

**AIB Directive on
Ethical Standards of Conduct
March 26, 2019**

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Part 1: Introduction

March 26, 2019

A. Overriding Objective

- 1.1 In connection with their appointment by the Bank, Bank Personnel are required to:
- (a) Demonstrate the Core Values of the Bank, as set out in Section B of the Code of Conduct for Bank Personnel (“Code”).
 - (b) Abide by the principles of Integrity, Accountability, Dignity, Loyalty, Equality, Respectfulness and Independence, as set out in Section C of the Code.
- 1.2 This Directive establishes rules and processes to enable Bank Personnel to uphold ethical standards of conduct in a manner that contributes to a culture within the Bank which advances the Core Values and principles of the Bank.
- 1.3 The exercise and interpretation of this Directive shall seek to give effect to this overriding objective.

B. General Principles

- 2.1 The Bank appoints a diverse workforce of Bank Personnel, whose range of talents and professional experience are essential to achieving the Bank’s purpose and functions.
- 2.2 A culture within the Bank, aligned with its Core Values, where Bank Personnel are committed to upholding the ethical standards of conduct applicable to them, is essential to the furtherance of the Bank’s purpose and functions.
- 2.3 Therefore, the Bank shall implement rules, processes and guidance to promote and require understanding of and adherence to the ethical standards of conduct.

C. Structure of This Directive

- 3.1 This Directive is comprised of this and other Parts (as listed in the Contents section of this Directive). Each Part (other than this Part) addresses a specific topic related to the ethical standards of conduct. Each Part (other than this Part), when read in conjunction with this Part, carries the authority of a Directive. Parts may be added to this Directive over time.

D. Definitions

- 4.1 In this Directive, the following definitions apply:
- (a) “Bank Premises” means as defined in the Directive on Security and Safety.
 - (b) “Staff Members” means as defined in Article 2 of the Staff Regulations.
- 4.2 For purposes of this Directive, capitalized terms that are not defined in this Directive but are used in the Code shall have the meanings attributed to them in the Code.

E. Responsibilities of Bank Personnel

- 5.1 Bank Personnel are reminded that it is their responsibility to read, understand and correctly apply the Bank's Policies, Directives and Administrative Guidance concerning the ethical standards of conduct and to seek further advice if so required.
- 5.2 A breach by Bank Personnel of this Directive may amount to misconduct under the Code. The obligation of Bank Personnel to familiarize themselves with the ethical standards of conduct shall be taken into account for purposes of any Ethics Investigation Procedure under Staff Rule 7.01.
- 5.3 Bank Personnel are also reminded that:
 - (a) Knowingly reporting a false allegation of misconduct shall constitute a breach of the Code under Staff Rule 7.01/1.1.
 - (b) Any allegation of misconduct shall be made in good faith to benefit from the protection against retaliation under paragraph 39 of the Code.
- 5.4 All Bank Personnel shall cooperate with the Chief Ethics Officer in the discharge of this Directive. Failure to cooperate shall constitute a breach of the Code.

F. Authority of the Chief Ethics Officer

- 6.1 As head of the Ethics Office of the Bank, the Chief Ethics Officer shall carry out the functions set out in Section G below. The Chief Ethics Officer is authorized to take any and all actions as appropriate and necessary to these functions.
- 6.2 Where the Code, this Directive or its related Administrative Guidance provides for communications to the Chief Ethics Officer, such communications shall be made using the means and channels prescribed by the Chief Ethics Officer.
- 6.3 The functions of the Ethics Office are such that they will involve the handling of confidential information, which can be of a personal or sensitive nature. To ensure that the Ethics Office shall perform its functions effectively and efficiently, due consideration shall be given by the Ethics Office to protect confidentiality, which shall include consistency with all applicable Policies and Directives.
- 6.4 Where the Code, this Directive or its related Administrative Guidance provides that an authorization may be given by the Chief Ethics Officer, any such authorization shall be recorded in writing.
- 6.5 The Chief Ethics Officer may delegate any matters under their mandate, on a general or case-by-case basis, except where Policies, Directives or Staff Rules prohibit such delegation.
- 6.6 Where the Chief Ethics Officer proposes to delegate a matter, the proposed delegate shall disclose to the Chief Ethics Officer any actual or perceived conflict of interest in respect of that matter. Where that actual or perceived conflict of interest cannot be managed in a timely manner or at all, the proposed delegate shall be excluded from receiving delegation of the matter, and the Chief Ethics Officer may delegate to another person (if appropriate, to external parties) or handle the matter personally.
- 6.7 The Chief Ethics Officer shall disclose to the President any actual or perceived conflict of interest in respect of any matter which they are responsible to handle. Where that actual or perceived conflict of interest cannot be managed in a timely

manner or at all, the Chief Ethics Officer shall recuse themselves and inform the President, so that the President may take such action as is appropriate.

G. Responsibilities of the Chief Ethics Officer

7.1 The responsibilities of the Chief Ethics Officer cover the provisions of the Code that are designated to them and in respect of this Directive.

7.2 **Policy Development.** This function includes:

- (a) Interpreting those provisions of the Code and this Directive, as necessarily advised by the General Counsel or a delegate of the General Counsel.
- (b) Reporting on and evaluating the application of those provisions of the Code and this Directive across the Bank's activities.
- (c) Formulating and recommending revisions to those provisions of the Code and this Directive.
- (d) Preparing, issuing and revising, as needed, Administrative Guidance to facilitate the implementation and enforcement of the ethical standards of conduct.

7.3 **Policy Compliance.** This function includes:

- (a) Making determinations concerning the application or interpretation of this Directive and any related Administrative Guidance, and as to compliance with the ethical standards of conduct.
- (b) Receiving reports of suspected or alleged misconduct and taking appropriate action as called for under Staff Rule 7.01.
- (c) Directing managers to exclude Bank Personnel from some or all of their official duties, or placing restrictions or performing monitoring in respect of some or all of their official duties, to ensure compliance with paragraphs 26 and 27 of the Code.
- (d) Developing appropriate procedures and forms for Bank Personnel to make disclosures, seek authorization and take such other actions as may be required under those provisions of the Code.

7.4 **Advisory.** This function includes:

- (a) Giving advice on the ethical standards of conduct and providing guidance in order to avoid, mitigate or resolve potential, actual or perceived conflicts of interest.
- (b) Providing internal training on the ethical standards of conduct.
- (c) Representing the Bank, both internally and externally, on the ethical standards of conduct and the Ethics Investigation Procedure set out in Staff Rule 7.01.

7.5 **Resource Management.** This function includes management, allocation and supervision of resources and staff training in order to perform the functions specified in Sections 7.1 to 7.4 above.

H. Information Disclosure by the Bank

- 8.1 The Policy on Public Information and its related Directive and Administrative Guidance govern the external disclosure of all information in the Bank's possession, including with respect to this Directive.

I. Implementation

- 9.1 The Chief Ethics Officer shall oversee this Directive and ensure its efficient and accurate implementation.
- 9.2 Where the Code, this Directive or its related Administrative Guidance provides for a matter to be brought to the attention of the Chief Ethics Officer, such matter shall be so brought without undue delay and with explanation of any delay.
- 9.3 The challenge or appeal under the Staff Rules or Staff Regulations of a determination with legal effect of the Chief Ethics Officer shall not suspend or defer the implementation of such a determination.

J. Authority

- 10.1 The Chief Ethics Officer shall make all final decisions regarding the application of this Directive.

Part 2: Respectful Work Environment

March 26, 2019

A. Objective of This Part

- 1.1 This Part establishes rules and instructions to ensure that the Bank promotes a respectful work environment in accordance with the provisions specified in Section 2.1 of this Part.

B. Related Provisions

- 2.1 This Part relates to paragraphs 12 and 13 of the Code.

