

ОНД-32

Appendix 4

to the Order N61 of June 11, 2019

**Code of Conduct
of International Investment Bank**

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1. GENERAL PROVISIONS

1.1. Scope of Application and Main Provisions

1.1.1. This document (hereinafter referred to as the Code) of International Investment Bank (hereinafter referred to as IIB, the Bank), shall contribute to the comprehensive development of the Bank and effective achievement of its mandated objectives.

1.1.2. The Code shall apply to all employees of the Bank and the employees of its subsidiaries.

1.1.3. Division in charge of developing and updating this document: the Compliance Department.

1.1.4. The Code establishes the basic corporate values, the rules of conduct based on high professional and ethical standards, which the Bank's employees shall comply with regardless of the position held. Some of the rules of the Code, aimed at identifying conflicts of interest, involve the consideration of situations and the provision of information by Employees about close relatives.

1.1.5. 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.

1.1.6. 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 image of International Investment Bank.

1.1.7. The objectives of the Code of Conduct are as follows:

- to infuse corporate values, adherence to which will contribute to the achievement of strategic goals and performance of the Bank's mission;
- to set standards that will help employees to determine their behavior in such areas of daily activities where a 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 employees.

1.1.8. If a situation arises when employees make decisions and face challenges of corporate ethics, which are not expressly regulated by this Code, the following questions should be asked:

- Does this decision/action comply with IIB's policies and procedures, values and principles?
- Whether this decision/action complies with the requirements of the legislation of the country of the Bank's seat, international legislation and business practice?
- Has my conduct exerted a negative or adverse effect on another employee without reasonable grounds?
- If the story attracted media attention, would my decision exert a negative effect on the Bank's reputation?
- Were my actions biased by my own interests or judgement?
- Is my decision honest, professional, and based on facts?

The answers to these questions will be helpful in choosing the correct decision, which corresponds to the values of the Bank and the requirements of this Code.

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

1.1.10. The Code is subject to approval by the Board of Directors of the Bank and further review as necessary, but not less than once every five years

1.1.11. The list of current regulatory documents, which cease to be valid with the approval of this document, is shown in Section 5.

1.2. Terms and Definitions

1.2.1. **Corporate ethics.** International Investment Bank equates corporate ethics with a set of fundamental values aimed at influencing the behavior of the Bank's employees and gaining a sterling reputation as a 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 to cultural and social diversity.

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

1.2.2. **Conflict of Interest.** The Code is based on the concept of "conflict of interest". A conflict of interest occurs when an employee's personal interests or the close relatives of the latter undermine his/her professional judgment or ability to act in the interests of the Bank. The Code illustrates special cases involving the concept of "conflict of interest", and the requirements for employees' actions aimed at preventing such conflicts.

All of the Bank's employees are responsible for compliance with the internal regulatory documents on procedure for conflict of interest management.

1.3. Abbreviations

The following abbreviations are used in this document:

Abbreviation	Meaning
The Bank, IIB	International Investment Bank

2. VALUES OF INTERNATIONAL INVESTMENT BANK

2.1. General Values

2.1.1. The IIB sees its mission in promoting the interconnectedness and integration of the economies of the Bank's member states in order to maintain conditions for balanced and inclusive growth, competitiveness of national economies based on well-established historical ties.

2.1.2. The Bank's corporate values include:

- 1) Partnership
- 2) Efficiency
- 3) Goodwill

2.2. Partnership

2.2.1. 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.

2.2.2. The Bank's employees are prohibited to discriminate or judge on grounds of gender, culture, language, nationality, race, religion, physical disabilities and particularities, marital and social status, age, seniority, place of birth or other distinctions, as well as allow personal feelings, preferences or prejudices to interfere with effective collaboration.

2.2.3. The Bank values its relations with business partners and member states of the Bank, strives to establish and cultivate long-term relations, while maintaining the focus on flawless execution of work.

2.3. Efficiency

2.3.1. 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.

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

2.3.3. The Bank operates on the basis of effective planning, setting reasonable time frames without breaching them.

2.3.4. Every employee assumes personal responsibility for achievement of the Bank's objectives within the scope of his/her competency. Efficiency of the Bank's performance is determined by execution of the tasks within the prescribed deadlines in view of the most appropriate way of achieving results.

2.4. Goodwill

2.4.1. Goodwill is one of the key strategic advantages of the Bank. The risk of the Bank losing goodwill entails the risk of partners and counterparties losing confidence.

2.4.2. IIB's future is based on a balance with the aim of achieving short-term results. The Bank operates in accordance with principles of social responsibility and the experience of the Bank's member states.

2.4.3. IIB's goodwill means responsibility, professionalism, efficiency, honesty and integrity of each employee of the Bank. The Bank supports loyalty and involvement of everyone in maintaining the unique image of IIB as a multilateral development institute.

