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Investigations and Enforcement Policy - Corruption, Misconduct and Complaints

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List of abbreviations

AML	Anti-Money Laundering
BIC	Business Integrity Council
CCO	Chief Compliance Officer
CTF	Counteracting Terrorist Financing
CSR	Corporate Social Responsibility
FATF	Financial Action Task Force
FT	Financing Terrorism
ICO	Integrity & Compliance Office
IDD	Integrity Due Diligence
IFI	International Financial Institution
KYC	Know Your Customer
ML	Money Laundering
OECD	Organisation for Economic Cooperation and Development

1 Introduction

This Investigation and Enforcement Policy (“Policy”) sets out the principles according to which the Nordic Investment Bank (“NIB” or the “Bank”) fights corruption and investigates allegations of prohibited practice (including fraud and corruption), misconduct and complaints regarding non-compliance with the Bank’s policies and procedures.

The Policy shall apply to all investigations conducted by the Integrity & Compliance Office (ICO). In addition, this Policy shall apply to any other party, including external experts, authorised to assist NIB in conducting an investigation.

This Policy covers the investigation of external Prohibited Practice, including corrupt and fraudulent practices. In addition this Policy covers the investigation of alleged internal Prohibited Practice and Misconduct by NIB’s staff with the exception of alleged harassment, which is handled in accordance with the Staff Regulations.

Furthermore this Policy covers the investigation of complaints relating to the non-compliance with the Bank’s policies and procedures.

ICO may also investigate cases on its own initiative or on the request of the President or the Board of Directors.

This Policy does not cover investigations of the Board Members and the President as the procedures for such investigations are established in annexes 1 and 2 to Code of Conduct for the Board of Directors and President. Investigation of Chief Compliance Officer (CCO) and other ICO staff shall be carried out by Internal Audit or by an external investigator.

Nothing in this Policy shall be considered to waive the Bank’s privileges and immunities as set forth in NIB’s constituent documents¹ or in applicable national or international law.

2 Definitions

“**Employee**” or “**Staff Member**” mean, for the purposes of this document, all categories of employees regardless of their form of contract, including in-house consultants and other types of contractual employees.

“**External Prohibited Practice**” means cases of alleged Prohibited Practice involving third parties in relation to the Bank.

“**Internal Prohibited Practice**” means cases of alleged Prohibited Practice involving an Employee or in-house consultants and experts appointed by the Bank.

“**Malicious Allegation**” means an allegation without foundation made against another person that causes harm and is done without just cause or proper motive.

“**Misconduct**” means any intentional or negligent failure by the Bank’s own staff or consultants/ experts appointed by the Bank to observe or comply with the Bank’s rules. Misconduct constitutes for instance:

- (i) failure to disclose information, or give truthful answers to questions, material to decisions concerning the appointment or continued employment of an Employee;

¹ NIB’s constituent documents include the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Nordic Investment Bank of 11 February 2004 and thereto related Statutes and the Host Country Agreement between the Government of Finland and the Nordic Investment Bank of 20 October 2010. These documents are available on the Bank’s website, www.nib.int.

- (ii) failure to disclose in a timely fashion information material to the determination of eligibility for, or the amount of, allowances, benefits or other payments, or misrepresentation of facts relevant to such determination;
- (iii) failure to disclose material information of a business or legal nature to managers (including failure to assist ICO or the Internal Audit as they may request in the performance of their duties);
- (iv) improper use or misappropriation of Bank property or assets;
- (v) unauthorised use or distribution of confidential information; and/or improper use of one's Bank position in dealing with third parties;
- (vi) knowingly making malicious and/or unsubstantiated reports of suspected Misconduct or knowingly providing false or misleading information in an investigative process or disciplinary process, interference or non-cooperation with an investigative process, or carrying out Retaliation;
- (vii) obtaining or attempting to obtain an advantage at the expense of the Bank or any person, firm or organisation that is, or may be, a client of or supplier to the Bank; and
- (vii) failure to disclose a material conflict of interest or a financial interest as required.

“Prohibited Practice” means:

- (i) a corrupt practice, which means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- (ii) a fraudulent practice, which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) a coercive practice, which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (iv) a collusive practice, which means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (v) theft, which means the misappropriation of property belonging to another party;
- (vi) obstruction, which means deliberately destroying, falsifying, altering, or concealing evidence material to an investigation; making false statements to investigators in order to materially impede an investigation; failing to comply with requests to provide information, documents, or records in connection with an investigation; threatening or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or materially impeding NIB's contractual rights of audit or inspection or access to information;
- (vii) money laundering, which means intentional conversion or transfer of property derived from criminal activity to conceal or disguise its illicit origin; concealment or disguise of the true nature, source, location, disposition, movement or ownership of property known to have been derived from criminal activity; acquisition, possession or use of property known to have been derived from criminal activity; participation, or assistance, in the commission of any of the activities above; and

- (viii) terrorist financing, which means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist activities.

