

DIRECTIVE

CONDUCT AND DISCIPLINARY RULES AND PROCEDURES

Section I: Purpose

This Directive consists of the conduct and disciplinary rules and procedures that shall be followed with respect to reporting and investigating suspected misconduct and, if the misconduct is established, imposing disciplinary measures.

Section II: Definitions and General Provisions

The capitalised terms used in this Directive have the meaning given to them in Sections 1.03 and 1.04 of Section IV (Scope) of this Directive.

Section III: Legal Basis

The Staff Regulations, Section 9.

Section IV: Scope

PART I – GENERAL

ARTICLE 1 PURPOSE, APPLICATION, DEFINITIONS

1.01 Purpose

Pursuant to Section 9 of the Staff Regulations, these Conduct and Disciplinary Rules and Procedures ("the Rules") set out the definition of Misconduct, as well as the principles to be observed and steps to be taken with respect to the reporting, investigative, disciplinary and decision-making processes arising from allegations of Misconduct. The aim is to ensure that (i) allegations of Misconduct by staff members are dealt with at all stages of the investigative and disciplinary processes in a fair, impartial, thorough and timely manner, and (ii) the rights of all parties are appropriately protected.

1.02 Application

These Rules apply to all staff members. They apply to the Chief Evaluator and the Chief Compliance Officer only to the extent provided for under the Code of Conduct.¹

1.03 Definition of Misconduct

Misconduct is an intentional, reckless or negligent failure by a staff member to observe the Code of Conduct, staff regulations and rules or any other obligations on staff members adopted by the Board of Governors, the Board of Directors, the President, or under their respective delegated authority.

It is not possible to provide an exhaustive list of all of the behaviours that constitute Misconduct because whether an action is Misconduct depends on the circumstances and the degree of the behaviour. However, the following is a non-exhaustive illustrative list of examples of behaviours that the Bank considers as Misconduct:

- (i) failure to disclose information, or give truthful answers to questions, material to decisions concerning the appointment or continued employment of a staff member

¹ Any allegation of Misconduct committed by the President or any of the Vice Presidents is dealt with under, and in accordance with, the Code of Conduct for EBRD Personnel. Any allegation of Misconduct committed by a Board Official is dealt with under, and in accordance with, the Code of Conduct for Officials of the Board of Directors of the EBRD.

- (including full and frank completion of a compliance statement or financial interest disclosure form (as applicable) as required under the Code of Conduct), or misrepresentation of facts relevant to such questions;
- (ii) failure to disclose in a timely fashion information material to the determination of eligibility for, or the amount of, allowances, benefits or other payments, or misrepresentation of facts relevant to such determination; failure to disclose, or refusal to reimburse the Bank for, amounts wrongly received from the Bank;
 - (iii) neglect of, or failure to perform, the duties of employment, including, without limitation, failure to disclose material information of a business or legal nature to managers (including failure to assist the Internal Audit Department as it may request in the performance of its duties); falsification of records; falsification of, or failure to disclose, information for the purposes of claiming expenses; unauthorised access to, distribution or use of confidential information; and/or improper use of one's Bank position in dealing with third parties;
 - (iv) improper use or misappropriation of Bank property or assets;
 - (v) failure to observe the Bank's policies in relation to the use of Bank IT Facilities and Information Assets as applicable from time to time;
 - (vi) gross insubordination;
 - (vii) knowingly making malicious and/or unsubstantiated reports of suspected Misconduct or knowingly providing false or misleading information in an Investigative Process or disciplinary process; interference or non-cooperation with an Investigative Process; Retaliation;
 - (viii) fraud, theft, dishonesty or obtaining or attempting to obtain an advantage at the expense of the Bank or any person, firm or organisation that is, or may be, a client or supplier of the Bank;
 - (ix) failure to disclose a material conflict of interest;
 - (x) physical assault of another staff member or member of the public;
 - (xi) harassment, sexual harassment, bullying, abuse of authority or threats to other staff members or third parties;
 - (xii) serious incapability through alcohol or being under the influence of illegal drugs while at work (including attending any work-related event on Bank premises or elsewhere); or
 - (xiii) actions outside the workplace that are of legitimate concern to the Bank, to the extent that such actions could reflect adversely on the Bank or be perceived as an abuse of the privileges and immunities accorded to the Bank or to Bank Personnel.

1.04 Other Definitions

As used herein:

- (i) "Administrative Decision" has the meaning given to it in the Dispute Resolution Procedures.
- (ii) "Accused Staff Member" has the meaning given in Section 7.02.
- (iii) "Bank IT Facilities" has the meaning given to it in the Information Security Policy.
- (iv) "Bank Personnel" has the meaning given to it in the Code of Conduct for EBRD Personnel.

