
*Operating Rules of the EIF
Ethics and Compliance Committee*

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1 | Mission of the Committee

1.1 | Role

The EIF Ethics and Compliance Committee (hereafter the “EIF ECC” or “Committee”) is established pursuant to Article 12.2 of the Rules of Procedure of the European Investment Fund (hereafter the “EIF” or the “Fund”).

In line with Article 2.6 of the EIF Code of Conduct for the Chief Executive and Deputy Chief Executive (“CE/DCE”), Article 2.6 of the EIF Code of Conduct for Members and Alternate Members of the Board of Directors (the “Board of Directors”) and Article 4.1 of the Code of Conduct of the EIF Audit Board (the “Audit Board”), certain powers have been attributed to the EIF ECC with regards to the management of conflicts of interest as well as ethics related matters. The operating rules set out in this document (the “Operating Rules” or “ORs”) intend to provide the required details on the functioning of the EIF ECC and the procedure for the treatment of (i) conflicts of interest of the current and former CE/DCE, current and former Members of the Board of Directors (the “Board Members”, and individually a “Board Member”) and Members of the Audit Board (the “Audit Board Members” and individually an “Audit Board Member”), and (ii) ethical matters concerning the CE/DCE and Board Members.

1.1.1 | Conflicts of Interest

The EIF ECC shall perform the following:

- rule and take decisions on any conflict of interest of a Board Member or the CE/DCE;
- rule and take decisions on any conflict of interest concerning a former Board Member or a former CE/DCE, with regards to their cooling-off period;
- provide opinions on any conflict of interest of an Audit Board Member; and
- exercise all other powers provided for in the applicable EIF Codes of Conduct,

in accordance with these Operating Rules.

The EIF ECC shall take follow-up action to confirm that its decisions have been complied with by their addressees.

1.1.2 | Ethical matters

The EIF ECC shall also provide opinions on ethical matters concerning the CE/DCE and the Board Members, regulated in the respective EIF Codes of Conduct or in related relevant provisions.

1.2 | Authority and powers

The EIF General Meeting shall adopt the ORs. The Board of Directors may submit a proposal for the review of the ORs when deemed necessary.

The ORs and the relevant code of conduct shall be binding upon the CE/DCE, any Board Member and any Audit Board Member immediately upon acceptance of their mandate.

The length of the cooling-off periods applicable to former CE/DCE and former Board Members is defined in their respective Codes of Conduct.

1.2.1 | Delegation

The EIF ECC shall not delegate any (or all) of its responsibilities.

1.2.2 | Access to information

The Committee shall be given any information it deems relevant for the proper performance of its duties, without prejudice to the processing of personal data as detailed in section 4.4. To this end, the current and former CE/DCE, Members and former Members of the Board of Directors, as well as Members of the Audit Board, shall cooperate with the EIF ECC by providing it with the information necessary for the proper performance of its duties.

1.2.3 | Cooperation with the EIB ECC

The EIF ECC and the EIB Ethics and Compliance Committee (the “EIB ECC”) shall closely cooperate and exchange with respect of decisions taken and opinions issued which are relevant for both the EIF and the EIB. For such purposes, the EIF ECC shall provide any relevant documents or information to the EIB ECC and vice versa.

In cases where a conflict of interest or ethical matter may give rise to an assessment pursuant to both these ORs and the relevant rules of the EIB legal framework, such matter shall fall within the exclusive competence of the EIB ECC. The EIB ECC may consult the EIF ECC on the matter, having taken into consideration all relevant circumstances. The EIF ECC shall remain informed of the outcome of the EIB ECC’s assessment and, if necessary, ensure adequate monitoring and follow-up.

2 | Functioning of the Committee

2.1 | Members

The EIF ECC shall be composed of the three longest-serving Members of the Board of Directors, the Chair of the Audit Board and the Chair of the EIB ECC. All members are voting members.

In case one of the said Members of the Board of Directors declines to take part in the activity of the EIF 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 EIF ECC.

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

2.2 | Chair

The EIF ECC shall be chaired by the longest-serving Board Member among the EIF ECC members or, in case of equal term of office, by the one most senior in age (the “Chair”). In case of absence, the Chair is entitled to delegate the chairpersonship of a meeting to another EIF ECC member. The term of office as Chair shall be three years, after which s/he shall be replaced as Chair by the next longest-serving Board Member among the EIF ECC members or, in case of equal term of office, by the one most senior in age. At the end of his/her three-year mandate as Chair of the EIF ECC, the former Chair shall remain member of the EIF ECC if s/he agrees.

