

**Code of Conduct  
of the International Investment Bank**

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## **1. Introduction**

Code of Conduct (hereinafter referred to as the Code) of the International Investment Bank (hereinafter referred to as IIB, the Bank) shall contribute to system-related development of the Bank and effective achievement of the stated objectives. The Code establishes the basic corporate values, as well as the rules of conduct of the Bank employees formed on the basis thereof.

The IIB Code of Conduct sets high professional and ethical standards, which the Bank employees shall comply with, regardless of the position held.

Development of the Code and further integration thereof into the daily activities of the Bank is one of the most important tasks within development of corporate culture and enhancement of the staff efficiency, and within the processes aimed at prevention of possible losses and risk mitigation.

## **2. The Code Contents**

The Code consists of two parts:

**Part 1** – lays down the Bank’s corporate values contributing to development and improvement of operations of the Bank as the multilateral development institute.

**Part 2** – defines the models for effective conduct of the Bank’s employees in non-routine and difficult situations.

## **3. The Code Purpose and Objectives**

**The purpose of the Code of Conduct is** that the corporate life and business relations of the Bank with all stakeholders are characterized by common values that define the unique character of the International Investment Bank.

**The Code of Conduct objectives are as follows:**

- to entrench the corporate values, adherence to which will contribute to achievement of strategic goals and performance of the Bank’s mission;
- to set the standards that will help the employees to determine their behavior in such areas of daily activities where conflict of interest may potentially occur;
- to ensure common understanding of threats and risks to the Bank’s operations arising due to the corporate behavior of the employees.

## 4. Terms and Definitions

**Corporate ethics.** The International Investment Bank equates corporate ethics with the set of fundamental values aimed at influencing the behavior of the Bank employees and gaining solid reputation of the reliable multilateral development bank.

In this sense, corporate ethics means compliance with the rules not for fear of sanctions but as a result of the belief that these standards are the basis of the rules of Conduct. Corporate ethics should be combined with the necessary degree of freedom due to which personal morality, as well as religious, political or social views of employees enable the Bank to remain open for cultural and social diversity.

Compliance with the principles of corporate ethics is not only the key factor for cohesion and professional growth of IIB staff but it also helps to strengthen the Bank's reputation as the reliable and long-term partner.

**Conflict of Interest.** The Code is based on the concept of "conflict of interest". Conflict of interest occurs when an employee's personal circumstances undermine his professional judgment or ability to act in the interests of the Bank. The Code describes special cases of the concept of "conflict of interest", and the requirements to employees' actions aimed at mitigation thereof.

All the Bank's employees are responsible for compliance with the requirements of the Regulation on Procedure for Conflict of Interest Management.

## 5. Corporate Ethics in Daily Activities

In cases of situations when employees make decisions and face challenges of corporate ethics, which are not expressly regulated by this Code, you need to ask yourself the following questions:

- Whether this decision/action complies with the Bank's policies and procedures?
- Whether this decision/action complies with the requirements of the legislation of the country of the Bank's seat, international legislation and business practice?
- Whether this decision/action complies with the Bank's values and principles?
- Whether or not your conduct has exerted negative or adverse effect on the other employee without reasonable grounds?
- If the story was published in the media, wouldn't you be worried about your decision?
- Whether your behavior was influenced by your own interests or judgments?
- Whether your decision is honest, professional, and backed up by the facts?

The answers to these questions will help to choose the correct decision, corresponding to the values of the Bank and the requirements of this Code.

## **6. Discussion of the Code**

The Bank welcomes open discussion by every employee of any of the provisions of the Code and cooperation aimed at making changes, updates or additions thereto.

### **PART 1**

## **7. Values of the International Investment Bank**

The Bank defines its **mission** as promotion to social and economic development, growth of well-being of the population, and economic cooperation of member states.

### **The Bank's corporate values:**

- Partnership
- Efficiency
- Goodwill

### **7.1. Partnership**

The Bank operates on the basis of long-term and mutually beneficial cooperation based on mutual respect, honesty, trust, integrity and responsibility for performance of the obligations undertaken.

The Bank employees are prohibited to discriminate or judge on the grounds of gender, culture, nationality, religion, physical disabilities and particularities, marriage status, age, work experience, place of birth or other differences, as well as allow personal feelings, preferences or prejudices interfere with effective collaboration.

The Bank values the relationship with business partners and member states of the Bank, it establishes and maintains long-term relations while maintaining the focus on flawless execution of work.

## **7.2. Efficiency**

The Bank ensures efficiency of the decisions taken by means of comprehensive examination and based on the balance of potential benefits and risks, taking into account the mission and the interests of the Bank's member states.