- (v) "Board Official" has the meaning given to it in the Code of Conduct for Officials of the Board of Directors of the EBRD.
- (vi) "Code of Conduct" means the Code of Conduct for EBRD Personnel as amended from time to time.
- (vii) "Dispute Resolution Procedures" refers to the Directive on the Administrative Review Process and/or the Directive on the Appeals Process and/or the Tribunal Appeals Procedures each as applicable and as amended from time to time.
- (viii) "Informal Dispute Resolution Process" means any confidential process through which a staff member seeks advice on, or attempts to settle or resolve, a dispute, including without prejudice settlement discussions, mediation, discussions with the EBRD Ombudsman or discussions with the EBRD Staff Legal Adviser but excluding any other proceedings under the Dispute Resolution Procedures.
- (ix) "Information Assets" has the meaning given to it in the Information Security Policy.
- (x) "Investigative Process" refers, as applicable, to an initial inquiry (Article 4), a formal investigation (Article 5) and, where undertaken, a further inquiry (Section 7.01) in a given matter.
- (xi) "Protected Activity" refers to: (i) reporting of suspected Misconduct in accordance with Section 2.01 of these Rules; (ii) reporting of a Prohibited Practice in accordance with the Enforcement Policy and Procedures; (iii) being interviewed as a witness in accordance with Article 4 or 5; (iv) assisting the Internal Audit Department as it may request in the performance of its duties; (v) acting as a witness, accompanying and/or assisting a staff member in relation to the Dispute Resolution Procedures, or in relation to an Informal Dispute Resolution Process; (vi) reporting of concerns regarding the care and conduct of Integrity Due Diligence procedures; or (vii) seeking redress with respect to an Administrative Decision under the applicable Dispute Resolution Procedures. The anonymous reporting by a staff member of suspected Misconduct or Prohibited Practice will not be considered a Protected Activity as long the staff member so reporting remains anonymous.
- (xii) "Retaliation" is any direct or indirect detrimental action recommended, threatened or taken because an individual engaged in a Protected Activity. Retaliatory actions may include, but are not necessarily limited to, harassment, discriminatory treatment, inappropriate performance appraisals, salary freeze or adjustment, work assignments, demotion, termination of employment, or the withholding of an entitlement.
- (xiii) "Person External to the Bank" refers to a person other than Bank Personnel or Board Officials.
- (xiv) "Prohibited Practice" has the meaning given to it in the Enforcement Policy and Procedures.
- (xv) "Subject" means a staff member who is the subject of an Investigative Process.

1.05 Calculation of time limits

Unless stated otherwise, references to days in these Rules are to working days at the Bank's headquarters.

ARTICLE 2 REPORTING OF SUSPECTED MISCONDUCT, OPENING OF A CONFIDENTIAL FILE, INQUIRY OFFICE

2.1 Reporting of Suspected Misconduct

a. Subject to Sections 2.01(b), 2.01(c), 2.01(d) and 2.01(e) below, any staff member who becomes aware of, or receives information regarding, suspected Misconduct by Bank Personnel, or by any person working on Bank premises, is required to report the matter to the Chief Compliance Officer, except where such information has been acquired by the staff member solely in the course of an Informal Dispute Resolution Process and on the condition of confidentiality. If a staff member becomes aware that a Person External to the Bank has information about suspected Misconduct by Bank Personnel, or any person working on Bank premises, s/he should report the matter to the Chief Compliance Officer and, where feasible, encourage that person to communicate directly with the Chief Compliance Officer.

b. Reports of suspected Misconduct may also be made to the Bank's Head of Internal Audit or to the Managing Director, Human Resources in which event the Head of Internal

Audit or Managing Director, Human Resources (as applicable) shall, subject to Section 2.01(c) or (d), immediately refer the matter to the Chief Compliance Officer to be dealt with in accordance with these Rules.

c. Information regarding suspected Misconduct with respect to a staff member in the Office of the Chief Compliance Officer (other than the Chief Compliance Officer) shall be re-reported to the Head of Internal Audit or to the Managing Director, Human Resources, who shall appoint another officer, team, or entity to exercise the authority of, and carry out the responsibilities normally undertaken by, the Chief Compliance Officer pursuant to these Rules. In such circumstances, references in these Rules to the Chief Compliance Officer and to acts of the Chief Compliance Officer shall be construed accordingly.

d. If a staff member, including the Chief Compliance Officer, becomes aware of, or receives information regarding suspected Misconduct in relation to improper interpersonal behaviour (such as bullying, harassment, sexual harassment or abuse of authority), s/he shall report the matter in accordance with the applicable procedures.²

e. A staff member may choose to anonymously report suspected Misconduct to the Bank save that such report shall not be considered a Protected Activity in accordance with Section 1.04(xi).

f. Reports of suspected Misconduct may also be reported to a person or entity external to the Bank only where the staff member can show that:

- (1) s/he had a reasonable basis to believe that such external reporting was necessary in order to avoid:
 - (i) a significant threat to public health or safety;
 - (ii) a substantial damage to the organisation's operations; or
 - (iii) a violation of national or international law; and
- (2) the Bank's internal response was inadequate because (i) the staff member has previously reported (other than anonymously) the suspected Misconduct pursuant to these Rules and (ii) the Bank has failed to inform the staff member in writing of the status of the matter within six months of such report; and

² Such matters are reportable to the Managing Director, Human Resources. Refer to the Procedure on a Harassment-free and Respectful Workplace.

