



Washington, D.C., November 20, 2022

Mr. Ilan Goldfajn
President-Elect of the Inter-American Development Bank

Dear Mr. Goldfajn:

The Board of Governors of the Inter-American Development Bank (the "Bank"), at a Special Meeting held on November 13 and 20, 2022, elected you as President of the Bank, and authorized the Chairperson of the Board of Governors, on behalf of the Bank, to sign with you a contract of employment pursuant to the terms approved by the Board of Governors, as established by Resolution AG-15/22. This shall confirm the conditions under which you will provide your services as President of the Bank.

1. Term. The President's term of office shall be five years, beginning on December 19, 2022.

2. Salary and Allowance. The President's salary as of December 19, 2022 shall be US\$481,517 per annum, payable in regular installments. In addition, taking into consideration the role of the President in representation and furtherance of the interests of the Bank, the President shall be entitled to a non-pensionable allowance, likewise as of December 19, 2022, of US\$86,176 per annum, also payable in regular installments, without account having to be rendered therefor. The salary and non-pensionable allowance shall be net of national taxes, as provided pursuant to Resolution AG-3/60 of 5 February 1960. Any tax reimbursement on the salary and non-pensionable allowance, if applicable, shall be payable in accordance with the policies and procedures for Bank international staff. The salary and non-pensionable allowance may be adjusted by the Board of Governors.

3. Economic and Social Benefits.

- a. Unless expressly provided otherwise herein, the President shall be entitled to the economic and social benefits of Bank international staff, except for home leave and repatriation which shall be the same as provided to Executive Directors.
- b. The President shall participate in the life and medical insurance plans for the international staff of the Bank, subject to the terms and conditions thereof. The President shall be eligible to participate in the retiree medical insurance program, subject to the terms of the group medical insurance program for international staff except that full vesting eligibility shall be obtained with at least 10 years of participation in the medical insurance program while in active service prior to commencement of a pension, with progressive vesting eligibility as of 5 years of

participation in the medical insurance program while in active service prior to commencement of a pension.

- c. The President shall participate in either the Staff Retirement Plan of the Bank or the program for the Retirement Pension of the President, as approved and amended by the Board of Executive Directors, subject to the eligibility provisions of the retirement programs.

4. Administrative Expenses.

- a. All administrative expenses that may be incurred in conducting the business of the Bank by the President and his/her Office, and by other Bank units on behalf of the Office of the President, shall be subject to the applicable Bank policies, including procedures, controls and reporting requirements.
- b. The President shall be reimbursed for, or the Bank shall directly cover, expenses for official travel and for related direct and necessary expenses incurred in conducting the business of the Bank in accordance with the policies applicable to Bank international executive staff.
- c. The Board of Executive Directors has the authority to require regular reporting or review of administrative expenses and compliance with Bank policy.

5. Principal duties and performance.

- a. The President shall, under the direction of the Board of Executive Directors, conduct the ordinary business of the Bank, shall be its chief of staff and shall be presiding officer at meetings of the Board of Executive Directors. The President shall perform his/her duties and conduct himself/herself in accordance with the regulations adopted by the Board of Governors and Board of Executive Directors, including those concerning the basic organization of the Bank, the budget of the Bank and other regulations, and amendments thereto. The President shall also be, ex-officio, Chairperson of the Board of Executive Directors of the Inter-American Investment Corporation (the "Corporation") and shall perform his/her duties as Chairperson in accordance with the Agreement Establishing the Corporation and regulations as may be adopted by the Board of Governors and the Board of Executive Directors of the Corporation.
- b. The President shall report annually to the Board of Executive Directors, or at other times as may be required by the Board of Executive Directors, concerning the implementation of mandates of the Board of Governors and the Board of Executive Directors, significant matters related to the ordinary business of the Bank and other subjects as specified by the Board of Executive Directors, including with reference to accomplishments, challenges and lessons learned from the prior reporting period and primary objectives for the upcoming period. In particular, the President shall include in his/her reports, to the extent applicable, the progress of the Bank in the

implementation of mandates specified in Resolution AG-7/22 and CII/AG-3/22.

- c. The President shall respect the channels of communication designated by the member countries pursuant to the Agreement Establishing the Bank (the "Agreement") and shall respect the role of the Executive Directors as representatives of the member countries.
- d. The Board of Executive Directors shall conduct annually, and at other times if deemed advisable by the Board of Executive Directors, a review of the President's performance.