An EIF ECC member can serve as Chair more than once, in accordance with the terms of the above paragraph.

The Chair shall ensure that the proceedings of the EIF 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 Fund.

Relevant declarations, as mentioned in the applicable EIF Codes of Conduct, are submitted to the Chair for registration and record-keeping purposes.

2.3 | Observers

The EIF Chief Compliance Officer shall receive communication of all the documents provided to the EIF ECC and shall be invited to participate in the meetings of the EIF ECC without the right to vote.

The EIB Inspector General shall receive communication of all the documents provided to the EIF ECC concerning fraud-related matters, such as matters related to the EIB Group Anti-Fraud Policy, as amended from time to time, and shall be invited to participate in the meetings of the EIF ECC when fraud-related matters are discussed, without the right to vote.

2.4 | Quorum and deliberations

Meetings of the Committee shall be valid if at least three of its members attend the meeting. Efforts should be made to reach decisions by consensus, but in case this would not be possible, EIF ECC decisions and opinions will be put to vote by the Chair.

EIF 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 EIF ECC members must approve an opinion or a decision for it to be valid. In the event of a tie, the Chair shall have the casting vote.

Where a member is prevented from attending an EIF ECC meeting, s/he may delegate her/his vote in writing to another member of the EIF ECC. In such case, the EIF 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 EIF ECC may have more than two votes.

The opinions and decisions of the Committee shall be recorded by the EIF ECC Secretariat to be organised by the Fund for these purposes¹.

¹ Pursuant to Chapter 4, Article 13 of the ECC OR's, the EIF Secretary General shall provide secretarial services for the EIF ECC.

2.5 | Meetings

2.5.1 | Notice of meetings

EIF ECC meetings are convened by the Chair, via the EIF ECC Secretariat, in writing by any communication means, including electronic means. The Chair can call a meeting at any time to examine a case.

2.5.2 | Meeting attendance

In the interests of preserving confidentiality, attendance at meetings of the EIF ECC shall be restricted to members of the Committee, the EIF ECC Secretariat, the EIF Chief Compliance Officer, the Inspector General, when fraud-related matters are discussed, and other individuals whose attendance is specifically authorised or requested by the Chair.

The Chair may decide to convene a meeting in closed session and/or to restrict attendance.

Documents circulated for the consideration of the EIF ECC shall be distributed only to the Committee, the EIF ECC Secretariat, the EIF Chief Compliance Officer and the Inspector General, when those documents relate to fraud-related matters, except as specifically authorised by the Chair.

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.

2.5.3 | Minutes of meetings

The EIF ECC Secretariat shall minute the proceedings and deliberations of all meetings, including the names of those present and in attendance.

Draft minutes of meetings shall be circulated promptly to all members of the EIF ECC for approval before signature by the Chair and the Secretary General.

2.6 | Conflicts of interests or ethical matters involving EIF ECC members

If one of the members of the EIF ECC is subject to a conflict of interest, or is concerned by the assessment of an ethical matter, s/he shall abstain from participating in the meeting and voting until:

- the decision of the EIF ECC on the conflict of interest is final; or
- the opinion of the EIF ECC on the alleged ethical matter has been issued.

If the conflict of interest concerns the Chair of the Audit Board, s/he shall be replaced in relation to such matter, with immediate effect and until the decision of the EIF ECC on the matter is final, by the next Audit Board Member in line to chair the Audit Board under EIF Rules of Procedure.

3 | Procedure before the Committee

3.1 | Referral to the EIF ECC

Requestors: In relation to the CE/DCE, former CE/DCEs and Members and former Members of the Board of Directors, EIF ECC opinions will be formulated, and its decisions shall be taken, upon request from any of the following:

- The Chair of the General Meeting;
- Any member of the EIF ECC;
- Any Board Member or the CE/DCE;
- Any former Board Member or former CE/DCE during his/her cooling-off period concerning their own ethical matters and conflicts of interest;
- The Secretary General;
- The EIF Chief Compliance Officer;
- The Group Chief Compliance Officer; and/or
- The Inspector General, on fraud-related matters.

Requestors: In relation to the members of the Audit Board, EIF ECC opinions will be formulated upon request from any of the following:

- The Chair of the General Meeting;
- The Audit Board;
- Any Audit Board Member; and/or
- The Secretary General.

3.1.1 | Declaration of interest

If the CE/DCE or any Board Member, having complied with Article 2.7 of the EIF Code of Conduct for the CE/DCE or Article 2.7 of the EIF Code of Conduct of the Board of Directors, as applicable, identifies an error or inconsistency in his or her declaration of interest, s/he shall approach the EIF ECC Secretariat immediately to rectify the mistake.

