

Rules of Procedure *of the European Investment Fund*

Approved 14.06.1994 and amended 20.06.1995, 18.06.1996, 19.06.2000, 12.04.2005,
20.02.2009, 09.05.2011, 30.06.2014, 15.01.2020 and 01.04.2020 by the General Meeting

The terms used in these Rules of Procedure shall
have the same meaning as in the Statutes of the Fund

Financial Year

Article 1

The financial year of the Fund shall run from 1 January to 31 December.

General Meeting

Article 2

1. The General Meeting shall meet when convened in writing by the Chairman of the Board of Directors.

The General Meeting may also be convened on the initiative of one of the members of the Fund and following a decision by the Board of Directors. A General Meeting shall be convened if members whose shares represent 13% or more of the subscribed capital so request, specifying the subject that is the cause of such request.

2. General Meetings shall be held either at the seat of the Fund or at another location specified in the notice convening such meetings, including, in exceptional circumstances, through teleconferencing from such location.
3. The Chief Executive may be invited to attend General Meetings.
4. The Annual General Meeting shall be held by 30 June at the latest for the purpose of examining the annual report, balance sheet and profit and loss account together with all documents ancillary or relevant thereto.

The members of the Board of Directors, the Chief Executive, and the Audit Board shall attend the Annual General Meeting concerned with the examination of the annual report, balance sheet and profit and loss account.

5. At all General Meetings, the members of the Fund may vote by written, including electronic, correspondence which shall include but shall not be limited to letter, telex, fax or other written or electronic means of data transmission; votes must be received by the Fund not later than the day preceding the General Meeting.
 6. Between meetings and if the circumstances require it, the Chairman may validly put a decision to the vote by written, including electronic, correspondence.
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Article 3

1. Notice of General Meetings must be issued not less than thirty days before the date set for such meetings.
2. The members of the Fund must be in possession of the agenda for the General Meeting and of related documents not less than twenty days before the date set for the General Meeting.
3. Each member of the Fund may require the inclusion of items on the agenda for the General Meeting. Such requirements must be conveyed to the Fund not less than fifteen days before the date of the General Meeting.

Article 4

Decisions of the General Meeting shall be taken in accordance with Articles 10 and 11 of the Statutes.

Article 5

The Secretary of the Fund shall be appointed by the Chief Executive. He/she shall draw up and certify the minutes of General Meetings and shall issue copies or extracts thereof.

Article 6

The Secretary of the Fund shall keep an attendance list for each General Meeting. The attendance list shall be initialled by the representatives of the members of the Fund attending the General Meeting and certified by the Secretary of the Fund.

Article 7

Correspondence for the General Meeting shall be addressed to the Secretary of the Fund.

Chapter III

Board of Directors

Article 8

1. The Board of Directors shall meet not less than once in every calendar quarter at the seat of the Fund or at any other location selected by the Chairman, including, in exceptional circumstances, through teleconferencing from such location. At the end of each meeting the Board of Directors shall determine the date of its next meeting.
2. The Chairman of the Board of Directors shall convene the meeting of the Board of Directors before the date scheduled, should one of its members so request.
3. Between meetings and in case of urgency, the Chairman of the Board of Directors may put a decision to the vote by written, including electronic, correspondence. The period for decision shall be at least five working days. The Board of Directors may adopt decisions by tacit approval. Each member shall be entitled to interrupt the written procedure at any time and request that the proposal be introduced on the agenda of the following scheduled meeting of the Board of Directors. The Board of Directors shall adopt rules for the use of written procedure.

Article 9

1. Notices convening the Board of Directors together with details of the agenda and the related documents shall be addressed to its members fifteen days before the date set for each meeting.
2. Each member of the Board of Directors may request the inclusion of items on the agenda for a meeting of the Board of Directors. Such requests shall be addressed to the Secretary of the Fund so as to reach him/her not less than five days before the meeting.
3. Correspondence shall be by mail or by any other written, including electronic, means of data transmission.
4. Upon invitation by the Chairman of the Board of Directors, the Chief Executive and other persons may attend the meetings of the Board of Directors.
5. Decisions of the Board of Directors shall be taken by simple majority of members present.
6. A member of the Board of Directors may give another member a proxy to represent him/her at a meeting of the Board of Directors in cases where his/her alternate is unable to attend.
7. No member of the Board of Directors may have more than one proxy during any one meeting.
8. Members of the Board of Directors, as well as all other persons attending its meetings, shall be required to respect the secrecy of the proceedings and of all confidential information made available to it or presented as such by the Chairman of the Board of Directors.