- (3) s/he did not accept any payment or any other benefit from any party for such report and the reporting does not cause the Bank to violate its obligations to protect the confidential information of third parties.

2.2 Confidential File

- (a) Upon receipt of a report of an instance of suspected Misconduct, the Chief Compliance Officer shall make a determination as to whether the matter falls within the ambit of these Rules. If so, s/he shall open a confidential file (the “Confidential File”) for each in-stance of suspected Misconduct reported, in which s/he shall record the information received, the name of the suspected staff member and, if known, the name of the person reporting the suspected Misconduct. All evidence collected during the course of any Investigative Process pursuant to these Rules shall be placed in the Confidential File.
- (b) The Confidential File shall be available for inspection only by:
 - (i) the Chief Compliance Officer and staff of the Office of the Chief Compliance Officer;
 - (ii) the President;
 - (iii) the Head of Internal Audit; and
 - (iv) any other person authorised by the President.
- (c) In the event that the Chief Compliance Officer is compelled to disclose the Confidential File pursuant to the Dispute Resolution Procedures, the Chief Compliance Officer may withhold or redact any information that, in the opinion of the Chief Compliance Officer, is secret or confidential, or where the production of such material would prejudice the operations of the Bank or its relations with a member country, or would infringe on the right of privacy or reputation of other staff members of the Bank.
- (d) If the Chief Compliance Officer determines that the matter reported is not suspected Misconduct, s/he may refer the matter to other departments in the Bank for their review and action. In making such a referral, the Chief Compliance Officer shall, to the extent reasonably necessary and possible, protect the identity of the person making the report.

2.3 Appointment of Inquiry Officer

- (a) Upon the opening of a Confidential File, and for the purpose of conducting an initial inquiry under Article 4, a formal investigation under Article 5 or a further inquiry under Section 7.01, the Chief Compliance Officer may appoint an inquiry officer. The Chief Compliance Officer may also carry out any such inquiry or investigation personally in which event references in these Rules to an “inquiry officer” shall be read as references to the Chief Compliance Officer.
- (b) The inquiry officer appointed by the Chief Compliance Officer may be a person or a team of persons from the Office of the Chief Compliance Officer or a person, team of persons or entity from outside the Bank.

2.4 Responsibility of Chief Compliance Officer

Notwithstanding the appointment of an inquiry officer, the Chief Compliance Officer shall retain overall responsibility for the care and control of the Investigative Process.

PART II – THE INVESTIGATIVE PROCESS

ARTICLE 3 RIGHTS AND OBLIGATIONS

3.01 Rights and Obligations of the Bank Regarding the Investigative Process

(a) The inquiry officer shall have the right during the Investigative Process, including any further inquiry as envisaged in Section 7.01 below, to call upon staff members for the production of materials believed to have probative value, to interview any staff member who is believed to have knowledge of the events in question, and to consult persons believed to have, or materials believed to contain, information of probative value to the investigation.

(b) At any time during the Investigative Process, the inquiry officer may enter all parts of the Bank premises and examine, copy, and remove all or any portion of the contents of files (including electronic records), desks, cabinets, and other storage facilities on Bank premises or under the control of the Bank, and/or require the return of any Bank-owned electronic or telephonic equipment.

(c) At any time during the Investigative Process, in order to safeguard evidence, to ensure a proper investigation, to protect the interests of the Bank or to protect persons involved in the investigation, the Chief Compliance Officer may recommend to the Managing Director, Human Resources that a staff member be:

- (i) prevented from having access to Bank IT Facilities or Information Assets or having such access limited;
- (ii) relieved of specific duties;
- (iii) suspended from duty with pay; and/or
- (iv) prohibited from entering all or any portion of Bank premises.

In accordance with Article 13, the staff member shall be notified in writing by the Managing Director, Human Resources of any precautionary measures implemented pursuant to this Section.

(d) All phases of the Investigative Process shall be conducted discreetly, with due regard for avoiding unreasonable intrusions into the personal privacy of staff members, including both the person who reported the suspected Misconduct and the subject of that reporting, and for protecting the reputations of the parties involved.

(e) Due care shall be taken to protect the identity of confidential sources. Notwithstanding the foregoing, the identity of a staff member who has reported suspected Misconduct may be disclosed where the suspected Misconduct cannot be investigated without disclosing such identity (e.g., where no third party has witnessed the alleged incident) or if s/he is her/himself suspected of having engaged in Misconduct by knowingly making malicious and/or unsubstantiated allegations of suspected Misconduct on the part of another staff member.

