EIB rules.

Article 10 – Procedure to assess conflict of interest

1. All requests for an ECC decision on conflict of interest and in the case of members and observers of the Audit Committee – an ECC opinion on conflict of interest, shall be submitted confidentially and in writing to the ECC Secretariat³.
2. (a) Persons subject to a conflict of interest assessment shall be promptly notified of the opening of the procedure in writing by the ECC. Such persons shall be provided with all documentation relevant to the assessment and shall be informed of their right to be assisted by a counsel of their choice. They shall also be informed of their right to present observations, in writing and within fifteen (15) calendar days after receipt of notification of the ECC preliminary assessment, on the conflict of interest.

(b) Members and/or former members of the Management Committee or the Board of Directors as well as members and observers of the Audit Committee, who voluntarily approach the ECC, benefit from the same procedural safeguards granted to persons under subparagraph (a). They should be given an opportunity to present their observations and additional documentation within fifteen (15) calendar days after approaching the ECC.
3. The ECC, shall, after having diligently assessed all the relevant information, without undue delay and no later than twenty (20) calendar days following receipt of the observations of the person concerned, issue its written reasoned decision or opinion, as applicable. Should the latter fail to present observations, the ECC shall issue its reasoned decision or opinion, as applicable, without undue delay and no later than thirty (30) calendar days after having sent the notification referred to in 10.2 or after having been seized by the person concerned.

Before adopting its decision, the ECC shall provide the person concerned with an opportunity to be heard.

4. The ECC shall notify, in writing and without undue delay and no later than five (5) calendar days, its reasoned decision or opinion, as applicable, to the person concerned. The decision shall be in force from the date of its notification to the person concerned. The ECC opinion concerning a member or observer of the Audit Committee shall be transmitted to the Audit Committee for its final and binding decision. The appeal procedure set out in Article 11 below does not apply to ECC opinions concerning members or observers of the Audit Committee.
5. Should extraordinary circumstances cause a delay in the issuance and/or notification of the ECC decision or opinion, as applicable, the person concerned shall be promptly notified of the delay and the extraordinary circumstances justifying it.

³ 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 an actual, potential or apparent personal conflict 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. The ECC reasoned decision or opinion, as applicable, shall contain the following elements:
 - a) The statement of the conflict of interest claim;
 - b) A description of the facts that came before the ECC;
 - c) A description of the observations, if any, submitted by the person concerned;
 - d) An analysis of the conflict of interest assessment;
 - e) A statement as to whether the conflict exists and, in the affirmative, the remedial action decided upon or the recommended steps to be taken;
 - f) Any other relevant guidance as appropriate.

7. Examples of remedial actions that can be considered or recommended steps to be taken include but are not be limited to the following:
 - a) A prohibition to participate in any meeting or decision-making process concerning the established conflict of interest;
 - b) Specific monitoring by the ECC on the established conflict of interest;
 - c) Temporary suspension for the person concerned for activities related to the established conflict of interest;
 - d) Conditions to be met in order to continue to pursue the envisaged or current activity, including the possibility to impose a maximum time limit within which the activity in question can be pursued;
 - e) Measures to avoid conflict of interest, such as abstaining from certain activities of the Bank or abstaining from interacting with a particular counterparty.

Article 11 – Procedure in case of appeal against and/or non-compliance with an ECC decision on conflict of interest

Appeal against the decision of the ECC

1. The person concerned by the decision of the ECC may lodge an appeal against said decision. The appeal shall be submitted in writing by the person concerned to the Board of Directors within two months of the notification of the ECC decision. The appeal shall not have suspensive effect on the challenged decision.
2. The appeal must set out the grounds upon which the annulment of the ECC decision is sought and must be accompanied by all relevant supporting evidence.
3. The Board of Directors shall review the ECC decision in light of the appeal request and accompanying relevant supporting evidence submitted by the person concerned. The Board of Directors shall promptly review the appeal request ensuring the strictest confidentiality.
4. The person concerned by the ECC decision shall not attend the deliberations on the appeal held at the Board of Directors meeting.
5. Notwithstanding Article 11.4, the person concerned by the ECC decision shall be offered by the Board of Directors the possibility to present his/her views on the ECC decision.
6. The Board of Directors shall decide whether to confirm, modify or annul the ECC decision.
7. The appeal against the decision of the Board of Directors can be challenged before the Court of Justice of the European Union in accordance with Art. 263 of TFEU.

Non-compliance with the ECC decision as confirmed, where applicable, on appeal

8. Without prejudice to Article 11.7, in case of non-compliance with an ECC decision as confirmed, where applicable, by the Board of Directors on appeal, the ECC shall provide the Board of Directors with an opinion on whether it would be appropriate for the Board of Directors to submit to the Board of Governors:
 - A proposal to suspend the person concerned;
 - A proposal to compulsorily retire the person concerned; and
 - For the most serious infringements, a proposal to compulsorily retire the person concerned coupled with a loss, in whole or in part, of any financial right (including but not limited to pension rights).