In the case that the EIF 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 EIF 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 EIF rules.

3.2 | Procedure to assess conflict of interest

All requests for an EIF ECC decision on conflicts of interest and, in the case of Members of the Audit Board, an EIF ECC opinion on conflict of interest, shall be submitted confidentially and in writing to the EIF ECC Secretariat².

(a) Persons subject to a conflict of interest assessment shall be promptly notified of the opening of the procedure in writing by the EIF 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 and additional documentation, in writing and within fifteen (15) calendar days after receipt of notification of the EIF ECC's preliminary assessment, on the conflict of interest.

(b) Members and/or former Members of the Board of Directors, current or former CE/DCE, as well as Members of the Audit Board who voluntarily approach the EIF ECC, benefit from the same procedural safeguards granted to persons under subparagraph (a). They should be given an opportunity to present their situation and additional documentation, in writing and within fifteen (15) calendar days after approaching the EIF ECC.

The EIF 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 and additional documentation of the person concerned, issue its written reasoned decision or opinion, as applicable. Should the latter fail to present observations, the EIF 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 paragraph (a) above or after having been seized by the person concerned in accordance with paragraph (b) above.

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

The EIF ECC shall notify, in writing and without undue delay and no later than five (5) calendar days from the relevant date of adoption, 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 EIF ECC opinion concerning an Audit Board Member shall be transmitted to the Audit Board for its final and binding decision.

Should extraordinary circumstances or the requirement to consult with the EIF ECC as per Article 1.2.3. above cause a delay in the issuance of the EIF ECC decision or opinion, as applicable, the person concerned shall be promptly notified of the delay and, if applicable, the extraordinary circumstances justifying it.

The EIF 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 EIF ECC;
- c) A description of the observations and additional documentation, if any, submitted by the person concerned;

² Any current or former Board Member or the CE/DCE may, on a strictly confidential basis, informally consult the EIF Chief Compliance Officer and/or the Group Chief Compliance Officer (if deemed necessary) for matters related to an actual, potential or apparent personal conflict of interest, activities not connected with the Fund'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 EIF ECC decisions.

- 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; and
- f) Any other relevant guidance as appropriate.

Examples of remedial actions that can be considered or recommended steps to be taken, include but are not 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 EIF ECC on the established conflict of interest;
- c) Temporary suspension of 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; and/or
- e) Measures to avoid conflict of interest, such as abstaining from certain activities of the Fund or abstaining from interacting with a particular counterparty.

3.3 | Procedure in case of challenge of and/or non-compliance with an EIF ECC decision on conflict of interest

3.3.1 | Challenge of the decision of the EIF ECC

The person concerned by the decision of the EIF 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 EIF ECC decision. The appeal shall not have suspensive effect on the challenged decision.

The appeal must set out the grounds upon which the annulment of the EIF ECC decision is sought and must be accompanied by all relevant supporting evidence.

The Board of Directors shall review the EIF 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.

The person concerned by the EIF ECC decision shall not attend the deliberations on the appeal held.

Notwithstanding the line above, the person concerned by the EIF ECC decision shall be offered by the Board of Directors the possibility to present his/her views on the EIF ECC decision.

The Board of Directors shall decide whether to confirm, modify or annul the EIF ECC decision.

The decision of the Board of Directors following the appeal can be challenged before the Court of Justice of the European Union in accordance with Article 263 of Treaty on the Functioning of the European Union (“TFEU”).

3.3.2 | Non-compliance with the EIF ECC decision

Without prejudice to Article 3.3.1 above, in case of non-compliance with an EIF ECC's decision, the EIF ECC shall provide the Board of Directors with an opinion on whether it would be appropriate for the Board of Directors (i) as regards the current or a former CE/DCE, to decide on or (ii) as regards a current or former Board Member or Audit Board Member, to submit to the General Meeting:

- A proposal to dismiss or compulsorily retire, as relevant, the person concerned; and/or
- Decide a loss, in whole or in part, of any financial right, including but not limited to pension rights, if relevant.

3.4 | Procedure to assess ethical matters

Any ethical matter concerning Members of the Board of Directors or the CE/DCE shall be submitted confidentially and in writing to the EIF ECC Secretariat³.

The CE/DCE or the Board Member, who request an EIF ECC opinion on any ethical matter, benefit from the same procedural safeguards granted to persons subject to the EIF ECC assessment.

Persons to whom the ethical matter relates shall be promptly notified in writing by the EIF 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 EIF ECC assessment shall acknowledge receipt of this written notification.