2.4.4. The Bank deems as unacceptable misconduct or negligence on the part of its employees, including any offence classifiable as a violation of the applicable legislation, taking into account the immunities envisaged in statutory documents, as well as the concealment of information that could damage the Bank's reputation.

3. USE IN PRACTICE

3.1. General obligations of employees

3.1.1. When performing their professional duties, the employees of the Bank should follow the Code and act honestly and correctly. The conduct of employees should promote trust and respect for them and for the Bank in general.

3.1.2. When making decisions as part of their professional duties, Bank employees should proceed from the objectives, functions, principles and restrictions established by the statutory and internal regulatory documents of the Bank.

3.1.3. When interacting with colleagues, employees should show respect and tolerance for cultural differences. They should avoid behavior that could be regarded as intimidating, harassing, humiliating or other actions that could offend human dignity, whether expressed physically, verbally or non-verbally.

3.1.4. When conducting their personal affairs, Bank employees should adhere to ethical standards and rules established by this Code.

3.1.5. When exercising their job/official duties and outside work hours, the Bank's employees should observe the legislative requirements of the country of the Bank's seat (this provision is applicable considering the immunities and privileges granted to employees by virtue of statutory documents). At the same time, employees should avoid situations that could be regarded as an abuse of such immunities and privileges.

3.1.6. The Bank's employees shall notify the Compliance Department using established communication channels (for example, by emailing compliance@iibbank.com) about situations when

their own actions or the actions of other employees could violate the standards of corporate ethics specified in this Code or other policies of the Bank.

3.1.7. In case such situations regard the employees of the Compliance Department, such messages about them should be submitted to the Internal Control Department.

3.2. Role of the Compliance Department

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

3.2.2. The Compliance Department provides information, recommendations and advice on various aspects of the Bank's activities and ensures (through monitoring) that the attention of the Bank's Management Board is drawn to instances involving non-compliance with the requirements of this Code and internal regulatory documents of the Bank so that appropriate action may be taken.

3.2.3. The Compliance Department examines and investigates reports on violations of the rules of this Code in accordance with the procedure for receiving and reviewing reports on violations at IIB.

3.3. Rule 1. Prohibited Operations

3.3.1. The Bank's employees shall not in any way participate in or engage the Bank in prohibited operations. The Bank regards prohibited operations as any actions aimed at money laundering, financing of terrorism, or those of a corrupt nature, as well as all types of fraud, acts or inaction committed under coercion, extortion or collusion.

3.3.2. Employees are required to refrain clearly and unequivocally from engaging in prohibited operations, leaving no room for doubt, misunderstanding or ambiguous interpretation of such refusal.

3.3.3. In all cases where an employee harbors suspicions that the services provided by the Bank are used (or intended to be used) to perform prohibited operations, or an employee receives proposals that imply the use of prohibited practices, employees are required to immediately report such cases to the Compliance Department (or to the Security Department if the issue falls within the scope of its authority).

3.3.4. Failure to report instances involving employees who participate in prohibited operations may be interpreted as complicity in such acts and therefore entail disciplinary action.

3.4. Rule 2. Secondary Employment

3.4.1. IIB shall be the primary place of work of its employees.

3.4.2. An employee shall notify the Compliance Department about 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 notifications, the factors that are conducive to a conflict of interest should be taken into account

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

3.5. Rule 3. Relationship with the Employer

3.5.1. An employee shall not decide to perform any operation of the Bank that directly involves a former employee of the Bank who is known to him, when such participation may lead to direct or indirect enrichment of the former employee of the Bank, and/or where it could cause economic damage to the Bank or damage to its business reputation.

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

3.5.3. An employee shall 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.

3.5.4. An employee shall not earlier than one year after employment with the Bank participate in or take decisions with regard to the Bank's counterparty as an employee of the former employer, where it could cause economic damage to the Bank or damage to its business reputation. This requirement does not apply to situations where the former employer is a government entity, including the governments, or another international organization, or where the operations carried out with such counterparty are performed in the capacity of a trading organizer on the securities market.

3.5.5. When performing job-official duties, an employee shall not follow the instructions of any third parties who are not the Bank's duly authorized executives.

3.6. Rule 4. Public Activities

3.6.1. The Bank cannot restrict the freedoms and personal rights of an employee to participate in the democratic processes. Nor shall an employee make any public statements, which may cause damage to the Bank's goodwill as the Bank recognizes goodwill as one of its seminal values.

3.6.2. An employee shall not engage in public activities, including political, if it affects his/her job/duties or is inconsistent with them.

3.6.3. For any public communication of the information, as well as statements or expression of opinions that may be associated with the Bank, the consent must be obtained from the Chairperson of the Management Board or other authorized employee. Media contacts shall be made through the relevant units responsible for public relations.