3.02 Rights and Obligations of Staff Members Regarding the Investigative Process

(a) All staff members of the Bank, including the Subject, who are approached by an inquiry officer for interview or are otherwise called upon to assist in an Investigative Process shall:

- (i) cooperate in the Investigative Process and shall not make their cooperation subject to the condition that their identity or their oral or written statements shall remain confidential;

- (ii) in a timely and truthful manner, answer all pertinent and reasonable questions and provide information requested by the inquiry officer that is reasonably connected to the matter under investigation, other than information acquired solely in the course of an Informal Dispute Resolution Process and on the condition of confidentiality. With respect to any documentary information to be provided, the inquiry officer shall provide a reasonable amount of time within which the information is to be provided;
 - (iii) not disclose the fact of the investigation, including the name of the Subject, details of the suspected Misconduct, contents of their interviews, or the nature of their participation and/or assistance to others, unless authorised to do so by the inquiry officer.
- (b) Staff members, including the Subject, shall not interfere with an Investigative Process. Such prohibited interference includes, without limitation, the following:
- (i) refusing to cooperate with the inquiry officer;
 - (ii) knowingly making false or misleading statements to the inquiry officer;
 - (iii) destroying or tampering with information and/or evidence;
 - (iv) interfering with, or retaliating against, someone who has provided or is expected to provide information, or threatening to interfere or retaliate, either during or after an Investigative Process;
 - (v) violating the confidentiality of the Investigative Process as provided for in Section 3.02(a)(iii); and
 - (vi) any other conduct that materially interferes with the ability of the inquiry officer to conduct an investigation.
- (c) Staff members may, with prior written notice to the Office of the Chief Compliance Officer, be assisted in an Investigative Process by another staff member (other than by members of the Office of the Chief Compliance Officer, the Office of the General Counsel and the Human Resources Department) or by a Person External to the Bank, provided that such person is not acting in the capacity of a legal representative.
- (d) A staff member shall not be the subject of another Investigative Process concerning the same instance of suspected Misconduct unless new evidence comes to the attention of the Bank.
- (e) The rights and obligations of Subjects in relation to the conduct of a formal investigation are set out in Article 5 of these Rules.

ARTICLE 4 INITIAL INQUIRY

4.01 After opening the Confidential File, the inquiry officer shall determine whether the conduct would amount to Misconduct for the purposes of these Rules and whether the matter may be properly investigated taking into account the reliability of the information received, the gravity of the suspected Misconduct and the availability of relevant evidence.

4.02 In making this determination, the inquiry officer may, but is not obligated to, undertake any of the following actions:

- (i) meet with the person who reported the suspected Misconduct in order to confirm understandings about the key facts and issues involved;
- (ii) gather and review any evidence concerning the report of suspected Misconduct, including interviewing witnesses or others who may be in a position to provide relevant information;

and/or

- (iii) together with the Chief Compliance Officer, consult with the General Counsel and/or the Head of Internal Audit.

4.03 Upon completion of the Initial Inquiry, the Chief Compliance Officer shall make a determination that:

- (i) no further action need be taken on the matter, in which case s/he shall record her/his decision in the Confidential File; or
- (ii) the matter should proceed to a formal investigation as provided for in Article 5.

4.04 The Chief Compliance Officer may also decide to refer the matter to law enforcement authorities in accordance with Article 19.

ARTICLE 5 CONDUCT OF A FORMAL INVESTIGATION

5.01 Notification

(a) As soon as possible after a formal investigation is initiated, the inquiry officer shall notify the Subject of the formal investigation, including the basis for the investigation and the conduct under investigation.

(b) The timing of such notification shall be determined by the inquiry officer, taking into account the circumstances of the individual case, including the risk of destruction of or tampering with information and/or evidence, intimidation of witnesses or other actions that may compromise the investigation.

(c) The Subject shall be warned that refusal to cooperate with an investigation may lead to adverse inferences being drawn. If the Subject refuses to cooperate, the inquiry officer, shall be entitled to draw an adverse inference regarding such refusal, including in cases that have been disclosed to law enforcement authorities as provided under Article 19.

5.02 Subject Interview

(a) As part of any formal investigation, the inquiry officer shall, wherever reasonably possible, interview the Subject.

(b) Before an interview of the Subject takes place, the inquiry officer shall inform the Subject:

- (i) of the nature of the suspected Misconduct; and
- (ii) that s/he has, with prior written notice to the Office of the Chief Compliance Officer, the right to be accompanied by another staff member or Person External to the Bank who meets the criteria set out in Section 3.02(c), as long as the other staff member or Person External to the Bank has not been interviewed or, in the reasonable opinion of the inquiry officer, is not expected to be interviewed as part of the Investigative Process in question.

(c) Interviews of the Subject shall be recorded on a recording device.

(d) A copy of the recording and, if transcribed, a copy of the transcript of the interview, will be made available to the Subject, in each case no later than at the end of the formal investigation.

(e) The inquiry officer may request the Subject to review the transcript against the recording, advise of any changes required to the transcript to make it accurate and agree to the accuracy of the reviewed transcript.

5.03 Response

In the course of a formal investigation, the Subject shall be given reasonable opportunity to explain or justify her/his position with respect to the suspected Misconduct and to present her/his own evidence, including the names of witnesses who might corroborate her/his statements.

5.04 Other interviews

The inquiry officer shall have the discretion to decide who should be interviewed, based on the specific circumstances of the case, including the timing and sequence of such interviews provided that, subject to the exigencies of the matter, the inquiry officer shall provide reasonable advance notice of any interview to the intended interviewee.

