

Staff Rules

New Development Bank Staff Rules

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Owner: Human Resources Department

Approver: President

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Staff Rules

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The Staff Rules and Regulations of the New Development Bank with the Annexes thereto came into full force and effect as of 24 June 2021. To follow the best practices of Multilateral Development Banks, the Staff Rules and Regulations were updated and renamed to Staff Rules, effective from 1 October 2024.

This document was adopted by the authority of the President of the Bank.

The Staff Rules govern the employment of Staff Members and of the President and Vice-Presidents, as applicable, from appointment through separation from the Bank.

Change Log

Change Version	Change Date	Change Contents	Documentation Located Link
V1	October 1, 2024	<p>GLOSSARY OF TERMS</p> <ul style="list-style-type: none"> Updated the definition of Dependent Child and Spouse. <p>Chapter III. APPOINTMENT OF STAFF</p> <ul style="list-style-type: none"> Optimized the order of sections. Incorporated changes set forth in the Evaluation Policy. Updated Section 3.10- Access to personal data. <p>Chapter IV. JOB GRADING AND STAFF ASSIGNMENT</p> <ul style="list-style-type: none"> Adjusted the authority to approve transfers. Removed the provision that staff lateral transfer is only applicable for non-managerial positions (Grades 1 to 8). <p>Chapter V. ATTENDANCE AND LEAVE</p> <ul style="list-style-type: none"> Included new sections on Flexible Working Schedule and Administrative Leave. Introduced Parental Leave to consolidate maternity leave, paternity leave and adoption leave, as approved at the 33rd BoD Meeting on December 14th, 2021. Adjusted family leave and unpaid leave provisions. 	

		<ul style="list-style-type: none"> Adjusted the unit of leave provisions. Removed the provision that Staff Members may not request for annual leave during probation period. Adjusted overtime provisions. Added Annex 5.b Accrual of Annual Leave and Sick Leave, Annex 5.c Annual Leave and Sick Leave entitlement for unpaid leave, and Annex 5.d Entitlements during unpaid leave. <p>Chapter VI. COMPENSATION (SALARIES AND ALLOWANCES)</p> <ul style="list-style-type: none"> Included provisions on dual beneficiary bank accounts. Updated the guidelines on salary advance. Moved the settlement allowance guidelines to Chapter VII. <p>Chapter VII. STAFF BENEFITS</p> <ul style="list-style-type: none"> Incorporated the settlement allowance guidelines from Chapter VI. <p>Chapter VIII. PERFORMANCE MANAGEMENT</p> <ul style="list-style-type: none"> Included a provision that the President may adjust the timeline and performance management process as indicated in Performance Management Policy. 	
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		<ul style="list-style-type: none">• Included provisions on annual performance assessment outcome review mechanism. <p>Chapter IX. EMPLOYMENT TERMINATION</p> <ul style="list-style-type: none">• Adjusted the whole Chapter. <p>Chapter X. DISCIPLINARY PROCEDURES</p> <ul style="list-style-type: none">• Adjusted the whole Chapter. <p>Chapter XI. GRIEVANCE MECHANISM</p> <ul style="list-style-type: none">• Incorporated the provisions approved by the President on October 18th,2022. <p>Editorial changes for the whole document.</p>	
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ABBREVIATIONS

AoA	Articles of Agreement annexed to the Agreement on the New Development Bank
BHRC	The Budget, Human Resources and Compensation Committee of the Board of Directors
BoD	Board of Directors of NDB
CID	Compliance and Investigations Department
CNY	Chinese Yuan
FBA	Finance, Budget and Accounting Department
FWS	Flexible Working Schedule
HR	Human Resources
HRD	Human Resources Department
NDB or the Bank	New Development Bank
PRP	Post-Retirement Insurance Benefit/Plan
SRP	Staff Retirement Plan
USD or US\$ or \$	United States Dollar
VP	Vice-President
VP&CAO	Vice-President and Chief Administrative Officer

GLOSSARY OF TERMS

Articles of Agreement of the New Development Bank	Integral part of Agreement on the New Development Bank between the Governments of the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa, signed on 15 July 2014 at the city of Fortaleza, Brazil and any amendments thereto
Code of Conduct	Code of Business Conduct and Ethics of the New Development Bank
Dependent Child	An unmarried child of a Staff Member under the age of 25, who is: a) a full-time student of a recognised educational institution; or b) residing at the same residence with the Staff Member and not gainfully employed
Duty Station Country	The country where the Staff Member's duty station is located
Duty Station or Office	The official designated place of work as stipulated in the Offer of Appointment and Employment Contract, or as amended by the Bank from time to time
Employment Contract	Upon signing by the Bank and Staff Member, the Offer of Appointment shall constitute a binding employment contract between the Bank and the Staff Member and shall include any subsequent amendments the Bank and the Staff Member agree upon. This forms part of the Employment Rules, as defined herein
Employment Rules	These Staff Rules, in conjunction with the Employment Contract, the Articles of Agreement, policies including Code of Business Conduct and Ethics, guidelines of the Bank, and any other rules or procedures affecting employment of Staff of the Bank, as applicable
Family Member	A Spouse and/or a Dependent Child
Head of HRD	Director General, Human Resources Department
Headquarters Agreement	Agreement between the New Development Bank and the Government of the People's Republic of China regarding the Headquarters of the New Development Bank in Shanghai, China and as amended from time to time

Home Country	The country of which the Staff Member is a citizen at the time of appointment. If a Staff Member is a citizen of more than one country, the country of citizenship in one of the New Development Bank's member countries shall be recognized as the home country
Host Country Agreements	Agreement between the New Development Bank and the Government of the Republic of South Africa on the Hosting of the New Development Bank Regional Centre in the Republic of South Africa; Agreement between the New Development Bank and the Government of the Federative Republic of Brazil on the Hosting of the New Development Bank Americas Regional Office in the Federative Republic of Brazil; Agreement between the New Development Bank and the Government of the Russian Federation on the Hosting of the New Development Bank Eurasian Regional Centre in the Russian Federation; Agreement between the New Development Bank and the Government of the Republic of India on the Hosting of the New Development Bank Indian Regional Office in the Republic of India, each as amended from time to time
HR Platform	Bank recognized HR systems
Offer of Appointment	The letter issued by the Bank to full-time regular Staff containing the terms and conditions of employment at the Bank
President	The President of the New Development Bank and, during his/her absence or incapacity, unless otherwise specified, the person authorised to act as President
Reporting Manager	A person who assigns tasks and responsibilities to a Staff Member and is holding the position of President/Vice-President/Director General/Chief (as the case may be), as set forth in the Staff Member's Employment Contract with the New Development Bank or any other formal official communication from the bank from time to time
Senior Management	The President and Vice-Presidents of the New Development Bank

Spouse	A person with whom the Staff Member has entered into a marital relationship that is recognized as a valid form of marriage by the civil laws of the country where the marriage took place. Registering of a spouse under other forms of marriage may be accepted on a case-by-case basis. A domestic partner may be recognized by the Bank as Spouse for the purpose of Staff Rules. The Bank will recognise only one spouse for each Staff Member even if the laws of the Staff Member's home country or of the country where the marriage took place permit multiple spouses at the same time
Staff Member or Staff	Any person who has countersigned an Offer of Appointment and Employment Contract with the New Development Bank and who is holding full-time regular appointment with the Bank

CHAPTER I INTRODUCTION

1.1 Introduction

1.1.1 The Articles of Agreement (AoA) of the New Development Bank (NDB or the Bank) provide, in Article 13b, that the President shall be chief of the operating staff of the Bank and, being accountable to the Directors, shall be responsible for the organization, appointment and dismissal of the officers and Staff.

1.1.2 As the terms and conditions of staff employment with the Bank are not subject to the labour legislation of member countries of the Bank due to privileges and immunities set forth in the AoA, it is essential to establish and implement a set of internal rules which shall govern the employment relationship between the Bank and its Staff.

1.1.3 The NDB Board of Directors (BoD) has approved the human resources (HR) policies in accordance with which the President shall organize and manage the Staff of the Bank. These HR policies embody the general conditions and terms of staff employment with the Bank and the duties and obligations of the Bank and Staff Members.

1.1.4 These Staff Rules have been developed and adopted by the authority of the President of the Bank.

1.2 Purpose

1.2.1 The purposes of the Staff Rules are:

- To set forth the policy statements and rules that constitute the terms and conditions of staff employment with the Bank;
- To serve as a structured and comprehensive manual guiding the implementation of the HR policies approved by the BoD;
- To identify lines of authority, roles, and levels of responsibilities in staffing and administration of Staff.

1.2.2 In the event of any discrepancy or ambiguity between the provisions of the Staff Rules and the Bank's policies approved by the BoD, the Bank's policies approved by the BoD shall prevail.

1.2.3 The document is organised into Chapters and consists of Sections and Annexes thereto.

1.2.4 The Bank reserves the right to amend the provisions of the Staff Rules from time to time.

1.3 HR Policy References

No.	Name
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1	Diversity Policy
2	Recruitment Policy
3	Staff Compensation and Benefits Policy
4	Performance Management Policy

CHAPTER II GENERAL PROVISIONS

2.1 Purpose

2.1.1 This Chapter sets forth provisions that apply generally to all sections of the Staff Rules, except where otherwise stated.

2.2 Applicability

2.2.1 The Staff Rules shall apply to all persons who are considered as Staff Members of the Bank and to the President and Vice-Presidents (VPs), where applicable.

2.3 Authority

2.3.1 The President, as the chief of the operating staff of the Bank, shall provide and enforce Staff Rules as he/she considers necessary for the efficient conduct of the Bank's operations.

2.3.2 The President may delegate to the Vice-President and Chief Administrative Officer (VP&CAO) the authority to issue further amendments or clarifications to the Staff Rules on an as-needed basis.

2.3.3 The President may delegate to the VP&CAO or any other Staff Member as may be considered the appropriate authority performing any of the functions referred to in the Staff Rules and the provisions thereunder currently in effect and as amended or introduced from time to time.

2.3.4 The Human Resources Department (HRD) shall, under the guidance of the President and VP&CAO, ensure the observance of the provisions of the Staff Rules.

2.3.5 Except as otherwise provided herein, the President maintains the right of final interpretation of the Staff Rules with respect to all Staff except the Senior Management. For issues pertaining to the Senior Management, the BoD shall have the final say on the interpretation of the Staff Rules.

2.4 Waiver and Exceptions

2.4.1 The powers or functions conferred on a Staff Member by the Staff Rules do not include the authority to waive or make exceptions to the provisions thereunder, unless and only to the extent that the provision concerned explicitly confers such authority to make waivers or exceptions by the President or VP&CAO, as specified in different Chapters.

2.5 Administration

2.5.1 Subject to the direction of the President, the HRD will be responsible for maintaining the Staff Rules in an up-to-date manner. The Staff Rules will be reviewed as often as required, but no less than annually, and necessary changes may be made from time and time.

2.5.2 All revisions to the Staff Rules will be communicated to Staff in written form, including letters, emails, intranet announcements, special memorandums, or any other means as appropriate.

2.6 Usage of Terms

2.6.1 The terms and abbreviations used in the Staff Rules shall have the meaning ascribed to them in the “Glossary of Terms” and “Abbreviations”.

CHAPTER III APPOINTMENT OF STAFF

3.1 Purpose

3.1.1 This Chapter sets forth provisions governing the Bank's selection, appointment, and extension of employment term of Staff, excluding the President and VPs. This Chapter also sets forth provisions regarding personal information pertaining to NDB Staff.

3.1.2 This Chapter shall be read in conjunction with the Recruitment Policy of the Bank.

3.2 General Provisions

3.2.1 The Bank shall recruit Staff Members of the highest calibre, based on merit, through a selection process based on criteria determined by the needs of the Bank and the requirements of the position, paying due regard to the importance of recruiting Staff on a diverse basis from the member countries.

3.2.2 The Bank is committed to providing equal opportunities throughout employment, including in the recruitment process, and shall not discriminate on the basis of gender, race, disability, sexual orientation, ethnicity, religion, and marital or family status.

3.2.3 Staff Members of the Bank shall not be appointed to a staff position on or after the normal retirement age of 65 unless an exception in particular cases is authorised pursuant to Chapter IX of the Staff Rules.

3.2.4 Upon conclusion of the recruitment process, the applicant shall receive an Offer of Appointment establishing, in particular, the initial base salary and the nature and duration of the employment, as well as the job description for the staff position.

3.2.5 Relations between the Bank and its Staff Members shall be governed by the Employment Rules.

3.3 Authority to Appoint Staff

3.3.1 The final decision regarding the appointment of Staff Members rests with the President.¹

3.4 Staff Appointment

¹ Except that the final decision regarding the appointment of Staff Members to positions reporting to the BoD rests with the BoD, and the final decision regarding the appointment of Staff Members of Independent Evaluation Office rests with the Director General, Independent Evaluation Office in accordance with the Bank's Evaluation Policy.

3.4.1 Staff Members of the Bank are recruited and employed on a full-time regular basis. For further information, please refer to Recruitment Policy Section 4.4 - Staff Appointment.

3.5 Restrictions on Employment of Spouse or Close Relatives

3.5.1 Refer to Recruitment Policy Section 5.4 - Nepotism and Personal Relationship.

3.6 Appointment Process

3.6.1 Refer to Recruitment Policy Section 4.5 - Appointment Process.

3.7 Employment Term

3.7.1 All Staff Members are appointed on a fixed-term basis with a specified probation period.

3.7.2 A fixed-term appointment does not carry any expectancy, legal or otherwise, of renewal or extension, irrespective of the length of the employment term.

3.7.3 For further information, please refer to Recruitment Policy Section 4.6 - Employment Term.

3.8 Probation²

3.8.1 Probation Period

3.8.11 All Staff, except the President and VPs, appointed to the Bank shall be subject to a probation period of six (6) months which shall be set out in the offer of Appointment.

3.8.12 The probation period may be extended for a period of up to three (3) months at the Bank's decision. The maximum length of the probation period may not exceed a total of nine (9) months.

3.8.13 Notwithstanding a maximum probation period of nine (9) months, when a Staff Member is prevented by sickness, parental leave, or, in exceptional circumstances, unpaid leave from performing his/her duties for a period of more than 30 calendar days, the probation period may be extended by the period of absence.

3.8.14 During the probation period, a Staff Member is subject to all the Employment Rules.

3.8.2 Evaluation During the Probation Period

² For Staff Members appointed to positions reporting to the BoD, their probation appraisal shall be managed under the guidance of the BoD, with the Chairperson of the BoD taking the lead and all the BoD members being engaged in the process.

3.8.21 Within one month of joining, an initial meeting shall be completed by the Reporting Manager with the Staff Member to identify specific objectives and training and development needs during the probation period.

3.8.22 During the probation period, the Reporting Manager is responsible for conducting regular reviews with the Staff Member on his/her performance, technical qualifications and professional behaviours. At the end of three months after on-boarding, the Reporting Manager is required to conduct the three-month probation assessment in the HR Platform.

3.8.3 Decision on Confirmation of Appointment

3.8.31 Performance appraisal at the end of the probation period is conducted by the Reporting Manager in close discussion with the Staff Member, and reviewed and approved by the head of the Department/Division (if applicable), President/VP responsible for the Department/Division, Head of HRD and VP&CAO.

3.8.32 The decision to extend the probation period will be based on the recommendation of the Reporting Manager, and shall be informed in advance to the Staff Member at least one week before the end of the initial six-month probation period. The recommendation of the Reporting Manager to extend the probation period shall be documented with reasons in the probation appraisal form in the HR Platform and shall be reviewed and approved by the head of the Department/Division (if applicable), the President/VP responsible for the position, Head of HRD and VP&CAO.

3.8.33 The completed probation form shall be submitted in the HR Platform for further action before the expiry of the probation period.

3.8.34 If the Bank does not inform the Staff Member otherwise before the end of the probation, the Staff Member will be automatically confirmed at the end of the probation period.

3.8.35 For terminations during the probation period, please refer to Recruitment Policy 4.8.

3.9 Extension of Employment Term

3.9.1 It is in the interest of the Bank that the employment of qualified Staff Members being extended and a high level of efficiency and business operational continuity being supported across the Bank.

3.9.2 The Bank is not obligated to extend a Staff Member's appointment at the end of the employment term. For further information, please refer to Recruitment Policy Section 4.7 - Extension of Employment Term, and the provisions outlined below.

3.9.3 Decision-Making Steps³

- a) Step 1: The HRD initiates the extension process, at least five months before the expiration of the fixed-term appointment of a Staff Member, by requesting the Reporting Manager responsible for the position to submit a recommendation on the extension/non-extension of the Employment Contract and the extension period with a business justification.
- b) Step 2: Reporting Manager responsible for the position shall reasonably evaluate whether there are sufficient business reasons to justify an extension/non-extension of the Staff Member's employment contract and determine if a Staff Member is considered for employment extension. The recommendation in respect of the extension of employment term shall be made by the Reporting Manager responsible for the position, after consultation with the head of the Department/Division (if applicable).
- c) Step 3: The head of the Department/Division (if applicable) and President/VP responsible for the position shall approve or disapprove the recommendation made by the Reporting Manager responsible for the position before its circulation to the HRD for due actions.
- d) Step 4: Upon endorsement by President/VP responsible for the position, the recommendation for employment extension or non-extension shall be submitted by the Reporting Manager responsible for the position to the HRD.
- e) Step 5: Upon reviewing the submitted materials and assessment of the extension decision, the HRD may request additional documents and comments from the Reporting Manager and the Staff Member if necessary, especially when the recommendation is non-extension.
- f) Step 6: The HRD will prepare a summary of decision-related details for submission to VP&CAO, recommending the appointment extension or non-extension decision.
- g) Step 7: The HRD with the concurrence of VP&CAO will outline a final recommendation and submit it to the President's consideration.
- h) Step 8: Employment extension or non-extension shall be endorsed by the President. The President may also give an alternative decision.

