



European Institute of Innovation and Technology

Governing Board

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FINAL
DECISION OF THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE
OF INNOVATION AND TECHNOLOGY (EIT) ON A
CODE OF GOOD CONDUCT REGARDING CONFLICTS OF INTEREST

Having regard to the Regulation (EC) No 294/2008 of the European Parliament and the Council of 11 March 2008 establishing the European Institute of Innovation and Technology¹;

Whereas:

- (1) According to Article 2(1) of the Statutes of the European Institute of Innovation and Technology ("EIT") annexed to Regulation EC No 294/2008 (the "Statutes"), the Governing Board members shall act in the interests of the EIT, safeguarding its goals and mission, identity and coherence, in an independent way;
- (2) According to Article 2(2)(n) of the Statutes, the Governing Board shall in particular adopt a code of good conduct regarding conflicts of interest.

THE GOVERNING BOARD OF THE EUROPEAN INSTITUTE OF INNOVATION AND TECHNOLOGY HAS DECIDED AS FOLLOWS:

Article 1

Code of Good Conduct on Conflicts of Interest

A code of good conduct regarding conflicts of interest, as set out in the Annex, is hereby adopted.

Article 2

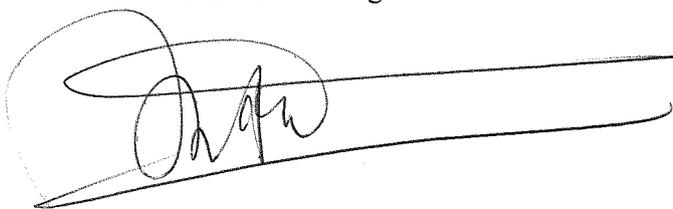
Entry into force

This Decision shall have immediate effect.

¹ OJ L 97, 9.4.2008, p. 1.

Done in Budapest, 16 October 2008

For the Governing Board

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by several loops and a long horizontal stroke extending to the right.

Chairperson of the Governing Board

TFH Schunmann.

ANNEX

CODE OF GOOD CONDUCT REGARDING CONFLICTS OF INTEREST

1. INTRODUCTION

- 1) Credible and effective governance depends on the capacity of the Governing Board members to make fair decisions, unbiased by the existence of other personal or professional interests.
- 2) The members of the Governing Board shall participate in their personal capacity and act in the best possible interests of the EIT and its mission, independently from any academic, institutional, industrial, political or other specific interests they might have.
- 3) Integrity and high standards of professional conduct are crucial for the EIT's independence and reputation. One aspect of integrity is to demonstrate that those persons involved in the work of the Governing Board act in the general interest of the EIT and that proportionate measures are taken to manage potential conflicts of interest.
- 4) The EIT recognises that the expertise of the members of the Governing Board is crucial for the fulfilment of its tasks and that the quality of such expertise is inherently based upon prior experience. Board members should therefore be able to combine participation in the EIT with other positions, public or private.
- 5) As a result, most members of the Governing Board have various activities and therefore multiple interests, both in organizational and personal life. Consequently, certain potential or actual conflicts of interest cannot always be entirely avoided and their mere existence does not necessarily imply any wrongdoing. The intention of this code of good conduct is not to ban or sanction the holding of interests. The various interests of members, once put together, may well result in a balanced interest for the Board as a whole.
- 6) Since it is impossible to lay down a set of prescriptive rules to cover every single eventuality, the basic principle to be applied is that a conflict of interest occurs when it can be reasonably considered that a conflict could influence or bias the judgment of the Board member.
- 7) The primary responsibility for assessing whether an interest might impede independence or influence judgment and for declaring any possible conflict of interest is placed on the member concerned. Doubt or ignorance cannot be used as excuses to justify situations of conflicting interests.
- 8) This Code of Conduct applies *mutatis mutandis* to the meetings of the Executive Committee.

2. WHO SHOULD DECLARE INTERESTS?

- 1) The responsibility for declaring any possible conflict of interest is placed on the individuals completing their declaration.
- 2) Taking into account the need to ensure their independence, written annual declarations of interests shall be requested from the members of the Governing Board.

3. WHAT SHOULD BE DECLARED?

The activities listed below shall be declared:

- Ownership or other investments, including shares;
- Membership of a Managing Body or equivalent structure;
- Membership of a Scientific Advisory Body;
- Employment;
- Consultancy/Advice;
- Other membership or affiliation;
- Interests of close family members;
- Any activities or interests other than the above which can be perceived as an interest in an activity included in EIT areas (e.g. research funding, intellectual property rights...)

These activities can be "current" or "past" according to the explanations below:

- **"Current"** is to be interpreted as activities that are currently ongoing.
- **"Past period"** is to be interpreted as activities that are no longer ongoing and which have been completed within the five preceding years.

If a member is unsure about what interest should be disclosed or whether his/her situation complies with this code of conduct, he/she should seek advice from the Chairperson.

4. WHEN SHOULD INTERESTS BE DECLARED?

1) Declaration of independence

Upon nomination, each member is required to sign a declaration stating his/her independence and commitment to comply with this code of good conduct (Annex 1)

2) Annual Declaration of interests

Each Board member shall submit an annual declaration of interests, indicating the absence of any interest which might be considered prejudicial to their independence and including interests which are inherent to the professional background of the individual (Annex 2).

The Chairperson will review the declarations of interests of Governing Board members in order to identify any interests which might give rise to a conflict with regard to the work of the Governing Board. In this exercise the Chairperson may ask for the support of the Director.

