

European
Investment
Fund

Code of Conduct:
Chief Executive
& Deputy Chief Executive

March 2008

1. General principles – scope

This Code of Conduct (hereafter "the Code") applies to the Chief Executive and Deputy Chief Executive ("Deputy CE") of the European Investment Fund ("the Fund"). It sets out the rules applicable in matters of professional ethics and behaviour.

The Code is based on the Staff Code of Conduct and has been amended to take account of the particular situation of the Chief Executive and Deputy CE.

1.1. Values to be promoted

In working for the Fund, the Chief Executive and Deputy CE enjoy the opportunity to contribute towards building a stronger Europe by furthering a number of European Union (hereafter "EU") policy objectives through the provision of venture funding and guarantees to promote the creation, growth and development of small businesses.

The foregoing imposes certain duties and obligations: the Chief Executive and Deputy CE are expected to commit themselves to the Fund's objectives, to act loyally, honestly and impartially and to subscribe to high standards of professional ethics.

The Chief Executive and Deputy CE shall discharge their professional duties diligently, efficiently and to the best of their abilities.

The Fund aims to provide a positive working environment that enables and encourages all colleagues to work together in a culture of mutual support and cooperation. Within this environment, the Chief Executive, Deputy CE and staff must behave courteously and respectfully towards their colleagues and shall, at all times, maintain an attitude consistent with the international character of the Fund.

The Chief Executive and Deputy CE are expected to behave in an exemplary fashion as regards adherence to the rules and principles laid down in the Code.

1.2. Equal opportunities

The Fund is an employer which guarantees equal opportunities and ensures respect for the dignity of its employees.

1.3. Non-tolerance of discrimination

This Code is intended to set the highest standards as regards the non-tolerance of discrimination. In particular, this applies to illicit discrimination based on sex, race, colour, ethnic group or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation, nationality, as well as, in general, the manner in which the Chief Executive, Deputy CE and staff members choose to conduct their private lives.

1.4. Basic rules

In discharging their duties to the Fund, the Chief Executive and Deputy CE are, in particular, required to:

- observe applicable laws and regulations;
- comply with the rules, procedures and guidelines adopted by the Fund, such as the Code of good administrative behaviour for the staff of the Fund in its relations with the public and the Policy on Dignity at Work;
- act, in all circumstances, in the interest of the Fund, without allowing themselves to be influenced by personal considerations or relationships;
- avoid any situation liable to give rise to a conflict of interest and, in the event of doubt or difficulty, bring such conflict immediately to the attention of the President, after having consulted the Compliance Officer;
- observe professional secrecy;
- refrain from overstepping the powers conferred upon them and respect the rules on authorised signatures;
- remain fully responsible for the duties delegated by them to others and exercise adequate supervision and monitoring;
- respect the dignity and private lives of their colleagues and of staff members;
- respect the Fund's property and, generally, make appropriate use of the facilities made available to them for fulfilling their duties.

1.5. Administration of the Code

Except where specifically otherwise provided, the Compliance Officer will deliver opinions at the request of any interested party on the application and interpretation of the Code. The Compliance Officer will inform the Chairman of the Board of any material violation of the Code brought to his attention.

Except where specifically otherwise provided, the Chief Executive and Deputy CE shall address their requests, declarations or applications for authorisation pursuant to the provisions of the Code, to the Compliance Officer.

1.5.1. Duty to report

According to the "EIF Rules for internal investigations in relation to the prevention of fraud, corruption and any legal activity detrimental to the Communities' financial interests", if the Chief Executive or Deputy CE becomes aware of evidence which gives rise to a presumption of the existence of a possible case of fraud, corruption or any other illegal activity detrimental to the financial interests of the Communities, he/she must inform without delay the Chief Executive / Deputy CE as appropriate, the Secretary General or the Compliance Officer or, if the Chief Executive or Deputy CE considers it useful, OLAF directly.

1.5.2. Confidential treatment and protection

The Fund will ensure confidential treatment for and refrain from discriminatory action against the Chief Executive and Deputy CE should he/she make bona fide reports on the alleged illegal activities, misconduct or violations. In so doing, the Fund will ensure that the Chief Executive or Deputy CE who has made such bona fide reports enjoys assistance and protection in accordance with his/her duty of care.

The Chief Executive and Deputy CE may put forward their objections at all stages of any disciplinary proceedings instituted against them.