The EIF 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 assessed 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.

Without undue delay and no later than twenty (20) calendar days following receipt of the observations of the person concerned, the EIF ECC shall prepare its reasoned opinion taking into account the observations submitted in accordance with the last indent of the previous paragraph.

The EIF 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 EIF ECC;
- c) A description of the observations, if any, submitted by the person concerned;

³ Any current or former Board Member or the CE/DCE may, on a strictly confidential basis, informally consult the EIF Chief Compliance Officer and/or the Group 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 EIF ECC opinions.

- d) An analysis of the assessment on the ethical issue carried out by the EIF 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; and
- f) Any other relevant guidance as appropriate.

The EIF ECC shall submit its reasoned opinion, along with the written observations of the person concerned, to the Board of Directors, in order for the latter (i) as regards the current or a former CE/DCE, to decide, or (ii) as regards a current or former Board Member or Audit Board Member, to submit it to the to the General Meeting for decision.

The reasoned opinion shall, as the case may be, take position on whether it would be appropriate to, as relevant:

- Dismiss or compulsorily retire the person concerned, as relevant; and/or
- Decide a loss, in whole or in part, of any financial right, including but not limited to pension rights, where relevant.

The EIF ECC shall simultaneously notify its reasoned opinion to the person concerned.

Following the issuance of a reasoned opinion by the EIF ECC, and pending the decision on this opinion by the relevant governing body, the person concerned by the reasoned opinion shall abstain from related deliberations.

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.

Should extraordinary circumstances or the requirement to consult with the EIF ECC as per Article 1.2.3. above cause a delay in the issuance and notification of the EIF 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.

Notwithstanding the provisions above on the applicable time limits, the EIF ECC may at any time during its assessment decide to hear and/or consult the CE/DCE or Board Member concerned before issuing its reasoned opinion or closing its assessment.

The decision of the Board of Directors or the General Meeting, as the case may be, can be challenged before the Court of Justice of the European Union in accordance with Article 263 of TFEU.

4 | Administrative and financial provisions

4.1 | Support to the EIF ECC

The Secretary General of the Fund shall provide secretarial services for the EIF ECC. The Secretary General may delegate this task to another staff member under his/her direct responsibility (the “EIF ECC Secretariat”).

The Chair may request the Secretary General, the EIF Chief Compliance Officer, the Group Chief Compliance Officer, when necessary, the Inspector General, or any other staff member to provide all records and documents it deems relevant for the proper performance of its duties.

The EIF Chief Compliance Officer shall provide an opinion at the request of the Chair. The EIF Chief Compliance Officer and/or the Group Chief Compliance Officer, when necessary, may also provide an opinion upon his/her own initiative to the EIF ECC. The EIF Chief Compliance Officer's opinions, on request or ex officio, shall always be consulted with and endorsed by the Group Chief Compliance Officer.

The Chair may request the EIF to engage, if needed to carry out EIF ECC functions, the services of special external advisors of high professional standing and experience in relevant areas such as ethics, law and/or international organisations.

The CE/DCE and Board Members concerned by proceedings before the EIF 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.

The services of the Fund shall be at the EIF ECC's disposal for any assistance.

4.2 | Reporting

EIF ECC decisions and opinions pursuant to Article 1 are periodically communicated to the Board of Directors and to the General Meeting in an annual report.

Where the EIF ECC decision and/or its implementation would be expected to have a material incidence on the ordinary functioning of EIF and its governing bodies, the Board of Directors shall be immediately informed of its adoption.

A report shall be published on the EIF website in a section dedicated to the application of these ORs. The Group Chief Compliance Officer shall receive this report ahead of its publication.

4.3 | Financial provisions

For meetings that are not held on days of meetings of the related statutory bodies, the EIF ECC members, who are not EIB Group staff members or members of the EIB Management Committee, shall receive a compensation and reimbursement of expenses on the same basis as Members of the Board of Directors.

4.4 | Confidentiality and data protection

All information and documentation in relation to proceedings and to the activities of the EIF 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 EIF ECC. With the prior written approval of the EIF CE and the EIF Data Protection Officer ("DPO"), and in accordance with applicable laws, rules, regulations, policies and procedures, the EIF ECC may access and copy potentially relevant personal data also when they are stored and processed in a digitalised form (including email/data created, copied or received by an EIB Group member of governing bodies or staff using any part of the EIB Group's IT system). In doing so, the EIF ECC will inform the EIF CE and the EIF DPO of the reasons why this access is required for the investigation, whilst protecting the identity of sources and persons concerned.