Article 10

The Secretary of the Fund shall draw up and certify the minutes of meetings of the Board of Directors and shall issue copies or extracts thereof.

Article 11

The Board of Directors may confer upon one or more of its members any special mandates for one or more specific purposes.

Article 12

The Board of Directors may decide to set up committees responsible for studying matters submitted to them for their opinion. Such committees may consist of members of, or other persons nominated by, the Board of Directors

Article 13

The Board of Directors shall determine the remuneration of the Chief Executive and define incompatibilities with his/her duties.

Article 14

1. Members of the Board of Directors shall be designated by the members of the Fund and shall be appointed by the General Meeting. Subject to Article 15, paragraph 1 of the Statutes, four members shall be appointed from the individuals designated by the Bank, two members shall be appointed from the individuals designated by the Commission and one member shall be appointed from the individuals designated by the Financial Institutions. The same procedure shall apply for the designation and appointment of any alternates.
2. The Board of Directors shall elect its chairman from amongst its members by majority vote. In his or her absence the Board of Directors shall be chaired by one of its members designated by majority vote.
3. The Financial Institutions shall decide which Financial Institution shall propose the individual to be designated for appointment as member of the Board of Directors. In the event of disagreement a vote shall be taken and the Financial Institution obtaining the highest number of votes shall have the right to designate the candidate. Simultaneously an alternate to the member of the Board of Directors may be designated by them in accordance with the same procedure. In the event of parity of votes, designation shall be made by lot.
4. Members of the Board of Directors and their alternates may exercise their function of Board Member or alternate, as the case may be, in advance of the decision on appointment by the General Meeting.
5. In the event that a member of the Board of Directors is no longer able to hold office as a result of death, voluntary resignation, compulsory retirement or for any other reason, the shareholder having designated that member shall designate a new member to be appointed by the General Meeting for at least the remainder of the term of office of his/her predecessor. The provisions laid down in paragraphs 1 to 4 of this Article shall apply *mutatis mutandis* to the designation of any such member. Until the designation has been made, the former member shall be replaced by his/her alternate if any.

Article 15

The General Meeting shall adopt the guidelines for the determination of the remuneration, if any, payable to Members of the Board of Directors and to alternates. Members of the Board of Directors and their alternates shall be entitled to reimbursement of travel and accommodation expenses incurred by them when taking part in the meetings.

Chief Executive

Article 16

The Chief Executive and, if applicable, a deputy shall be nominated by the member of the Fund with the highest number of shares. Nominations shall be made on the basis of professional qualifications and personal abilities. The Chief Executive shall be appointed by the Board of Directors in accordance with Articles 16, 18 and 20 of the Statutes. When making such appointment the Board of Directors shall also fix the term of office of the Chief Executive which shall be for a period not exceeding five years.

Audit of Annual Accounts

Article 17

The Audit Board, having satisfied itself that the operations of the Fund have been carried out in compliance with the formalities and procedures laid down in the Statutes and the Rules of Procedure, shall annually confirm that the balance sheet and profit and loss account contained in the annual report to be submitted by the Board of Directors to the General Meeting give a true and fair view of the financial position of the Fund as regards its assets and liabilities, and of the results of its operations for the financial year under review.

Article 18

1. At the end of each financial year but not later than 1 March of the following year, the Audit Board shall receive copies of the draft annual report and the draft balance sheet and profit and loss account as well as any other document or information necessary or useful for the evaluation of the Fund's financial position or results. Within thirty days of receiving these documents, the Audit Board, having received assurance from the Chief Executive in particular concerning the effectiveness of the internal control systems, risk management and internal administration, shall forward to the Chairman of the General Meeting of the Fund a statement confirming that to the best of its knowledge and judgement:
 - i. the operations of the Fund have been carried out in compliance with the Statutes and the Rules of Procedure; and
 - ii. the balance sheet and profit and loss account give a true and fair view of the financial position of the Fund as regards its assets and liabilities and of the results of its operations.
2. Should the Audit Board consider that it is unable to deliver the foregoing, it must deliver to the Chairman of the General Meeting of the Fund within the same time limit a written statement setting out the reasons.