2. External relations

2.1. Confidentiality

The Chief Executive and Deputy CE are bound by the obligation of confidentiality in respect of information received in the course of their duties, in accordance with the relevant EIF rules, policies and guidelines. They shall continue to be bound by this obligation after leaving the service of the Fund.

This obligation is expressed in particularly strict terms. It reflects the financial nature of the institution and serves to establish relations of trust with its mandators and other business partners.

2.2. External activities

The Chief Executive and Deputy CE shall devote their working activities to the service of the Fund in accordance with the relevant rules, policies and guidelines.

The Board of Directors shall decide as required what activities are incompatible with the duties of the Chief Executive and Deputy CE.

In pursuing any duly authorised external activity, the Chief Executive and Deputy CE may not misuse the Fund's resources or make improper use of the EIF's name, reputation or financial support.

2.2.1. Voluntary or community-based work

The Chief Executive and Deputy CE may engage in voluntary or community-based work during their free time for a charitable, religious or educational association or for any other non-profit-making organisation. The Chief Executive and Deputy CE may also accept positions of responsibility, on a non-remunerated basis, within such associations or organisations, so long as those positions remain compatible with their work at the Fund and with the other provisions of the Code.

2.2.2. Teaching and research

The Chief Executive and Deputy CE are encouraged to engage in occasional teaching or research, particularly if the subject matter is related to topics covered by their work and does not interfere with the normal execution of their duties. They may, for example, deliver lectures, write articles or books and pursue similar activities of an academic nature, provided that such activities are in line with the Code, in particular as regards confidentiality.

The Chief Executive and Deputy CE shall inform the Secretary General if and when they intend to take up such activities.

The Secretary General, after consultation with the EIF Board of Directors, shall decide whether the proposed teaching or research constitutes an official or a private activity.

(a) On an official basis

If such work is carried out on an official basis, the Chief Executive and Deputy CE may not accept any form of outside remuneration, and any amounts received in connection with

such activity, including but not limited to royalties, shall be passed on immediately to the Fund. The Chief Executive and Deputy CE may, however, be authorised to agree to travel or accommodation expenses being borne by the inviting party instead of the Fund.

(b) On a private basis

If the Chief Executive and Deputy CE are authorised to teach or conduct research on a private basis, they may accept remuneration or reimbursement of expenses since they cannot be claimed by the Fund. Such remuneration or reimbursement of expenses must be declared to the Compliance Officer. The activity in question must, nevertheless, remain compatible with Fund service and be carried out without drawing on the Fund's resources.

2.2.3. Political activities

The Chief Executive and Deputy CE standing for election to a public office must inform the Chairman of the Board of Directors and the Secretary General of the Fund.

Depending on the extent of their functions under such office and the time devoted to election campaigning, the Chairman of the Board of Directors and the Secretary General may decide that the member of the Chief Executive or Deputy CE, as appropriate:

- must request a period of leave on personal grounds, or
- may continue to discharge their duties at the Fund, or
- may be authorised to discharge their duties at the Fund on a part-time basis.

2.3. General principles to be respected in matters of external relations

The Chief Executive and Deputy CE may, by their actions, adversely affect the Fund's reputation. They must therefore behave irreproachably and with dignity in all professional contacts with the outside world.

In discharging their professional duties, the Chief Executive and Deputy CE are required to conduct themselves in a professional and courteous manner in all forms of communication, whether oral or written, including e-mails, over the internet, electronic bulletin boards or any other means of electronic communication.

2.3.1. Fair practices

The Chief Executive and Deputy CE should always endeavour to deal fairly and in good faith with third parties and in particular with the Fund's business partners and stakeholders.

2.3.2. External communications

The Chief Executive and Deputy CE should avoid taking any stance or expressing any point of view which might prove embarrassing to or give a false image of the Fund, raise doubts as to the Fund's policies and practices or encourage unwarranted expectations as to the possible granting or terms and conditions of an investment, guarantee or any other operation or transaction conducted with the Fund.

Whenever, in the course of discharging their duties, the Chief Executive and Deputy CE are prompted to express themselves on the policies adopted by the institutions or organs of the European Union or on the relations of the Fund with such institutions or organs, they must observe due discretion in keeping with the Fund's Community status.

Out of respect for the principle of collective responsibility, the Chief Executive and Deputy CE shall not make any comment which would call into question a decision taken by the Board of Directors. They shall also refrain from disclosing what is said at meetings of the Board of Directors.