Article 12 – Procedure to assess ethical matters

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 Secretariat⁴.
2. Members of the Management Committee or the Board of Directors, who request an ECC opinion on any ethical matter, benefit from the same procedural safeguards granted to persons subject to the ECC assessment.
3. Persons to whom the ethical matter relates shall be promptly notified in writing by the ECC. Such persons shall be provided with all documentation relevant to the assessment and shall be informed of their right to be assisted by a counsel of their choice. The person subject to the ECC assessment shall acknowledge receipt of this written notification.
4. The ECC, after having diligently assessed all the relevant information, without undue delay and no later than twenty (20) calendar days following notification to the person concerned that an assessment has been requested, shall:
 - in case it considers that there is insufficient 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 person to whom the ethical matter assessed relates; or
 - if it considers that there is evidence of a material ethical issue, prepare its preliminary conclusions and transmit them to the person to whom the ethical matter relates. The latter shall be given fifteen (15) calendar days following receipt of the preliminary conclusions within which to present his/her observations in writing.
5. Without undue delay and no later than twenty (20) calendar days following receipt of the observations of the person concerned, the ECC shall prepare its reasoned opinion taking into account the observations submitted in accordance with the last indent of the previous paragraph.

⁴ 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.

6. The ECC reasoned opinion shall contain the following elements:
 - a) The statement of the ethical issue claim;
 - b) A description of the facts that came before the ECC;
 - c) A description of the observations, if any, submitted by the person concerned;
 - d) An analysis of the assessment on the ethical issue carried out by the ECC;
 - e) An opinion as to whether an ethical issue exists and, in the affirmative, the proposed action or the recommended steps to be taken to be decided upon by the relevant governing body;
 - f) Any other relevant guidance as appropriate.
7. The ECC shall submit, for decision, its reasoned opinion, along with the written observations of the person concerned:
 - to the Board of Directors in the case it is considered appropriate that the latter submits to the Board of Governors a proposal for the compulsory retirement of the person concerned by the opinion. 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 compulsory retirement can also be proposed;
 - to the Board of Directors in the case it is considered appropriate that the latter submits to the Board of Governors proposals for the suspension of the concerned member of the Board of Directors;
 - to the President in the case it is considered appropriate that, with the agreement of the Chair of the Board of Governors, the concerned member of the Management Committee should be suspended; or
 - to the Chair of the Board of Governors in the case it is considered appropriate to suspend the President of the Bank.
8. The ECC shall simultaneously notify its reasoned opinion to the person concerned.
9. Following the issuance of a reasoned opinion pursuant to Article 12.5, and pending the decision on this opinion by the relevant governing body, the person concerned by the reasoned opinion shall abstain from related deliberations.
10. The relevant governing body shall, without undue delay and no later than twenty (20) calendar days following receipt of the reasoned opinion, issue its decision. Before adopting its decision, the respective governing body shall provide the person concerned with an opportunity to be heard.
11. Should extraordinary circumstances cause a delay in the issuance and/or notification of the ECC reasoned opinion, and/or the decision of the relevant governing body, the person concerned shall be promptly notified of the delay and the extraordinary circumstances reasons justifying it.
12. Notwithstanding the provisions of Article 12.4., the ECC may at any time during its assessment decide to hear and/or consult the member concerned before preparing its reasoned opinion or closing its assessment pursuant to Article 12.4.
13. The decision of the Board of Governors can be challenged before the Court of Justice of the European Union in accordance with Art. 263 of TFEU.

Chapter IV – Administrative and financial provisions

Article 13 – Support to the ECC

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.
2. The Chairperson 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 all records and documents it deems relevant for the proper performance of its duties.
3. The Chief Compliance Officer shall provide an opinion at the request of the Chairperson of the ECC, but may also provide an opinion upon his/her own initiative.
4. The Chairperson 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.
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 at their own expense. Engagement of a counsel shall not relieve the member concerned of his or her obligations under the respective Codes of Conduct and these ORs.
6. The services of the Bank shall be at the ECC's disposal for any assistance.

Article 14 – Reporting

1. ECC decisions and opinions pursuant to Article 1.2. are periodically communicated to the Board of Directors and to the Board of Governors in an annual report.
2. A report shall be published on a website dedicated to the application of these Operating Rules.

Article 15 – Financial provisions

1. For meetings that are not held on days of meetings of the related statutory bodies, the ECC members, who are not staff members, shall receive a compensation and reimbursement of expenses on the same basis as members of the Board of Directors.

Article 16 – Confidentiality and data protection

1. 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 (EU) No 2018/1725 shall apply to the activities of the ECC.

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