5.05 No further action or provision of warning

(a) At any time during the formal investigation or upon its completion, the Chief Compliance Officer may conclude that:

- (i) no further action be taken on the matter, in which case s/he shall record her/his decision in the Confidential File; or
- (ii) the Misconduct may appropriately be dealt with by a written warning, in which case the matter shall be handled in accordance with Section 5.05(b) below.

(b) If the Chief Compliance Officer concludes that the matter can appropriately be dealt with by a written warning, s/he shall make a recommendation to the Managing Director, Human Resources, supported by a memo, that a written warning be given and the Chief Compliance Officer shall record her/his recommendation in the Confidential File. The Managing Director, Human Resources shall inform the Chief Compliance Officer of how the matter was disposed of and, where a written warning was delivered, provide the Chief Compliance Officer with a copy of the written warning as delivered and the Chief Compliance Officer shall record this information in the Confidential File.

ARTICLE 6 COMPLETION OF THE FORMAL INVESTIGATION

6.01 Preparation of Investigative Report

(a) Upon completion of a formal investigation other than in the circumstances contemplated in Section 5.05, the inquiry officer shall prepare a written investigative report (the "Investigative Report"), which shall contain the following:

- (i) a summary of the suspected Misconduct;
- (ii) the applicable rules or standards of conduct;
- (iii) a description of the available evidence with respect to the suspected Misconduct, including, if applicable, any documentary evidence pertaining to the relevant issues;
- (iv) conclusions about whether the evidence substantiates the suspected of Misconduct, i.e., whether it is more likely than not that the Misconduct did occur as alleged, or whether the evidence either exonerates the Subject or is insufficient to make a finding.

(b) The Investigative Report shall be balanced and fairly reflect the information gathered. Previous instances of suspected Misconduct by the Subject, whether substantiated or not, shall be included or mentioned in the Investigative Report if, in the judgement of the inquiry officer, such evidence is relevant in relation to the suspected Misconduct that are the subject of the current investigation.

6.02 Transmittal of Investigative Report

(a) If, based on the Investigative Report, the Chief Compliance Officer is of the view that a formal accusation of Misconduct against the Subject may be warranted, and unless there are good reasons not to do so, the Chief Compliance Officer shall give the Subject an opportunity to review and to comment, within a reasonable time limit, on the factual correctness of the Investigative Report, without its conclusions. Requests for corrections by the Subject shall be carefully considered and reflected, as necessary, in the Investigative Report.

(b) Following receipt of the Subject's comments on the factual correctness of the Investigative Report and finalisation of the Investigative Report, if the Chief Compliance Officer is of the view that a formal accusation of Misconduct against the Subject would be warranted, the Chief Compliance Officer shall transmit the Investigative Report, including any documentary evidence, whether inculpatory or exculpatory, on which the conclusions are based:

- (i) to the Managing Director, Human Resources; or
- (ii) to the President if the Subject reports directly to the Managing Director, Human Resources. The President shall decide to whom such report shall be further transmitted and such person shall exercise the functions otherwise exercisable by the Managing Director, Human Resources.

(c) The Investigative Report shall include a recommendation by the Chief Compliance Officer that a formal accusation of Misconduct be brought against the staff member.

PART III –THE DISCIPLINARY PROCESS

ARTICLE 7 COMMENCEMENT OF THE DISCIPLINARY PROCESS

7.01 Further Inquiry

(a) Following receipt of the Investigative Report and prior to any decision on disciplinary measures, the Managing Director, Human Resources may request the Chief Compliance Officer to undertake a further inquiry so that the Managing Director, Human Resources may reach a view as to whether or not the staff member has committed Misconduct.

(b) Such further inquiry shall normally be undertaken by the inquiry officer who carried out the formal investigation.

(c) The inquiry officer shall record the conclusions of the further inquiry in an amended version of the Investigative Report (the "Amended Investigative Report") which shall include any documentary evidence, whether inculpatory or exculpatory, upon which its conclusions are based.

(d) In circumstances where the further inquiry relates to the facts contained in the Investigative Report, the Chief Compliance Officer shall give the Subject an opportunity to review and to comment, within a reasonable time limit, on the factual correctness of the Amended Investigative Report without its conclusions. Requests for corrections by the Subject shall be

carefully considered and reflected by the inquiry officer, as necessary, in the Amended Investigative Report.

(e) Following receipt of the Subject's comments, if any, the Chief Compliance Officer shall transmit the Amended Investigative Report in accordance with Section 6.02(b).

7.02 Accusation

(a) If the Managing Director, Human Resources concludes, on the basis of the Investigative Report or, an Amended Investigative Report (including any accompanying documentary evidence), that an accusation of Misconduct is warranted, s/he shall inform the staff member to be so accused (the "Accused Staff Member") in writing of the substance of the accusation and the underlying reasons.

(b) The Accused Staff Member shall also be provided with a copy of the Investigative Report or, where applicable, the Amended Investigative Report (including any accompanying documentary evidence).