2.3.3. Speeches, lectures and statements

Where the Chief Executive and Deputy CE act in a capacity other than that of a representative of the Fund, they shall, as appropriate, state that any views and opinions that they may express do not necessarily reflect the views and opinions of the Fund.

2.3.4. Declarations

Upon the assumption of office and upon renewal thereof, the Chief Executive and Deputy CE shall make to the Secretary General the declaration of professional activities and of financial interests with contents identical to that provided for in section 3.1 of the European Investment Bank's Transparency Policy, and this declaration, including the activities and holdings of spouses, shall be published on the Fund's website. Any substantive change shall be notified to the Secretary General without delay and the published declaration shall be amended accordingly.

2.4. Approach to be adopted in particular situations

The Fund recognises that, in certain circumstances, the Chief Executive and Deputy CE may find themselves in an embarrassing situation and have reasonable doubts as to the best approach to adopt that is consistent with professional ethics. The Code is designed merely to give general pointers rather than to provide a solution for every situation that is likely to arise.

In all cases, and as a matter of prudence, the Chief Executive and Deputy CE should use their best judgment and try to assess ex ante how the course of action they intend to take or their proposed reaction to a given situation might be perceived or interpreted by the media and/or the extent to which it might be exploited by a third party ill-disposed towards the Fund. If in doubt, it is preferable to seek the opinion of the Compliance Officer as soon as possible.

2.4.1. Independence

The Chief Executive and Deputy CE shall not:

- be influenced by or accept instructions from any government or other entity or person external to the Fund;
- accept a financial interest in any Fund transaction in any form (compensation, commission, favourable buying or selling arrangements, gift or other).

2.4.2. Conflict of interest

The Chief Executive and Deputy CE should avoid any situation that is liable to give rise to a conflict of interest. Conflicts of interest arise where private or personal interests may influence or appear to influence the impartial and objective performance of their duties. Private or personal interests include any actual or potential advantage for themselves, their families, their other relatives or their circle of friends and acquaintances.

In particular, should the Chief Executive and Deputy CE be personally related directly or indirectly to or have an interest in a likely beneficiary of a Fund operation, it shall be their duty to declare so immediately to the Compliance Officer. They shall also make such declaration should the relationship or interest arise subsequently to the operation concerned.

Should the Chief Executive or Deputy CE find themselves in a situation that is liable to result in or be perceived as resulting in a conflict between their interests and those of the Fund, he/she shall bring the matter to the attention of the Compliance Officer.

Situations of this kind may be many and varied; they include, but are not limited to, negotiating or working with a consultant who is a relative or who employs or might employ a relative; appraising an investment application from a fund within which the Chief Executive and Deputy CE enjoy or can avail themselves of significant personal ties or interests.

2.4.3. Gifts, sundry benefits

Neither the Chief Executive nor Deputy CE shall apply for, receive or accept from any source outside the Fund any advantage, direct or indirect, which is in any way connected with their employment with the Fund.

This rule is designed, first and foremost, to protect the Chief Executive and Deputy CE, protect the Fund's reputation and enhance transparency. It covers both tangible items (goods and services), as well as invitations of a non-professional nature and similar benefits, possibly extended also to the member of the Management Committee's family.

The Chief Executive and Deputy CE are, therefore, advised to discourage a priori the offer of any gift having more than a *token value* (i.e. those of negligible value such as diaries, calendars, minor articles of office stationery and the like may, of course, be accepted without problem). Potential recipients must make this procedure known to persons who have expressed the intention of offering them any advantage.

In any event, the Chief Executive and Deputy CE receiving any gifts or offers above a token value shall, as soon as is practicable after receipt thereof and irrespective of their nature, make a written declaration to the Compliance Officer, using the form provided for this purpose.

At or above a *significant value* the Compliance Officer, after having considered all the circumstances of the case, may ask the person concerned:

- a) to surrender the item for disposal in accordance with the relevant rules and regulations;
- b) to refuse the financial benefit or invitation.

The above-mentioned token and significant values are set at regular intervals by the Compliance Officer, in consultation with the Secretary General, and are duly communicated to the staff. A record will be kept of the number of gifts from the same source during any particular year.

Nevertheless, it is acknowledged that, in some cases, refusal might prove embarrassing to the donor, given differences in business culture or particular circumstances. In such cases, the Chief Executive and Deputy CE may accept the gift but must without delay make the

above-mentioned written declaration to the Compliance Officer and act in accordance with his opinion.

However, meals, refreshments and receptions in the course of a meeting or other business occasion may normally be accepted, provided that:

- they are unsolicited;
- the purpose is strictly business-related;
- the attendance is related to the duties of the member of the Chief Executive or Deputy CE;
- the level of expense is reasonable and customary in the context of the business relationship;
- the frequency of such invitations from the party in question is not excessive with regard to the business relationship.

2.4.4. Other delicate situations

There are cases where, strictly speaking, no advantage as such is offered to the Chief Executive or Deputy CE but where he/she may feel beholden towards a third party.

Cases in point are participation in events or exhibitions which are manifestly commercial and where the organiser pays travel and accommodation expenses.

Where participation in such events or exhibitions may be deemed of benefit to the Fund, the Compliance Officer ought to be consulted beforehand and the appropriate justification must feature clearly on the corresponding mission statement, a copy of which is to be sent to the Compliance Officer.

2.4.5. Personal advantages

The Chief Executive and Deputy CE may not use their decision-making power, influence, the professional information they possess, or their position as members of the Fund to gain personal advantages of any kind. This does not apply to:

- advantages available to the public in general;
- advantages available to the Chief Executive and Deputy CE under specific regulations;
- advantages for the Chief Executive and Deputy CE agreed by the Fund with a third party.

2.4.6. Indebtedness

If the Chief Executive and Deputy CE contract a debt with a company or organisation with which they entertain relations on behalf of the Fund or who, generally, find themselves in straitened financial circumstances or excessive indebtedness, they shall report such facts forthwith to the Compliance Officer.

2.4.7. Inside information - insider dealing

The Chief Executive and Deputy CE who, in the context or course of their duties, have direct or indirect access to inside information or are in possession of such information in respect of:

- companies or bodies with which they entertain direct or indirect relations;

- transferable securities of any kind, whether issued by those companies or bodies or by the Fund,

shall not disclose such inside information to any other person unless such disclosure is made in the normal course of the exercise of their employment, profession or duties; and may not make use, either directly or indirectly, of such inside information in order to carry out, recommend or advise against transactions involving the securities in question, for their own account or for that of third parties.

'Inside information' shall mean information which has not been made public, which involves precise particulars relating to one or more issuers or to one or more transferable securities, and which, if made public, would be likely to have a significant effect on the price of the transferable security or securities in question.

2.4.8. Professional versus private transactions

The Chief Executive and Deputy CE may not avail themselves of official channels of communication or professional Fund contacts in order to manage their personal affairs. This prohibition is intended to avoid any risk of confusion between professional and private transactions.

2.4.9. Private investments

The Chief Executive and Deputy CE shall at all times manage their private financial affairs with full respect for and in compliance with the provisions of the Code. They shall consider the interests of the Fund and make sure that the Fund does not incur a reputational risk as a result of their management of their private financial affairs.

Therefore:

- a) subject to the limitations set out in the Code regarding inside information, external remunerated activities, use of the Fund's facilities and conflicts of interest in general, the Chief Executive and Deputy CE are authorised to engage in transactions in foreign exchange, commodities or securities;
- b) the Chief Executive and Deputy CE must not engage in any market manipulation within the meaning of the relevant EU legislation;¹
- c) the Chief Executive and Deputy CE shall immediately disclose to the Compliance Officer any financial activity that is not in accordance with the Code or that might be, or appear to be, in conflict with their official duties.

2.4.10. Cooling-off period

For a period of six months following the termination of their mandate, the Chief Executive and Deputy CE shall, prior to accepting it, submit to the Secretary General any official/professional position envisaged. If the Secretary General is of the opinion that the matter should be submitted for adjudication to an ad hoc ethics committee, he shall forward it to the said committee without undue delay and the said committee shall determine within 30 calendar days whether it considers that such proposed position gives rise to a potential conflict of interest and, if so, shall propose to the Secretary General of the Fund appropriate measures to be taken in order to prevent such conflict of interest.

¹ At present Directive 2003/6/EC on insider dealing and market manipulation (market abuse), OJ L 96/16 of 12 April 2003 http://europa.eu.int/eur-lex/pri/en/oj/dat/2003/l_096/l_09620030412en00160025.pdf

3. Internal relations

3.1. General principles to be adhered to in working with colleagues

The Fund strives to promote working relations based on loyalty and mutual trust. Relations between colleagues, irrespective of hierarchical levels, should be characterised by cooperativeness, mutual respect and courtesy. Furthermore, the Chief Executive and Deputy CE should respect the cultural diversity among Fund personnel.