“Reporter” means someone who reports an alleged act of Prohibited Practice, Misconduct or Non-compliance covered by this Policy.

“Sanctions Panel” means the body established to decide on the sanctioning of entities and individuals that have been investigated by ICO in relation to external corruption.

“Standard of Proof” means, for the purposes of an investigation, information that as a whole shows that something is more probable than not. The Standard of Proof shall also be used to determine whether a complaint or allegation is substantiated.

“Subject” means the individual or entity under investigation.

3 Investigations Principles

3.1 Introduction

All investigations conducted under this Policy are administrative in nature.

The following general investigations principles and guidelines shall apply to all investigations conducted by ICO or other persons and entities appointed to conduct an investigation on behalf of NIB.

Separate procedures are applied on certain parts of the investigation processes for External Prohibited Practice, Internal Prohibited Practice and Misconduct and Non-compliance complaints.

All procedures and actions relating to Prohibited Practices and Misconduct under this Policy shall be conducted in accordance with the International Financial Institutions’ Principles and Guidelines for Investigations attached to the Uniform Framework on Preventing and Combating Fraud and Corruption adopted by NIB on 7 October 2008. Further information on NIB’s prevention of fraud and corruption, including money laundering and terrorist financing, can be found in the Integrity and Compliance Policy and the Integrity Due Diligence (IDD) Policy and Procedures.

Investigation of complaints relating to non-compliance with the Bank’s policies and procedures, foremost the Sustainability Policy and Guidelines, the Public Information Policy and procurement rules, follows the procedures described under section 9 of this Policy.

3.2 Fairness and objectivity

All investigation shall be carried out in a fair manner. The investigator shall keep a clear and open mind and not have any preconceived opinions in the investigation. The investigator shall be truthful to all the parties of an investigation.

The main objective of the investigator is to ascertain facts and protect the integrity of the investigation and sanctioning process.

3.3 Impartiality

Bank staff and experts appointed by ICO to carry out an investigation shall be impartial. Close working relationships with persons being investigated and the persons investigating may

compromise the outcome of an investigation. If the investigator has an actual or perceived conflict of interest s/he shall refrain from an investigation in accordance with the Code of Conduct for Staff.

3.4 Independence

To ensure that an investigation is fair it shall be carried out independently from the Bank's management and the persons or entities being the subjects of the investigation. Bank staff and appointed experts carrying out an investigation shall maintain their independence and integrity throughout the investigation.

3.5 Confidentiality

The whole investigation is a confidential process. The investigation shall be carried out in a confidential and discreet manner. Information relating to the investigation shall only be shared with people who have a legitimate interest in the case as decided by ICO.

The information will be kept confidential to the extent possible and only shared with persons who have a legitimate interest in the case on a need-to-know basis. In case of suspicion that a criminal offence has been committed, information may be shared with relevant national enforcement authorities by following the procedures described in section 6.3 of this Policy.

An investigator must take reasonable precautions to keep information gathered as part of an investigation confidential as well as to keep the identity of individuals under investigation and the Reporters and witnesses confidential. Persons participating in an investigation in any function or capacity shall not disclose any information about an investigation.

4 Obligation to report allegations and suspicions of Prohibited Practices and Misconduct

Any person involved in the activities of the Bank or an Employee shall without delay report suspicions or allegations of Prohibited Practices and Misconduct. Persons outside the Bank are also encouraged to report suspicions or allegations of Prohibited Practices relating to a NIB financed activity or project. Reports can be sent to NIB by any means or to the email address corruption@nib.int and preferably by using the Form for Reporting Misconduct and Corruption. ICO may also open cases on its own initiative.

All alleged cases of Prohibited Practices, including internal fraud and corruption, shall be reported either to the CCO or the Head of Internal Audit without delay. If an allegation is received by Internal Audit or any other person in the Bank the report shall be immediately forwarded to ICO for registration and follow up.

Any reports made shall be treated as highly confidential and the Reporters are protected as set out in the Speaking-up and Whistleblowing Policy. The Bank will keep the identity of a Reporter who identifies him or herself to the CCO confidential inside and outside the Bank, unless the Reporter in writing consents to disclosure. Reports can be submitted anonymously, without revealing the identity of the source. However, the Bank strongly encourages disclosure of identity to enable a thorough investigation.