(c) The Accused Staff Member shall be deemed to have been provided with the requisite information if it is sent to the last home address provided by the Accused Staff Member to the Bank.

7.03 Response of Staff Member

(a) Before any decision is taken by the Managing Director, Human Resources regarding the imposition of disciplinary measures, the Accused Staff Member shall be given the opportunity to respond to: (i) an accusation of Misconduct or (ii) an Amended Investigative Report if such report was provided to the Accused Staff Member after s/he had been given the opportunity to respond to the accusation of Misconduct. The time period for such response, whether oral or in writing, shall be no less than 15 days from the date the Accused Staff Member receives the written accusation or the Amended Investigative Report.

(b) Where the Managing Director, Human Resources is of the view that the alleged Misconduct, if proven, would amount to serious Misconduct which would warrant termination of employment, the time period for the response of the Accused Staff Member may be reduced to 5 days.

(c) The response of the Accused Staff Member may include:

- (i) information within the Accused Staff Member's knowledge that s/he considers helpful to rebut the accusation;
- (ii) any documentary evidence that supports the position of the Accused Staff Member concerning the alleged Misconduct or is relevant to the factors that are to be considered in assessing the severity of the disciplinary measure(s) to be imposed; and
- (iii) the names of other persons who may be in a position to provide testimony or evidence in support of the Accused Staff Member's position.

ARTICLE 8 DECISION ON DISCIPLINARY MEASURES

8.01 Proportionality of Disciplinary Measures

The severity of the disciplinary measure(s) to be imposed shall be reasonably proportionate to the nature and seriousness of the Misconduct. In determining the seriousness of the Misconduct

and in deciding upon the disciplinary measure(s) to be imposed, the Managing Director, Human Resources shall take into account the nature of the Misconduct and the circumstances in which it occurred. In particular, account shall be taken of:

- (i) the extent to which the Misconduct adversely affects the interests, integrity or reputation of the Bank;
- (ii) the extent to which the Misconduct involves intentional, reckless or negligent actions;
- (iii) the motives for the Accused Staff Member's Misconduct;
- (iv) the degree of the Accused Staff Member's personal responsibility in the commission of the Misconduct;
- (v) the level of the Accused Staff Member's duties and responsibilities;
- (vi) whether the Misconduct involves repeated action or behaviour; and
- (vii) the conduct of the Accused Staff Member throughout the course of her/his career.

8.02 Disciplinary Measures

As expeditiously as possible after completion of the process in Article 7, the Managing Director, Human Resources may decide to impose one or more of the following disciplinary measures, including when the Accused Staff member admits to the Misconduct:

- (i) written censure;
- (ii) reduction and / or forfeiture, whether permanently or for a specific period of time, of amounts payable in respect of salary, benefits (other than retirement plan benefits) and / or allowances payable after the date of notification of the measure;
- (iii) forfeiture of the performance based compensation award;
- (iv) ineligibility for or deferral of a salary increase;
- (v) ineligibility for promotion;
- (vi) temporary suspension from duty with pay, reduced pay or without pay;
- (vii) termination of employment, with or without notice and / or with or without any benefits or payments due upon ending employment (other than retirement plans benefits), which shall also result in the loss of future contractual opportunities with the Bank, in any capacity.

8.03 Notification

(a) The Accused Staff Member shall be notified in writing of a decision to impose disciplinary measure(s), the reasons for their imposition and the means of redress available under the Dispute Resolution Procedures.

(b) Unless otherwise stated, the decision to impose disciplinary measures shall have immediate effect.

ARTICLE 9 WRITTEN WARNING

When the Managing Director, Human Resources concludes, after receipt of an Investigative Report or an Amended Investigative Report, that a disciplinary process or the imposition of a disciplinary measure is not warranted, s/he may, in consultation with the Chief Compliance Officer, determine that the matter can appropriately be dealt with by him/her or the line manager issuing a written warning to the Subject.

ARTICLE 10 ASSISTANCE FOR THE ACCUSED STAFF MEMBER

During the disciplinary process, the Accused Staff Member may be assisted by:

- (i) another staff member, other than by staff members of the Office of the Chief Compliance Officer, the Office of the General Counsel and the Human Resources Department; or
- (ii) a Person External to the Bank

provided such person has not been, or is not expected to be, interviewed as part of the investigative or disciplinary process and is not acting in the capacity of a legal representative.

ARTICLE 11 ENDING OF EMPLOYMENT

(a) The termination of the Subject's or Accused Staff Member's employment prior to the conclusion of the applicable Investigative Process and/or disciplinary process shall not affect the Bank's right to complete such process(es) and/or to take part in external processes as a result of a disclosure to law enforcement authorities.

(b) If a staff member who is subject to an Investigative Process and/or a disciplinary process resigns, the resignation may be on such conditions as the Managing Director, Human Resources may determine.

ARTICLE 12 DISCONTINUANCE OF THE DISCIPLINARY PROCESS

The Managing Director, Human Resources may, on a discretionary basis and in consultation with the Chief Compliance Officer, decide at any time during the disciplinary process to discontinue the process and close the matter.