C. General Principles

- 3.1 Paragraphs 12 and 13 of the Code relate to interactions between Bank Personnel.
- 3.2 Bank Personnel shall be mindful of their conduct and its effects in such interactions, whether acting on their own or in concert with other persons.
- 3.3 Paragraphs 12 and 13 of the Code are not limited to such interactions on Bank Premises during working hours and apply to the conduct of Bank Personnel wherever and whenever it occurs, provided that they relate to any engagement at the Bank.
- 3.4 Work performance appraisals or disagreements regarding the favored approach to work matters, when conducted professionally, do not constitute breaches of paragraphs 12 or 13 of the Code, and employment-related disputes which do not breach paragraphs 12 or 13 of the Code shall be distinguished accordingly.
- 3.5 Without prejudice to the obligations in paragraph 38 of the Code, Bank Personnel are encouraged to raise with the Chief Ethics Officer, as early as reasonably possible, any genuine concerns of conduct of Bank Personnel which may be liable to breach paragraphs 12 and 13 of the Code.

D. Harassment and Bullying

- 4.1 Harassment and bullying of any kind are unacceptable at the Bank. Therefore, the seniority, performance or utility of any Bank Personnel shall not excuse, or operate as a defense or mitigation to, harassment and bullying.
- 4.2 The Chief Ethics Officer shall prepare, issue and revise, as needed, related Administrative Guidance to illustrate, on a nonexhaustive basis, kinds of behaviors which may often constitute harassment and bullying.
- 4.3 Where allegations of harassment and bullying constitute breaches of the principles set out in Section C of the Code, in particular the principle of Equality in paragraph 9 of the Code, these allegations shall be investigated as part of the Ethics Investigation Procedure set out in Staff Rule 7.01.
- 4.4 Informal dispute prevention and resolution processes shall be available in respect of workplace issues, including complaints of inappropriate behavior. While use of such

informal processes is encouraged, they shall not apply to allegations of misconduct under Staff Rules 7.01 or 7.02.

Part 3: External Activities

March 26, 2019

A. Objective of This Part

- 1.1 This Part establishes rules and instructions to ensure that management of conflicts of interest is undertaken by the Bank in a manner that safeguards the Bank's interest and reputation in accordance with the provisions specified in Section 2.1 of this Part.

B. Related Provisions

- 2.1 This Part relates to Section E of the Code.

C. General Principles

- 3.1 Implementation of Section E of the Code is designated to the Chief Ethics Officer.
- 3.2 The application of paragraphs 19 to 22 of the Code to an external activity does not depend on whether a Bank Personnel receives remuneration for such activity, whether financial or otherwise.
- 3.3 Except where provided in paragraph 25 of the Code, Bank Personnel shall not apply for, receive, or accept from any source outside the Bank any gifts, decorations, honors, awards, or advantages (direct or indirect) for any external activity that they have obtained or performed, knowingly on account of their appointment at the Bank (even where this is not in connection with their official duties).
- 3.4 External activities of Bank Personnel shall:
- (a) Not encroach on their ability to devote the time and effort required for the performance of their official duties.
 - (b) Take place off Bank Premises and outside their work schedules so that there is no conflict with their official duties, unless the contrary is provided for in an applicable authorization under Sections 19 to 22 of the Code.

D. Teaching, Publishing and Research

- 4.1 For the purposes of paragraph 20 of the Code:
- (a) "Personal time" means outside the work schedule of a Bank Personnel, determined in accordance with Staff Rule 2.01 and its related Administrative Guidance.
 - (b) "Personal capacity" means that the external activity shall not suggest or implicate endorsement by, or any other involvement of, the Bank.

E. Voluntary or Charitable Work

- 5.1 For the purposes of paragraph 21 of the Code:
- (a) "Free time" means outside the work schedule of a Bank Personnel, determined in accordance with Staff Rule 2.01 and its related Administrative Guidance.

- (b) An organization is “charitable”, “religious”, “educational” or “non-profit” if it has such status officially under national laws where the organization is based.

Part 4: Conflicts of Interest

March 26, 2019

A. Objective of This Part

- 1.1 This Part establishes rules and instructions to ensure that management of conflicts of interest is undertaken at the Bank in a manner that safeguards the Bank's interest, integrity and reputation in accordance with the provisions specified in Section 2.1 of this Part.

B. Related Provisions

- 2.1 This Part relates to Section F of the Code.

C. General Principles

- 3.1 Bank Personnel shall promptly contact the Chief Ethics Officer for advice if they encounter any situation that is liable to result in a conflict of interest or which may reasonably be assessed to be ambiguous or uncertain as to whether it breaches Section F of the Code.