5 Registration and preliminary assessment of Prohibited Practices and Misconduct

The CCO and the Head of Internal Audit shall jointly carry out a preliminary assessment of reported suspicions or allegations of Prohibited Practices or Misconduct to assess the substance of the allegation(s) and decide on whether or not the case shall be investigated by ICO. All reported allegations and suspicions shall be preliminary assessed. The preliminary assessment

shall determine the applicability of this Policy and the reliability of the information received. As part of the preliminary assessment, the CCO and the Head of Internal Audit shall seek to determine whether or not (1) the alleged Prohibited Practice or Misconduct represents a sufficient material risk to NIB to justify an investigation; (2) an investigation is feasible, based on the age of the events in question, (3) the information received is specific enough to enable an investigation, (4) the availability of necessary records or witnesses and (5) other relevant information.

In case an allegation or suspicion is found to be unwarranted based on the preliminary assessment, the case shall be closed and the decision filed by ICO.

During the preliminary assessment and during the investigation, ICO is responsible for the safe-keeping of files and evidence. In addition, ICO shall keep a register of all reported cases, including Malicious Allegations and closed cases that have not been referred to investigation, describing the reasons thereof. The following information shall be included in the register:

- the date of receipt of the allegation and/or information;
- the identity of the reporter, if disclosed;
- a brief summary of the allegation, including the type of Prohibited Practice or Misconduct alleged and the parties alleged to be involved;
- the connection to NIB, if any, including the description and location of the project or operation involved; and
- any other information that ICO considers significant.

The number of reports received, registered, preliminary assessed, investigated and sanctioned shall be included in the Bank's annual Integrity Report.

6 Investigations by ICO of alleged Prohibited Practices and Misconduct

ICO shall investigate all cases of alleged Prohibited Practices and Misconduct that have passed the preliminary assessment (see Section 5).

In case the investigation finds that sufficient evidence cannot be gathered or the case is not found to be serious or substantiated, the case shall be closed and the decision filed. All closed investigations regarding External Prohibited Practices and the reasons thereof shall be reported to the Sanctions Panel.

The CCO may only re-open a case that has been closed if credible new information is received or if it is warranted by other circumstances.

6.1 Assistance in the investigation

ICO may choose to be assisted with the investigation by an external expert. In certain cases, ICO may outsource parts or the whole investigation to an external investigator, in which case ICO shall be responsible for the coordination of the investigation.

ICO may also in certain cases and as appropriate request to be assisted by one or more members of the Bank's Business Integrity Council (BIC) or by other Employees who do not have a conflict of interest in the case. Upon ICO's request, Internal Audit may assist ICO in an investigation when considered relevant.

If ICO is investigating a project that is co-financed with other international financing institutions (IFIs), ICO may decide to participate in a joint investigation or to share relevant information with the other IFIs as the case may be.

6.2 Sources of information

ICO shall gather sufficient evidence to support a finding of Prohibited Practices or Misconduct.

ICO may review documentation related to the case and under the custody of any implicated party, conduct on-site inspections, interview witnesses and the Subject of an investigation, and, consult other relevant parties. In accordance with the principles established in this Policy and other applicable Bank rules, including but not limited to those concerning protection of personal data, ICO shall have free access to all relevant files and documents, which are the Bank's property, in the Bank's custody, under the Bank's control or subject to the Bank's right of inspection or audit as defined in agreements with third parties.

6.2.1 Interviews

Interviews shall be conducted in a language, in which the Subject or witness and the investigator are comfortable or otherwise with the assistance of an interpreter. The Subject or witness may be assisted by a person of his/her choice unless this is not approved by ICO due to special circumstances. The Subject and witness shall be informed that the record of the interview may be used in administrative, disciplinary or other related proceedings. In case of suspicion that a criminal offence has been committed, the Subject and the witness shall be made aware that the records of the interview may be shared with national enforcement authorities.

Interviews shall normally be carried out by two investigators.

ICO shall prepare a written record of the interview. The Subject or witness shall have the right to comment on the record, which normally is a written summary of the interview. Interviews may be recorded electronically subject to advance notice to the Subject or the witness.

6.2.2 Duty to Cooperate

ICO has the full authority to meet and question any Employee or consultant and expert appointed by the Bank who may have relevant knowledge or information about an issue being investigated. ICO or appointed experts investigating an External Prohibited Practices case may meet with third parties, including borrowers of NIB, subject to applicable terms on NIB's audit and investigation rights in the respective agreements or on a voluntary basis.