PART IV –OTHER PROVISIONS

ARTICLE 13 PRECAUTIONARY MEASURES

(a) In order to safeguard evidence, to ensure a proper investigation, to protect the interests of the Bank or protect persons involved in the investigation, the Managing Director, Human Resources may decide that a staff member who is the subject of an investigative or a disciplinary process may be:

- (i) prevented from having access to Bank IT Facilities and/or Information Assets, or having such access limited;
- (ii) relieved of specific duties;
- (iii) suspended from duty with pay; and/or
- (iv) prohibited from entering all or any portion of Bank premises.

(b) The staff member shall be notified in writing of the decision, the reason for it and the duration of such precautionary measures. Such precautionary measures are not disciplinary measures.

(c) If as a precautionary measure, a staff member is suspended from duty with pay, such payment shall be conditional on the disciplinary process concluding that there is no basis for termination of the staff member. If the condition is not met, any pay earned during such suspension shall be recoverable by the Bank and shall accordingly be treated as amounts owed to the Bank.

ARTICLE 14 CONSULTATION WITH THE CHIEF COMPLIANCE OFFICER

The Managing Director, Human Resources shall consult with the Chief Compliance Officer prior to taking any action that is different from a recommendation made by the Chief Compliance Officer pursuant to these Rules.

ARTICLE 15 SUSPENSION OF PAYMENTS DUE UPON ENDING OF EMPLOYMENT

(a) If the employment of a staff member who is subject to an Investigative Process and/or a disciplinary process ends before the applicable processes have been concluded, the Managing Director, Human Resources may suspend payment of monies otherwise due to the staff member on termination of his/her employment until a decision on the suspected Misconduct is made, provided that:

- (i) there is a reasonable basis to believe that, as a result of the staff member's Misconduct, s/he may be required to repay or otherwise compensate the Bank or third party service provider (including medical insurance, accident insurance or corporate credit card provider); and
- (ii) the staff member is notified of the decision to suspend such payment and the reasons for the suspension.

(b) Payments shall not be suspended for longer than one year, except where the Managing Director, Human Resources determines that additional time is needed to make a determination whether monies are in fact owed to the Bank and/or to a third party service provider to the Bank.

(c) If it is determined that the staff member owes monies to the Bank or to a third party service provider to the Bank, those monies may be deducted in full from any payments suspended under this Article. If the staff member is found not to owe monies to the Bank, the suspended payments shall be made to the staff member in full within 30 days from the date of the determination.

ARTICLE 16 PAYMENT OR REIMBURSEMENT OF AMOUNTS OWED TO BANK

(a) The Managing Director, Human Resources may require a staff member who:

- (i) has misappropriated Bank funds;
- (ii) has deliberately or recklessly damaged Bank property;
- (iii) has wrongly received payments from the Bank, including, without limitation, under the retirement plans and/or benefit and/or allowance payments in respect of the staff member's spouse/domestic partner or dependents; or
- (iv) has wrongly received payments in respect of a benefit plan maintained on behalf of the Bank;

to repay the relevant amount(s) or make good the loss or damage, as applicable.

(b) Any amount owing to the Bank under this Article that has not been repaid within a reasonable time following the conclusion of disciplinary proceedings and any appeal thereof through the Dispute Resolution Procedures may be deducted from monies due from the Bank to the staff member.

ARTICLE 17 INTERIM PROTECTION FOR PROTECTED ACTIVITIES

(a) At any time during an Investigative Process or disciplinary process, the Vice-President responsible for Human Resources may, on recommendation of the Chief Compliance Officer and following consultation with the staff member who is or has engaged in a Protected Activity, decide that it would be prudent to provide interim protection to such staff member.

(b) If a decision is taken to provide interim protection to a staff member, the staff member shall be so informed in writing, including the reasons for the decision. Such decision shall normally remain in effect until the Investigative Process has terminated or the disciplinary process has been concluded and a decision whether to impose disciplinary measures against the Accused Staff Member who is the subject of such a process has been taken in the matter.

ARTICLE 18 TREATMENT OF INFORMATION

18.01 Investigative Process

(a) The Chief Compliance Officer may inform a person who initially reported the suspected Misconduct and any witnesses interviewed in the Investigative Process, in general terms, that the Investigative Process has concluded and, if applicable, that the matter has been referred to the Managing Director, Human Resources for further consideration.

(b) The person who initially reported the suspected Misconduct and any witnesses interviewed in the course of the Investigative Process shall not be entitled to review the Investigative Report.

(c) The Chief Compliance Officer may also decide, on a need-to-know basis, what information should be given to Bank Personnel in relation to an Investigative Process, and s/he shall provide only that information they need to know. Prior to informing any person under this section, the Chief Compliance Officer shall remind each person who is to be provided with such information of the obligation to treat it in a strictly confidential manner.

18.02 Disciplinary Process

(a) Subject to Article 19 below, the Managing Director, Human Resources may decide, on a need-to-know basis, what information should be given to Bank Personnel in relation to a disciplinary process, and s/he shall provide only that information they need to know.