3) Spontaneous declarations

Members have the primary responsibility for spontaneously declaring any conflicts of interest at all times.

Members of the Governing Board are asked to declare, at the beginning of each meeting, any interests which might be considered prejudicial to their independence in relation to the items on the agenda

4) Updates

Declarations of interest must be updated at least annually or as soon as an update is required for any new situation arising.

5. PROCEDURE TO BE FOLLOWED DURING MEETINGS

The Chairperson should enquire at each meeting whether interests exist in relation to specific items on the agenda. The outcome should be recorded in the minutes of meetings by the EIT Director together with statements of declared interests and the outcome of discussions.

If during a meeting, a member becomes aware that he/she has an interest that may be in conflict with a point on the agenda, then this must be declared immediately to the Chairperson. This could include, for example, situations where a member is asked to approve the awarding of a contract to an organization with which he/she is employed or otherwise affiliated.

The Chairperson, if need be having consulted the Director, will determine the appropriate course of action, relying heavily on the principle of proportionality.

The appropriate course of action to take depends on the nature of the conflict. The following are to be considered guidelines for action, according to the nature and breadth of interests noted :

- The situation is not considered serious enough to exclude the member from discussions and decisions;
- The member is excluded from a particular decision or series of decisions, but may remain present and participate in discussions ;
- The member is excluded from any discussions and decisions relating to a particular question or series of questions ;
- The member is judged unable to complete his/her term of office and is therefore

obliged to abandon his/her position on the Board.

The Chairperson should be substituted for a given meeting by the most senior member of the longest serving members of the Board if items on the agenda could lead to a conflict of interest affecting his/her judgment.

Declarations made at meetings and the outcome of discussions related to declarations of interest shall be duly recorded in the minutes of the meeting.

6. Tasks of the EIT Director

The EIT Director, under the responsibility of the Chairperson, shall undertake:

- To monitor regularly declarations of interests and to give preliminary appraisal of the compatibility of interests declared with the tasks of the Members concerned;
- To initiate and facilitate handling of issues in close liaison with the Chairperson.

7. Transitional Period

In accordance with Article 6 of the Statutes of the EIT, the EIT Legal Representative shall, during a transitional period, act as the EIT Director.

DECLARATION OF INDEPENDENCE AND COMMITMENT

Name:

Position: EIT Governing Board member

I hereby undertake to perform my duties in the best interests of the EIT. In particular, I am aware that I am obliged to complete and sign an Annual Declaration of Interests which might be considered prejudicial to my independence in relation to the treatment of items on the agenda.

DONE IN

ON

SIGNATURE:

ANNUAL DECLARATION OF INTERESTS

Name:

Position: Member of the EIT Governing Board

Nature of Activity	Current From Month/year	Name of Entity ² Please indicate Private or Public	Subject matter ³
Ownership or other investments, including shares			
Member of a Managing Body or equivalent structure			
Member of a Scientific Advisory Body			
Employment			
Consultancy/Advisory			
Other membership or affiliation			
Interests of close family member			
Other			

Declaration:

I declare on my word of honour that the information provided above is true and complete.

Done in

on

Signature:

² Name of entity or organization is to be interpreted as meaning name, location and nature of all organizations (private, public, etc.) that relate to EIT. Thus, for the purpose of the declarations of interests the involvement in public bodies needs to be included as well.

³ Subject matter is to be interpreted as meaning the domain in which the activity was or is carried out.

- **"Ownership or other investments, including shares"** is to be interpreted as meaning any substantial financial interests, including holding of stocks and shares, equity, bonds, partnership interests⁴ in the capital of a company, one of its subsidiaries or a company in which it has a holding. The holding of financial interests connected with a pension scheme would not be considered a financial interest, provided that the individual has no influence on its financial management
- **"Membership of a Managing Body or equivalent structure"** is to be interpreted as meaning any participation in the internal decision-making of a company, trade association or equivalent entity (e.g. board membership, directorship).
- **"Membership of a Scientific Advisory Body"** is to be interpreted as meaning that the person concerned is participating or has participated in the work of a Scientific Advisory Body with a right to vote on the outputs of that entity.
- **"Employment"** is to be interpreted as covering all forms of employment, part-time and full-time, either paid or unpaid, in any organization whose activities are linked to EIT areas.
- **"Consultancy/Advice"** is to be interpreted as an activity in which the concerned person charges or does not charge a fee for providing advice or services in a particular field. Any contracts or collaborations with the EIT falling outside the work of the Governing Board as identified above should be specified under this activity. The subject matter should only indicate the domain in which the consultancy is/has been active.
- **"Other membership or affiliation"** is to be interpreted as any membership or affiliation other than the above which can be perceived as an interest in the field of activity of the EIT
- **"Interests of close family members"** are to be interpreted as meaning that they include known interests held by family members and relatives belonging to the same household or under the care of the members of the household. In order to maintain privacy, their names do not need to be declared. The relationship (e.g. wife) should not be specified.
- **"Name of entity or organization"** is to be interpreted as meaning name, location and nature of all organizations (private, public, etc.) that relate to EIT. Thus, for the purpose of the declarations of interests, involvement in public bodies needs to be included as well.
- **"Subject matter"** is to be interpreted as meaning the domain in which the activity was or is carried out.

⁴ When declaring financial interests e.g. stock and shares, only the type and the company name need to be stated.