During an investigation, Bank Employees and consultants and experts appointed by the Bank, are obliged to cooperate with ICO and any other investigator(s) hired by or assisting ICO to provide relevant documents and information relevant for the case.

It is improper for anyone to destroy documents, tamper with information, mislead investigators, interfere with someone who has provided information or violate the confidentiality of the investigative proceeding. Such behaviour can constitute Obstruction.

6.2.3 Privacy matters

The personal data that is used in an investigation shall be of high quality, accurate, and, up to date. The data that is stored shall relate to the investigation and not be excessive in relation to the purposes of the investigation at hand.

Any person who is involved in an investigation (as Subject, witness or other) should be informed of the processing of personal data unless this might endanger the objectives of the investigation.

NIB may transfer personal data to entities that are involved in the investigation of a case. This could be a consultant, a co-financing IFI or donor or a national investigations authority. NIB should ensure that the personal data is only used for the conduct of the investigation and for legitimate

purposes and that the personal data is handled in accordance with the Bank's rules on the protection of sensitive information after the closing of an investigation.

6.3 Referral to national enforcement authorities

If ICO determines, as a result of the preliminary assessment or the investigation at any time during the course of the proceedings, that there is a suspicion that the laws of any country has been violated, the Subject is unwilling to cooperate or the capacity of the Bank to investigate is limited, a case of Prohibited Practices or Misconduct may be referred to national enforcement authorities. ICO may recommend to the Sanctions Panel in case of External Prohibited Practices or to the President in cases of Internal Prohibited Practice or Misconduct, that the case should be referred to national enforcement authorities for further investigation. The Sanctions Panel may also at any time and as part of its normal proceedings and without a recommendation from ICO, decide to recommend to the Board of Directors that a case shall be referred to national authorities for investigation.

A recommendation of referral shall identify the information that may be disclosed to the authorities and shall include the General Counsel's opinion regarding the legal aspects of the referral and, in particular, its potential ramifications for the Bank's status, privileges and immunities. On the recommendations of the Sanctions Panel or the President as the case may be, the Board of Directors shall decide whether to refer or not, and in the affirmative, the decision shall identify the information that may be disclosed to the authorities and shall direct ICO to liaise with the relevant authorities as and when appropriate. Any such referral shall be without prejudice to any action available to the Bank under this Policy or contractually.

7 Investigation of External Prohibited Practices

7.1 Introduction

The principles set forth in this Section 7 shall apply only to investigations of External Corruption. The process of investigating External Prohibited Practices includes the preliminary assessment, the investigation itself, possible sanctioning by the Sanctions Panel and the possibility to appeal a decision.

7.2 Report to the Sanctions Panel

If sufficient evidence is obtained to support a finding of Prohibited Practices, ICO shall prepare a report to the Sanctions Panel for decision. The report shall present the evidence in the case and include a recommendation of action to the Sanctions Panel.

ICO may also refer a case to the Sanctions Panel based on a finding made by a judicial process in a country or by administrative process of another international organisation.

Before making a decision, the Sanctions Panel may request ICO to produce additional reports or supplement any information in order to clarify certain matters and/or to investigate suspected Prohibited Practices conducted by any other individual and/or entity in relation to the case.

7.3 Suspension

Suspension of transactions, including disbursements and payments, for the duration of an investigation, shall be decided by the President upon the Sanctions Panel's or ICO's recommendation. Before making a recommendation for suspension, ICO shall have requested a legal opinion from the General Counsel with respect to the Bank's rights to suspend a transaction based on contractual documentation or otherwise. A suspension decision shall be communicated to the Subject in writing by ICO and to borrowers, if different from the Subject, and related guarantors (if any) by the Lending department.

7.4 Sanctions Panel

7.4.1 Composition and administrative matters

The Sanctions Panel shall comprise three (3) members; two (2) external members appointed by the Board of Directors for a term of five (5) years renewable only once and one (1) internal member (normally a member of Executive Committee) who shall be nominated by the President on a case by case basis and shall not have a conflict of interest in the captioned case.

To ensure continuity, the Board of Directors shall appoint one of the first recruited external members of the Sanctions Panel for a three (3) year term and the other member for a five year term. Their respective terms can be renewed by the Board of Directors once for a five (5) year term. The longest serving external member at any time shall be the Chairperson of the Sanctions Panel. The first Chairperson shall be the external member appointed for the initial five (5) year term.

The external members shall have experience in a field of operations similar to NIB's and be familiar with the concepts of fraud and corruption and related rules of other IFI's.