3.2. Confidentiality

The general obligation to respect the confidentiality of information applies to the activities of the Chief Executive and Deputy CE both outside and within the Fund.

It is embodied in rules, policies and guidelines notified to staff governing the classification and circulation of information within the Fund in the form of both documentation and computer files.

Specific measures shall be taken to ensure respect for the confidentiality of personal data, in particular to guarantee access to such information to the individuals concerned and, where appropriate, the right to make corrections, in accordance with the principles laid down in the Regulation on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data¹.

3.3. Behaviour towards subordinates

The Chief Executive and Deputy CE shall be expected to foster an atmosphere conducive to good working relations and to prevent personal conflicts. Subordinates must be treated and assessed with respect and without any favouritism. Criticism must be expressed openly and honestly, without innuendoes or veiled threats. Should serious problems arise with subordinates in the performance of their assigned tasks, the responsible for Human Resources must be promptly informed.

3.4. Behaviour between colleagues

The Fund encourages the Chief Executive and Deputy CE to demonstrate a spirit of cooperation in good faith. Misinformation or the withholding of information, unwarranted refusal to collaborate with colleagues as well as, in general, obstructive behaviour or systematic denigration, are firmly discouraged at all levels.

3.5. Dignity at work

Harassment and bullying of any kind are unacceptable. Victims of any harassment or bullying may, in accordance with EIB Group's Policy on Dignity at Work, bring the matter to the attention of the responsible for Human Resources, without this being held against them. The Fund is obliged to show those in question concern and offer its support.

¹ At present Regulation (EC) No 45/2001, OJ L 8/1 of 12 January 2001 http://europa.eu.int/eur-lex/pri/en/oj/dat/2001/l_008/l_00820010112en00010022.pdf

3.5.1. Psychological harassment

This takes the form of repeatedly hostile or tasteless remarks, acts or behaviour over a fairly long period by the Chief Executive or Deputy CE towards another member of staff. A disagreeable remark or a quarrel in the course of which unpleasant words are voiced in the heat of the moment cannot be said to constitute psychological harassment. On the other hand, when repeated consistently for weeks or months on end, incessant outbursts of temper, victimisation, disagreeable remarks or hurtful innuendoes are clear signs of harassment in the workplace.

3.5.2. Sexual harassment

This consists of any form of sexual overture or soliciting that is clearly unwelcome to the person for whom it is intended or any clearly unwelcome remark, gesture or behaviour with sexual undertones.

3.5.3. Sexual blackmail

This is a particularly serious form of sexual harassment consisting of any situation in which individuals are explicitly or implicitly intimidated or threatened, with a view to obtaining sexual favours, by someone in a position of authority in the workplace or by someone with influence over their recruitment, professional status or career development.

3.5.4. Duty to lend assistance

If the Chief Executive or Deputy CE witnesses behaviour constituting any form of harassment or bullying, he/she is duty-bound to offer his/her assistance to the victim and to ascertain that the responsible for Human Resources takes appropriate measures. If the Chief Executive or Deputy CE has, with full awareness of the facts, prevented or contributed to preventing victims from coming forward or to discrediting them, he/she shall be deemed to share responsibility for the situation.

3.5.5. Aggravating circumstances

Where the perpetrators of a form of harassment are the victim's superior and are able to influence that person's recruitment, professional status or career development and their attitude remains unchanged after having been formally required to cease such harassment, they are guilty of grave misconduct.

3.6. Use of Fund services and facilities for private purposes

Superiors may not require their assistants to carry out private tasks for themselves or their family.

The Chief Executive and Deputy CE are obliged to respect and protect the Fund's property.

The Fund is prepared to allow the use of its facilities for private purposes on an occasional basis and within reasonable limits. Laptops and other similar equipment may be used on a private basis outside working hours. In any event, the prescribed procedures should be adhered to so that users bear the cost of certain services, notably telecommunications charges.

3.7. Use of car by the Chief Executive and Deputy Chief Executive

The Chief Executive has an official car and a driver assigned to him/her for professional and official journeys.

A car will be placed at the disposal of the Deputy CE.

4. Implementing measures

4.1. Implementing measures for Management Committee members

Adherence to the principles contained in the Staff Code of Conduct inasmuch as these may apply to the Chief Executive and Deputy CE as well as adherence to the specific variations recorded above shall be followed up by the Secretary General and the Compliance Officer who shall refer any issue that cannot be resolved by them to the Chairman of the Board of Directors.

Date

Signature

These signed copies shall be held by the Secretary of the EIF.