6. Standards of conduct and conflicts of interest.

- a. The President is expected to observe the highest standards of ethics in his/her personal and professional conduct, acting in accordance with the values of impact, integrity, respect, teamwork and innovation, as well as impartiality, independence and discretion. The President shall avoid any conduct that could bring the Bank into disrepute or create the appearance of impropriety.
- b. The Bank has two codes of conduct: one for Bank employees¹ and the other for members of the offices of the Executive Directors² (together, "the Codes"). The President is duty bound to adhere to the principles and values set forth in the Codes and in these terms and conditions in his/her personal and professional conduct.
- c. Subject to specific direction from the Board of Governors, the Board of Executive Directors shall have the authority to take actions in response to any allegation of misconduct of the President. Without limiting such authority, the Board of Executive Directors shall adopt regulations pertaining to the review of the President's conduct, including specific procedures and rules to address allegations of misconduct. The Board of Executive Directors shall have the authority to investigate any allegation of misconduct by the President and to impose any disciplinary sanction (except removal, reduction of remuneration or imposition of other financial penalty or any modification to any other condition of employment, all of which are expressly reserved for the Board of Governors under the Agreement).
- d. The President shall avoid any conflict of interest or appearance of a conflict of interest. If the President considers that taking part in deliberations and decision-making with regard to a particular matter would give rise to an actual or apparent conflict of interest, he/she shall so inform the Board of Executive Directors and shall not take part in any deliberations or decision-making relating thereto.
- e. The President shall neither seek nor receive, directly or indirectly, any personal

¹ The Code of Ethics and Professional Conduct.

² The Code of Conduct of the Board of Executive Directors of the Bank, the Board of Executive Directors of the Inter-American Investment Corporation and the Donors Committee of the Multilateral Investment Fund.

benefit, including any economic compensation, gift, honor, decoration, favor or anything else of value from any government, or from any other entity or person outside the Bank, except as authorized by the Board of Executive Directors. Such benefits include promises or undertakings to provide future benefits, including after the President completes his/her service to the Bank. The President shall not seek or receive instructions from any government or from any other entity or person outside the Bank.

- f. The President shall devote the whole of his/her time to the business of the Bank. He/she shall not, without the written approval of the Board of Executive Directors, accept any position or obligation or have any interest directly or indirectly in any other activity or organization that might interfere with the discharge of his/her duties at the Bank, including any position as a salaried or non-salaried officer, director, administrator, trustee or advisor of a non-profit, charitable, educational, literary or scientific organization or committee.
- g. The President may manage his personal investments and those of members of his immediate family to the extent that the management of those investments does not involve the operation of a business or create a conflict of interest, or the appearance of a conflict, with the performance of his/her duties and, subject further, to the highest standards provided for in the Codes. "Immediate Family" shall include the spouse (including domestic partner, as provided by Bank policy), children, parents, parents-in-law and siblings.
- h. The President shall participate in such program of regular reporting and disclosure of interests as may be applicable for the international staff of the Bank.
- i. The President shall resign from his/her position as President if he/she should become a candidate for any office of a political nature.
- j. For a period of one year following the end of the President's term of service, he/she shall not accept, or apply for, any remunerated position of any duration, in a private or state-owned enterprise that has received, during his/her term as President, a loan from the Bank, the Corporation, or funds in administration by either institution, except where such future employer is a member country or another public international organization. If the President accepts employment by a member country or another public international organization following his/her term of service, then for a period of one year he/she shall recuse himself/herself from any involvement in or influence on matters related to dealings between such future employer and the Bank, the Corporation or funds in administration by either institution.

7. End of Service.

- a. The Agreement provides that the term of office of the President shall be five years. It is understood that this contract shall expire as provided herein and any election or reelection of the President shall be subject to the decision of the Board of Governors

in accordance with the Agreement and regulations or procedures as may be adopted by the Board of Governors.

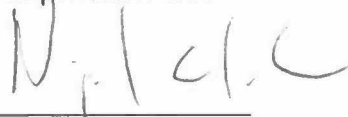
- b. The President's period of service shall be subject to (i) his/her right to resign at any time, his/her resignation to be effective after notice of at least four months, without prejudice to the Board of Governors' right to accept it within a shorter period, and (ii) the authority of the Board of Governors, pursuant to Article VIII, Section 5(a) of the Agreement, which states that the President "shall cease to hold office when the Board of Governors so decides by a majority of the total voting power of the member countries, including a majority of the total voting power of the regional member countries."

8. Termination Allowance. If the President's services are terminated by the Board of Governors during the first four years of his/her term of office, he/she shall receive, as a termination allowance, an amount equal to six months' salary, net of national taxes. If the President's services are terminated by the Board of Governors during the fifth year of his/her term of office, he/she shall receive, as a termination allowance, the amount of salary, net of national taxes, corresponding to the lesser of the remainder of his/her term of office or six months' salary. For the avoidance of doubt, any termination allowance, if payable, would be calculated on the basis of salary and without reference to the non-pensionable allowance. Notwithstanding the above, the President shall not be entitled to a termination allowance as provided herein or other termination payments, in accordance with Bank policy, when his/her services are terminated by the Board of Governors on the basis of findings of conduct that is inconsistent with the principles and values set forth in the Codes, these terms and conditions or other applicable Bank regulations, and amendments thereto.

9. Public Disclosure. The terms and conditions of the President's appointment shall be publicly disclosed, in accordance with applicable Bank policies.

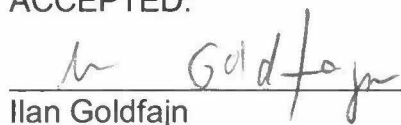
The terms above, once accepted by you below, shall constitute the contract of employment between you and the Bank.

For the Inter-American
Development Bank



The Hon. Nigel Clarke
Chairperson of the Board
of Governors

ACCEPTED:



Ilán Goldfajn

DATE: November 20, 2022