(b) In so deciding, the Managing Director, Human Resources shall be guided by the following in relation to the information to be provided:

- (i) such information should be framed in general terms only;
- (ii) such information may be communicated at any time during the disciplinary process;
- (iii) where such information is to be communicated to a person who initially reported the suspected Misconduct, it may include, in general terms, an indication as to whether the allegations were substantiated; and
- (iv) such information should not, however, include the nature and/or the extent of any disciplinary measures imposed on an Accused Staff Member.

(c) Prior to informing any person under this section, the Managing Director, Human Resources shall remind each person who is to be provided with such information of the obligation to treat it in a strictly confidential manner.

ARTICLE 19 DISCLOSURE OF INVESTIGATIVE AND DISCIPLINARY PROCESSES

19.01 Disclosure to Law Enforcement Authorities

(a) If, at any time during the Investigative Process or the disciplinary process the Chief Compliance Officer or Managing Director, Human Resources has reason to believe that the laws of a member country may have been violated by a staff member, s/he may recommend to the President that information concerning the suspected violation be disclosed to local, national or supranational authorities for law enforcement purposes. The recommendation shall identify the information that may be disclosed to such authorities, including, without limitation, the Investigative Reports, operational documents, and other investigative materials and information in the Bank's possession, and shall include the opinion of the General Counsel regarding the legal aspects of the recommended disclosure and, in particular, its potential ramifications for the Bank's status, privileges and immunities. Subject to obtaining the necessary waiver of applicable immunities, if any, the President may authorise such disclosure, if and to the extent s/he concludes that such disclosure would be in the interests of the Bank.

(b) The staff member shall normally be notified of the information that has been disclosed to the law enforcement authorities within a reasonable time after the disclosure is made, unless the authorities request the Bank to delay such notification. However, the Bank shall be under no obligation to provide the staff member with any document that has been disclosed to law enforcement authorities where it contains information that is secret or confidential, or where its production would prejudice the operations of the Bank or its relations with a member country, or would infringe on the right of privacy or reputation of other staff members of the Bank.

(c) The obligation of a staff member to cooperate in an investigative or disciplinary process shall continue notwithstanding disclosure under this Section. In making disclosure to a local national or supranational enforcement authority, the Bank shall not disclose evidence obtained from such staff member in the course of the Investigative Process or in the response of such staff member received under the disciplinary process unless, in the case of evidence, the Bank was already in possession of that evidence before receipt of same from the staff member concerned.

(d) Disclosure under this Section shall not normally suspend the Investigative Process or disciplinary process, unless the President concludes that the suspension of either of these processes in whole or in part would be in the interest of the Bank.

19.02 Other Disclosure

The Managing Director, Human Resources, the Chief Compliance Officer and/or the General Counsel may, after consultation between or among them inform the external auditors and/or the insurers of the Bank of the existence and nature of any Investigative Process and/or disciplinary processes if such disclosure is necessary in the normal course of an audit review or in connection with a matter pertaining to insurance coverage.

19.03 Records Retention and Access

(a) The Investigative Report transmitted by the Chief Compliance Officer to the Managing Director, Human Resources, including any accompanying documentary evidence, the formal accusation of Misconduct, the staff member's response, the Amended Investigative Report any further response thereto by the staff member, and the decision of the Managing Director, Human Resources on the matter, shall be held by the Human Resources Department, and access thereto shall be strictly limited on a need-to-know basis.

(b) The Managing Director, Human Resources or the Chief Compliance Office may, after consultation with the General Counsel, provide the external auditors with a copy of any Investigative Report or Amended Investigative Report.

ARTICLE 20 TRANSITIONAL PROVISIONS

(a) These Rules enter into force on 1 January 2016. They supersede the previous version of the CDRPs most recently revised in October 2014 (the “2014 CDRPs”).

(b) These Rules shall apply to all reports of suspected Misconduct received on or after the date of their entry into force, regardless of when the suspected Misconduct is alleged to have occurred.

(c) These Rules shall also apply to reports of suspected misconduct received prior to the date of their entry into force if, as at that date, the report has not gone beyond the stage of preliminary assessment under the 2014 Rules.

Section V: Waivers, Exceptions and Disclosure

Waivers

The President may grant a deviation from a requirement of this Directive.

Exceptions

Not applicable.

Section VI: Transitional Provisions

The transitional provisions shall be as set out in Article 20 (b) and (c) of Section IV of this Directive.

Section VII: Effective Date

The effective date shall be as set out in Article 20 (a) of Section IV of this Directive.

Section VIII: Decision Making Framework

Accountable

The President is accountable for this Directive.

Responsible

The Managing Director, Chief Compliance Officer is responsible for the implementation of this Directive.

Section IX: Review and Reporting

Review

Not applicable.

Reporting

At the end of each calendar quarter, or as often as the Managing Director, Chief Compliance Officer thinks necessary to the President as part of their report outlining their activities under the Code of Conduct as per Rule 18(b) of the Code of Conduct.