Meetings of the Sanctions Panel are called by ICO when it decides to present a case to the Panel. The material, including the report prepared by ICO and all evidence in the case, shall be available to the members of the Sanctions Panel by no later than fourteen (14) calendar days before a meeting.

Quorum requires that decisions shall be made on a majority basis and the decision-making requires the participation of all three members.

Any and all costs incurred by the Sanctions Panel in the course of carrying out its responsibilities, including without limitation, costs of translation, printing of documents, travelling and accommodation, shall be borne exclusively by the Bank. Remuneration and allowances payable for the time spent by the external members of the Sanctions Panel shall be decided by the Board of Directors upon the appointment of the external members and revised thereafter every three year if so requested by the external members.

The language of the proceedings of the Sanctions Panel shall be English and all written material submitted to the Sanctions Panel shall be in English. However, exhibits may be in the original language with the relevant parts translated into English.

7.4.2 Basis of findings and evidence

The Sanctions Panel shall review ICO's report and recommendations and make a decision in the case. A decision to sanction a Subject shall be based on ICO's report and on facts available in the public domain. The Sanctions Panel may request ICO to provide additional information and evidence if it determines that it does not have adequate information to make a sanction decision.

The Sanctions Panel shall have discretion to determine the relevance, materiality, weight, and sufficiency of all evidence presented in the report of ICO.

The Sanctions Panel shall, based on the Standard of Proof, determine whether the evidence presented supports the conclusion that it is more probable than not that the Subject has engaged in the alleged Prohibited Practice.

The Sanctions Panel's decision to sanction the Subject shall take account of the following factors:

- (i) characteristics and severity of the Subject's conduct;

- (ii) degree of involvement of the Subject in the Prohibited Practice(s) (including whether the conduct involved was "active" or "passive");
- (iii) magnitude of any losses and damage caused by the Subject to NIB or its counterparties;
- (iv) past conduct of the Subject involving Prohibited Practice(s);
- (v) mitigating circumstances, including the extent to which the Subject cooperated in the investigation and whether such cooperation has been of substantial benefit to NIB's investigation;
- (vi) if applicable, period of suspension already imposed on the Subject; and
- (vii) any other factors that the Sanctions Panel deems relevant for considering the issues at hand as a whole.

The Sanctions Panel shall also consider whether or not the case shall be referred to national enforcement authorities, in which case the procedures described in section 6.3 would apply.

If the Sanctions Panel determines that it is more probable than not that the Subject did engage in the alleged Prohibited Practice, it shall make a decision to sanction the Subject.

The Sanctions Panel may also determine that the case does not warrant a sanction or any further investigation, in which case it shall inform ICO of the decision and the reasons thereof. ICO shall inform the President, close the case and file it. If the Subject has been informed about NIB's investigation, he/she/it shall be notified by ICO that the case has been closed.

7.4.3 Board of Directors' veto

The Sanctions Panel shall inform the President of its intended decision to sanction a Subject or a decision of referral to national enforcement authorities. If a decision is foreseen to cause substantial damage to the Bank, the President can make a recommendation to the Board of Directors to stop a decision of the Sanctions Panel. If the Board of Directors decides to stop the sanctioning process the case shall be closed and filed. If the Subject has been informed about the NIB investigation, he/she/it shall be notified by ICO that the case has been closed.

7.4.4 Decisions by the Sanctions Panel

The decision by the Sanctions Panel shall include:

- identification of the individual(s), entity or entities subject to the sanction, including the identity of possible affiliates, sub-suppliers and contractors (to the extent known);
- the allegation(s) of Prohibited Practices;
- a summary of relevant facts;
- evidence, including exculpatory or mitigating evidence; and
- the sanctions imposed (if any) including reasoning thereof.

The Sanctions Panel shall prepare and sign the decision.

The Sanctions Panel's decisions shall become effective within twenty-one (21) calendar days counted from the date of the decision unless an appeal has been received by NIB's President within twenty-one (21) calendar days.

The Board of Directors shall be informed by ICO about the decision of the Sanctions Panel at its first meeting after the expiry of the final date to appeal. The Board information memo shall include a copy of the Sanctions Panel's decision and the notification letter sent to the sanctioned Subject(s).

The Chairperson of the Board shall at the same time inform the Board of Directors if s/he has received an appeal (ref. Section 7.6). In case an appeal has been received the decision imposing

sanctions shall be postponed until the appeal has been dealt with and decided upon by the Appeals Committee (ref. Section 7.6.1).