³ For Staff Members appointed to positions reporting to the BoD, the extension/non-extension of their employment shall be decided by the BoD, with the Chairperson of the BoD taking the lead and all the BoD members being engaged in the process. For Staff Members of the Independent Evaluation Office, the steps from 3 to 8 shall not apply, and the final decision to extend or not extend their employment rests with the Director General, Independent Evaluation Office.

3.9.4 The decision shall be communicated to the Staff Member in accordance with Recruitment Policy Section 4.7.5 - Notice.

3.9.5 Extension Term

3.9.51 Given this context, employment may be extended for any period, provided that any given extension does not exceed three-year term (approved prior to December 15, 2020) or four-year term (approved after December 15, 2020).⁴ Except for the extension of the duration of the appointment term, unless otherwise specified in the extension letter, all other terms and conditions of employment between the Bank and the Staff Member shall remain unchanged.

3.9.6 Notice

3.9.61 The Bank will make the best efforts to communicate the decision of extension or non-extension to the Staff Member at least four months before the expiration of the appointment term of the Staff Member.

3.10 Access to Personal Data

3.10.1 The Bank shall adopt appropriate safeguards to protect the personal data of Staff Members from unauthorised access and misuse. Access to such information will be allowed only for authorised Staff on a need-to-know basis and shall not be used or disclosed except as either required for the official purposes of the Bank or, with the consent of the concerned Staff Member, for other purposes.

3.10.2 It is the responsibility of Staff Members to provide the Bank with the relevant information that is reasonably required for staff employment related purposes, and to keep it updated, including:

- a) Staff Members shall be responsible for supplying the HRD with relevant information, as required, both during the recruitment process and on subsequent employment, for the purpose of determining their status under the Employment Rules, as well as for the purpose of completing administrative arrangements in connection with their benefit eligibility.

⁴ Subject to the decision of the BoD, the employment of the Director General of Independent Evaluation Office may be renewed once, for a duration to be also determined by the BoD. If the Director General of Independent Evaluation Office reaches the age of 65 years during a fixed term of four years, he/she will continue to serve for the remainder of that term. In such cases, the employment may not be renewed beyond that fixed term of four years.

- b) Staff Members shall be responsible for promptly notifying the HRD in writing of any subsequent changes affecting their status under the Employment Rules currently in effect and as amended or introduced from time to time.
- c) Staff Members shall be held accountable for the accuracy and completeness of the information they provide to the Bank. Misrepresentation of personal information may be subject to disciplinary procedures as set forth in Chapter X of the Staff Rules.
- d) Staff Members who intend to acquire permanent residence status in any country other than that of their nationality or who intend to change their nationality shall notify the HRD of that intention before the change in residence status or the change in nationality becomes final.
- e) Staff Members shall inform the HRD about the following changes immediately after such changes have occurred:
 - professional qualifications;
 - personal identities;
 - marital status and dependents;
 - required designation of beneficiary(ies);
 - being arrested or charged with an offence other than a minor traffic violation or summoned before a court as a defendant in a criminal proceeding, or could reasonably be expected to have a negative impact on the Bank's reputation;
 - being convicted, fined or imprisoned for any offence other than a minor traffic violation;
 - any change in emergency contact details, address, or telephone number; and
 - any other information that would in the normal course of business, be considered material and/or significant for the Bank to be aware of.

CHAPTER IV JOB GRADING AND STAFF ASSIGNMENT

4.1 Purpose

4.1.1 This Chapter sets forth the Bank's approach to the grading of positions and the assignment of Staff Members to positions.

4.1.2 This Chapter shall be read in conjunction with the Recruitment Policy of the Bank.

4.2 Applicability

4.2.1 These rules shall apply to all Staff Members, except the President and VPs.

4.3 Authority

4.3.1 The decision on the organization, appointment and dismissal of Staff of the Bank rests with the President.⁵

4.4 Grading Structure

4.4.1 The Bank uses a 12-grade system ("grading structure") to define the grades, designation and accountability at each grade in terms of work delegation, career progression and recognition. The grading structure is specified in Annex 4.a NDB Grading Structure.

4.4.2 The grading structure provides clear career advancement continuum within the Bank including career progression from Support Staff to Professional Staff (see Annex 4.b). Grade promotion will provide recognition for outstanding performance on a relative basis compared to other Staff Members in the same grade along with an opportunity to broaden the responsibility and complexity in similar nature of job.

4.5 Staff Composition

4.5.1 All Staff Members of the Bank, except the President and VPs, can be categorised into Professional Staff or Support Staff.

4.5.2 Professional Staff (Grades 4 - 10)

4.5.21 Staff Members of professional grades require specialised skills and technical competencies gained through relevant education qualifications and professional experience. Professional Staff are expected to provide strategic guidance and project management based on their accumulated technical expertise.

⁵ Except that the Director General, Independent Evaluation Office has the delegated authority from the BoD to make decisions on appointment and termination of Staff Members of Independent Evaluation Office.

4.5.3 Support Staff (Grades 1 - 3)

4.5.31 Support Staff provide technical support to the Bank's operations and perform administrative tasks or functions. Support Staff positions are filled by candidates who are nationals of the country of operations. The Bank may fill in the Support Staff positions by candidates of other nationals of its member countries who are residing in the country of operations.

4.6 Assignment of Staff to Positions

4.6.1 Staff Members shall, upon appointment and throughout their employment with the Bank, be assigned to a specific position. The initial and subsequent assignment of a Staff Member to a position shall take into account:

- a) Staff Member's education qualifications, professional experience, skillset, technical competencies, behavioural competencies and other factors that may be relevant to the duties of the position; and
- b) Bank's staffing needs based on the Bank's growth plan and business requirements.

4.6.2 The Employment Contract shall set out the title of the position to which a Staff Member is assigned, the grade of the position, and the Reporting Manager.

4.7 Official Duty Station

4.7.1 The official duty station of a Staff Member is stated in the Employment Contract. The Bank may, from time to time, in consultation with the Staff Member, assign such Staff Member to another duty station in order to perform his/her duties and responsibilities or missions of the Bank.

4.7.2 Staff Members may be required to undertake official travel as the Bank may request from time to time. The Bank may also from time to time request, in consultation with the Staff Member and the Reporting Manager, such Staff Member to undertake temporary assignment to another office based on business needs and subject to approval by VP&CAO and President/respective VP. These travel arrangements do not constitute a change to the Staff Member's duty station as stated in his/her Employment Contract.

4.8 Job Title and Job Description

4.8.1 A Staff Member's job title is set out in the Employment Contract, and his/her duties and responsibilities are detailed in the job description attached therein. The job description is an integral part of the Employment Contract.

4.8.2 Staff Members shall perform duties and responsibilities to the best of their ability and agree to dedicate all time and energy to fulfilment of the duties and responsibilities assigned

to them during the Bank's regular business hours. Staff Members shall also acknowledge that they may be required to take on alternative or additional duties from time to time if required.

4.8.3 The job description is a dynamic document that may be changed from time to time due to the Bank's business requirements and/or change of role/responsibilities. Any additional review of the job description has to be initiated by the respective department/division in consultation with the HRD taking into account business requirements, changes in job responsibilities, and/or changes in the organizational structure. If there are any changes in the job description, the changes will be discussed with the Staff Member before the revised job description can come into force. The job description shall be signed by Staff Members at the time of acceptance of the Employment Contract, and if there are any subsequent revisions to the job description.

4.8.4 The Bank's reporting requirements are that a Staff Member reports to a Reporting Manager as specified in the Employment Contract. The Bank may designate any other Reporting Manager from time to time.

4.9 Performance of Duties on Temporary or Acting Basis

4.9.1 The Bank may require, in consultation with the Staff Member, such Staff Member to perform duties in addition to those of the position to which he/she is assigned, or to assume the duties of another position on a temporary or acting basis, appropriate to eligible level of Staff Member within the Bank and his/her educational and professional background. The request shall be initiated by the Reporting Manager and/or the respective Director General of the Department (where applicable), and approved by the VP&CAO and President/respective VP. Such Staff Member shall be informed in advance of the intended period of such arrangement. Assuming additional or different duties on a temporary or acting basis does not carry expectations or rights to a change of grade or salary.

4.10 Promotion to a Higher Grade

4.10.1 A Staff Member may be promoted to a higher grade through the annual performance assessment process set out in Chapter VIII.

4.11 Internal Transfer

4.11.1 General

4.11.11 The Bank recognises that in order to meet its operational requirements, it may be necessary to laterally transfer a Staff Member from one position to another within the Bank.

4.11.12 A lateral transfer keeps a Staff Member on the same grading and salary structure but may change some job responsibilities of the Staff Member concerned. It shall benefit both

Staff Members and the Bank by further expansion of staff skillset and network, and by reallocating talents according to the Bank's business needs.

4.11.2 Authority

4.11.21 Approval from the relevant authorities is required for lateral transfers, including those between different duty stations. The approval process is as follows:

- a) Lateral transfers within Presidency or the same Vice Presidency require approval from the following authorities: the President or the respective VP, and then by the VP&CAO.
- b) Lateral transfers across different Vice Presidencies or the Presidency require approval from the following authorities: the President or VP responsible for the incoming transfer, the President or VP responsible for the outgoing transfer, the VP&CAO, and then by the President.
- c) Lateral transfers of DGs and Chiefs, whether within or across the Presidency/Vice Presidency will be submitted to the President for final approval upon the approval of the VP&CAO.

4.11.22 The HRD will facilitate the approval process.

4.11.3 Main Objectives

4.11.31 It benefits both the Staff Members and the Bank by achieving the following purposes:

- a) Increase the effectiveness of the Bank's business and meet its operational requirements;
- b) Use effectively Staff Members' skills and competencies;
- c) Promote greater integration between organizational units of the Bank;
- d) Provide Staff Members with varied career opportunities;
- e) Prepare Staff Members to operate in a cross-functional multidisciplinary environment; and
- f) Develop a more integrated approach to the many facets of the Bank's work.

4.11.4 Principles of Staff Transfers

4.11.41 Staff transfers shall be based on the following principles:

- a) Staff transfer does not negatively affect the continuity and the capacity of the Bank or the relevant Departments/Divisions.

- b) Staff transfer has a positive impact on filling existing vacancies.
- c) Decision on staff transfer shall specify whether the transfer is on a permanent or temporary basis. The transfer may be for a defined period or it may be an ongoing arrangement that does not have an end date, provided that it does not exceed the relevant staff employment term.
- d) Prior to the transfer, normally the performance of Staff Member shall be assessed. A new performance review and associated goals shall normally be developed within three months of the Staff Member's transfer into the position.
- e) Staff Members may be only transferred once within a three-year (or four-year, as the case may be) term.
- f) Staff Members may not be transferred before having spent at least a year in one position in the Bank.
- g) Staff Members, who have already been transferred to another Department/Division, may not be transferred before having spent at least eighteen months in the new position.
- h) Staff Members who are transferred will normally have at least six months of employment left before the expiration of their Employment Contract.
- i) The transfer limit and minimum service requirements set forth in (e), (f), (g) and (h) may be waived by VP&CAO or the President on an exceptional basis if doing so is deemed to be in the interests of the Bank.
- j) Specific responsibilities and position requirements of the position to which the Staff Member is being transferred shall be indicated in advance.

4.11.5 Procedure

- a) Procedure requests for transfers will be considered in line with operational requirements of the Bank and will occur after a consultation between the parties concerned. The HRD, in consultation with the Reporting Managers and/or head(s) of Department(s)/Division(s) concerned, may recommend transferring a Staff Member to a different function, division or department through direct reassignment, if there are genuine institutional reasons for this, in which case the Staff Member will be consulted beforehand.
- b) If a transfer is requested at the initiative of a Staff Member, such a request could be considered on a case-by-case basis, subject to headcount availability and conditional on the Staff Member meeting the position requirements in the job description, with

approval by the appropriate authority as set out in Section 4.11.2 - Authority. Transfers between different duty stations shall normally follow Section 4.11.5 - c).

- c) A Staff Member may also apply to another position at the Bank as a result of a selection process, that is, selection for a vacant position following the recruitment procedure of the Bank. The position will be advertised on the NDB career website to give all interested candidates the opportunity to be considered for a position within the Bank. The application by the Staff Member to another position at the Bank, if successful, shall not be subject to the principles outlined in Section 4.11.4 – Principles of Staff Transfers.
- d) The Bank may from time to time, restructure its organizational structure. Staff Members may be reassigned to new Departments/Divisions or positions within the Bank resulting from such reorganization. The Bank shall strive to accommodate Staff Members in positions and/or Departments/Divisions resulting from the reorganization that are consistent with the job description in their Employment Contract, and educational and professional background. Reassignments pursuant to such reorganizations shall not entail a change of grade or salary, and shall not be subject to or count towards the limits in terms of number of transfers, minimum service requirement, or months left in their term, set forth in Section 4.11.4 - Principles of Staff Transfers.

Annex 4.a NDB Grading Structure

Levels	NDB Grade	Designation
7	12	President
6	11	Vice-President
5	10	Director General
4	9	Chief
3	8	Principal Specialist / Principal Professional
	7	Senior Specialist / Senior Professional
2	6	Professional
	5	Young Professional / Senior Analyst 2
	4	Junior Professional / Senior Analyst 1
1	3	Analyst / Executive Secretary
	2	Senior Officer / Senior Secretary
	1	Officer / Secretary

Senior Management (Grades 11-12): The Bank has its President with general management role of the institution builder with overall responsibility; and VPs with executive role to cascade business strategy to businesses.

Managerial-level Staff (Grades 9-10): The two levels of titles below the VPs are Director General, with responsibility for departmental functioning; and Chief, with responsibility for functional objectives. In certain divisions, the Chief reports directly to the President or respective VP.

- Grade 10: Roles at this grade include business driving roles as well as support/enabler roles that drive departmental objectives.
- Grade 9: Functional heads who are responsible for one or two verticals of a function. Responsible to manage a team and ensure the achievement of functional objectives.

Non-managerial Professional Staff (Grades 4-8)⁶: Below the managerial levels of Director General and Chief, the non-managerial levels and grades are as follows:

- Grades 8, 7: Roles for a full-fledged professional with proven professional expertise and experience but still limited to function.
- Grades 6, 5, 4: Roles for an individual contributor based on professional qualification and /or experience with “on the job learning” and basic skills. The Senior Analyst 1

⁶ On July 13, 2022, the BoD approved a Note on Proposal for Non-Managerial Positions at Grade 9 and Grade 10, with a pilot phase of three (3) years. For detailed rules guiding the Non-Managerial Positions at Grade 9 and Grade 10, please refer to the Note approved by the BoD.

grade also serves as an entry-level for a Professional and a progression grade from Support to Professional Staff.

Support Staff (Grades 1-3): Roles that provide general support to Senior Management, Departments/Divisions or group of professionals.

Annex 4.b Career Progression from Support Staff to Professional Staff

As provided in Section 4.5.3 - Support Staff (Grades 1 - 3), Support Staff provide technical support to the Bank's operations or perform administrative tasks or function. Within this staff category, two types of roles exist:

- a) **Functional:** Roles which require technical knowledge and experience gained through education, relevant experience, or professional qualifications, and may include supportive roles in functional or business support areas such as human resources, finance and accounting, administration and contract management, legal (such as paralegal), corporate secretary, etc.
- b) **Administrative:** Roles which provide administrative support and perform routine functions, and may include e.g. secretary, operations assistant/team coordinator (such as in Departments under VP for Operations), and office administrator (such as in regional offices).

Considering the requirements for professional jobs (see Section 4.5.2 - Professional Staff) as well as the Bank's talent needs and hiring practice, the transition path through promotion (see Section 4.10 - Promotion to a Higher Grade) from Support Staff (grades 1 – 3) to Professional Staff (grades 4 – 10) is applicable to roles in the functional stream only. The transition will be subject to meeting the minimum educational requirements (Master's degree or equivalent) required for Professional Staff grades.

At this stage, Staff Members in administrative and secretarial roles will be able to progress within the administrative stream up to grade 3. To be promoted (see Section 4.10 - Promotion to a Higher Grade) into professional job grades, a lateral transfer to a technical function, e.g., Admin, Finance, Budget and Accounting (FBA), HR, Legal, will be an essential prerequisite. The career move from administrative and secretarial roles to the roles under functional stream will be implemented based on possessed skills and competencies and demonstrated performance of a Staff Member.

The types of career streams for Support Staff and corresponding designations are illustrated below.

NDB Grade	Functional Stream	Administrative Stream
5	Senior Analyst 2	-
4	Senior Analyst 1	-
3	Analyst (HR, FBA, Legal, Internal Audit, etc.)	Executive Secretary / Administrative roles in Operations and regional offices
2	Senior Officer (HR, FBA, Legal, Internal Audit, etc.)	Senior Secretary / Administrative roles in Operations and regional offices

1	Officer (HR, FBA, Legal, Internal Audit, etc.)	Secretary / Administrative roles in Operations and regional offices
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As business needs continue to evolve and job tasks become more complex, the bifurcation of roles may change in the future. As a result, roles currently being administrative in nature may be redefined as “functional” at a later stage with the evolving requirements of the functions they serve.

Change of Designation

For those Staff Members who have progressed from NDB grade 3 of Support Staff to Professional Staff grades through promotion (see Section 4.10 - Promotion to a Higher Grade), the designations “Senior Analyst 1” and “Senior Analyst 2” shall be used.

Overview of Career Management Framework

The career management framework given below provides an overview of the career paths within the Bank.

Professional, and Managerial		Functional Support		Administrative Support	
10	Director General				
9	Chief				
8	Principal Professional				
7	Senior Professional				
6	Professional				
5	Young Professional	5	Senior Analyst 2		
4	Junior Professional	4	Senior Analyst 1		
		3	Analyst	3	Executive Secretary
		2	Senior Officer	2	Senior Secretary
		1	Officer	1	Secretary

Professional Staff grades
Support Staff grades

CHAPTER V ATTENDANCE AND LEAVE

5.1 Purpose

5.1.1 This Chapter sets forth provisions governing hours of work, holidays, and leave for eligible Staff Members.

5.1.2 This Chapter shall be read in conjunction with the Staff Compensation and Benefits Policy of the Bank.

5.2 Definitions

5.2.1 For the purpose of this Chapter, the following definitions shall apply:

- a) “Core working hours” means the time during the workday when Staff Members must be present for work. Unless otherwise agreed between a Staff Member and their Reporting Manager, core working hours means 10:00 a.m. to 4:00 p.m., including an individual lunch break.
- b) “Flexible Working Schedule” (FWS) is a temporary working arrangement that allows Staff Members to change the working schedule (hours of work) for a limited period.
- c) “Leave Year” means a calendar year beginning on January 1 and ending on December 31.
- d) “Overtime Work” means work performed in excess of the standard hours as defined in Section 5.4 - Hours of Work.
- e) “Public Holidays” mean the days established by the Bank on which Staff shall be normally excused from attendance with full pay.
- f) “Weekend” means the two-day period of a week (Saturday and Sunday) during which the Bank is regularly closed for business.

5.3 Applicability

5.3.1 The provisions of this Chapter shall apply to all Staff Members regardless of their duty station.

5.4 Hours of Work

5.4.1 The regular hours of work are from 9:00 a.m. to 5:15 p.m., including a lunch break for forty-five (45) minutes, Monday to Friday, which may be reviewed and changed by the Bank, at its sole discretion, as required by the Bank’s operational needs. Staff Members may be required to work beyond the normal number of working hours when circumstances so require.

5.4.2 The Bank reserves the right to establish or allow working hours different from those stated above for certain Staff Members, if so required by the Bank's operational needs or requested by Staff Members as specified in Section 5.5 - Flexible Working Schedule.

5.4.3 Within reasonable limits, Staff Members may be required to work additional time as necessary to carry out their assigned duties for business and work needs, on a workday before the scheduled starting time or after the scheduled finishing time, or during a Weekend or Public Holiday.

5.4.4 Commuting between home and workplace/office is not considered working during the Bank's regular working hours.

5.5 Flexible Working Schedule

5.5.1 Staff Members may request a Flexible Working Schedule (FWS) in the HR Platform with proper justification to their Reporting Manager. Such request requires approvals from the Reporting Manager, the Director General/Chief of respective Department/Division, and the President or respective VP in the HR Platform as mentioned below.

5.5.2 While considering such requests, both Staff Members and Reporting Managers shall take note of the following:

- a) The regular working hours of the Bank are from 9 a.m. to 5:15 p.m., including lunch break for 45 minutes, Mondays to Fridays.
- b) Staff Members may request to carry out their work earlier or later than the regular working hours above.
- c) The limited duration of such schedules will be up to 3 months and the Staff Member shall ensure that she/he works for 37.5 hours a week. Extension(s) of FWS after 3 months and for a total period of less than 12 months, if requested by Staff Members with proper justification, may be approved by the Reporting Manager, the Director General/Chief of respective Department/Division, and the President or respective VP.
- d) Staff Members shall be present to work during core working hours (10 a.m. to 4 p.m.) in their workplace.
- e) If business needs dictate, the Reporting Managers may require the concerned Staff Member to revert to regular working hours above with a written notification mentioning the reason.

5.5.3 Should a Staff Member assume FWS without prior approval, the Reporting Managers shall require additional annual leave days to be taken by the concerned Staff Member or report as an unauthorised absence to the HRD.

5.6 Duty to Attend Assigned Workplace

5.6.1 Punctual and regular attendance is an essential responsibility of each Staff Member. Staff Members are expected to report to work on time as per the Bank's regular working hours.

5.6.2 Staff attendance shall be monitored by the respective Reporting Manager on a regular basis.

5.6.3 Staff Members are required to attend their assigned place of work during the regular working hours of the Bank on days when headquarters or the relevant regional centre/office is open for business, unless:

- a) they are traveling on Bank business or attending seminars, conferences, classes, events elsewhere;
- b) they have been granted leave in respect of their absence; or
- c) other arrangements apply, e.g. the Bank has authorised FWS (see Section 5.5 - Flexible Working Schedule).

5.7 Overtime

5.7.1 Within reasonable limits, the Bank recognises that on occasions Staff Members may be required to work outside the regular working hours of the Bank or on weekends or holidays to carry out their assigned duties and responsibilities.

5.7.2 Overtime payment shall be granted to eligible Staff Members at Grade 1, 2, and 3 in accordance with the Overtime Guideline set out in Annex 5.a.

5.8 Public Holidays

5.8.1 Refer to Staff Compensation and Benefits Policy Section 5.5 – Leave Policy regarding public holidays established by the Bank.

5.8.2 Staff Members shall be excused from attendance, with full pay, on each of the public holidays observed in their respective places of work, details of which shall be communicated to Staff Members in the preceding calendar year and made available on the NDB internal portal.

5.8.3 Staff Members who are on annual leave, family leave or sick leave during a public holiday shall not be charged leave for the holiday.

5.9 Types of Leave

5.9.1 Leave may be provided on a paid or unpaid basis as specified in the following sections.

5.9.2 The types of paid leave available to the Bank Staff are:

- a) Annual leave;
- b) Sick leave;
- c) Parental leave;
- d) Family Leave (part of sick leave); and
- e) Administrative Leave.

5.10 Annual Leave

5.10.1 General

5.10.11 Annual leave is absence from duty with pay for vacation, rest, or for other personal needs on occasions when other types of leave are not applicable.

5.10.12 Except in emergencies, annual leave may not be taken unless advance approval has been obtained. In the event of an emergency, Staff Members shall attempt to obtain an oral or written approval and shall in any event be responsible for obtaining the necessary approval in the HR platform promptly.

5.10.13 A Reporting Manager may also require annual leave to be taken by Staff Members for absences which do not qualify or have not been approved as some other type of leave.

5.10.2 Annual Leave Entitlement

5.10.21 Staff Members accrue annual leave at the following rates for each calendar year:

Completed Years of Employment	Number of Annual Leave Days per Calendar Year
Less than 5	26
5 to <10	28
10 or above	30

5.10.22 Only working days are counted in the calculation of annual leave. Weekends, except the weekends as designed by the Bank as working days to compensate additional holidays, and public holidays are not counted.

5.10.3 Accrual of Annual Leave

5.10.31 Annual leave is accrued on a yearly basis in accordance with the following rules:

- a) For Staff Members who remain employed by the Bank for the whole of the leave year with the exception of those who are described under c) below, the full annual leave entitlement is credited at the beginning of the year.
- b) For Staff Members whose appointment starts or finishes part way through the year (i.e., new joiners and leavers), their annual leave entitlement is pro-rated based on the actual period they have been employed during the year of joining/leaving respectively.
- c) For Staff Members who have completed 5 or 10 years of service with the Bank during a Leave Year, their additional leave entitlement will change on the relevant anniversary and be pro-rated based on the number of days remaining in the Leave Year.
- d) Leave accrual may be suspended during period of unpaid leave of 30 consecutive calendar days or longer subject to the decision of the Bank.

5.10.32 An example is given in Annex 5.b to illustrate the provisions set forth in (b) and (c) above.

5.10.4 Timing of Annual Leave

5.10.41 The timing of annual leave shall be agreed between the Staff Member and his/her Reporting Manager. Reporting Managers shall make reasonable efforts to accommodate the Staff Members' preferences, but they are entitled to refuse requests that would interfere unduly with the implementation of the work program or impose undue burdens on other team members. To facilitate planning Staff Members are advised to request leave two weeks before the date they want the leave to commence.

5.10.5 Minimum Leave Usage

5.10.51 In order to promote well-being and work-life balance, Staff Members are encouraged to use the full amount of annual leave within a given Leave Year.

5.10.52 During each Leave Year, Staff Members are required to take a minimum of 15 days of annual leave. In situations where the Staff Member is not able to take 15 days of annual leave during a Leave Year, any unused portion of the minimum leave usage requirement will lapse without compensation at the end of each Leave Year and cannot be carried forward.

5.10.53 Staff Members are exempted from this requirement during their first year of employment and the year of employment termination.

5.10.54 The minimum usage requirement may be waived by the President, as appropriate.

5.10.6 Carry-over of Unused Leave

5.10.61 Subject to Section 5.10.5 - Minimum Leave Usage, a Staff Member who has not used all of his/her annual leave entitlement during a given Leave Year may carry over the unused entitlement into the next leave year, provided that the maximum accumulation of annual leave at the end of each Leave Year does not exceed 75 days. Any leave days that exceed the maximum accumulation will be forfeited without compensation.

5.10.7 Treatment of Unused Leave on Employment Termination

- a) ***Use of annual leave prior to employment termination.*** Immediately prior and up to the date of termination from the employment of the Bank, Staff Members may use any amount of their accrued leave balance (after being pro-rated based on the termination date). Annual leave cannot be used to postpone the date of automatic or involuntary termination.
- b) ***Encashment of unused leave.*** If a Staff Member has unused annual leave as of the termination date, he or she shall be paid a lump-sum payment equal to the value of accrued annual leave up to a maximum of 60 working days. Annual leave encashment will be calculated as the final daily salary multiplied by the number of unused leave days. For the purpose of leave encashment, the final daily salary is defined as 1/261 of the annual base salary at the time of employment termination. No other compensation will be paid in respect of unused leave.

5.10.8 Illness during Annual Leave

5.10.81 If a Staff Member on annual leave sustains an injury or illness, the period of injury or illness can be converted to sick leave and, as such not deducted from his or her annual leave entitlement. The Bank may request such application to be supported by a satisfactory medical certificate acceptable to the Bank, regardless of the period of time involved. The Bank may procure the services of external parties to evaluate the medical certificate provided by the Staff Member.

5.10.9 Interruption/Cancellation of Annual Leave

5.10.91 Interruption or cancellation of previously approved leave shall be only in the most exceptional circumstances. Interruption/cancellation shall be approved by the Staff Member's Reporting Manager. A Staff Member may be recalled from annual leave only with his/her consent. The Staff Member's consent is also required in case where annual leave is cancelled.

5.10.92 The annual leave not taken due to interruption or cancellation shall be granted to the Staff Member at a convenient time during the year or may be carried over to the next Leave Year.

5.11 Sick Leave

5.11.1 General

5.11.11 Sick leave may be taken when a Staff Member is unable to attend to his/her assigned duties because of sickness or injury, when undergoing examination or treatment for physical (medical, dental, optical) or mental illness, or pursuant to Section 5.12.7- Early Termination of Pregnancy or Death of Child. Sick leave will be granted only for the purpose of receiving medical treatment or examination, recovery from illness, or in cases where a Staff Member's attendance at work is prevented by public health requirements.

5.11.2 Accrual

5.11.21 Staff Members are credited with 15 working days of fully paid sick leave at the beginning of each Leave Year. For Staff Members who join or leave the Bank during the year, their sick leave entitlements are pro-rated based on the actual period they have been employed during the year of joining/leaving respectively (see Annex 5.b).

5.11.22 Sick leave taken in excess of accrued leave days will be unpaid. Leave accrual may be suspended during period of unpaid leave of 30 consecutive calendar days or longer subject to the decision of the Bank.

5.11.3 Reporting and Recording of Sick Leave

- a) ***Obligation to inform reporting manager:*** A Staff Member who needs to be absent from work on sick leave must inform his/her Reporting Manager before 10 a.m. on the first day of absence, or as soon as reasonably possible.
- b) ***Application for sick leave:*** Request for sick leave shall be submitted by the Staff Member in the HR Platform. If it is not possible to submit a request before the leave starting date, the Staff Member shall do so on the first day of his/her return to work. Late submission of more than three working days without any justification may result in deduction of the period of absence from annual leave or be treated as unpaid leave if no balance of annual leave left.
- c) ***Obligation to provide medical certificate:*** If the absence is for more than three (3) consecutive working days or a total of five (5) working days in any two-week period, the Staff Member shall supply to the Reporting Manager and the HRD a certificate/statement from a licensed medical practitioner; the certificate/statement may indicate the period of incapacity only. If such a certificate/statement also contains confidential medical information, it shall be sent directly to a Staff Member in the HRD, who will inform the Staff Member's Reporting Manager of the duration of absence. The Bank may request, and the Staff Member shall provide, a medical certificate as

soon as possible and no later than one month upon the Staff Member's return to duty. The Bank may procure the services of external parties to evaluate the medical certificate/statement provided by the Staff Member.

5.11.31 Failure to provide a valid medical certificate within a reasonable period of time as specified above will result in a rejection or cancellation of the application of sick leave. The Staff Member will be charged with annual leave for the period of absence. If the Staff Member does not have sufficient sick leave or annual leave to cover the absence, the period of absence exceeding the leave balance will count as unpaid leave.

5.11.32 If a Staff Member has applied for sick leave frequently or for prolonged periods, or if there is a need for further review of any aspect of the sick leave application or fitness for duty, such cases will be discussed with President/respective VP, and VP&CAO. Further documentation and/or evaluative consultation (including by an external medical evaluator appointed and/or acceptable to the Bank) may be required by the Bank.

5.11.33 Claiming sick leave falsely or without sufficient justification may result in a disciplinary action against the Staff Member. Whether or not a disciplinary action is taken, the Bank shall have the right to deduct the days of absence from the Staff Member's annual leave entitlement, or when annual leave balance is insufficient, to treat the days of absence in excess as unpaid leave.

5.11.4 Carry-over of Sick Leave

5.11.41 Unused sick leave may be carried over from one year to the next, until the maximum accumulated leave amounts to 60 days in a leave year. Sick leave cannot be encashed or compensated when the Staff Member leaves the Bank.

5.11.5 Exhaustion of Sick Leave

5.11.51 A Staff Member who has exhausted his/her entitlement to paid sick leave but is still unable to resume work due to illness or injury, if meeting the necessary eligibility criteria, may receive benefits under the applicable insurance plans. If the Staff Member does not immediately qualify for the insurance benefit, the Bank at its discretion may request the Staff Member to take annual leave or grant the Staff Member unpaid leave, or exceptionally authorise advance sick leave up to 15 working days, as determined by the Reporting Manager, the President/respective VP, Head of HRD, and VP&CAO.

5.11.52 If it is certified by a medical practitioner that the Staff Member may not recover sufficiently or may not be able to permit resumption of material duties of his/her regular job in the foreseeable future, such Staff Member may be separated from the Bank's employment

on grounds of health in accordance with Section 9.7 Involuntary Termination. The Bank may procure the services of external parties to evaluate such cases.

5.12 Parental Leave

5.12.1 General

5.12.11 Staff Members who are Primary Caregivers and Secondary Caregivers (as specified below) are eligible for fully paid leave after the birth of a child or following adoption of a child of less than 12 years old (including surrogacy).

5.12.12 **Primary Caregiver** means a parent who is the sole caregiver of the child during the majority of working hours throughout the period of the parental leave requested. The parent who gives birth to a child is designated as the default Primary Caregiver, irrespective of whether that parent is a NDB Staff Member. Certification and/or supporting evidence will be required from Staff Member to substantiate the Primary Caregiver designation, including for adoptive parents (or through surrogacy).

5.12.13 **Secondary Caregiver** means a parent who shares childcare responsibilities with the Primary Caregiver. A Staff Member whose spouse or partner gives birth to their child is designated as the Secondary Caregiver. A Secondary Caregiver may, subject to provision of supporting evidence, be designated as the Primary Caregiver in the case of adoption or surrogacy or if the initial Primary Caregiver has returned to work or is deemed medically incapable of providing sole care to the child during the majority of working hours.

5.12.14 At the end of parental leave, the Staff Member is guaranteed the right to return to the same position at the same grade and compensation.

5.12.2 Entitlement

5.12.21 Primary Caregivers are entitled to 20 calendar weeks of fully paid parental leave for each birth or adoption. Secondary Caregivers are entitled to 4 calendar weeks of fully paid parental leave for each birth or adoption. In case a Secondary Caregiver is designated as a Primary Caregiver subject to the provisions of Section 5.12.1 - General, the leave entitlement of the Secondary Caregiver may, upon request, be extended up to the leave entitlement of the Primary Caregiver. The period of paid leave may not continue beyond the end of the term of appointment, unless the term of appointment is renewed or extended by the Bank. The period of parental leave will not be extended by the public holidays that fall within this period.

5.12.22 The maximum number of requests for parental leave during a Staff Member's career with the Bank is four, irrespective of whether or not the Staff Member's period of service is continuous.

5.12.23 If the employment of a Staff Member who has given birth to a child, or is designated as the Primary Caregiver in the case of adoption, ends within 20 weeks after the date of birth or adoption and before s/he has completed the period of parental leave, s/he receives a lump sum payment equal to the number of full working days remaining in the Staff Member's entitlement to parental leave, subject to the following conditions:

- a) The employment of the Staff Member ends for reasons other than his/her resignation; and
- b) The equivalent lump sum payment is calculated as 1/261th of the Staff Member's annual base salary for each full working day remaining in the Staff Member's entitlement to Primary Caregiver leave up to 60 days.

5.12.24 A Staff Member who is a Primary Caregiver is entitled to apply for unpaid leave of up to four calendar weeks to extend the period for recovery and caring for the new-born child/children.

5.12.25 Some or all parts of the unpaid leave mentioned above can be provided before the parental leave period in case of illness, complications or risk of complications arising out of pregnancy, if a Staff Member has exhausted her sick leave.

5.12.26 Staff Members who are not entitled to fully paid parental leave after utilising the maximum occurrences of parental leave may apply for and use accumulated sick leave, annual leave, or if necessary, be placed on unpaid leave in order to cover the necessary period of absence after the delivery/adoption.

5.12.3 Application for Parental Leave

5.12.31 A Staff Member wishing to take parental leave shall submit a written application to the Reporting Manager in the HR Platform, no later than six weeks prior to the date the leave is to begin. The application shall be accompanied by a medical certificate or other appropriate certificate stating the expected date of delivery/adoption. To help the Bank's work planning, the Staff Member when submitting a leave application must state in writing whether or not she/he plans to return to work at the Bank when her/his parental leave has expired.

5.12.4 Taking Parental Leave

5.12.41 Staff Members may take parental leave continuously, or in two separate periods up to the maximum entitlement (see Section 5.12.2 - Entitlement) within 12 months following the child's date of birth or adoption. Any portion of unused parental leave beyond 12 months

shall be forfeited and the Staff Member shall not be entitled to claim credit or payment in lieu thereof.

5.12.42 For primary caregiver who becomes a parent through giving birth to a child/children, the parental leave shall commence no sooner than six weeks prior to the expected date of delivery, based on a medical certificate from a duly qualified medical practitioner indicating the expected date of delivery. At the Staff Member's request, commencement of parental leave may be authorised less than six weeks prior to the expected date of delivery, but not less than two weeks before the expected date of delivery, provided the Staff Member furnishes a medical certificate from a duly qualified medical practitioner that she is fit for duty during such period. Staff Members are required to take at least six weeks following childbirth continuously and shall not be authorised to work during this period. The Bank may procure the services of external parties to evaluate the parental leave request submitted by the Staff Member.

5.12.43 For secondary caregiver and primary caregiver who becomes a parent through adoption or surrogacy, parental leave may commence no sooner than four weeks before the delivery or adoption.

5.12.5 Benefits While on Parental Leave

5.12.51 While on parental leave, the Staff Member will continue to be eligible for all benefits and allowances he/she was entitled to immediately before the leave commenced. His/her employment during this period will be counted as continuous employment for purposes of the Bank's benefit plans.

5.12.6 Sick Leave in Connection with Parental Leave

5.12.61 Sick leave may be taken for pregnancy-or childbirth-related illness, injury, examination or treatment prior to or after the delivery of the Staff Member's child, and in accordance with Section 5.11- Sick Leave.

5.12.7 Early Termination of Pregnancy or Death of Child

5.12.71 If a Staff Member's pregnancy terminates without a live birth, her right to take or remain on parental leave, as the case may be, is lost. The leave availed will not count toward the limit of four children. If she is not well enough to immediately resume her duties at the Bank, she may apply for sick leave in accordance with Section 5.11-Sick Leave.

5.12.72 If the birth child is stillborn, the mother is entitled to utilize the full, or remaining parental leave entitlement.

5.12.8 Return to Work After Parental Leave

5.12.81 A Staff Member whose employment is for a term extending beyond the period of parental leave is expected to return to work on completion of parental leave and unpaid leave if requested. If a Staff Member chooses to resign while on leave, the Staff Member must inform the Reporting Manager and the HRD in writing and give the period of notice specified in the Employment Contract.

5.12.9 Nursing Breaks

5.12.91 A Staff Member who is a nursing mother is entitled to one or more daily breaks for up to two hours per day to feed her child, until the child reaches the age of 12 months. The nursing breaks shall be counted as working time.

5.13 Family Leave

5.13.1 A Staff Member may take up to 10 working days of fully paid family leave during any leave year which will be charged against sick leave in the following qualifying events:

- a) Illness or injury of the spouse, child, parent, parent-in-law or sibling of a Staff Member.
- b) Bereavement of Staff Members' spouse, child, parent, parent-in-law or sibling.
- c) Unexpected closure of the school attended by the Staff Member's child or unavailability of regular childcare service.

5.13.2 An eligible Staff Member wishing to utilise family leave shall clearly state the leave type and reason in the note section of the leave request in the HR Platform. The Reporting Manager or HRD may require the Staff Member to provide reasonable documentation (e.g. medical report, written statement) establishing that the request is justified or to verify the Staff Member's relationship with the family member.

5.14 Administrative Leave

5.14.1 General

5.14.11 Administrative leave is an authorised absence from work for Staff Members at the initiative of the Bank.

5.14.2 Authority

5.14.21 The Head of HRD, upon approval from the VP&CAO, may place a Staff Member on administrative leave, with or without restricted access to NDB premises and facilities, with or without pay, for up to six (6) months for reasons which he/she determines are sufficient after consulting with the Staff Member's Reporting Manager.

5.14.3 Procedures

5.14.31 The HRD records administrative leave for Staff Members in the HR Platform.

5.15 Unpaid Leave

5.15.1 General

5.15.11 Unpaid leave may be authorised if this is considered to be in the interest of the Bank, including events related to extended medical leave, purposes of further education for professional development, or family related responsibility reasons (evidence of this must be provided in the form of medical certificates, etc), and development assignments with partner institutions, with the following approval authority:

- a) Unpaid leave of up to 30 calendar days may be approved by a Staff Member's Reporting Manager for periods when the Staff Member does not have sufficient annual leave to cover an absence period or for a Staff Member who is a Primary Caregiver to recover after parental leave. A Staff Member who is absent from work or duty station without authorisation and has exhausted accrued annual leave may be placed on unpaid leave by his/her Reporting Manager or the HRD. If a Staff Member wishes to extend his/her unpaid leave beyond the 30 calendar day period, provisions of Section 5.15.11(b) shall apply. Any benefit given during the initial 30 calendar unpaid leave days will be recovered.
- b) Unpaid leave request of more than 30 calendar days and up to 12 months, shall be notified to the Reporting Manager, the President/respective VP, and raised to the HRD and VP&CAO, and will be considered and granted on a case-by-case basis. This unpaid leave for development assignments for up to 12 months will only be granted if it is initiated by the Bank as an employer, and it must be related to key competency building for the Staff Member concerned. The Staff Member must return to the Bank in the previous position at the same grade at the end of this period or voluntarily resign from the Bank. Arrangement must be made in advance between the Staff Member and the Bank regarding the continuation of and contribution to the benefit programs of the Bank during the period of unpaid leave. In exceptional circumstances, an additional extension of up to 12 months may be approved by the President/respective VP, Head of HRD and VP&CAO, but in no event may such unpaid leave exceed 24 months.

5.15.12 Unpaid leave request may not go beyond the requesting Staff Member's contract expiration date. Staff Members shall take any accrued annual leave (pro-rated up to the starting date of unpaid leave) prior to being authorised unpaid leave (see Section 5.10.3 - Accrual of Annual Leave). Staff Members may request HRD to provide their pro-rated annual leave entitlement before requesting unpaid leave.

5.15.13 If a Staff Member takes unpaid leave of 30 consecutive calendar days or more, the Staff Member's current year annual leave entitlement and sick leave entitlement shall be pro-rated by deducting the unpaid leave period from the Staff Member's service period of the year (see an example provided in Annex 5.c).

5.15.14 The term of appointment will not be extended by the period of unpaid leave.

5.15.2 End of Unpaid Leave

5.15.21 Staff Members who are granted unpaid leave for a total period of six months or less, shall normally have the return rights to his/her previous grade and position before taking unpaid leave, or another position on the same grade within the same Department/Division. An agreement on return rights shall be achieved between the Staff Member and his/her Reporting Manager, and submitted to HRD together with the unpaid leave request for review. Staff Members are expected to return to active duty on the first working day following the end of their unpaid leave.

5.15.22 Staff Members who are granted unpaid leave for a total period of more than six months, are required to apply for suitable job openings and be selected for one, in order to be reabsorbed at the end of the unpaid leave period. It is the Staff Member's responsibility to undertake an active search for, and to apply to, suitable vacancies in the Bank while on unpaid leave in order to resume active service with the Bank. Staff Members shall continue to be considered as internal candidates for vacant positions they apply to while on unpaid leave. Staff Members who are granted/authorised unpaid leave shall understand that if, despite active search efforts and applications for suitable vacant positions advertised within the Bank, they have not been successful in being selected, at the end of their period of unpaid leave they shall be separated from service in accordance with the terms and conditions specified in the letter granting the approval for/authorizing the unpaid leave, and without prior notice or reminder.

5.15.3 Entitlements during Unpaid Leave

5.15.31 The entitlements during unpaid leave period shall be managed in accordance with Annex 5.d.

5.16 Leave Procedure

5.16.1 Requesting and Approving Leave

5.16.11 All leave requests must be made by the Staff Member in accordance with the provisions of this Chapter. Except in cases of personal emergency, family leave or illness, leave requests and approval shall be made and obtained in advance whenever possible. Leave requests are approved by the Staff Member's Reporting Manager on the basis of the

information provided by the Staff Member in the leave request. The omission or misrepresentation of any material facts by the Staff Member in such leave requests may subject the Staff Member to disciplinary measures.

5.16.12 It is the responsibility of the Reporting Manager to review and approve leave requests on a timely basis. Unapproved leave requests will be alerted to the respective Reporting Manager every week for timely review and action. Reminders will be sent to Staff Members and Reporting Managers to check and ensure the accuracy of leave records in the HR Platform.

5.16.2 Notice of Absence

5.16.21 Staff Members must notify their Reporting Managers promptly as soon as reasonably possible whenever, without prior approval, they are unable to report for duty on a scheduled working day.

5.16.3 Unit of Leave

5.16.31 The basic leave unit is a day. When taking annual leave, it must be taken for a minimum of two consecutive days.

5.16.4 Overtaking Leave

5.16.41 If, as of the date of termination of employment, a Staff Member has taken days of leave in excess of his/her accrued entitlement (pro-rated up to the date of termination) or if days of unauthorised absence have not been deducted from his/her accrued leave balance, the Bank retains the right to record these excess days as unpaid leave in the month(s) when the excess leave was taken and deduct salary and benefits from the final payment of the Staff Member according to Section 5.16.5.

5.16.5 Calculation of Daily Salary and Deduction of Unpaid Leave

5.16.51 The “daily salary” for the purpose of unpaid leave deduction is calculated based on the monthly payable salary (including base salary, and supplementary allowance if eligible) and the number of pay days in each month, which equals the sum of working days and public holidays.

5.16.52 Deduction for unpaid leave from payroll is calculated by multiplying the “daily salary” by the number of unpaid leave days taken.

5.16.6 Leave during Probation Period

5.16.61 While Staff Members will accrue annual leave and sick leave beginning on the first day of employment, they are eligible to take annual leave for maximum thirteen (13) days during the six (6) months’ probation period. If a Staff Member’s probation period is extended

beyond six (6) months, additional annual leave days may be taken for maximum two (2) days per month during the extended probation period.

5.16.62 Other types of leave may be taken by the Staff Member during the probation period subject to the relevant procedures governing each leave type.

5.17 Unauthorised Absence

5.17.1 Failure of a Staff Member to attend his/her workplace in circumstances other than those permitted or authorised in accordance with this Chapter V shall constitute unauthorised absence, and the period of such absence shall be deducted from the Staff Member's existing or future annual leave entitlement. The Bank has the discretion to suspend salaries, allowances and contributions to the Staff Retirement Plan (SRP), Post-Retirement Insurance Plan (PRP), Life and AD&D, or the medical insurance plan on behalf of a Staff Member who is absent from work or duty station for an extended period of 15 or more consecutive working days without authorisation or justifiable explanation.

5.17.2 Depending on the circumstances, unauthorised absence may constitute misconduct for which the Staff Member may be subject to disciplinary action.

5.17.3 Unauthorised absence from work or duty station for 15 or more consecutive working days or recurring periods of less than 15 working days each during any three-month period, whatever the reason for the absence may be, will constitute "abandonment of position or duties", and, after reasonable notification and efforts by the Bank to contact a Staff Member and warn of the possibility of termination through official emails, letters or notices, may result in (a) suspension of the Staff Member's salary, allowances and benefits; and/or (b) termination of employment at the initiative of the Bank (involuntary termination).

- a) The suspension of salary, allowances and benefits may be implemented retroactively from the commencing date of unauthorised absence. The Staff Member's payment suspension shall be in addition to the Bank's right to terminate the employment. The payment suspension may continue until either the Staff Member's employment is terminated by the Bank, or permission to return to work is granted by the Bank.
- b) If "abandonment of position or duties" has been deemed, for whatever reason, the Bank may, without giving advance notice, terminate an employment. This right of termination may be exercised in addition to the Bank's right to suspend payment of the Staff Member's salary, allowances and benefits retroactively from the commencing date of absence. The Bank may deduct the amount of payment due from any type of the Bank's contributions made to the Staff Member's benefit program including the Bank's contribution made in accordance to the SRP (Mandatory Program). The President, at his/her discretion, upon recommendation of VP&CAO,

may take a decision to waive payment of all or part of the amount due. Notice of termination of employment for abandonment of position or duties may be given immediately following a decision to separate. If the whereabouts of the Staff Member are unknown and cannot be discovered after reasonable effort, notice may be given to the Staff Member's spouse or other known person with whom the Staff Member is likely to maintain contact. A copy of such notice will, however, be addressed to the Staff Member at his/her last known address.

Annex 5.a Overtime Guideline

Overview

The Bank recognises that on occasions Staff Members may be required to work outside the regular working hours of the Bank or on a weekend or a holiday to carry out their assigned duties and responsibilities. However, the Bank discourages continuous and repetitive overtime. Therefore, every effort shall be made by the Reporting Manager and Staff Member to avoid overtime. Overtime and overtime payment will be continuously monitored by the Bank to this effect.

Applicability

This guideline applies to all Support Staff of the Bank. This guideline sets out eligibility for overtime payment to the Staff in grades of 1 (Officer/Secretary), 2 (Senior Officer/Senior Secretary) and 3 (Analyst/Executive Secretary) and outlines the responsibilities of the Reporting Manager and Staff Member. The eligibility of overtime payment shall be governed by the Employment Contract. Eligible Staff Members will receive overtime payment for working before and/or after the Bank's regular working hours in accordance with the provisions outlined below.

Guidelines

The guidelines for overtime and overtime payment are as follows:

1. Reporting managers are responsible for:
 - a) ascertaining overtime needs of the eligible Staff Members reporting directly to them.
 - b) providing advance approval through email for all overtime hours worked by the eligible Staff Members reporting directly to them. Prior authorization is required for all overtime hours.
 - c) checking and approving overtime work records provided by the eligible Staff Members through a monthly timesheet for payroll processing of overtime.
 - d) preventing the eligible Staff Members from working unauthorised or unnecessary overtime.
2. Eligible Staff Members are responsible for:
 - a) performing duties and responsibilities to the best of their ability and dedicating all time and energy to fulfilment of the duties, responsibilities and tasks assigned during the Bank's regular working hours.

- b) obtaining overtime work approval through email from their Reporting Managers.
 - c) recording accurate overtime and providing the detailed report of the duties performed during overtime, in the monthly timesheet, to their Reporting Manager.
 - d) submitting the monthly timesheet for overtime to the HRD in the HR Platform after due approval from the Reporting Manager on or before the due date.
 - e) reporting overtime to their Reporting Managers and HRD not later than 60 calendar days of the overtime worked. Overtime requests submitted after 60 days shall not be accepted. For eligible Staff Members who are exiting the Bank, overtime shall be reported at least one (1) week before the last working day for payment during full and final settlement.
3. Eligible Staff Members are not authorised to work overtime in excess of the Bank's regular working hours unless they have obtained prior authorization from their Reporting Manager in order to complete their assigned duties and responsibilities.
4. The following situations shall not be considered for overtime:
- a) work performed at home or outside official duty station.
 - b) official travel for the Bank's business reasons.
 - c) travel to and from office (including on weekends and holidays).
5. The minimum criteria for calculation of overtime will be 30 minutes before or after the Bank's regular working hours on a working day or weekend or holiday excluding any time allocated or taken for breaks or meals. If the period of overtime work is longer than 30 minutes, payment will be made for the initial 30 minutes plus each increment of 15 minutes.
6. The limit for overtime: overtime shall normally not exceed three hours on a working day and 24 hours a month. Overtime exceeding 24 hours in a month shall be approved by the President/VP responsible for the position, and the Head of HRD.
7. The approved monthly timesheet for overtime for preceding month shall be submitted to the HRD before 7th of every month for payroll processing.
8. Any overtime and overtime payment shall not entail any change to the compensation (annual base salary), benefits (SRP, PRP, Leaves, etc.), and future annual increments as defined in the Employment Contract and/or Staff Compensation and Benefits policy of the Bank.
9. The Bank reserves the right to determine when overtime work is necessary for its business.

10. The overtime payment rates for approved overtime hours are as follows:

Days on which overtime was worked	Rate of Pay (as multiple of hourly base salary)
Normal Working Day (Monday – Friday)	1.5 times
Weekend (Saturday – Sunday)	2 times
Public Holidays observed by the Bank	2 times

Annex 5.b Accrual of Annual Leave and Sick Leave

The below example illustrates how annual leave and sick leave are credited when a Staff Member joins the Bank in the middle of a year, and how annual leave will be credited when the Staff Member completes 5 years' service with the Bank.

A Staff Member joined the Bank on March 1st, 2022

Ref	Item	Days	
a	Number of days in year 2022	365	
b	Number of days in January and February, 2022	59	
c	Number of days from March to December, 2022	306	
d	Number of entitled Annual Leave/Sick Leave Days per Calendar Year	26	15
e	Initial balance of Annual Leave/Sick leave days on March 1 st , 2022 =Round(c/a*d/0.5)*0.5	22.0	12.5

A Staff Member completes 5 years of service on March 1st, 2027

Ref	Item	Days
a	Number of days in year 2027	365
b	Number of days in January and February, 2027	59
c	Number of entitled Annual Leave Days per Calendar Year (completed years of employment is less than 5)	26
d	Accrued number of annual leave days in January and February, 2027 =Round(b/a*c/0.5)*0.5	4.0
e	Number of days from March to December, 2027	306

f	Number of Annual Leave Days per Calendar Year (completed years of employment is more than 5 but less than 10)	28
g	Accrued number of annual leave days from March to December, 2027 $=\text{Round}(e/a*f/0.5)*0.5$	23.5
h	initial balance of annual leave days on January 1st, 2027 $=d+g$	27.5

Annex 5.c Annual Leave and Sick Leave entitlement for unpaid leave

The below example illustrates how annual leave and sick leave are pro-rated when a Staff Member takes unpaid leave of 61 calendar days in a year.

Ref	Item	Days	
a	Number of entitled Annual Leave/Sick Leave Days in 2022	26	15
b	Number of unpaid leave days taken in total in 2022	61	
c	Number of days in 2022	365	
d	Number of days in service in 2022 (c-b)	304	
e	Pro-rated Annual Leave/Sick leave entitlement of 2022 =Round(d/c*a/0.5)*0.5	22.0	12.5

Annex 5.d Entitlements during unpaid leave

	Up to 30 calendar days	More than 30 calendar days
Salary and allowance	<p>No salary or allowance is payable for the periods of unpaid leave. For calculation, please see Section 5.16.5 - Calculation of Daily Salary and Deduction of Unpaid Leave.</p> <p>Staff Members on unpaid leave during a public holiday will not be eligible for pay for that day.</p>	<p>No salary or allowance is payable for the periods of unpaid leave. For calculation, please see Section 5.16.5 - Calculation of Daily Salary and Deduction of Unpaid Leave.</p> <p>Staff Members on unpaid leave during a public holiday will not be eligible for pay for that day.</p>
Leave entitlement	<p>Staff Members shall take any accrued annual leave (pro-rated up to the starting date of unpaid leave) prior to being authorised unpaid leave (see Section 5.10.3 - Accrual of Annual Leave). Staff Members may request HRD to provide his/her pro-rated annual leave entitlement before requesting unpaid leave.</p> <p>If a Staff Member takes unpaid leave of 30 consecutive calendar days or more, the Staff Member's current year annual leave entitlement and sick leave entitlement shall be pro-rated by deducting the unpaid leave period from the Staff Member's service period of the year (see an example provided in Annex 5.c).</p>	
Medical insurance	<p>The Staff Member shall continue to participate in the Bank's medical insurance plan. The Staff Member and the Bank continue to pay their respective contributions to the medical insurance plan.</p> <p>For unpaid leave for a partial month, the premium for the whole month shall be paid.</p>	<p>A Staff Member granted unpaid leave on account of extended illness (see Section 5.11.5 - Exhaustion of Sick Leave) may continue to participate in the Bank's medical insurance plan, the Staff Member and the Bank continuing to pay their respective contributions to the plan.</p> <p>In the case of a Staff Member granted unpaid leave for purposes other than extended illness, participation ceases unless Staff Members have elected to continue on an unsubsidized basis and have, prior to going on leave, made arrangements through the HRD with the service provider, for the payment of the full contribution.</p>

Life & Accidental Death & Disability Insurance	<p>The Bank continues to pay 100% of the premium of Life & Accidental Death & Disability Insurance.</p> <p>If the Staff Member has chosen the optional additional life cover before taking unpaid leave, the Staff Member shall continue to bear the cost.</p>	Coverage is suspended from the first day of the month following that in which unpaid leave commences.
SRP	<p>Neither the staff member nor the Bank will contribute to the SRP during the period of unpaid leave.</p> <p>The period of unpaid leave will be considered as a part of the service period when calculating the SRP payment upon termination.</p>	<p>Neither the staff member nor the Bank will contribute to the SRP during the period of unpaid leave.</p> <p>The period of unpaid leave will not be considered as a part of the service period when calculating the SRP payment upon termination.</p>
PRP	<p>Neither the staff member nor the Bank will contribute to the PRP during the period of unpaid leave.</p> <p>The period of unpaid leave will be considered as a part of the service period when calculating the PRP payment upon termination.</p>	<p>Neither the staff member nor the Bank will contribute to the PRP during the period of unpaid leave.</p> <p>The period of unpaid leave will not be considered as a part of the service period when calculating the PRP payment upon termination.</p>
Children Assistance Allowance	Children Assistance Allowance shall be paid for the unpaid leave period.	Children Assistance Allowance shall not be paid for the unpaid leave period, except that in the case of unpaid leave on account of extended illness or after parental leave.
Employment period for home travel benefit and Resettlement Allowance	Not interrupted.	Employment period for home travel benefit and Resettlement Allowance does not accrue during unpaid leave for more than 30 calendar days.

CHAPTER VI COMPENSATION (SALARIES AND ALLOWANCES)

6.1 Purpose

6.1.1 This Chapter sets forth rules and principles governing the determination, review and administration of staff compensation.

6.1.2 This Chapter shall be read in conjunction with the Staff Compensation and Benefits Policy of the Bank.

6.2 General

6.2.1 The Bank's reward policy shall be focused on attracting and retaining the best talent which is engaged and productive to achieve the strategic priorities and operational goals of the Bank. The design and implementation of competitive and dynamic compensation and benefits practices of the Bank are important drivers for the success of the Bank and its shareholders.

6.2.2 A Staff Member's compensation comprises a base salary and any entitlement to other allowances as stated in the Offer of Appointment/Employment Contract. The base salary is pensionable and any allowances or overtime payments are non-pensionable.

6.3 Salary Structure

6.3.1 The Bank has designed a salary structure for Professional Staff and Support Staff to define the salary ranges associated with each grade in the Bank taking into account the type and complexity of job requirements, required work experience, profession specifics, contribution along with various talent sources and their respective market benchmarks. The salary structure is approved by the BoD.

6.3.2 Refer to Staff Compensation and Benefits Policy Section 4.1 - Salary Structure regarding the establishment and review of salary structure and salary ranges.

6.4 Salary Management

6.4.1 Hiring Salary

6.4.11 The hiring salary is determined for each candidate based on qualifications and experience within the salary range for the grade, approved by the VP&CAO and specified in the Offer of Appointment, in line with the Recruitment Policy of the Bank.

6.4.2 Merit Increase and Promotional Increase

6.4.21 The Bank has adopted a merit-based annual salary increment approach which is primarily based on the individual's performance rating while giving due consideration to the individual's career stage and positioning in the salary range.

6.4.22 Staff Members who are promoted to the next higher grade are eligible to receive a grade promotion based annual base salary increment.

6.4.23 Refer to Staff Compensation and Benefits Policy Section 4.4 - Salary Management.

6.5 Supplementary Allowance

6.5.1 The Bank provides a supplementary allowance to Professional Staff, recruited globally or in-country, in addition to their base salary to partially support and mitigate some part of high living costs in the duty station.

6.5.2 The supplementary allowance is a monetary allowance which is defined by reference to a percentage of the base salary for Professional Staff. The rate of the supplementary allowance is the same for Staff Members at grades 4 to 10. It forms a part of gross salary along with base salary.

6.5.3 The supplementary allowance is not considered a part of pensionable remuneration. It does not enter into SRP computations.

6.5.4 Refer to Staff Compensation and Benefits Policy Section 4.2.2 - Supplementary Allowance for the President, Vice-Presidents and Professional Staff.

6.6 Salary Calculation and Payment

6.6.1 Salaries are calculated on an annual basis. The annual salary is payable in 24 equal semi-monthly instalments. Payroll payment is made twice a month by the 15th day and by the last day of each calendar month.

6.6.2 The Bank may decide to make salary payments on a monthly basis. In such case, payroll payment is made on the last day of each calendar month, unless the date falls on a weekend or a public holiday observed by the Bank, in which case the payroll payment shall be made on the nearest business day preceding or succeeding that date.

6.6.3 The salary pay date is deemed as the day when salary payments are released from NDB payroll vendor's bank account or NDB's bank account to Staff Members' beneficiary bank accounts. The salary pay day might be different from the date when the salary payment actually arrives into Staff Members' beneficiary bank accounts, as there might be delays caused by different reasons, for example, remittance between different banks.

6.6.4 All Staff Members including Senior Management, Professional Staff and Support Staff, shall be allowed to register maximum two beneficiary bank accounts in the Bank's payroll system to receive salary payments (see Annex 6.a, Dual Payroll Beneficiary Bank Accounts).

6.6.5 To ensure successful transaction of salary payments to Staff Members' beneficiary bank accounts, Staff Members shall provide accurate information of their salary bank accounts.

Any additional bank service fee charges incurred due to incorrect bank information provided by Staff Members will be borne by Staff Members.

6.6.6 Staff Members may make changes on their beneficiary bank accounts once in every six months, unless under exceptional circumstances approved by Head of HRD.

6.6.7 Salary payments are made in USD. It shall be the responsibility of Staff Members to ensure that their designated beneficiary bank accounts have the capability to process inward remittance of USD, and provide the required documents and certificate as required by the remitting bank, assigned beneficiary bank and the corresponding bank. The Bank will not communicate and manage relationships on behalf of the Staff Members with their beneficiary banks and correspondence banks, if any, assigned by Staff Members. For any service fees to be charged by Staff assigned beneficiary bank and correspondence bank, and all tax obligations due to the use of such accounts shall be borne and abided by Staff Members.

6.6.8 The Bank is not able to influence and is not responsible for any procedures and timeline required by any beneficiary banks and correspondence banks during transactions. In case of any delay in receiving payment and/or return of payment due to the process of beneficiary banks and correspondence banks, NDB will not be held any responsibility and will not be able to track the payment in case of delay/payment return caused by Staff Members' beneficiary bank and correspondence bank.

6.6.9 When a Staff Member does not serve a full month, or changes in the employment situation have occurred, salaries and allowances shall be pro-rated based on the actual number of days worked in relation to the total number of pay days for that period.

6.6.10 The payment period and/or date of a Staff Member's first salary payment may vary depending on the date in the month that the Staff Member joins the Bank or provides his/her beneficiary bank account information for payroll purpose.

6.6.11 A statement of earnings (salary, allowances, etc.), deductions and the net pay, in the form of an electronic payslip ("e-payslip"), is made available to Staff Members on the pay day.

6.7 Salary Payment during Unpaid Leave or Unauthorised Absence

6.7.1 As no salary or other allowances shall be paid for period of unpaid leave, the Bank has the discretion to make deductions in advance from a Staff Member's payroll, the full amount of staff contributions to medical insurance and buy-up life insurance (if applicable) due by the Staff Member to the Bank during the period of unpaid leave.

6.7.2 For salary payment during periods of unauthorised absence, see Section 5.17 - Unauthorised Absence.

6.8 Salary Advance

6.8.1 Refer to Annex 6.b. Salary Advance Guidelines.

6.9 Salary Deductions

6.9.1 Salary payments are subject to deductions and contributions to the Bank's benefit programs and any other deductions the Bank may be obliged to make. The following deductions are generally made from the salary payment:

- a) Staff contributions to the mandatory or voluntary benefit programs administered by the Bank including, but not limited to, SRP, Medical Insurance Plan, and Life Insurance (buy-up);
- b) Outstanding advances due and payable in part or full, such as repayment of salary advance and settlement allowance advance (if applicable);
- c) Unpaid Leave and unauthorised absence;
- d) Recovery of the full or pro-rated amount of benefit received that shall be refunded by a Staff Member under the applicable circumstances specified in Chapter VII;
- e) Recovery of any payment that has been made in error; and
- f) Other deductions owed by the Staff Member to the Bank within the scope of the Staff Compensation and Benefits Policy, as applicable.

6.9.2 For any other outstanding payments due from a Staff Member, including but not limited to outstanding expenses and travel advances, FBA shall have the right to process such payables through a deduction from a Staff Member's payroll or any other means as appropriate.

6.10 Incorrect Payment

6.10.1 If a Staff Member identifies any error in the calculation or payment of his/her earned salary, it shall be immediately brought to the attention of the HRD. The Bank will make the correction (recovery of overpayment or payment of amount due) from the Staff Member's salary payment on the following payroll period(s) after the error is identified either by the Staff Member or by the Bank. For overpayments, the Bank may discuss the proposed repayment schedule with the Staff Member, taking into consideration personal circumstances.

6.10.2 Failure to repay any money owed to the Bank, may result in disciplinary action and/or legal action being taken against the Staff Member.

6.11 Taxation

6.11.1 The treatment of tax with respect to salaries, allowances and benefits paid by the Bank to its Staff is governed by the Headquarters Agreement, Host Country Agreements and law(s) applicable to each category of Staff.

Annex 6.a Dual Payroll Beneficiary Bank Accounts

Category	Bank Account Number One	Bank Account Number Two
Staff Members based in Headquarters	<p>After arriving at the duty station, Staff Members shall open a beneficiary bank account in the duty station country (China) to receive salary payment in at least one payroll cycle per month, or in both payroll cycles per month if a Staff Member chooses to not use a secondary bank account.</p> <p>Staff Members are recommended to open a bank account in Bank of China (at the Branch in NDB Headquarters premises).</p>	Optional. Staff Members may use a secondary beneficiary bank account, either in China or outside of China, to receive salary payment in maximum one of the two payroll cycles per month.
Staff Members based in duty stations rather than Headquarters	Staff Members may choose to open a beneficiary bank account in their duty station country, or outside of their duty station country.	Optional. Staff Members may use a secondary beneficiary bank account, either in the duty station country or outside of the duty station country, to receive salary payment in maximum one of the two payroll cycles per month.

Annex 6.b Salary Advance Guidelines

Purpose

A salary advance is an interest-free repayable fund provided by the Bank to Staff Members at their request. The salary advance is to be repaid through deductions from Staff Members' future salary payments.

Staff Members may request a salary advance, which shall be supported by a justification of urgent circumstances. These circumstances shall result from unforeseeable event or situation that is usually external in nature and beyond control of Staff Members and the Bank. They may include, for example, the unexpected death of a close relative, damage to properties due to fire, flood, unforeseen limitations on disposition of personal funds and access to bank account, etc. Any reasonably foreseeable events (wedding, property renovation, vacation, etc.) will not generally warrant the grant of a salary advance.

Eligibility

All Staff Members including the Senior Management with a remaining employment duration of at least four months at the time of the request are eligible to apply for a salary advance.

Amount

The amount of the Salary Advance shall be a multiple of USD 1,000, and may not exceed one (1) month of the Staff Member's base salary.

Limitations

No additional salary advance shall be authorised while the previous salary advance or any part thereof is outstanding unless exceptionally approved in emergency situations by VP&CAO upon recommendations of the HRD.

Recovery period

Salary advances will be recovered in periodic equal installments as determined when the salary advance is authorised. Salary advances shall be recovered within a period not exceeding six months. When completing a request form, the eligible Staff Member may choose the recovery period, which could be for a period equal to or shorter than a six-month period.

If an appointment of the eligible Staff Member expires within those six months, the advance shall be recovered by the expiration date of the appointment or from the final pay. Upon

separation from the Bank, any outstanding balance of a salary advance shall be recovered in full against the final pay.

Currency

A salary advance to non-newly recruited Staff will normally be disbursed and repaid in USD. Upon request of an eligible Staff Member and at the Bank's discretion, salary advance can be paid in a local currency of a duty station country.

Newly recruited Staff Members will have an option to choose the currency for salary advance payment. It can be disbursed in USD or a local currency of a duty station country based on such currencies' availability to FBA and the paying bank.

The currency exchange rate for salary advance payment will be sourced from the FBA.

Application procedure

All requests for a salary advance shall be submitted for approval to HRD in writing.

The request shall include:

- a) The reason for the request and supporting documentation (if applicable) confirming that exceptional circumstances exist.
- b) A Salary Advance Agreement, available on the NDB internal portal, which includes the amount of salary advance requested and recovery schedule (number of payroll deductions) and number of installments (shall be equal installments) by which the eligible Staff Member intends to repay the salary advance.

Upon reviewing the request, the Head of HRD or a designated HRD Staff Member will take the decision to approve, modify or reject the request for a salary advance. The Head of HRD or a designated HRD Staff Member may require the eligible Staff Member to furnish any information not contained in the request submitted by the Staff Member.

Upon verification of the application and supporting documents and the HRD agreeing to the Salary Advance Agreement, the Head of HRD or a designated HRD Staff Member will raise a request for salary advance payment in the Bank's payment system. FBA will make disbursement of payment by crediting the salary advance to the bank account of the eligible Staff Member. The eligible Staff Member shall follow the payment approval and settlement process established by FBA.

CHAPTER VII STAFF BENEFITS

7.1 Purpose

7.1.1 This Chapter sets forth the benefit programmes provided by the Bank, including the insurance plans, retirement benefits, and other applicable benefits associated with appointment, employment, and termination.

7.1.2 This Chapter shall be read in conjunction with the Staff Compensation and Benefits Policy of the Bank.

7.2 Definitions

7.2.1 For the purpose of this Chapter, the following definitions shall apply:

- a) “Medical Insurance Plan” means medical insurance under the contract of insurance between the Bank and the Insurance Administrator as amended from time to time and for which each Staff Member contributes at rates established periodically by the Bank.
- b) “Insurance Administrator” means the company with whom the Bank has contracted to administer and adjudicate insurance claim reimbursements for the Medical Insurance Plan.
- c) “Salary” means Annual Base Salary divided by 24 semi-monthly pay periods (or 12 monthly pay periods as may be decided by the Bank). For the avoidance of doubt, salary excludes any overtime payment, annual leave encashment, Supplementary Allowance, and other allowances or benefit payments.
- d) “Service” means active continuous employment with the NDB as full-time regular Staff including as President/VP.

7.3 General Provisions

7.3.1 The information provided in this Chapter contains a summary of certain insurance plans maintained by the Bank for the benefit of Staff Members. If there are any discrepancies between the information given below and the terms of the respective insurance plans, the latter will prevail.

7.3.2 The provisions of any social security scheme established by the respective member countries with respect to the Bank shall be governed by the respective Headquarters Agreement and the Host Country Agreements and/or applicable law, as applicable.

7.4 Medical Insurance

7.4.1 Additional details regarding medical insurance are set forth in this section and shall be read in conjunction with the Staff Compensation and Benefits Policy Section 5.1 - Medical Insurance.

7.4.2 An Insurance Administrator shall be entrusted with the administration of the medical insurance plan.

7.4.3 Enrolment

7.4.31 A Staff Member ("the main insured person") may elect to enroll himself/herself only ("single"), with Spouse ("couple") or with Dependent Child/ren only ("single parent family"), or with Spouse and Dependent Child/ren ("family"). The main insured person has an obligation to provide supporting documents as requested by the Bank and/or the Insurance Administrator at any time for purpose of proving the eligibilities and qualifications of himself/herself and his/her family members during the lifetime of their enrolment in the Bank's medical plan and inform the Bank should any changes occur that would have an impact on such eligibilities and qualifications. Failure or unauthorised delay to provide the requested supporting documents may lead to suspension of the main insured person or his/her family's (as applicable) enrolment in the Medical Insurance Plan.

7.4.32 Coverage is effective as of the date of commencement of employment and continues through the last day of employment or the last date of the continuation cover, if applicable. If two existing Bank Staff Members are married to one another, they can be enrolled in the Couple or Family Plan, where one Staff Member must elect to participate as the main insured person and the other will be recorded as a dependent in the Couple or Family Plan. Alternatively, each Staff Member may opt for Single Plan coverage and each pay the corresponding premium.

7.4.4 Qualifying Dependents

7.4.41 The qualifying dependent is defined as follows as per the rules stated in the insurance plan contract, which may be reviewed from time to time:

- a) Main insured person's Dependent Children;
- b) Main insured person's Spouse under the age of 80.

7.4.42 A Staff Member may change enrolment during the policy year to add new dependents or to remove enrolled dependents, for such new dependents and/or due to change in family/relationship status only, provided a written application and supporting documents as requested by the Bank and the Insurance Administrator are received as promptly as possible, and in any case no later than 30 days after the occurrence of the following events:

- a) Marriage or divorce;

- b) Birth/adoption of a child or more than one child;
- c) Death of dependents.

7.4.43 Coverage or removal of coverage will be effective as of the date of the qualifying event listed above.

7.4.5 Contributions to the Medical Insurance Plan

7.4.51 Contributions are deducted semi-monthly (or monthly as determined by the Bank) from the Staff Member's salary payment. The premium schedule is based on the age band of the main insured person, as determined in the Bank's Medical Insurance Plan, and subject to the following pricing structure:

Enrolment Status	Contribution Multiplier of Age Band
Single	1.00
Couple	2.25
Single Parent Family	2.25
Family	3.50

7.4.6 Continuation While on Unpaid Leave

7.4.61 Subject to the rules of the insurance plan contract, a Staff Member on unpaid leave of 30 calendar days or more may continue medical insurance coverage, as specified in Annex 5.d.

7.4.7 Opting out of Medical Insurance

7.4.71 Staff Members may elect to opt out of the medical insurance, either at the time of taking up appointment or during the annual change window, subject to approval of Head of HRD. In such cases, the Staff Member concerned shall not be eligible to receive any payment from the Bank which compensates for the contribution the Bank would have paid for covering such Staff Members in the NDB medical insurance, or for the cost the Staff Member bears with respect to another medical insurance plan or social security system, or for direct reimbursement of their medical and dental expenses. The election mentioned in this paragraph shall be irrevocable until the next annual change window, unless otherwise approved by the Head of HRD and Insurance Administrator.

7.5 Staff Retirement Plan

7.5.1 The Bank has a defined contribution retirement plan, which provides a lump sum benefit upon retirement, termination, permanent disability or death of a Staff Member while in service with the Bank. This lump sum payment could be used by the Staff Member at their discretion. Participation in SRP is mandatory for all Staff Members and they may opt to make an additional voluntary contribution to the plan.

7.5.2 Refer to Staff Compensation and Benefits Policy Section 5.2 - Staff Retirement Plan.

7.5.3 Withdrawal

7.5.31 Staff Members may withdraw their accrued retirement benefits upon completion of three years of service on a purely voluntary basis, subject to the following eligibility and withdrawal rules:

a) Eligibility Criteria:

- All active Professional Staff and Support Staff who have completed at least three-year continuous employment as Staff of the Bank as on the date of submission of withdrawal request;
- The withdrawal can be requested only once during the course of employment; and
- The Bank reserves the right to reject a withdrawal application when the remaining contract term of the Staff Member is less than one year.

b) Actual Withdrawal Amount:

- An eligible Staff Member may choose to withdraw the full accrued benefits or a percentage of the accrued benefits in each investment fund under the SRP; and
- The redemption value of the accrued benefits will be determined per the withdrawal instructions provided by the eligible Staff Member in the Form, as at the redemption date of processing the withdrawal by the SRP administrator.

7.6 Post-Retirement Insurance Benefit (PRP)

7.6.1 The Bank provides a benefit to Staff Members to support their medical insurance needs after retirement from service of the Bank. A lump sum will be provided in the event of retirement, permanent disability or death through the PRP.

7.6.2 Refer to Staff Compensation and Benefits Policy Section 5.3 - Post-Retirement Insurance Benefit.

7.7 Life & Accidental Death & Disability Insurance

7.7.1 The Bank covers all Staff Members under a group insurance policy to help protect the financial security of Staff Members and their family in the event of death and disability.

7.7.2 Refer to Staff Compensation and Benefits Policy Section 5.4 - Life & Accidental Death & Disability Insurance.

7.8 Settlement, Reassignment, and Resettlement Benefit

7.8.1 The Bank provides reasonable assistance to Staff Members to meet costs related to relocation and settlement upon appointment, reassignment, and termination from the employment with the Bank.

7.8.2 Refer to Staff Compensation and Benefits Policy Section 5.6 - Settlement and Resettlement Benefit.

7.8.3 Settlement allowance advance

7.8.31 Staff Members may request Settlement allowance advance, following the guidelines set out in Annex 7.a, Settlement allowance advance.

7.9 Children Assistance Allowance

7.9.1 The Children Assistance Allowance is a benefit provided to Professional Staff with the objective of supporting them to manage expenses related to education and schooling of their Dependent Children.

7.9.2 Refer to Staff Compensation and Benefits Policy Section 5.7 - Children Assistance Allowance.

7.10 Home Travel Benefit

7.10.1 The Bank provides a home travel benefit (see Staff Compensation and Benefits Policy Section 5.8 - Home Travel Benefit) to facilitate Staff Members and their eligible family's periodic visits to the home location to maintain their personal, social and cultural links with their home countries and cities.

7.10.2 The benefit will be provided once in every period of three years' continuous employment as full-time Staff Member with the Bank, counting from the date of appointment. Except the first trip accrued on the next day after completion of one-year continuous employment as a full-time Staff Member with the Bank, the accrual of subsequent trips is granted on the next day post completion of every previous three-year continuous employment.

7.10.3 A home travel not used and claimed within the specified time limit (as specified in Section 7.10.2) can be carried over into a subsequent period.

7.10.4 Eligible family members are not required to travel together with the Staff Member on the same itinerary. However, the reasons for separate bookings and/or travel shall be provided in the claim.

7.10.5 The annual country-wise reimbursement limits for the home travel benefit, based on the cost of round-trip travel in economy class, shall be determined by the Administration Department and approved by the VP&CAO.

7.10.6 Reimbursement will be made upon satisfactory documentary evidence submitted to the Bank, including but not limited to the Boarding Pass(es) and/or copies of the satisfactory departure/arrival stamps, proof of travel and cost of travel, etc.

Annex 7.a Settlement Allowance Advance Guidelines

Purpose

In accordance with the Staff Compensation and Benefits Policy, a settlement allowance is paid at the time of joining to newly recruited Professional Staff (globally recruited or in-country recruited) and the President and VPs.

In normal circumstances, a settlement allowance is payable through the first payroll cycle via transfer to the Staff Member's beneficiary bank account, after the Staff Member arrives at the Duty Station. However, newly recruited Staff Members may need to pay expatriation related expenses like relocation, settling and other general costs before receiving their first payroll payment. In order to maximize efficiency of financial support to newly recruited Staff Members, Staff Members can request for a settlement allowance advance, after their arrival at their Duty Station.

Eligibility

All Professional Staff Members, the President and VPs eligible for Settlement Allowance as stated in their Offer of Appointment may apply for a Settlement Allowance Advance within one (1) month from the date of arrival at their Duty Station.

Procedure

The Settlement Allowance Advance procedure is as follows:

1. The Staff Member may request a Settlement Allowance Advance by submitting to the HRD an Undertaking/Declaration Form. Upon verification of the form by the HRD, HRD shall raise a request for the Settlement Allowance Advance in the Bank's payment system, which will be processed through the payment process.
2. The Settlement Allowance Advance shall be paid in lump sum of the full Settlement Allowance amount as stated in the Employment Contract and may not be divided into instalments.
3. HRD shall offset the Settlement Allowance Advance in full through the next payroll cycle. By submitting a Settlement Allowance Advance request, the Staff Member authorises the HRD to deduct the full amount of Settlement Allowance Advance through the next payroll cycle.
4. Payment of the Settlement Allowance Advance may be made in the local currency of the Duty Station Country by FBA by crediting the Staff Member's designated beneficiary bank account. Payment in the local currency of the Duty Station Country will be made as per

the exchange rate provided by FBA on the day the Settlement Allowance Advance is initiated in the Bank's payment system.

5. Settlement Allowance Advance payment shall follow the payment approval and settlement process established by FBA.

CHAPTER VIII PERFORMANCE MANAGEMENT

8.1 Purpose

8.1.1 This Chapter sets forth provisions governing the Bank's approach for identifying, evaluating and developing work performance of all Staff Members in order to achieve Bank's visions, mission and strategic goals. It also defines the standard operating procedures and guidelines for goal setting, feedback, performance assessment review meetings and determining the outcomes for different levels of performance.

8.1.2 This Chapter is formed by the provisions of Performance Management Policy. Staff Members can refer to Performance Management Policy for detailed information.

8.1.3 In exceptional cases, upon recommendation from the VP&CAO, the President may adjust the timeline and performance management process as indicated in Performance Management Policy. This may include the removal of the half-yearly review, as well as an adjustment of the previous performance year's timelines.

8.1.4 For Staff Members appointed to positions reporting to the BoD, their performance shall be managed under the guidance of the BoD, with the Chairperson of the BoD taking the lead and all the BoD members being engaged in the process.

8.1.5 The Bank has an annual performance assessment outcome review mechanism. The guidelines are set out in Annex 8.a.

Annex 8.a Annual Performance Assessment Outcome Review Mechanism

I. Overview

This document sets out the provisions governing the process of annual performance assessment outcome review (“APA Outcome Review”). APA Outcome Review is the process through which Staff Members seek a review of performance assessment outcomes by the relevant authorities of the Bank.

II. Applicability

The provisions of this document shall apply to full-time regular Staff Members who have been rated for a performance year.⁷

III. Scope

APA Outcome Review is intended to facilitate the resolution of Staff Members’ concerns regarding the performance assessment outcomes in a constructive manner through an efficient process.

A Staff Member seeking a formal APA Outcome Review shall do it through the procedures specified in this document. The annual performance assessment outcomes may include (i) performance rating; (ii) performance evaluation; (iii) terms of the performance improvement plan; (iv) results of formal assessment of the performance improvement plan; (v) other outcomes of annual performance assessment.

IV. Procedure

(1) Step one: Initiation of APA Outcome Review

Timeline: maximum of five (5) calendar days from the date of formal communication of performance assessment outcome. The request submitted after the specified deadline will not be considered.

Responsible: Staff Member (who is not satisfied with the outcomes of formal performance assessment).

As a prerequisite for initiation of APA Outcome Review, a Staff Member must raise a request to the HRD for a review through a designated electronic channel apaoutcomereview@ndb.int and set out as much relevant details as possible.

(2) Step two: HRD Review

Suggested timeline: maximum of ten (10) calendar days from the date of receiving the request for APA Outcome Review. The timeline can be extended for the period of a

⁷ For Staff Members who report to the BoD, their APA Outcome Review, if requested, shall be guided by the BoD.

maximum of ten (10) calendar days required for furnishing additional information and materials not contained in the request.

Responsible: HRD.

Upon receiving the request from a Staff Member, the Head of HRD may nominate an HRD Staff Member to conduct the HRD review.

HRD will acknowledge that the request for APA Outcome Review has been received and will conduct a preliminary review of the content to determine: (i) whether the request falls within the scope of this document; (ii) whether the request is submitted in time; and (iii) whether the request contains all relevant information, or any further clarification/information is required.

In conducting a review, the Head of HRD or a designated HRD Staff Member will provide the Reporting Manager of the concerned Staff Member with the Staff Member's request for APA Outcome Review and will seek the Reporting Manager's feedback.

The HRD may communicate with the Staff Member seeking the APA Outcome Review, the relevant Reporting Manager, and any other connected Staff to gather any additional information and materials not contained in the request that may be relevant to the case. The Staff Member may also be invited to a meeting with HRD to discuss the issue in more detail.

Upon evaluation of the request raised by a Staff Member, the response provided by the relevant Reporting Manager, and all supporting documents relevant to the case, HRD will provide findings to VP&CAO.

If an HRD Staff Member raises the request for APA Outcome Review, VP&CAO shall designate another HRD Staff Member to conduct step two, 'HRD review' and participate in the APA Outcome Review.

(3) Step three: Recommendation by VP&CAO

Suggested timeline: maximum of ten (10) calendar days from the date of submission of all supporting materials by HRD.

Responsible: VP&CAO.

If a Staff Member who submitted a request for APA Outcome Review works in the department/division reporting to VP&CAO, Step three is skipped, and the process continues with Step four.

VP&CAO will review the materials collected and submitted by HRD and will make a recommendation to the President/respective VP on how to address the matters raised by a Staff Member in the request for the APA Outcome Review.

(4) Step four: Review and Recommendation by the Respective VP

Suggested timeline: maximum of ten (10) calendar days from the date of receiving a recommendation from the VP&CAO.

Responsible: the respective VP.

If a Staff Member who submitted a request for the APA Outcome Review works in the department/division reporting to the President, Step four is skipped, and the process continues with Step five.

Upon receiving (i) the request raised by a Staff Member; (ii) the response provided by the Reporting Manager; (iii) supporting materials; (iv) the recommendation from VP&CAO on how to address the matters raised by a Staff Member in the request for APA Outcome Review (if applicable), the respective VP will review and evaluate the above materials and will make a recommendation to the President.

This recommendation shall include (where circumstances warrant) (i) measures for responding to the Staff Member's concerns; (ii) the modification of the Staff Member's performance rating and performance evaluation (if applicable); (iii) cancellation or modification of the terms of the performance improvement plan; (iv) amendment of the formal results of an assessment of the performance improvement plan; and (v) other measures related to the outcomes of performance assessment review.

(5) Step five: Decision on APA Outcome Review

Suggested Timeline: maximum of ten (10) calendar days from the date of receiving a recommendation from the respective VP (or the VP&CAO if Step four has been skipped).

Responsible: the President.

The President will make a final decision regarding the Staff Member's request for APA Outcome Review. The President will communicate to the Head of HRD the decision on APA Outcome Review and the reasons for such decision.

For all the positions in the Independent Evaluation Office, given the straight reporting line to the BoD, then no objection from the BoD regarding the final decision of the President needs to be obtained before moving the process of APA Outcome Review further.

For the Director General positions under the President, VP&CAO may review and recommend to President's final approval.

(6) Step six: Communication and Implementation of Decision on APA Outcome Review

Suggested Timeline: maximum of five (5) calendar days from the date of receiving a final decision on the APA Outcome Review from the President.

Responsible: HRD.

The final decision on APA Outcome Review will be communicated to the Staff Member by HRD. Upon communicating the final decision on APA Outcome Review, HRD will implement the decision as appropriate.

V. Confidentiality and Retaliation

The APA Outcome Review is a confidential process, and the information regarding the process may only be disclosed to persons who require it for the purposes of the review process under this document.

Retaliation against the Staff Member raising the request for APA Outcome Review is prohibited and will be dealt with under the Bank's applicable procedures.

VI. Timeline

The process of the APA Outcome Review is expected to be completed within 60 calendar days after the request for review of a decision on performance assessment is submitted by a Staff Member. In exceptional circumstances, the timeline may be extended to a reasonable period required to complete the APA Outcome Review and the stakeholders shall be informed accordingly.

CHAPTER IX EMPLOYMENT TERMINATION

9.1 Purpose

9.1.1 This Chapter sets forth general guidelines and administrative procedures governing the circumstances in which a Staff Member's employment may terminate, and the steps to be taken by the Staff Member and the Bank to arrange termination actions.

9.2 Applicability

9.2.1 Except for Section 9.11 - Actions Required Before Departure, Section 9.12 - Computation of Final Salary Payment, Section 9.13 - Payments and Settlement of Outstanding Obligations to the Bank and Section 9.14 - Certification of Employment, the rules provided in this Chapter shall apply to all Staff Members except the President and VPs.

9.2.2 Section 9.11 - Actions Required Before Departure, Section 9.12 - Computation of Final Salary Payment, Section 9.13 - Payments and Settlement of Outstanding Obligations to the Bank and Section 9.14 - Certification of Employment shall apply to all Staff Members, including the President and VPs.⁸

9.3 Types of Termination

9.3.1 Termination is the action by which a Staff Member ceases to be employed by the Bank. Employment termination may be divided into the following types according to the reasons of departure:

- a) Voluntary termination.
- b) Mutual agreement.
- c) Automatic termination.
- d) Involuntary termination.

9.3.2 A Staff Member may be released from actual duty during his/her period of notice by a decision of the Reporting Manager and the respective VP/President.

9.4 Voluntary Termination

9.4.1 Voluntary termination within the meaning of this Chapter is resignation which is initiated by a Staff Member.

⁸ For Staff Members appointed to positions reporting to the BoD, their termination shall be managed under the guidance of the BoD, with the Chairperson of the BoD taking the lead and all the BoD members being engaged in the process.

9.4.2 A Staff Member may initiate resignation by giving written notice (including by electronic means) to his/her Reporting Manager, copying the Head of HRD. Once written resignation notice is given, a Staff Member's resignation may not be withdrawn without the agreement of his/her Reporting Manager and the Head of HRD.

9.4.3 Unless otherwise specified in their Employment Contract, one month's written notice shall be given by Staff Members.

9.4.4 The Reporting Manager shall be responsible to decide whether to accept a resignation request or not. The HRD may advise the Reporting Manager to refuse to accept a resignation and terminate the service of Staff Member for cause.

9.4.5 Employment with the Bank may be terminated before the expiration of notice period in exceptional circumstances, if agreed in advance between the Reporting Manager, Head of HRD and a Staff Member and subject to the condition that all handover can be properly completed by the agreed termination date.

9.5 Termination by Mutual Agreement

9.5.1 In the interests of good administration, employment with the Bank may be terminated at any time by mutual agreement between a Staff Member and the Bank. The terms and conditions of the mutual agreement shall be approved by the President, upon the recommendation from the respective VP, and endorsement from the HRD and VP&CAO. HRD is responsible to negotiate and execute the mutual agreement. The Bank may offer a separation payment to such Staff Members to facilitate their employment termination. Such payment is granted at the sole discretion of the Bank. The amount that may be granted is the amount equivalent to one month of base salary for each year of employment, subject to a maximum amount of six months' pay in total, as per the following:

Completed years of service as full-time regular Staff	Months of base salary
Less than 1	1
Equal or more than 1 but less than 2	1
Equal or more than 2 but less than 3	2
Equal or more than 3 but less than 4	3
Equal or more than 4 but less than 5	4
Equal or more than 5 but less than 6	5
Equal or more than 6	6

9.5.2 Where the circumstances so warrant, upon the recommendation from the respective VP, and endorsement from the HRD, VP&CAO, the President may approve that the Bank pays to a Staff Member whose employment has been terminated by mutual agreement a separation payment not more than 50 percent higher than that which would otherwise be payable above.

9.5.3 All separation payments made for the purpose of termination by mutual agreement shall be reported for noting to the Budget, Human Resources and Compensation Committee of the Board of Directors (BHRC) on an annual basis.

9.6 Automatic Terminations

9.6.1 Employment with the Bank will terminate automatically, without notice, on the occurrence of one of the following events: expiry of appointment term (non-extension of contract), retirement, or death.

9.6.2 Expiry of appointment term (non-extension of contract)

An employment will automatically and without prior notice expire at the end of the appointment term as stated in each Staff Member's Employment Contract.

9.6.3 Attaining retirement age

Employment of a Staff Member automatically ends at the end of the month in which the Staff Member's 65th birthday falls, unless with the approval of the President, the Bank has agreed to extend employment for a further period. ⁹

9.6.4 Death

9.6.41 An employment will be automatically terminated if a Staff Member dies during his/her employment period with the Bank.

9.6.42 When a Staff Member dies, a termination action is prepared as soon as official verification of death is secured.

⁹ If the Director General, Independent Evaluation Office reaches the age of 65 years during a fixed term of four years, he/she will continue to serve for the remainder of that term.

9.6.43 Final payment due to the deceased Staff Member, except death benefits under the SRP and under any life and medical insurance scheme in which the Bank participates, is made in accordance with the designation of beneficiary information provided by the Staff Member.

9.6.44 The above payment includes salary and allowances, encashment of unused annual leave, Post-Retirement Insurance Benefit, and Resettlement Benefit, where applicable.

9.7 Involuntary Terminations

9.7.1 Involuntary terminations initiated by the Bank shall be based on the needs of efficient administration and for upholding the standards of the Bank. Employment terminations will be communicated in writing to a Staff Member about the decision based on one of the following reasons:

- a) A decision not to confirm appointment at the end of or during the probation period.
- b) When the Bank determines that the position is no longer necessary or required by the Bank. Provided that prior to this, the Bank will make reasonable efforts to reassign the Staff Member to another available position in the Bank for which the Staff Member may be suitable considering the Staff Member's competencies and qualifications subject to the Bank's needs and discretion.
- c) Unsatisfactory performance or service.
- d) Dismissal due to disciplinary action, relating to, inter-alia, personal or professional misconduct through violation of the policies, rules and guidelines of the Bank, or any other act negatively impacting the reputation and integrity of the Bank.
- e) Abandonment of position or duties.
- f) Grounds of health which hinders the Staff to perform the jobs assigned.

9.7.2 The decision to unilaterally terminate an appointment shall be approved by the President upon the recommendation by the VP&CAO.

9.8 Payment in Lieu of Notice

9.8.1 A Staff Member whose employment is terminated by the Bank may receive one-month pay in lieu of the one-month notice, if so decided by the President upon the recommendation by the VP&CAO. Payment in lieu of notice is not part of severance payment.

9.8.2 The one-month pay is on the basis of all salary, allowances and benefits which would have accrued to the Staff Member had he/she served the period of notice. Accordingly, if otherwise eligible, the Staff Member receives Supplementary Allowance, Children Assistance Allowance and any similar allowance payable. The accumulation of annual leave shall be

calculated as if employment had continued until the end of the notice period. If the Staff Member so desires, the Bank continues to contribute, in respect of the notice period, its share of the cost of participation in any medical insurance scheme in which the Staff Member participates. The Bank also continues to contribute to the Post-Retirement Insurance Plan.

9.8.3 The Bank and the exiting Staff Member continue to contribute, in respect of the notice period, their respective contribution to the SRP.

9.8.4 Coverage under the Life & Accidental Death & Disability Insurance as provided in Section 7.7 - Life & Accidental Death & Disability Insurance does not extend to the period of compensation in lieu of notice.

9.8.5 Employment can be terminated without notice period or any notice pay in lieu in the case of involuntary termination under Section 9.7.1 (d).

9.9 Severance Payment

9.9.1 A Staff Member whose employment is terminated under Section 9.7.1 (b), will be entitled to a severance payment. The amount of severance payment shall be calculated at one-month base salary for every completed year of employment as full-time regular Staff, up to a maximum of six months' pay in total.

Completed years of service as full-time regular Staff	Months of pay
Less than 1	1
Equal or more than 1 but less than 2	1
Equal or more than 2 but less than 3	2
Equal or more than 3 but less than 4	3
Equal or more than 4 but less than 5	4
Equal or more than 5 but less than 6	5
Equal or more than 6	6

9.9.2 Where the circumstances so warrant, upon the recommendation from the respective VP, and endorsement from the HRD and VP&CAO, the President may approve that the Bank pays to a Staff Member whose employment has been terminated in the interests of good administration a severance payment not more than 50 percent higher than that which would otherwise be payable above.

9.9.3 For the avoidance of any doubt, no severance payment will be made to the Staff Member who voluntarily resigns from the Bank, whose full-time regular appointment is not extended beyond the expiry date, who has reached the retirement age, or who has been terminated under Sections 9.7.1 (a), 9.7.1 (c), and 9.7.1 (d).

9.9.4 Severance payment to which a Staff Member is entitled, or which may be given at the discretion of the Bank, will be paid as a lump sum in the last payroll payment of the Staff Member, unless agreed otherwise between the Bank and the Staff Member.

9.9.5 All severance payments made by the Bank shall be reported for noting to BHRC on an annual basis.

9.10 Termination Date

9.10.1 The termination date shall be the last day of employment of the Staff Member as confirmed with the Bank in writing.

9.10.2 With limited exceptions, terminations shall be effective at the close of business on a business day of the Bank.

9.10.3 While a Staff Member may take annual leave during the notice period subject to the approval by the Bank, the notice period will not be reduced by the duration of annual leave days taken. In such cases, the Staff Member is required to complete all existing formalities before the last day he/she is in the office.

9.10.4 When a resignation is submitted while on annual leave, the Staff Member is required to return to work after the leave or a proper handover is prepared by the Staff Member and accepted by his/her Reporting Manager, failing which the effective date of termination will be the last day worked prior to taking leave.

9.10.5 If a Staff Member resigns during a period of sick leave or annual leave taken for illness extending beyond his/her sick leave entitlement, the effective date of termination cannot be made retroactively but is requested by the Staff Member concerned, provided (i) that it falls within the period covered by the allowable leave, and (ii) that Staff Member submits a medical certificate confirming his or her inability to return to duty before the end of such leave.

9.10.6 If a Staff Member is on certified sick leave on the date of termination, the effective date of termination will be extended until the end of his/her period of certified sick leave. The Bank may procure the services of external parties to evaluate the medical certificate provided by the Staff Member.

9.11 Actions Required Before Departure

9.11.1 Upon termination of employment, for whatever reason, a Staff Member shall promptly:

- a) Obtain an Exit Clearance Form from the HRD or their Reporting Manager and ensure necessary clearances are obtained from respective Departments/Divisions as listed in the form and mentioned below. The Exit Clearance Form shall be cleared by the relevant Directors General/Chiefs, or any other designated Staff Members by the Directors General /Chiefs of respective Departments/Divisions;
- b) Return to the Bank all Bank's property in the Staff Member's possession or under control (including computer equipment, identity card, access card and other Bank's belongs);
- c) Hand over to the Bank all documents, records and other materials compiled or acquired by Staff Member during the employment period and concerning the affairs of the Bank; and
- d) Return of diplomatic ID cards and number plates if the same have been issued to the Staff Member.

9.11.2 If the exiting Staff Member fails to comply with the above exit requirements, the Bank reserves the right to make deductions from the Staff Member's final pay or take any appropriate actions.

9.11.3 It shall be the responsibility of the exiting Staff Member and his/her Reporting Manager to ensure that all exit formalities are completed on or before the last working date of the Staff Member. The list of Departments/Divisions and clearance items for their confirmation is provided below for reference.

a) Reporting Manager:

- Hand-over the Bank's documents, including but not limited to correspondence, notes, memoranda, reports, records and other materials compiled or acquired during the period of the appointment and concerning the Bank
- Hand-over of all the job assignment
- Password of the documents, if any
- Email Access - Retain/Block/Delete
- System access (internal and external) – Revoke/Cancel/Hand Over
- Attendance record (if applicable)

b) Information Technology:

- PC/Laptop and any other corporate devices
- Remove Corporate Data & Applications from Bring Your Own Device (BYOD) Device
- Email/system access
- Providing HRD with the value of unreturned assets to be deducted from the final pay (if applicable)

c) FBA:

- Corporate credit card Balance
- Outstanding expenses owed to Staff based on reimbursement claims raised by the Staff and pending settlement – Yes/No and Total Amount
- Outstanding expenses owed to NDB – Yes/No and Total Amount
- VAT refund – Yes/No and Total Amount

d) Administration:

- Access card/Master card/Photo ID badge
- Diplomatic ID card
- Necessary visa action
- Business card
- Keys to drawers/cabinets
- Keys to safe boxes
- Chops
- Car Plate
- Cell phone/ device and other belongings including password
- Flight tickets for Staff Member and eligible family members to home country
- Providing HRD with the value of unreturned assets to be deducted from the final pay (if applicable)

e) Compliance and Investigations Department:

- Any matters pending

f) HRD

- Letter of resignation/termination
- Current address and phone number
- Deactivation staff access to the HR Platform
- Effective date of Medical Insurance Plan and Life Insurance and AD&D Insurance termination
- Effective date of SRP and PRP termination
- Unpaid leave deduction/payback(if applicable) – Yes/No and Total Amount
- Leave encashment – Yes/No and Total Days
- Overtime payment – Yes/No and Total Hours
- Salary Advance Balance – Yes/No and Total Amount
- Resettlement Allowance Eligibility
- Date of Resettlement Allowance Payment (if eligible)
- Deduction of Home Travel Benefit
- Deduction of Children Assistance Allowance

9.11.4 Any Staff Member who is no longer employed by the Bank, for whatsoever reason, will not be permitted access to any area or internal information system of the Bank, unless otherwise approved by the VP&CAO and the President.

9.11.5 Any Staff Member who is no longer employed by the Bank, and his/her family members, if any, for whatsoever reason, will not be permitted to use the identity cards, vehicle registration plates or certified driving licenses associated with their employment with the Bank.

9.12 Computation of Final Salary Payment

9.12.1 The Bank shall pay the final salary payment after the actions required before departure (see section 9.11) are completed.

9.12.2 In processing the final salary payment, encashment of accrued but unused annual leave or deduction for excess leave taken shall be made by the Bank in accordance with Section 5.10.7 - Treatment of Unused Leave on Employment Termination and 5.16.4 - Overtaking Leave.

9.12.3 Children Assistance Allowance in respect of costs for eligible Dependent Children for the remainder of the academic year, and home travel benefit received, if already paid or reimbursed by the Bank, can be clawed back through the final salary payment in accordance with Section 9.11.3 (f).

9.12.4 The computation of final salary payment shall be made by an HRD Staff Member and approved by the Head of HRD, or approved by an HRD Staff Member as designated by the Head of HRD according to the payroll procedure.

9.13 Payments and Settlement of Outstanding Obligations to the Bank

9.13.1 All amounts that a Staff Member owes to the Bank shall become due and payable as of the effective date of termination. Any payments due to a Staff Member from the Bank may be offset by any amounts owed by the Staff Member to the Bank.

9.13.2 Upon termination, the Bank withholds from a Staff Member's final salary payment the amount indicated below for the following items:

- a) USD 1,000 for identity card(s) and vehicle registration plate(s), which are issued by the authorities of the official duty station country, and any access card(s) issued to the Staff Member by the Bank, if not returned.
- b) The amount corresponding to the estimated value of all property and personal equipment, such as computer equipment, which may be on charge to the Staff Member.
- c) The cash equivalent of annual leave taken but exceeding the due entitlement.
- d) Any monetary advances still outstanding against the Staff Member's account.

9.13.3 Staff Members who are not able to return any of the items referred to under para (a) must provide a full explanation, supported by evidence, that failure to do so results from circumstances beyond their control. It is within the discretion of the Bank to determine whether the explanations and evidence provided are sufficient to warrant payment of the amounts withheld.

9.13.4 The total amount withheld as a result of any or all of the above sub-paragraphs, to be provided by relevant Departments/Divisions to the HRD, shall be paid to the Staff Member only after all outstanding items have been returned.

9.14 Certification of Employment

9.14.1 Any Staff Member who so requests, shall, on leaving the service of the Bank, be given a statement relating to his or her last designation and the length of service with the Bank.

CHAPTER X DISCIPLINARY PROCEDURES

10.1 Purpose

10.1.1 This Chapter sets forth the general behaviour principles for Staff Members and disciplinary procedures.

10.2 Applicability

10.2.1 These rules shall apply to all Staff Members except the President and VPs.

10.2.2 Disciplinary actions against the President and VPs shall be undertaken under the direct oversight and directions of the Audit, Risk and Compliance Committee, who shall recommend the final action to the BoD.

10.3 General

10.3.1 Staff Members are expected to abide by the Employment Rules and violation of these could lead to disciplinary measures against the Staff Members in accordance with rules and procedures provided under this Chapter.

10.3.2 Listed below are several general behaviour principles for the Bank's Staff Members to abide by. It is not practicably possible to list every behaviour. Therefore, aside from what has been listed below, the Staff Members shall use their best judgment and common sense in discharging their duties. Every Staff Member shall:

- a) at all times faithfully and diligently perform the duties assigned by the Bank to the best of his/her ability and knowledge.
- b) at all times conduct oneself in compliance with the Bank's Employment Rules and applicable law.
- c) at all times observe and obey the Bank's instructions properly given to the Staff.
- d) take all possible care to prevent loss or damage to the Bank.
- e) not behave in such a manner as to interfere with the proper performance of the Staff Member's duties or those of other Staff Members.

10.4 Misconduct

10.4.1 The following are examples of misconduct which may trigger disciplinary action up to and including dismissal:

- a) fraud or a breach of trust or making material misrepresentations under any circumstances or deliberate falsification of records which affects the Bank or its clients;

- b) theft of Bank property or property belonging to any person or deliberately damaging or destroying any of the Bank's property and/or premises, or the property of any employee or client;
- c) violation of compliance rules or procedures of the Bank issued from time to time;
- d) breach of confidentiality in violation of the Bank's policies, procedures and/or rules, which affects the Bank, its employees and/or its clients;
- e) gross negligence which causes or may cause material loss, damage or injury (whether physical, financial or otherwise) to the Bank;
- f) serious acts of insubordination while employed or engaged by the Bank;
- g) Assault and/or using threatening and/or abusive language while employed or engaged by the Bank;
- h) engaging in any criminal or other illegal conduct, whether or not related to an employee's scope of work;
- i) violating the Bank's policies regarding drug and alcohol misuse;
- j) behaviour which is prejudicial to the Bank's reputation whether on or off duty;
- k) making publicly derogatory comments in whatever form or medium about the Bank, its Senior Management, or its employees;
- l) violating the Bank's policies including the information security policy and other policies as may be issued by the Bank from time to time;
- m) any misrepresentation or false statement made during any part of the recruitment process for a position with the Bank, or misrepresentation of personal information during employment with the Bank to claim benefits that Staff would not otherwise be eligible for, or for any other purpose;
- n) discrimination on the grounds of sex, race, ethnicity, nationality, religion, political belief, marital status, gender, sexual orientation, age or disability;
- o) conviction of a criminal offence, depending on the nature and seriousness of the offense, or failure to report conviction of a criminal offence to the Bank;
- p) unauthorised absence from work or duty station;
- q) giving or receiving a bribe;
- r) engaging in any act of harassment (including sexual harassment);

- s) engaging, facilitating and/or conspiring in the commission of any prohibited practices in any Bank-related business;
- t) failing to cooperate with duly authorised investigations conducted by the Bank;
- u) carrying firearms or any other dangerous weapons on the Bank premises at any time;
- v) embezzling or misusing the Bank's funds; or
- w) acting in any manner that is considered inappropriate and/or inconsistent with the standards of ethics and integrity expected of an employee of an international organization.

10.5 Procedures

10.5.1 Disciplinary action against those Staff Members whose actions violate the Employment Rules shall be initiated after the confirmation of violation through Whistleblower Procedures of the Bank in case of instances of reported misconduct.

10.5.2 Decision regarding disciplinary action shall be recommended to the President Under the Whistleblower Procedures as per its prescribed processes.

10.5.3 These decisions are appealable as mentioned under the Whistleblower Procedures.

10.6 Imposition of Disciplinary Measures

10.6.1 Any decision on disciplinary measures taken by the Bank will be determined on a case-by-case basis, taking into account such factors as the seriousness of the matter, mitigating and aggravating factors, the situation of the Staff Member, as well as ensuring that the disciplinary measure taken is proportionate to the misconduct that has been established.