3.7. Rule 5. Relations

3.7.1. The Bank respects the privacy of its employees and does not interfere in their privacy. However, recruitment of close relatives of employees to the Bank is not recommended. In the context of this Code, the Bank considers parents, spouses, children, sisters or brothers of an employee to be close relatives.

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

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

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

3.7.5. An employee shall be required to report to the Compliance Department and HR Department on the admission or potential / planned admission to the Bank of his/her close relative.

3.7.6. An employee, who becomes a close relative to another employee of the Bank (via marriage, adoption), shall immediately notify the Compliance Department and HR Department.

3.8. Rule 6. Gifts, rewards

3.8.1. A gift is understood by the Bank as a present received in connection with the performance of job/official duties in the form of material valuables, works of art, services, payment for entertainment, recreation, transport costs, as well as rewards which are valuable or priceless.

3.8.2. The employees are forbidden to give or accept gifts if this could lead to a conflict of interest or accusation of involvement in illegal operations that would negatively affect the Bank's reputation. Giving and accepting gifts, inviting or accepting an invitation to entertainment events shall be carefully monitored by employee himself/herself in order to prevent a situation in which the actions of the Bank and its employees could be regarded as a conflict of interest.

3.8.3. An employee may accept a gift if its value does not exceed EUR 100 and if refusal is at odds with the established rules of business communication or results in violation of proceedings at business meetings. The procedure for dealing with gifts is set forth in the internal regulatory documents of the Bank.

3.9. Rule 7. Confidential information

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

3.9.2. Each employee must strictly comply with the requirements of the Bank's internal regulatory documents that govern the handling of confidential information.

3.10. Rule 8. Insider Information

3.10.1. The Bank regards insider information as 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.

3.10.2. An employee, who due to his/her job/official 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;
- use it to make decisions on implementation of the activities in the securities market and for personal gain.

3.10.3. Knowledge that the Bank employee uses insider information to execute operations in the securities market shall be brought to the attention of the Compliance Department.

3.11. Rule 9. Bank Resources

3.11.1. 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, or authorize others to do so.

3.11.2. The right to the work products or deliverables of employees, as well as the results of intellectual activity and means of individualization (intellectual property) created during execution of the job/official duties and existing in any form, on any carrier, belongs to the Bank. Such rights may not be used by an employee or third parties to receive benefits, other than benefits of the Bank.

3.12. Rule 10. Financial Interests

3.12.1. An employee and his/her close relative should not have any personal financial interest in the operations of the Bank, its counterparties or the Bank's activities in general.

3.12.2. An employee or his/her close relative may not conduct operations involving debt securities or shares of third parties, if such parties are borrowers, suppliers, lenders or consultants or other counterparties of the Bank with whom the Bank shall enter into business relations. This restriction

does not apply to transactions involving the securities of counterparties from among public companies (public joint-stock companies), whose securities are publicly traded.

3.12.3. An employee or his/her close relative shall not engage in trading operations with the Bank's securities for speculative purposes.

3.12.4. An employee or his/her close relative shall report to the Compliance Department if they have any indebtedness towards the Bank's counterparty they are communicating with or are responsible to provide an expert opinion or to take a management decision.

3.13. Rule 11. Whistleblower Protection

3.13.1. An employee shall report to the Compliance Department (the Internal Control Department, if the message concerns an officer of the Compliance Department) regarding any prohibited operations against the current, past, or future activities of the Bank, its employees, counterparties or cases involving violation of the requirements of this Code or other internal regulatory documents of the Bank.

3.13.2. An employee does not have the right to apply any measures of influence against another employee who regularly meets the requirements of internal regulatory documents and, in the prescribed manner, reported on suspicions or the use of prohibited operations. The Bank ensures anonymity and protection of employees against any adverse repercussions and actions from other employees of the Bank. The name of an employee may be disclosed only if the latter gives his/her respective consent.

3.14. Confirmation

3.14.1. An employee, upon being hired and on an annual basis, shall confirm in writing that he/she is familiar with the requirements of this Code and the rules defined therein, and complies therewith by filling in the special questionnaire developed by the Compliance Department.

3.14.2. In case of non-compliance with the requirements of the present Code, the Bank is entitled to take disciplinary actions against employees as specified in the regulatory documents of the Bank.

4. FINAL PROVISIONS

In case amendments to the Agreement Establishing the International Investment Bank and its Charter are made, this document applies to the extent that does not contradict to the Agreement Establishing the International Investment Bank and its Charter, as well as internal regulatory documents.

5. LIST OF REGULATORY DOCUMENTS WHICH CEASE TO BE VALID WITH THE APPROVAL OF THIS DOCUMENT

With the approval of this document, the following document shall be deemed null and void:

Code of Conduct (OND-32), approved by Order No. 100 dated 7 November 2013 (as amended by Order No. 22 dated 2 April 2018).