7.4.5 Notice of Prohibited Practice

The Sanctions Panel's decision shall be communicated by ICO to the Subject(s) immediately after a decision has been made. The Notice to the sanctioned Subject(s) shall include:

- (i) the identification (name(s) and address(es)) of the sanctioned Subject(s);
- (ii) the Sanctions decision in the matter;
- (iii) the alleged Prohibited Practice(s) and a summary of the relevant facts;
- (iv) all evidence relevant to the finding of the alleged Prohibited Practice(s);
- (v) all exculpatory or mitigating evidence;
- (vi) information to the Subject(s) of its/their right to appeal the decision within 21 calendar days and the procedures thereof;
- (vii) information regarding the Sanctions Panel's procedures with reference to the Investigation Policy, then in effect; and
- (viii) any other information that the Sanctions Panel deems material, if any.

ICO shall maintain records establishing the date of delivery of the Notice of Prohibited Practice and any and all subsequent transmissions to each of the Subjects as applicable.

7.5 Sanctions

The Sanctions Panel decides on what sanction(s) shall be imposed based on ICO's investigation report unless the Board of Directors has vetoed against a sanction as provided for in Section 7.4.3. By way of example the sanction can be ineligibility to participate in tender procedure or other activities of NIB, cancellation of an on-going contract or engagement, cancellation of a portion of NIB's financing, a reprimand letter, and, debarment either indefinitely or for a stated period of time.

7.5.1 Debarment

After the final date to appeal has expired or when the Appeals Committee has decided to uphold a sanction decision by the Sanctions Panel, the sanction shall be published on NIB's website and the affected Subject(s) shall be notified about the publishing (by ICO in case an appeal has not been received and by the President if an appeal has been received, including the decision taken by the Appeals Committee on the matter).

A debarment or sanction decision shall, as a rule, also apply to entities that can be considered successors or assignees of a debarred entity.

7.5.2 Cross Debarment

All entities debarred under the cross-debarment agreement of Multilateral Development Banks (MDBs) shall unilaterally be debarred by NIB if not decided otherwise. The NIB website for sanctions shall provide a link to the MDB cross-debarment website:

<http://lnadbg4.adb.org/oai001p.nsf/Content.xsp?action=openDocument&documentId=651BF90F7DF7FF7248257C9F0027E749&SessionID=DQZSOHRIVA>.

NIB shall not notify affected subjects of a NIB cross-debarment unless the subject asks NIB for comments/clarification.

The Lending Department and other departments of the Bank shall check the cross-debarment website as part of its normal integrity due diligence (IDD) when considering potential new borrowers and partners.

7.6 Appeals

7.6.1 The Appeals Committee

An Appeals Committee of the Board of Directors of NIB (“Appeals Committee”) shall be established to deal with appeals related to Sanctions Panel decisions to impose the sanctions. The Appeals Committee shall comprise the Chairperson and Deputy Chairperson of the Bank’s Board of Directors.

7.6.2 Appeal

A party sanctioned by NIB may appeal the Sanctions Panel’s decision to the Appeals Committee. An appeal shall be received at NIB within twenty-one (21) calendar days (at the latest at 23:59 Helsinki time) counted from the date of the sanctions decision.

An appeal shall be addressed to NIB’s President. The President shall without delay forward the appeal to the members of the Appeals Committee together with the Sanctions Panel’s decision (Notice of Prohibited Practice) and ICO’s investigation report.

Any appeal must be in writing, and clearly and concisely state the reason(s) for the requested review by the Appeals Committee of the Sanctions Panel’s decision.

The Appeals Committee shall consider appeals that include new information and/or additional material to the extent that (i) such information was not available or known, or could not reasonably have been known, to the Subject at the time that explanations were sought from it by ICO; and (ii) such information is relevant to the case and may have been relevant to the Sanctions Panel’s decision to impose the sanction(s).

7.6.3 Appeals Decision

The Appeals Committee shall decide whether to: (1) uphold the Sanctions Panel’s decision, (2) refer the case back to the Sanctions Panel for review, including reviewing the length and severity of a sanction (in which case ICO may be requested by the Sanctions Panel to conduct additional investigations) or (3) to cancel the decision of the Sanctions Panel.

The Appeals Committee shall consider whether or not the Sanctions Panel has taken all relevant facts into account and whether the Bank’s policies and procedures have been correctly applied.

The President shall inform the appealing Subject(s) about the decision taken by the Appeals Committee.

Decisions of the Appeals Committee on any appeal shall be final, binding and not subject to further appeal.

8 Investigation of Misconduct and Internal Prohibited Practice

8.1 Introduction

This section sets out how cases of alleged Misconduct and Internal Prohibited Practice by Employees and in-house consultants or experts appointed by the Bank are investigated. The principles set forth herein shall apply only to investigations of Misconduct and Internal Prohibited

Practice as defined above. All cases shall be investigated in a fair, impartial, thorough and timely manner as well as protecting the rights of all involved parties.

For matters relating to retaliation see the Code of Conduct for Staff and the Speaking-Up and Whistleblowing Policy.

8.2 Investigations Process

Once an allegation of Misconduct or Prohibited Practice has been received a file shall be opened by ICO. ICO is responsible for the investigation of the allegation and shall present its findings and recommendations to the President for final decision.

An Employee under investigation for Misconduct or Prohibited Practice shall be informed of the investigation as soon as possible by ICO, unless there is a legitimate justification for keeping the investigation confidential. The Employee shall be informed of the basis for the investigation and the conduct that is under investigation. Employees have an obligation to cooperate in the investigation.

A case that has been investigated and concluded shall not be re-opened unless new evidence comes to the attention of the Bank and ICO. The Employee shall be given an opportunity to explain his/her position, present his/her own evidence and present witnesses.

8.3 Temporary suspension

In situations involving investigations of suspected Prohibited Practice, or investigations of suspected grave Misconduct, the Employee may, subject to written decision by the President, be temporarily suspended from his or her work, prevented from having access to certain ICT-systems, relieved of specific duties, or, prohibited from entering the Bank's premises for the duration of the suspension period. The temporary suspension of an employee shall always be carried out in accordance with the Staff Regulations.

8.4 Investigations Report

ICO shall prepare an investigations report which shall contain the following:

- (i) a summary of the alleged Misconduct and/or Prohibited Practice;
- (ii) the applicable rules or standards of conduct;
- (iii) a description of the available evidence; and
- (iv) conclusions about whether the evidence substantiates the alleged Misconduct or Prohibited Practice.

The severity of the disciplinary measure(s) to be imposed shall be proportionate to the nature and seriousness of the Misconduct or Prohibited Practice. In determining the seriousness of the Misconduct or Prohibited Practice it shall be taken into account the nature of the wrongdoing and the circumstances in which it occurred. In particular, account shall be taken of:

- (i) the extent to which the Misconduct or Prohibited Practice adversely affect the interests, integrity or reputation of the Bank;
- (ii) the extent to which the Misconduct or Prohibited Practice involve intentional, reckless or negligent actions;
- (iii) the motives for the accused Employee's behaviour;

- (iv) the degree of the accused Employee's personal responsibility in the commission of the Misconduct or Prohibited Practice;
- (v) the level of the accused Employee's duties and responsibilities;
- (vi) whether the Misconduct or Prohibited Practice involves repeated action or behaviour; and
- (vii) the conduct of the accused Employee throughout the course of her/his career.

8.5 Sanctions decision

The President, in consultations with the Head of Human Resources, decides on actions to be taken in accordance with NIB's Staff Regulations. The President may also instruct ICO to investigate the matter further or to refer the case to national enforcement authorities. Disciplinary actions against an Employee found to have engaged in Prohibited Practices or Misconduct can include for example a written warning, temporary suspension from duty with pay, reduced pay or without pay or the termination of the employment relationship with the Bank. The Employee can be required to repay monetary amounts equalling the damage that the behaviour has caused the Bank. Judicial actions may include initiating NIB's arbitration proceedings related to staff disputes or waiving the immunity of the person in order to forward the matter to national authorities for investigation and/or prosecution and to press criminal charges and/or for seeking compensation for damage.

The President may hear the Employee concerned before a decision is made.

After an action has been implemented, the President and CCO shall inform the Board of Directors about the findings and action(s) taken.

The ordinary staff dispute mechanism established by NIB is available for the staff members to challenge actions taken by the Bank.

8.6 Communication of decision to Subject

After a decision about an action has been taken by the President, the Head of Human Resources, together with the Head of Department, informs the Employee in writing.

9 Investigation of Complaints

9.1 Introduction

The principles set forth in this section shall apply only to investigations of complaints relating to non-compliance with the Bank's policies and related procedures.

ICO is responsible for the receipt, retention and handling of complaints from any source, internally or externally, alleging that the Bank, its borrowers or other entities responsible for the implementation of NIB funded projects have not complied with NIB's policies and related procedures. ICO's contact details for complaints are: complaints@nib.int; P.O. Box 249, FI-00171 Helsinki, Finland; Facsimile: +358 10 618 0711; Telephone: +358 10 618 0205.