10.6.2 Depending on the circumstances of the case, one or more of the following disciplinary measures may be taken by the Bank when Misconduct is determined to have occurred:

- a) Verbal warning or reprimand (to be appropriately documented);
- b) Written warning or reprimand;
- c) Temporary suspension of eligibility for promotion and/or salary increase;
- d) Temporary or indefinite suspension from certain or all duties and responsibilities with pay, with reduced pay, or without pay;
- e) Demotion without assignment to a lower level position;
- f) Reassignment;

- g) Assignment to a lower level position;
- h) To be placed on unpaid leave for a defined period of time;
- i) Reduction in future pay, including the withholding of future pay increases;
- j) Dismissal or summary dismissal; and
- k) Loss of future employment and contractual opportunities with the Bank.

10.6.3 Any disciplinary measures may be accompanied by the compulsory restitution or forfeiture by the subject Staff Member of amounts owed the Bank, upon written notice to the subject Staff Member accordingly.

10.6.4 A Staff Member will be notified by the decision-maker of the disciplinary measures that will be taken, the reasons for their imposition, and an opportunity to reply in writing. Except where the measure is verbal warning or reprimand, the notification will be in writing.

10.6.5 The Bank shall give one month's written notice to the Staff Member who is subject to dismissal. The Bank is not obliged to give advance notice to the Staff Member who is subject to summary dismissal.

CHAPTER XI GRIEVANCE MECHANISM

11.1 Overview

11.1.1 NDB as an international organization, enjoys a number of immunities, privileges, and exemptions. Such immunities, privileges, and exemptions have been granted to the Bank under Chapter VI of the AoA to enable it to fulfil its purpose effectively. Furthermore, Article 30 of the AoA states that the Bank shall enjoy immunity from every form of legal process. The Bank, therefore, proposes establishing an internal system to provide an independent mechanism for the resolution of employment-related disputes that Staff Members may raise. Whilst the mechanism provided below aims to be concise, it will be further developed in line with, *inter alia*, the maturation of the Bank and through lessons learned.

11.2 Objective

11.2.1 The internal grievance mechanism (“Internal Grievance Mechanism”) established by the Bank is aimed at supporting Staff Members in efficiently resolving both workplace and administrative disagreements (as described below). This mechanism is designed to ensure that it is fit for purpose and well-functioning in addressing grievances through informal and formal channels, whilst also fostering an organizational culture congruent with the principles of fairness, transparency, and accountability, all aimed at ensuring a harmonious and respectful work environment.

11.2.2 With this in mind, the Bank remains committed to further improving the Internal Grievance Mechanism, especially as regards informal dispute resolution methods, to ensure that any Staff Member who raises a grievance feels that their problem, concern, or complaint has been heard and resolved to the extent possible.

11.3 Applicability

11.3.1 Provisions of this Chapter shall apply to full-time regular Staff Members except the President and VPs.

11.4 Scope

11.4.1 For the purpose of the Internal Grievance Mechanism, a grievance is a concern or complaint the Staff Members may have regarding the disagreements related to their work, working conditions or relationships with colleagues that they wish to raise with the Bank.

11.4.2 There are two overarching types of disagreements that are potentially subject to grievances:

- a) Administrative Disagreement – disagreement with administrative decisions taken by the Bank affecting the rights of Staff Members which are specified in their respective

Employment Contract and/or any of the policies, rules, regulations, guidelines, or procedures of the Bank applicable to such Staff Members;

- b) Workplace Disagreement – disagreement related to the workplace disputes arising in the ordinary course of work, such as interpersonal conflicts.

11.4.3 The disagreements related to the outcomes of the annual performance assessment are not included in the scope of this Internal Grievance Mechanism, with the requests to review the decision on annual performance assessment covered by Annex 8.a Annual Performance Assessment Outcome Review Mechanism.

11.4.4 Complaints related to incidents of misconduct, including workplace misconduct (e.g. workplace harassment, sexual harassment, intimidation, conflict of interest, etc.), prohibited practices (such as corruption, fraud) and other misconduct in violation of the Bank's Code of Business Conduct and Ethics, Staff Rules, and other applicable policies, are not included in the scope of this Internal Grievance Mechanism. The above matters are to be handled separately in accordance with the Bank's Whistleblower Procedures.

11.4.5 If a Staff Member is unclear about the procedures (i.e., Internal Grievance Mechanism or the Whistleblower Procedures) that shall be followed in a specific situation, he/she may seek advice from the HRD and/or the Compliance and Investigations Department (CID).

11.5 Roles and Responsibilities

11.5.1 Under the Internal Grievance Mechanism, the key roles and responsibilities of the Bank's internal stakeholders within the process are as follows:

- a) HRD leads the overall procedure of the grievance management; facilitates an informal resolution process, including the discussions between the concerned Staff Member and the Reporting Manager/the next-in-line manager; runs the formal resolution process, including the processing of requests, arranging meetings, facilitating discussions between the parties and preparing a statement of the agreement; submits a grievance report to the relevant VP(s); prepares management information reports; provides administrative support along with all necessary information during the appeal process.
- b) CID conducts fact-finding exercises and determines whether a formal investigation shall be made; provides advice to HRD in running grievance-related procedures.
- c) Legal Department provides legal advice on grievance-related matters to all relevant parties including the Independent Reviewer (as defined below) and maintains a roster of Independent Reviewers.
- d) VP&CAO considers the grievance report and recommendations and renders the

grievance decision; submits a report on the challenged grievance decision to the Independent Reviewer.

- e) The President considers the grievance report and recommendations and renders the final decision regarding grievance if VP&CAO has a conflict of interest affecting her/his ability to decide a case; considers the recommendation of the Independent Reviewer and issues the Review Decision.

11.6 Process

11.6.1 The Bank's Internal Grievance Mechanism includes both informal and formal resolution processes.

11.6.2 Informal Resolution Process

11.6.21 The Bank encourages Staff Members to resolve disputes as they arise through informal resolution wherever possible, especially as regards workplace disagreements. Many situations of potential conflict can be resolved quickly by communicating directly with the person/s concerned. Taking an informal approach to resolving a dispute can be preferable for all parties involved. Informal dialogue is often less stressful and time-consuming than formal actions and offers more control of the outcome that both parties create with mutually beneficial solutions. It is also important to note that using informal procedures shall not in any way preclude a Staff Member from resorting to the formal approach of the system.

a) Informal Discussion with HRD

As the first step, the concerned Staff Member may informally approach the Head of HRD or the HRD Staff Member (as nominated by the Head of HRD) for advice and consultation, for which confidentiality will be assured. As the owner of staff compensation and benefit programs, the HRD is often the first to learn of issues arising in the interpretation and application of HR policies and procedures and thus is positioned to initiate steps towards informal resolution of disputes regarding administrative decisions affecting the individual interests of Staff Members. If a grievance is related to procedures/policies owned and/or administered by the HRD, HRD may request a representative of the Legal (as nominated by Director General and Legal Counsel) to provide advice to the HRD regarding the concerned administrative grievance. A similar discussion can also take place with respect to workplace disagreements as long as such disagreements are not related to cases of misconduct.

b) Informal Discussion with Reporting Manager

- If deemed appropriate based on the consultation with HRD, the Staff Member may

also involve his/her Reporting Manager (if he/she is not a party to the grievance) to intervene with a view to discussing the issue and trying to reach an amicable solution to the concern raised. If the Reporting Manager is in fact the person who took/was party to the decision contested by the Staff Member or was involved in the workplace disagreement, the Staff Member may discuss the concern or problem with the next-in-line manager along with HRD for further review. Confidentiality shall be maintained throughout this process. This provides an occasion for managers to examine issues/decisions workplace-related or administrative in nature and identify possible viable solutions before the matter is escalated to the formal stage. HRD may facilitate the discussions between the concerned Staff Member and the Reporting Manager/the next-in-line manager.

- Where possible, the summary of the informal discussion(s) shall be recorded and shared with the Staff Member by HRD. The records may be required if the informal grievance escalates to a formal stage.
- The matter is considered resolved if the formal process is not launched by the Staff Member within ten (10) business days from the first discussion with HRD under the informal resolution process.

11.6.3 Formal Resolution Process

11.6.31 Staff Members are strongly encouraged to utilize the informal process set out above before proceeding to the formal avenue for resolution. If the matter is not resolved informally, the next step is to raise a formal grievance with the HRD.

11.6.32 In case of a conflict of interest in the application of this mechanism by virtue of the HRD Staff Member tasked with carrying out the formal resolution process either being a complainant or a reporting authority to such complainant, the President shall determine which Staff Member(s) (other than from Legal Department¹⁰ and CID¹¹) shall carry out the formal resolution process.

11.6.33 Step One - Initiation

- a) The formal grievance shall be raised within 30 business days of the decision/incident affecting the Staff Member, or 30 business days from when the Staff Member was informed of such decision, whichever happens later. HRD may dismiss any out-of-time challenge.
- b) The Staff Member may raise a grievance resolution request with the HRD in writing

¹⁰ Legal Department shall provide legal advice to the President, VPs, Board and Independent Reviewer throughout the process but shall not be involved in the resolution process directly.

¹¹ CID will only be involved in matters relating to misconduct.

through a designated electronic channel (grievancehrd@ndb.int) as published in the relevant section of the Bank's internal portal setting out in as much detail as possible the nature and extent of his/her grievance.

- c) HRD shall acknowledge that the grievance resolution request is received and conduct a preliminary review of the content to determine: (i) whether the grievance resolution request falls within the scope of these grievance procedures; and (ii) whether the grievance resolution request contains all the relevant information, or it is necessary to receive further clarification and/or information.
- d) Additionally, HRD may seek advice from CID concerning the matter. HRD will communicate the grievance resolution request to the CID to further evaluate whether the raised grievance amounts to a prima facie case of misconduct, when deemed necessary.

11.6.34 Step Two - Meetings

Upon receipt of the grievance resolution request, the Staff Member may be invited to an initial consultation with HRD and a possible fact-finding exercise with CID.

a) Initial Consultation with HRD

- i. Upon receipt of the grievance, the Staff Member may be invited to a meeting with HRD to discuss the issue in more detail. If HRD is able to resolve a disagreement related to an administrative decision at that juncture, it will make every effort to do so. HRD may also refer the matter back to the Reporting Manager to address the issue concerning a workplace disagreement, if the Reporting Manager was not consulted by the Staff Member who raised the grievance. This will not apply to instances wherein the issue or complaint raised by the Staff Member is against his/her Reporting Manager.
- ii. Following the initial meeting, HRD may seek further information from relevant parties in order to better understand the issues and concerns raised. If the grievance is directed against a particular Staff Member, the Staff Member who is alleged to be responsible for the decision or action at issue will be given an opportunity to present his/her views on the issue. This may include discussing workplace disagreements with both parties to the disagreement but only with the consent of both parties who have agreed to HRD's intervention.
- iii. All Staff Members involved in the process have a duty to cooperate in the process and maintain strict confidentiality.

b) Fact-finding Exercise with CID

- i. A decision of a formal assessment of the matter shall be made by CID, after receiving information from HRD and or/other parties, in order to determine if a prima facie case of misconduct exists. Where a formal assessment indicates that an investigation is not deemed necessary, CID shall inform the concerned

Staff Member thereof. CID may provide advice to HRD and Legal on possible avenues of recourse to be pursued.

- ii. Based on the fact-finding exercise, CID makes a decision whether the considered case amounts to prima facie misconduct, and therefore falls within the ambit of the CID, and whether it warrants a formal investigation, and communicates such decision to HRD. If a prima facie case of misconduct is identified by the CID, the internal grievance procedure for the concerned case concludes, and all further actions are handled in accordance with the Bank's Whistleblower Procedures and the relevant parties are informed accordingly. If no misconduct/potential misconduct case is determined, Step Three of the internal grievance process shall be followed as per the provisions of this Section.

11.6.35 Step Three – Resolution

11.6.351 Wherever possible and appropriate, HRD in consultation with the Legal Department and CID will facilitate discussions between the parties in dispute/with the concerned Staff Member for a resolution of a case. Where the parties to a grievance can reach a jointly acceptable resolution, a statement of the agreement shall be prepared by the HRD (in consultation with the Legal Department and CID) stating the outcome and any actions to be taken as agreed by the parties in dispute/the concerned Staff Member. Upon the conclusion of the statement of the agreement, the case will be considered closed.

11.6.352 In other circumstances, where a jointly acceptable resolution cannot be reached through discussions, HRD in consultation with the Legal Department and CID will submit a grievance report to the VP&CAO. The grievance report will contain a summary of the nature of the grievance, the actions taken and the recommendation in respect of the possible grievance decision.

11.6.353 Upon submission of the grievance report, VP&CAO shall render the grievance decision. If VP&CAO has a conflict of interest affecting her/his ability to decide a case, the President shall make the grievance decision. The parties will be informed of the grievance decision and actions to be taken (if any).

11.6.354 In respect of workplace disagreements, the decision made within Step Three shall be final and not subject to the Challenge process set out in Step Four.

11.6.36 Step Four (optional) – Challenge

11.6.361 Staff Members who raise a formal grievance against an administrative decision, if not satisfied with the outcome of the decision in Step Three above, may challenge the grievance decision in writing to the President, focusing on the issues in dispute, within ten

(10) business days of the receipt of the decision. The challenge shall include a detailed written explanation as to why the Staff Member disagrees with the grievance decision being challenged including details of the alleged any inconsistency of the challenged decision with the terms and conditions of the employment of the Staff Member. Failure to submit the challenge within ten (10) business days will result in the grievance decision becoming final and binding.

11.6.362 If a challenge is submitted to the President, the President shall refer the grievance decision to an independent reviewer (the “Independent Reviewer”) from a panel maintained by the Legal Department.

11.6.363 The Independent Reviewer shall be a person of high moral character and possess the qualifications and professional experience of a highly-regarded lawyer, accountant, or HR specialist, preferably familiar with the terms and conditions of employment of the international civil service. The Independent Reviewer shall be impartial and shall not currently or have formerly discharged any other duties or responsibilities for the Bank. The concerned parties and all Staff Members shall cooperate with the Independent Reviewer at all times; knowingly failing to cooperate shall constitute a breach of the Code of Business Conduct and Ethics. To the greatest reasonable extent, the review undertaken by the Independent Reviewer shall be confidential, expeditious and unobtrusive. In undertaking the review of an administrative decision, the Independent Reviewer shall have regard to the Employment Contract and/or any of the policies, rules, regulations, guidelines, or procedures of the Bank relevant/ applicable to the Staff Member and the generally recognized principles of international administrative law.

11.6.364 Upon appointment, the Independent Reviewer shall undertake a review of the challenged decision, in accordance with the following procedure:

- a) the Independent Reviewer shall obtain a report from the VP&CAO, limited to findings of fact, agreeing, or rebutting the allegations of the challenger Staff Member. This report shall append materially relevant documentation and written testimonials.
- b) the Independent Reviewer shall share with the challenger Staff Member the report (with appendices) of the VP&CAO and invite a written response, agreeing or rebutting the reported findings of fact. This response may append materially relevant documentation and written testimonials.
- c) the Independent Reviewer shall share with the Director General and Legal Counsel the report (with appendices) of the VP&CAO, the written response of the challenger Staff Member (with appendices), to obtain a legal opinion based on the Employment Contract and/or any of the policies, rules, regulations, guidelines, or procedures of the Bank relevant/applicable to the Staff Member and any other

laws or issued identified by the Director General and Legal Counsel.

11.6.365 At any time the Independent Reviewer may also:

- a) obtain and consider such documents or written testimonials as may be necessary to establish the credibility of the facts alleged during the review procedure;
- b) set a deadline for the completion of a constituent action of the review procedure and adopt any resulting procedural prejudice or adverse inference commensurate with the disregard of such deadline;
- c) undertake any such other actions reasonably related to the review procedure.

11.6.366 The Independent Reviewer will submit a recommendation as to whether the challenged decision should be upheld, varied or reversed to the President within two months of his/her appointment unless an extension is authorised by the President. The Independent Reviewer may recommend financial compensation in the alternative to the variation or reversal of the challenged decision.

11.6.367 Within 30 business days of receipt of the recommendation by the Independent Reviewer, the President shall issue the challenger Staff Member with the review decision ("Review Decision").

11.6.368 While issuing the Review Decision, the President shall weigh the recommendation by the Independent Reviewer, and uphold, vary or reverse the challenged decision. To the extent that the Review Decision departs from the recommendation of the Independent Reviewer, reasons shall be provided. The Review Decision may award financial compensation in the alternative to the variation or reversal of the challenged decision.

11.6.369 The Review Decision reached as a result of the challenge shall constitute a final decision and exhaustion of all means of redress afforded to Staff Members for grievances on administrative decisions. The Review Decision shall be made available to members of the Audit, Risk and Compliance Committee.

11.7 Formal Grievance Closure

11.7.1 A formal grievance case is considered closed (i) if the parties to a grievance reached a jointly acceptable resolution by concluding a statement of the agreement; or (ii) within ten (10) business days of the receipt of the decision if a challenge is not raised by the Staff Member; or (iii) in respect of workplace disagreements, upon communication of a final decision to the concerned Staff Member; or (iv) upon communication of the Review Decision to the Staff Member.

11.8 Withdrawing a Grievance

11.8.1 The Staff Member may withdraw his/her grievance in writing during any stage of the

process and if possible, giving reasons for doing so. This should be sent to the HRD as soon as possible. The HRD will notify other concerned parties who are involved in the process of the withdrawal decision.

11.9 Anti-Retaliation

11.9.1 Prohibition on retaliation against the Staff Member raising the grievance will be dealt with under the Bank's Whistleblower Procedures.

11.10 Control Framework

11.10.1 HRD will prepare and submit the management information report about the formal grievances processed under the same arrangements and timeframe as stipulated by the whistle-blowing complaints control framework set out in the Bank's Whistleblower Procedures.

11.11 Timeframe

11.11.1 The matters under this document are recommended to be resolved within a timeframe of no more than 70 business days in cases where there is no challenge to the President (unless an extension is authorised by the VP&CAO), and within a timeframe of no more than 150 business days in cases where there is a challenge (unless an extension is authorised by the President).