The Bank aims to use the available resources in the most effective and rational way contributing to the utmost fulfillment of the stated objectives.

The Bank operates on the basis of effective planning, setting the reasonable time frames without breaking thereof.

Every employee assumes personal responsibility for achievement of the Bank's objectives within the framework of his/her remit. Efficiency of the Bank's performance is determined by execution of the tasks within the due time based on the most appropriate way of result achievement.

## **7.3. Goodwill**

Goodwill is one of the key strategic advantages of the Bank. The risk of loss of the Bank's goodwill is the risk of loss of confidence of the partners and counterparties.

The IIB future is based on the balance with achievement of quick wins. The Bank operates in accordance with the principles of social responsibility and the experience of the Bank's member states.

The IIB goodwill means responsibility, professionalism, efficiency, honesty and integrity of each employee of the Bank. The Bank supports involvement of everyone in maintenance of the unique image of the IIB as the multilateral development institute.

## PART 2

### **8. Use in Practice**

#### **8.1. Involvement and Obligations**

If you believe that your own actions and these of another employee have violated the standards of Conduct described in this Code or in other Bank policies, it is essential to notify the Compliance Department (in person, by telephone or by e-mail).

It is recommended that you have to notify your direct supervisor or Director of HR Department on the problems and difficulties arising out of business communication, which in the event of occurrence thereof would not lead to significant risks to the Bank and its goodwill.

All issues are considered and analyzed. No employee will be discriminated in any way as a result of such notification.

#### **8.2. The Role of Compliance Department**

Compliance Department is responsible for supporting the Bank's employees regarding application and understanding of this Code provisions.

Compliance Department provides information, recommendations and advice on various aspects of the Bank's activities and ensures (through monitoring) attraction of the Bank managements' attention to the cases of non-compliance with the requirements of this Code and the regulations of the Bank in order to take appropriate action.

### **Rule 1. Prohibited Operations**

The Bank employees shall not in any way participate in or engage the Bank in prohibited operations. The Bank refers to prohibited operations any actions aimed at money laundering, financing of terrorism, or these of corrupt nature, as well as all types of fraud or acts committed under coercion, extortion or collusion.

The employees are required to clearly and intelligibly deny performance of prohibited operations, not leaving room for doubt, misunderstanding and ambiguous interpretation of such denial.

In all cases where the employee has suspicions that the services provided by the Bank are used (or intended to be used) to perform prohibited operations, the employees are required to immediately report to Compliance Department or Security Department.

Failure to report about the revealed facts of employees participating in prohibited operation may be interpreted as complicity in such acts and thus entail disciplinary action.

### **Rule 2. Secondary Employment**

IIB shall be the primary place of work of the employee.

The employee shall notify Compliance Department on any other activity performed outside the Bank. Notification is not required if the employee:

- acts on his/her own behalf, and such activity is unpaid and performed on a voluntary basis for social purposes;
- is engaged in scientific or educational activity.

When considering the notifications, there shall be taken into account the factors which contribute to the conflict of interest.

An employee shall not be engaged in any other activity that is incompatible or interferes with proper performance of the employee's job/duties in the Bank or could in any way have a negative impact on the Bank's operations or goodwill.

### **Rule 3. Relationship with the Employer**

The employee shall not decide to perform any operation of the Bank, which directly involves the former Bank's employee known to him, when such participation may lead to direct or indirect enrichment of the former Bank's employee, and where it could cause economic damage to the Bank or damage to its business reputation.



The employee considering an offer of employment with any Bank's counterparty shall not be responsible for making decision with regard to implementation of the Bank operations with the same counterparty.

The employee should not be employed with any counterparty of the Bank, where future work is directly related to provision of services by such counterparty to the Bank or to any object in respect of which the Bank has an interest in, or in respect of which the Bank is one of the parties to the transaction, and in which the employee had a significant personal involvement, and where it could cause economic damage to the Bank or damage to its business reputation.

The employee should not earlier than one year after employment with the Bank participate in or take decisions with regard to the Bank's counterparty being the employee of the former employer, where it could cause economic damage to the Bank or damage to its business reputation. The requirement of this paragraph does not apply to situations where the former employer is a government entity, including the governments, or an international organization, or where the operations carried out with such counterparty are performed on the market basis.

When performing his/her duties, the employee shall not follow the instructions of any third persons who are not the Bank responsible executives.

#### **Rule 4. Public Activities**

The employee shall not make any public statements, which may cause damage to the Bank's goodwill as the Bank recognizes goodwill as one of the fundamental values.

The employee shall not be engaged in public activities, including political, if it affects his/her job/duties or is inconsistent therewith.

For any public communication of the information, as well as statements or expression of opinions that may be associated with the Bank, there must be obtained the consent of the Chairman of the Board. Contacts with mass media shall be made through the relevant units responsible for public relations.

#### **Rule 5. Relations**

An employee, who is the close relative of another Bank's employee, shall not participate in making decisions on appointment of his/her relative to a position in the Bank or in assessment of his/her efficiency.

An employee may not work in the same independent structural division with his/her close relative, may not supervise his/her activities or exercise control, inspection or audit thereof.

An employee may not be given the right of first signature, if the second signature is put by his/her close relative, and vice versa.

An employee of the Bank, who becomes the close relative of another Bank's employee (marriage, adoption), shall notify Compliance Department and HR Department on this fact.

In this context, the Bank refers to close relatives the parents, spouses, children, brothers or sisters of an employee.

#### **Rule 6. Gifts, Rewards**

The gift is understood by the Bank as the present received in connection with performance of the job/duties in the form of material valuables, objects of art, services, payment of entertainment, recreation, transport costs, and the rewards being valuable or precious.

The Bank's employees are forbidden to give or accept gifts if it could lead to the conflict of interest or accusation of involvement in illegal operations that will negatively affect the Bank's goodwill. Granting and receipt of gifts, invitation or acceptance of invitation to entertainments shall be carefully monitored by staff in order to avoid a situation in which the Bank's and its employees' actions could be regarded as manifestation of a conflict of interest.

An employee can take a gift, if its value does not exceed EUR 100 and if the waiver does not comply with the established rules of business communication or result in violation of the protocol of business meetings. Procedure for management of gifts is established by the internal regulations of the Bank.

#### **Rule 7. Confidential Information**

Under no circumstances an employee shall disclose or use in personal interests or interests of third parties the information of the Bank not intended for public use, which he/she received during execution of the job/official duties in the Bank (confidential information). This rule also applies to employee relationship arising after termination of employment with the Bank.

Each employee must strictly comply with the requirements of the Bank's internal regulations governing handling of confidential information.

#### **Rule 8. Insider Information**

The Bank refers to insider information the specific information that was not in public use, and disclosure of which may have a significant impact on the prices of financial instruments of the Bank and its counterparties.

The Bank employee, who due to his/her job/duties has access to insider information or possesses such information in relation to the counterparties or operations of the Bank, shall not:

– disclose such information to any person, including other employees of the Bank, except when such disclosure is made in accordance with the established procedure and requirements of the applicable legislation of the country of residence;

– use it to make decisions on implementation of the activities in the securities market and for personal gain.

The knowledge that the Bank employee uses insider information for execution of operations in the securities market shall be immediately brought to the attention of Compliance Department.

### **Rule 9. Bank Resources**

An employee shall treat the property and assets of the Bank with due care, shall not use the property and assets of the Bank for personal gain, and to authorize others to do so.

The right to the work products or deliverables of the staff, as well as the intellectual property created during execution of the job/duties belongs to the Bank. Such rights may not be used by the staff or third parties to receive benefits, other than benefits of the Bank.

### **Rule 10. Financial Interests**

The Bank employee shall not have any personal financial interest in the operations of the Bank, its counterparties or the Bank's activities in general.

An employee may not conduct operations with debt securities or shares of the third persons, if such persons are borrowers, suppliers, lenders or consultants or other counterparties of the Bank with whom the Bank shall enter into business relationship. This restriction does not apply to transactions in securities of counterparties from among public companies (open joint-stock companies), whose securities are publicly traded.

The Bank employee may not conduct transactions in securities of the Bank for gambling.

### **Rule 11. Whistleblower protection**

An employee shall report to Compliance Department regarding any prohibited operations against the current, past, or future activities of the Bank, its employees, counterparties or the cases involving violation of the requirements of this Code or other internal regulations of the Bank. The Bank provides for protection of the reporting employee against any negative attitudes and actions on the part of other employees of the Bank.

An employee shall refrain from applying measures of influence to the other employee who regularly meets the requirements of internal regulations and has reported in accordance with the established procedure about the facts of suspected prohibited operations.

## **9. Confirmation**

The Bank employee confirms in writing that he/she has read and understood the requirements of this Code and the rules defined therein, and annually confirms his/her compliance therewith (Statement in free format on compliance with this Code). Failure to comply with the requirements of the Code may result in serious consequences for the Bank, and therefore non-compliance with the requirements of the Code may become the basis for disciplinary action.