By example, complaints of non-compliance relate to the Bank's Sustainability Policy and Guidelines, the Public Information Policy and the procurement rules. If a complaint regarding non-compliance with the Bank's policies and related procedures is received by an Employee of another NIB Department/Unit than ICO, the recipient of the complaint shall immediately forward the complaint to ICO without analysing or making any judgement of the complaint.

Complaints with allegations of Prohibited Practice, including External and Internal Corruption and Misconduct shall be handled in accordance with the relevant sections of this Policy.

9.2 Filing a complaint

Any individual or group of persons or a legal entity, who believe they are, will be or have been adversely affected by a decision or the practice of the Bank or by its borrower or entity responsible for the implementation of a project funded by the Bank, may file a complaint with ICO. An individual or group of persons may be represented by another person or legal entity, such as a Non-Governmental Organisation (NGO) or other interest group, in which case the representative shall provide ICO with an authorisation letter signed by the complainant(s). Upon the request of the complainants ICO will treat their identity confidential, in which case ICO will agree with the complainants how to process the complaint.

A complaint submitted to ICO shall be in writing (e.g. letter, email or facsimile) identifying the project that the complaint relates to and clearly describe what the complaint is about. Verbal complaints will exceptionally be accepted (in which case ICO will summarise the information provided and have it confirmed by a written signature or through email correspondence with the complainant or his or her representative). To the extent possible the complaint shall describe which of the Bank's policies and/or procedures that might have been violated and to what extent the violation of the Bank's policy and/or procedure has or may cause any harm to the complainant(s). A signed letter or email shall be addressed to the Chief Compliance Officer. The postal address is P.O. Box 249, FI-00171 Helsinki, Finland. The email address is complaints@nib.int. Complainants are encouraged to use the complaint form which can be accessed on the Bank's website under Compliance.

Reference is made to the Bank's Speaking Up and Whistleblowing Policy with regard to the rights and obligations of individuals and Employees who decide to file a complaint with ICO.

9.3 Registration and preliminary assessment of a Complaint

Upon receipt of a complaint, which includes adequate contact details of the complainant(s), or the representative, ICO will assess the eligibility of the complaint and register it within 10 working days if found eligible (e.g. relating to a NIB financed project). ICO will inform the complainant(s), or the representative, whether or not the complaint has been registered. Complaints that ICO determines to be malicious will not be registered for investigation.

Within a period not exceeding thirty (30) calendar days after the registration of the complaint, ICO shall have concluded a preliminary assessment of the complaint and decided whether or not a compliance investigation is warranted. During the preliminary assessment ICO may request the complainant(s), or the representative, to provide additional information or clarifications.

ICO shall also request the relevant NIB Department Head to provide ICO with a response to the complaint. In cases related to NIB's lending activities the Department Head may consult with the borrower or the entity responsible for the implementation of the project before providing the response. The time line for the preliminary assessment may unilaterally be extended by ICO for complex cases and in such cases the complainant(s) or the representative and the NIB Department Head will be informed about a new time line set for the preliminary assessment.

ICO shall inform the complainant(s), or the representative, of its decision of whether or not to initiate an investigation. In case a decision is made not to initiate an investigation the reasons thereof shall be given. The President shall at the same time be informed about the decision and ICO shall likewise inform the Board of Directors at the first possible Board meeting of its decision of whether or not to initiate a compliance investigation.

9.4 Compliance investigation and Resolution

The compliance investigation shall be carried out by ICO, or ICO may engage one or more external independent Expert(s) to conduct the investigation.

The investigation report, including findings and recommendations, prepared by ICO or the Expert(s) shall be presented to the Bank's President and the Department Head responsible for the project or case complained about.

In cases related to NIB's lending activities, the Department Head, in consultation with the borrower or the entity responsible for the project implementation, may prepare a response to the investigation report and/or provide a plan for the implementation of the recommendations of the investigation report as the case may be. ICO's or the Expert(s)' investigation report and the NIB Department Head's response and/or the plan for the implementation of the investigation report's recommendations shall be presented to the Bank's Board of Directors for approval.

ICO will inform the complainant(s), or the representative, about the outcome of an investigation.

The procedures for handling complaints regarding denied access to information are also described in the Bank's Public Information Policy.

10 Retention Procedures

All documentation that relates to an investigation shall be stored for not less than ten (10) years.

11 Periodical Assessment

ICO is responsible for this Policy, which shall be reviewed every five years or earlier if so requested by ICO, the President or the Board of Directors.