



CODE OF CONDUCT FOR THE MEMBERS AND THE ALTERNATE MEMBER
OF
THE AUDIT BOARD

In view of the particular nature of the business the European Investment Fund (hereinafter, the "EIF") carries out and the sensitive and confidential information related to the projects it helps to finance by way of venture capital and guarantee, the adoption of a code of conduct for the Audit Board is appropriate.

The rules of conduct spelled out in this code are based on the principles enshrined in the Fund's Statute, its Rules of Procedure and subsequent texts governing Fund activity, as well as on other general pertinent principles.

The following rules and principles apply to all members of the Audit Board as well as the alternate member.

1. Note should be taken of the following:

"The accounts of the Fund shall be audited annually by an Audit Board consisting of three auditors appointed by the General Meeting. The General Meeting may decide to increase the number of auditors to a maximum of five. Nominations shall be made in accordance with the terms laid down in the Rules of Procedure.

The members of the Audit Board shall act in accordance with the customary standards of their profession. The Audit Board shall confirm that the balance sheet and profit and loss account of the Fund give a true and fair view of the financial position of the Fund in respect of its assets and liabilities, and of the results of its operations for the financial year under review."

(Article 22 of the Fund's Statute)

The members of the Audit Board and the alternate member 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 Fund and their duties. They shall observe current laws and regulations, in particular the Fund's Statute and its Rules of Procedure, insofar as the provisions contained therein have a bearing on the Audit Board.

They shall 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 performing their duties, the members of the Audit Board and the alternate member shall neither seek nor accept instructions from any government, any other organisation or any person within or outside the Fund. Members of the Audit Board and the alternate member 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.

3. The members of the Audit Board and the alternate member shall also be duty bound to conduct themselves honestly and sensitively with respect to acceptance, following the end of their term of office, of certain functions, perquisites or assignments which could conflict with the knowledge acquired by them in the performance of their duties as a member or alternate member of the Audit Board.
4. Should a member of the Audit Board or the alternate member be called upon to express an opinion on a venture capital investment, guarantee or any other Fund operation, and should such a member or alternate 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 or alternate member's duty to declare so forthwith in writing to the Chairman of the Audit Board, who will decide what course of action is to be taken.

Employment by a member or by the alternate member in a public-service capacity in an institution that is a shareholder of the Fund, some of whose funds may be managed by the Fund, shall not in itself be deemed to constitute a conflict of interest.

The members of the Audit Board and the alternate member shall also make such declaration in writing should the relationship or the interest arise subsequently to the operation concerned.

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

5. Members of the Audit Board or the alternate members who, in the context or course of their duties, have direct or indirect access to inside information or are in possession of such in respect of:
 - the Fund;
 - any other companies or bodies;
 - transferable securities of any kind, whether issued by these companies or bodies or by the Fund,

may not make use, either directly or indirectly of this inside information in order to carry out, recommend or advise either in favour or against transactions involving the Fund, these companies or bodies or these securities, 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 the Fund, to one or several other companies or bodies or to one or several transferable securities, and which, if made public, would be likely to have a significant effect on the value of the Fund, these companies or bodies or on the price of the transferable security or securities in question.

6. No member of the Audit Board, nor the alternate member, shall apply for, receive or accept from any source any advantage, direct or indirect, which is in any way connected with his mandate in the Fund. The members of the Audit Board and the alternate member 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 Fund through the intermediary of the Secretary General.

7. The fourth paragraph of Article 19 of the Rules of Procedure stipulates that "[the] members of the Audit Board and the alternate member shall not disclose any information or data coming to their knowledge in the course of their duties to persons or bodies outside the Fund".

Members of the Audit Board and the alternate member shall keep secret any information coming to their knowledge in the course of their duties. They shall continue to be bound by this obligation after termination of their mandate.

This obligation of professional secrecy is expressed in particularly strict terms, during the period of active performance of their duties as well as after termination of their mandate. It reflects the financial and investment nature of the institution and serves to establish relations of trust with the Fund's business partners.

This obligation of professional secrecy does not prohibit disclosure of information to the Court of Auditors in the context of audits conducted by that same body.

8. The privileges and immunities enjoyed by the members of the Audit Board and the alternate member under the "Protocol on the Privileges and Immunities of the European Communities" are accorded solely in the performance of their duty. These privileges and immunities shall in no way exempt members of the Audit Board or the alternate member from fulfilling their private obligations or complying with the laws and police regulations in force.
9. Mission expenses incurred by the members of the Audit Board and the alternate member in the execution of their duties are normally paid by the Fund, based on the decisions made by the General Meeting 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 Board or the alternate member, this cannot be accepted if made by persons or organisations subject or potentially subject to scrutiny or audit by the Audit Board. However, should it be impossible to refuse, notably because such refusal could prove embarrassing to the donor, the member of the Audit Board or the alternate member shall inform the Chairman of the Audit Board and the Secretary General of such event. Payment of travel and/or hotel expenses by such organisers must be declared on the statement of expenses submitted after each mission.
10. The members of the Audit Board and the alternate member shall make appropriate use of Fund facilities made available to them for the performance of their duties.
11. The members of the Audit Board and the alternate member shall refrain from any form of discrimination or harassment, particularly discrimination based on sex, age, nationality, political opinions, philosophical views or religious convictions as well as, in general, the manner in which members of staff choose to conduct their private lives. They shall also refrain from exerting any pressure on staff which might result in any

infringement of regulations or deviation from procedures, for example in management of the Fund's assets, award of contracts, or management of human resources or financial transactions.

12. The Chairman of the Audit Board shall supervise adherence to this Code of Conduct. Where the conduct or interests of the Chairman are concerned, supervision shall be exercised by the General Meeting represented by its Chairman.
13. 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 Board or, as the case may be, the General Meeting represented by its Chairman, to consider any appropriate measure, in keeping with the Statute and the Rules of Procedure.
14. All members of the Audit Board and the alternate member shall sign this Code of Conduct, including any new members or alternate member who may assume office as from this date.

It is understood that no rule of the Code of Conduct can result in jeopardizing the aforementioned core objective of effectiveness of the Audit Board.

These signed copies shall be held by the Secretary General of the Fund.

Date:

Name of the Audit Board member or alternate member:

Signature: