

14 January 2026

EUROPEAN STABILITY MECHANISM**CODE OF CONDUCT**

of

THE BOARD OF AUDITORS**Article 1***Hierarchy of Rules*

1. This is the Code of Conduct (hereafter the “Code”) of the Board of Auditors of the European Stability Mechanism (the “ESM”) adopted by said Board of Auditors. It sets out the rules applicable in matters of professional ethics and behaviour.
2. In the event of a conflict between any provision of this Code and any provision of the Treaty establishing the European Stability Mechanism (the “Treaty”) or the ESM By-Laws (the “By-Laws”), the provision of the Treaty or of the By-Laws, as the case may be, shall prevail.
3. Unless otherwise specified in this Code, terms not separately defined in the Annex to the Board of Auditors’ Code of Conduct and capitalised herein shall have the same meanings as ascribed to them in the Treaty and in the By-Laws.

Article 2*Scope of Application*

1. This Code shall apply to and shall be binding on any person serving in the capacity of member of the Board of Auditors, upon appointment by the Board of Governors of the ESM and, where explicitly provided for, to persons having formerly served in such capacity.
2. The duty of confidentiality, specified in Article 10 of this Code, shall also apply *mutatis mutandis* to all persons who attend meetings of the Board of Auditors as foreseen in Article 3 of the Rules of Procedure of the Board of Auditors as well as external experts used by the Board of Auditors, if any.

Article 3*Duties of Board of Auditors Members*

1. Members of the Board of Auditors shall conduct their work diligently, efficiently, effectively, and to the best of their ability, in a spirit of collegiality and mutual cooperation. Each Member shall devote to the activities of the Board of Auditors such time and attention as the performance of its tasks may require.

2. For the duration of their mandates at the Board of Auditors, a member of the Board of Auditors may not engage in such activities as may be determined by the Board of Auditors to be incompatible with the duties of a Board of Auditors member, the Treaty, the By-Laws and the Rules of Procedure of the Board of Auditors.

Article 4
Standard of Conduct

1. Members of the Board of Auditors shall perform their duties in full compliance with the Treaty, the By-Laws, this Code and Rules of Procedure as well as other guidelines of the Board of Auditors.
2. Members of the Board of Auditors shall conduct themselves and perform their duties in a manner that safeguards and enhances public confidence in their integrity and in the integrity of the ESM. As laid down in Article 24 (9) of the By-Laws, the members of the Board of Auditors shall refrain from any action incompatible with their duties, at the time of their appointment and both during and after their term of office.
3. Members of the Board of Auditors shall perform their duties objectively and impartially, without allowing themselves to be influenced by personal or political considerations, relationships or affiliations. As laid down in Article 30 (2) of the Treaty and Article 24 (9) of the By-Laws, the members of the Board of Auditors shall be independent, and their independence must be beyond doubt. In the performance of their duties, they shall neither seek nor take instructions from the ESM governing bodies, the ESM Members, any government or any other public or private body.
4. In discharging their duties to the ESM, Members of the Board of Auditors shall, in particular, endeavour to make use of the ESM's name and resources only in the interest of the ESM.

Article 5
Values and Work Environment

1. The members of the Board of Auditors shall respect and adhere to the ESM's values of integrity, respect, accountability, and non-discrimination and they shall refrain from any act or behaviour constituting Integrity Violation or Behavioural Misconduct.
2. Any member of the Board of Auditors who witnesses behaviour constituting any form Integrity Violations, such as Corruption, Fraud, Coercion, Collusion, Abuse, Obstruction and Conflict of Interest, and Behavioural Misconduct such as Discrimination, Physical Violence, Harassment, and Retaliation is encouraged to offer their assistance to the victim and report the matter in line with Article 16.

Article 6
Conflict of Interest

1. In line with Article 24 (9) of the By-Laws, the members of the Board of Auditors shall, in accordance with international standards on auditing and the International Code of Ethics for Professional Accountants, take care to avoid all conflicts of interest, at the time of their appointment as well as both during and after their term of office. The same

applies to the appearance of conflicts of interest. In the event of doubt or difficulty in determining whether there is a Conflict of Interest, the member concerned should refer the matter to the Board of Auditors for guidance.

2. Should a Conflict of Interest concerning an agenda item for consideration by the Board of Auditors arise, a declaration shall be made by the respective member of the Board of Auditors under a standing agenda item at each meeting of the Board of Auditors. In such instances, the respective Board of Auditors member shall recuse her/himself from the respective agenda item. Any such declaration shall be included in the minutes of the meeting.
3. Whenever a member of the Board of Auditors has a direct or indirect private interest in a person or entity that is a counterparty of the ESM in any borrowing, investment, stability support operation, procurement procedures or other activity, of which the member of the Board of Auditors is aware or should reasonably be aware, he/she shall declare so immediately in writing to the Board of Auditors Chairperson for further guidance on the actions to take and the Secretary General. Such a declaration shall also be required if the private interest arises subsequently to the relevant operation.
4. Members of the Board of Auditors shall not avail themselves of professional ESM contacts in order to manage their personal affairs.

Article 7 Professional Activities

1. Members of the Board of Auditors shall notify the Board of Auditors as well as the Secretary General in writing of any changes in their professional activities during their term of office without delay.
2. Members of the Board of Auditors shall not engage in any professional activity (hold other employment or engage in any occupation or profession, or in any business) which is incompatible with the proper performance of their ESM duties or that might create an actual, potential or apparent conflict of interest.
3. They shall be duly bound to conduct themselves in good faith and sensitively with respect to the acceptance of certain functions, perquisites or assignments which could conflict with the knowledge acquired by them in the performance of their duties as Members of the Board of Auditors. They shall continue to be bound by this obligation after termination of their mandate.
4. Where a member believes there may be an actual, potential, or apparent conflict of interest from their direct or indirect professional activities, they shall declare it in writing to the Board of Auditors that will decide the appropriate course of action.

Article 8 *Public Office*

1. Members of the Board of Auditors shall inform in advance the Board of Auditors as well as the Secretary General in writing, usually at least three months before formally standing or being appointed to public office. Depending on the extent of the functions under the said public office, the Secretary General will provide guidance on the actions to be taken in this regard.

Article 9
Gifts and Other Inducements

1. The Board of Auditors shall not tolerate any Integrity Violations, whether in the form of bribery, corruption, collusion or facilitation payments, including the offering, giving, receiving or soliciting directly or indirectly anything of value to influence improperly the actions of Board of Auditors members, members of staff or other parties.
2. Members of the Board of Auditors may not apply for, solicit, receive, or accept from any source inside or outside the ESM any advantage or inducement, direct or indirect, which is in any way connected with their mandate or which otherwise might call into question their integrity or the objective and impartial discharge of their duties. Any gifts and other inducements offered in connection with their mandate with the ESM must be declared to the Chairperson of the Board of Auditors and the Secretary General except for gifts with merely token value, which do not need to be declared.
3. Members of the Board of Auditors may not accept or receive gifts exceeding a token value of EUR 50, from any person, organisation, or company with which the ESM does or seeks to do business. This rule shall not be circumvented by the acceptance or receipt of such gifts by family members of the member of the Board of Auditors, instead of by the latter.
4. In exceptional circumstances, when refusing to accept a gift may cause offence or embarrassment to the gift-giver or to the ESM, members of the Board of Auditors may, after having consulted with the Secretary General, accept gifts with a value in excess of the token value determined in paragraph (3) above. However, such gifts shall be declared immediately to the Chairperson of the Board of Auditors and the Secretary General who will provide guidance on how the gift is to be disposed of in order to preserve the highest standards of integrity of the member of the Board of Auditors and the ESM. The Secretary General will keep a register of such gifts.
5. No cash or cash equivalents (e.g., vouchers or gift certificates) irrespective of their value may be accepted or received as gifts from anyone.
6. Limited hospitality, such as meals, refreshments and receptions may normally be accepted, provided that they are unsolicited, the attendance is related to the duties of the member of the Board of Auditors and the third party, the frequency of such invitations from the third party is not excessive, and the level of expense is reasonable and customary in the particular circumstances. Guidance may be given by the Secretary General in consultation with the Board of Auditors Chairperson, from time to time, on what is acceptable as “reasonable and customary” under this Article.
7. Members of the Board of Auditors shall not, in the context of their mandate apply for, solicit, receive, or accept any honour, distinction, decoration or award from any government or other public authority without the prior guidance of the Secretary General and consent of the Board of Auditors.

Article 10
Duty of Confidentiality

1. Members of the Board of Auditors shall not disclose information that is subject to professional secrecy pursuant to Article 34 of the Treaty. Without prejudice to Article 17 of the By-Laws, they are required to ensure the same level of confidentiality, as indicated by the ESM sensitivity labels framework when sharing ESM information and documents with their secretariat.
2. As laid down in Article 24 (10) of the By-Laws, the members of the Board of Auditors and the experts appointed by it shall keep all non-public information obtained in the performance of their duties in the strictest confidence, both during and after their term of office or appointment.
3. The conditions under which documents drawn up or held by the ESM may be communicated to other persons or entities or otherwise disclosed externally are set forth in Article 17 of the By-Laws.
4. Members of the Board of Auditors shall actively prevent the unintended disclosure of information subject to professional secrecy by reminding colleagues of their duty pursuant to Article 34 of the Treaty.
5. Members of the Board of Auditors have the right to intimacy of private life and confidentiality and protection of personal data. The ESM shall not disclose documents or parts of documents that contain personal data of the Board of Auditors members, except when this is permitted under the By-Laws and ESM personal data protection policy, as applicable to the Board of Auditors members.

Article 11
Public Statements and Contacts with the Media

Except as foreseen in Article 30 (5) of the Treaty and Article 24 (6) of the By-Laws for the publication of its reports, neither the Board of Auditors nor its members shall make any public statements or have any contacts with the media related to the ESM or its activities.

Article 12
Inside Information

1. Members of the Board of Auditors shall strictly observe all applicable laws and regulations on insider trading as well as the rules set forth in this Article. The Secretary General may be consulted in case of doubt.
2. Members of the Board of Auditors who, in the context or course of their duties, have direct or indirect access to or are in possession of Inside Information¹ shall not disclose such Inside Information to any other person unless such disclosure is made in the normal course of the exercise of their duties as member of the Board of Auditors and

¹ Inside Information refers to inside information as defined in the Market Abuse Regulation as amended from time to time.

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.

3. Members of the Board of Auditors who reasonably suspect that a transaction might constitute insider trading shall notify the Board of Auditors and the Secretary General without delay.

Article 13
Private Investments

1. Members of the Board of Auditors shall at all times manage their private financial affairs with full respect for and in compliance with this Code. They shall consider the interests of the ESM and shall ensure that the ESM does not incur reputational risk as a result of the management of their private financial affairs. Members of the Board of Auditors shall immediately report to the Board of Auditors and the Secretary General any private financial activity that might not be in accordance with this Code or that might be, or appears to be, in conflict with their ESM duties.

Article 14
ESM Property, Assets and Environmental Impact

1. Members of the Board of Auditors shall protect and preserve the ESM's property and assets, including intellectual property rights, and shall use its resources as efficiently as possible, guarding against Abuse.
2. Members of the Board of Auditors are expressly prohibited to use the ESM's logo and headed notepaper for personal correspondence in order to avoid any risk of confusion between professional and private transactions.
3. All rights to any intellectual property created by members of the Board of Auditors or their subject matter experts in the course of their ESM duties belong to the ESM, unless the ESM authorises otherwise. In addition, in the course of their ESM duties, members of the Board of Auditors must not use their own intellectual property, or intellectual property which they claim as their own, on the basis that it was created before joining the ESM or other than in the course of their ESM duties, without first agreeing with the ESM in writing the basis on which they will do so. In the absence of any such prior agreement, all intellectual property of the relevant members of the Board of Auditors which is used in the course of their ESM duties will become the property of the ESM. Intellectual property belonging to the ESM may not be used for private benefit or for the benefit of others, except with appropriate authorisation by the ESM.
4. The Board of Auditors is committed to protecting the environment and seeks to follow a prudent approach on environmental matters in the implementation of its mandate.

Article 15
Expenses and allowances

1. In line with Article 24 (5) of the By-Laws, members of the Board of Auditors are entitled, at the ESM's expense, to the reimbursement of, or the payment of allowances for travel and office expenses incurred by them in the performance of their duties, in the amounts

determined, and adjusted from time to time, by the Board of Directors. The Members of the Board of Auditors shall submit any claim for reimbursement of, or the payment of allowances to the Secretary General in line with Article 7 (2) of the Rules of Procedure of the Board of Auditors.

2. Expenses not justified by the mandate of the Board of Auditors or not in line with the general principles of the ESM Expenses and Travel policies shall be avoided.

Article 16
Reporting of Misconduct

1. Any member of the Board of Auditors who becomes aware of or suspects an infringement of this Code, including a Serious Misconduct by a member of the Board of Auditors, shall report the matter to the Secretary General and the Chairperson of the Board of Auditors. All members of the Board of Auditors shall cooperate fully in any official investigation.
2. Any member of the Board of Auditors who becomes aware of or suspects a Serious Misconduct within the ESM, shall report the matter, in good faith to the ESM Compliance function. All members of the Board of Auditors shall cooperate fully in any internal investigation of the reported misconduct.
3. The ESM protects the identities of Whistleblowers and Witnesses in accordance with the Whistleblowing and Dignity at Work Policies both during and after investigations. The ESM shall refrain from any Retaliation or reprisal against any members of the Board of Auditors who in good faith report Misconduct as set out in paragraphs (1) and (2) above.

Article 17
Entry into Force and Review

1. The Chairperson of the Board of Auditors shall supervise the adherence to this Code of Conduct. Where the conduct or interests of the Chairperson are concerned, supervision shall be exercised by the Vice-Chairperson.
2. This Code shall enter into force on the day it is adopted by the Board of Auditors in line with Article 24 (3) of the By-Laws.
3. This Code shall be subject to revision as and when it is deemed necessary by the Board of Auditors, and usually once every three years.

Annex:

DEFINITIONS

Misconduct is the violation of this Code or any ESM policy, procedure or other internal law whether intentional or not.

Serious Misconduct includes but is not limited to Integrity Violations and Behavioural Misconduct. Whether misconduct is serious, depends on facts and circumstances, including but not limited to the extent to which the misconduct could adversely affect the integrity, reputation or interests of the ESM, the extent to which the misconduct involves intentional actions or negligence and the duties and responsibilities.

An **Integrity Violation** constitutes Serious Misconduct and is any act or omission which constitutes a failure to adhere to the highest standard of integrity. It includes corruption, fraud, coercion, collusion, abuse, obstruction and conflict of interest, as defined below:

Corruption is the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;

Fraud is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

Coercion is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

Collusion is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

Abuse is theft, waste, damaging, or improper use of ESM assets and property, either committed intentionally or through gross negligence;

Obstruction includes deliberately destroying, falsifying, altering, or concealing of evidence material to an investigation, making false statements with the aim to impede such investigation, failure to comply with requests to provide information, documents or records in connection with such investigation, threatening, harassing or intimidating any party to prevent it from disclosing knowledge of matters relevant to the investigation or from pursuing the investigation;

Conflict of Interest means a situation or circumstances in which private interests of members of Board of Auditors influence or may influence the objective and impartial performance of their duties. Private interests include any advantages for members of Board of Auditors, their families or personal acquaintances.

Behavioural Misconduct constitutes Serious Misconduct and includes but is not limited to any form of direct or indirect discrimination, physical violence, harassment and retaliation.

Discrimination shall be taken to occur where one person, because of their nationality, gender, racial or ethnic origin, religion or belief, health status, age or sexual orientation, is, has been or would be treated less favourably than another person in a comparable situation.

Physical Violence means the use of physical force or the threat of physical force against another person that may result in physical, sexual or psychological harm.

Harassment is Psychological Harassment or Sexual Harassment as defined below:

Psychological Harassment means any improper conduct that takes place over a period, is repetitive or systematic and involves physical behaviour, spoken or written language, gestures or other acts that may undermine the personality, dignity or physical or psychological integrity of any person.

Sexual Harassment consists of any form of unwanted verbal, non-verbal or physical conduct of a sexual nature, with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment. Sexual blackmail 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. Sexual blackmail could also manifest itself through a situation presented as causing professional advantages or disadvantages for the victim, depending on whether he/she accepts or rejects it.

Retaliation is any detrimental act or omission, direct or indirect, recommended, threatened, attempted or taken by another individual or individuals against anyone who has reported Misconduct pursuant to Article 16 of the ESM Code of Conduct or challenged a decision pursuant to Article 24 of the ESM Staff Rules, or who has supported such a person, and which act is prompted by the reporting or challenge. Retaliation does not include any actions that are based on the appropriate application of any ESM policy, procedure or other internal law.