D. Conflicts of Interest: General

- 4.1 The Chief Ethics Officer shall develop appropriate forms for Bank Personnel to make disclosures to and seek advice from them under Section F of the Code.
- 4.2 For the purposes of paragraph 23 of the Code:
- (a) "Could be perceived" shall be subjected to a requirement that the perception must be reasonably capable of formation in light of all the circumstances.
 - (b) "Personal interests" shall be interpreted to include any interest (in the sense of any possibility, whether or not realized, for securing or increasing any advantage or avoiding or reducing any disadvantage, whether or not financial) which is personal (in the sense of accruing to one's self, immediate family, or other private relationships, including those of a business, commercial or financial nature).
 - (c) "Immediate family" shall include:
 - (i) Not only blood relationships, but also relationships which arise by adoption or other legal processes.
 - (ii) Partners (as defined in Staff Rule 1.03).
- 4.3 The Chief Ethics Officer shall provide instructions to Bank Personnel, whether at their request or provided unilaterally in writing, in relation to the avoidance, mitigation or resolution of actual or perceived conflicts of interest. Bank Personnel who do not follow the instructions of the Chief Ethics Officer to resolve a conflict of interest shall be deemed to have breached this Directive.

E. Gifts, Decorations, Honors and Other Benefits

- 5.1 For the purposes of paragraph 25 of the Code:
- (a) “Gifts” and “advantages” shall include entertainment, accommodation and excursions.
 - (b) Bank Personnel may accept limited hospitality, provided that the scope and cost of such hospitality is reasonable and customary.
- 5.2 The threshold of USD 100 for the acceptance by Bank Personnel of tangible items of minimal value shall be calculated on the cumulative value of all items received (directly or indirectly) from the same source within the prior 12-month period of appointment at the Bank.
- 5.3 Determination of the appraised value of an item for purchase under paragraph 25 of the Code shall take into account the cost price of the same or similar items, where such information is available. Bank Personnel may assist in such determination by submitting research regarding the value of an item, but such information shall not be relied upon so as to undermine the independence of such determination. Bank Personnel shall be bound by the Bank’s determination of the appraised value as final and conclusive.
- 5.4 Bank Personnel shall avoid accepting any tangible items, including of minimal value, where their nature is clearly grossly offensive to paragraphs 7, 9 and 10 of the Code.

F. Former Employment; Future Employment

- 6.1 The Chief Ethics Officer may direct that managers exclude Bank Personnel from some or all of their official duties, or place restrictions or perform monitoring in respect of some or all of their official duties, to ensure compliance with paragraphs 26 and 27 of the Code. Such a direction shall not be available as an excuse for poor performance in any performance appraisal of the Bank Personnel so affected.
- 6.2 If the Chief Ethics Officer makes such a direction, they shall inform the Human Resources Department, who shall coordinate implementation of the direction.

G. Post-Employment

- 7.1 For purposes of the restriction in paragraph 28 of the Code, Staff Members shall be considered to have left Bank employment only once their appointment to the staff of the Bank ends in accordance with the Staff Rules.

Part 5: Financial Affairs

March 26, 2019

A. Objective of This Part

- 1.1 This Part establishes rules and instructions to ensure that the financial affairs of Bank Personnel do not compromise the Bank's interest, integrity and reputation in accordance with the provisions specified in Section 2.1 of this Part.

B. Related Provisions

- 2.1 This Part relates to Section G of the Code.

C. General Principles

- 3.1 Bank Personnel shall promptly contact the Chief Ethics Officer for advice if they encounter any situation which may reasonably be assessed to be ambiguous or uncertain as to whether it breaches Section G of the Code.

D. Disclosure of Financial Interests

- 4.1 The Chief Ethics Officer shall develop appropriate forms for Bank Personnel to make disclosures to and seek advice from them under Section G of the Code.
- 4.2 For the purposes of paragraph 31 of the Code, the form of disclosure statement for Bank Personnel at the manager level and above shall require disclosure of only those financial interests which create or result in actual or perceived conflict of interest, or confirmation of no such financial interests.