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3. The Audit Board shall address to the General Meeting a report on the results of its work during the preceding financial year.
 4. The Audit Board's statement and the report on the result of its work shall be annexed to the annual report submitted by the Board of Directors to the General Meeting.
 5. The Audit Board shall hold a meeting at least once a year with the Board of Directors and the Chief Executive in order to discuss the results of its work during the preceding financial year as well as its work programme for the current financial year.

Article 19

1. The members of the Audit Board and the alternate member shall have access to all the books and accounts of the Fund and may request access to any other documents, which they deem necessary or useful to examine in the discharge of their duties. The services of the Fund shall be at their disposal for any assistance.
2. The Audit Board may have recourse to external auditors, which it shall designate after consultation with the Chief Executive and the Board of Directors. It may delegate the regular conduct of the audit of the Fund's financial statements to such designated external auditors. It may also, if necessary, collaborate with other experts.
3. The Audit Board shall also review each year the work programme, the scope and the results of ELF's internal audit. It shall ensure that there is adequate co-ordination between the internal and external auditors.
4. 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.

Article 20

1. The members of the Audit Board shall be appointed by the General Meeting upon proposals made by the members of the Fund. The Bank, the Commission and the Financial Institutions shall have the right to propose one member each. Subject to the provisions of the following paragraph, their appointment, which shall be renewable, shall be for three consecutive financial years.
2. One member of the Audit Board shall be replaced each year. On the occasion of the first appointment of the members of the Audit Board the member whose term is due to expire after the first year and the member whose term is to expire after the second year shall be chosen by lot.
3. If the General Meeting decides to increase the number of members of the Audit Board it shall at the same time fix the intervals for replacement of the members and decide which shareholder shall have the right to propose the additional members.
4. The terms of office of the members of the Audit Board and of the alternate member shall expire on the day on which the General Meeting approves the annual report, balance sheet and profit and loss account. The appointment of the new member and of the alternate member shall commence the following day.

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5. The General Meeting may compulsorily retire a member of the Audit Board or the alternate member, if it considers that he/she is no longer able to discharge his/her duties or in the case of serious misconduct.
 6. The office of Chairman of the Audit Board shall be held by the member whose appointment is to come to an end on the day on which the General Meeting approves the annual report of the Fund. In the case where the member of the Audit Board holding the office of Chairman is absent, the next member of the Audit Board in line to hold the office of Chairman shall be the Chairman of the Audit Board for the duration of such absence.
 7. The General Meeting shall appoint one alternate member of the Audit Board upon proposal made by the members of the Fund. The Bank, the Commission and the Financial Institutions shall each have the right to propose the alternate member on a rotating basis. The appointment of the alternate member of the Audit Board shall be for three consecutive years. The first proposal shall be made by the Bank, to be followed by the Commission and the Financial Institutions.
 8. The alternate member of the Audit Board shall have full power to act as a member of the Audit Board where a member of the Audit Board is absent or whose seat is vacant as a result of death, voluntary resignation, compulsory retirement or for any other reason and until a replacement is appointed in accordance with Article 21. The alternate member may attend any meetings of the Audit Board and participate therein but shall only be entitled to vote or participate in decisions when acting in replacement of a member whose seat is vacant or who is absent.
 9. A member of the Audit Board may give another member a proxy to represent him/her at a meeting of the Audit Board in cases where the alternate is unable to attend. No member of the Audit Board may have more than one proxy during any one meeting.
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Article 21

In the event of a vacancy arising as a result of death, voluntary resignation, compulsory retirement or for any other reason, the General Meeting shall, within three months, appoint a replacement for the unexpired remainder of the term of office of the member or the alternate member.

Article 22

The General Meeting shall determine the emoluments of the members of the Audit Board, who shall be entitled to reimbursement of travel and subsistence expenses incurred by them in the performance of their duties. The alternate member of the Audit Board shall have the same entitlement to emoluments and reimbursement of travel and subsistence expenses as the members of the Audit Board.

Final Provisions

Article 23

These Rules of Procedure shall enter into force on the day of their approval. Their provisions shall in no respect derogate from the provisions of the Statutes of the Fund.

Article 24

These Rules of Procedure may be amended by the General Meeting on proposal from the Board of Directors.

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