

**AMENDED RULES OF PROCEDURES OF BOARD OF DIRECTORS
OF THE NEW DEVELOPMENT BANK**

Adopted at the inaugural meeting of the Board of Governors, 7 July 2015 and amended by the Board of Governors on 20 July 2016.

Rules of Procedure of the Board of Directors

These Rules of Procedure of the Board of Directors (hereinafter referred to as “the Rules” are adopted under the authority of, and are intended to be complementary to the Agreement on the New Development Bank and the annexed Articles of Agreement of the New Development Bank (the latter hereinafter referred to as the “Articles of Agreement”) and they shall be construed accordingly.

In the event of conflict between any provision of these Rules and the Agreement on the New Development Bank and the annexed Articles of Agreement, the Agreement on the New Development Bank and the annexed Articles of Agreement shall prevail.

Section 1: Authority for these Rules

These Rules are adopted pursuant to paragraph (f) of Article 11 of the Articles of Agreement, and to Article 12 of the Articles of the Agreement.

Section 2: Definitions

- a) “Agenda” refers to the list of items to be considered at a meeting.
- b) “Advisor” means an advisor to a Director, designated by the Director in accordance with Section 6 (h).
- c) “Articles of Agreement” refers to the Articles of Agreement of the New Development Bank.
- d) “Board” refers to the Board of Directors.
- e) “Chairperson” refers to the person acting as Chair on the meetings of the Board of Directors pursuant to Section 5.
- f) “Director”, except for a Director acting as a Chairperson under Section 5, includes the Alternate or a Temporary Alternate, when such Alternate is acting for a Director.
- g) “Electronic Meeting” means a meeting of the Board where one or more Directors participate in the meeting by means of teleconference, videoconference or other electronic means.
- h) “Member” means a member of the Bank.
- i) “President” refers to the President of the Bank or to a Vice-President when he or she is acting in place of the President.
- j) “Quorum” means the minimum number of Directors whose presence is necessary for a meeting.

- k) “Secretary” means the Corporate Secretary of the Bank or in the absence of the Corporate Secretary an official specially designated by the President to serve as the Secretary of the Board of Governors and Board of Directors.

Section 3: Notification of Appointment

In accordance with paragraph (b) of Article 12 of the Articles of Agreement, each founding member shall appoint one Director and Alternate Director. Notification of such appointment shall be done on behalf of the Member to the President of the Bank. The Corporate Secretary shall duly inform all Board Members of the appointment.

Section 4: Residency of the Board

In accordance with paragraph (g) of Article 12 of the Articles of Agreement the Board shall function as a non-resident body, which will meet quarterly and as required under Section 6 of these Rules, unless the Board of Governors decides to make the Board a resident body by a qualified majority.

Section 5: Chairperson

- a) Pursuant to the paragraph (d) of Article 12 of the Articles of Agreement when the Board functions as a non-resident body the Board shall appoint a non-executive Chairperson from among the Directors for a mandate of four (4) years by a simple majority. If the Director, who is appointed as the non-executive Chairperson, does not serve a full mandate or if he or she is not re-elected for a second term, the Director that replaces him or her will serve as a Chairperson for the remainder of the term. The Chairperson shall not act as Chairperson of a meeting in the event of a conflict of interest related to an agenda item on the agenda of that meeting. In the event of his or her absence from any meeting, or where a conflict of interest arises, the Board shall select another Director as Chairperson.
- b) Following the decision of the Board of Governors pursuant to paragraph (g) of Article 12 of Articles of Agreement the President of the Bank will become henceforth the Chairperson of the Board. In the absence of the President, the Vice-President designated by the President shall act as the Chairperson of the Board.

Section 6: Meetings

- a) Meetings of the Board shall be called by the President or the Chairperson as the business of the Bank may require. The Board may be called into session at any time by the President or the Chairperson on his or her own initiative. The President or the Chairperson shall call the Board at any time at the written request of any Director. In exceptional circumstances, and in the absence or incapacity of both the Chairperson and the President a designated Vice-President may call a meeting

- upon request of at least 2 directors representing at least one third (1/3) of the voting power of all members.
- b) Except in special circumstances when notice of a meeting shall be given as soon as possible, the Secretary shall notify the Directors and their Alternates of meetings at least fourteen (14) calendar days in advance of each meeting.
 - c) The Board shall meet at the headquarter of the Bank unless it decides that a particular meeting shall be held elsewhere.
 - d) The Board may validly convene meetings and transact business by way of an Electronic Meeting. Notice of every meeting of the Board shall provide a Director with an option to attend personally or through electronic means. A Director who chooses to participate through electronic means shall be recognised as being present for the purposes of quorum and voting. Appropriate security and access control protocols shall be applied to ensure preservation of confidentiality of proceedings at meetings held using electronic means.
 - e) A Quorum of any meeting of the Directors shall be a majority of the Directors, exercising not less than two-thirds of the total voting power.
 - f) In addition to the Directors and their Alternates, the President, Vice-Presidents meetings of the Board shall be open to representatives of member countries when a matter especially affecting that member is under consideration in accordance with the paragraph (i) of Article 12 of the Articles of the Agreement. Such right of representation shall be regulated by the Board of Governors.
 - g) At the request of the President or any Director, meetings may be held in Executive Session which shall be attended only by the Directors and their Alternates, the President, Vice-Presidents, Secretary and with approval of the Board, granted separately for each Executive Session, such other persons as are specifically named, without prejudice to the provisions of the paragraph (i) of Article 12 of the Articles of Agreement.
 - h) Each Director shall be entitled to designate up to two Advisors as observers for physical meetings of the Board, without voting or speaking rights. Advisors shall not be entitled to an allowance for travel expenses or any other expenses pertaining to the meeting. Each Advisor shall be bound by the Articles of Agreement and other rules and regulations, code of conduct, to the extent decided by the Board.

Section 7: Agenda for meetings

- a) An agenda for each meeting of the Board shall be prepared by the President, or on his or her instructions, and the Agenda shall be given to each Director and his or her Alternate at least fourteen (14) calendar days before such meeting. In the case of a meeting called in special circumstances, the Agenda shall be given to each Director at least seven (7) calendar days before such meeting. Any matter upon

which the Board has power to act shall be included on the Agenda for any meeting of the Board, if any Director so requests.

- b) If any Director shall so request, action by the Board on any matter, whether or not included on the Agenda for the particular meeting, shall be postponed not more than once until the next meeting of the Board.
- c) The Board may postpone discussion or decision of any agenda item for such period as it deems appropriate.
- d) Matters not on the Agenda for a meeting may be considered at that meeting unless a Director or the Chairperson objects thereto.
- e) Any item of the Agenda for a meeting, consideration of which has not been completed at that meeting, shall, unless the Board decides otherwise, be automatically included at the beginning of the Agenda for the next meeting.
- f) Documents for discussion in the Board shall be submitted to Directors at least fourteen (14) calendar days before the scheduled discussion, except that documents containing commercially confidential information, or other categories of documents which the Board had decided to handle under expedited procedures, shall be submitted to the Directors at least seven (7) calendar days before the scheduled discussion and project documentation to the Board shall be circulated fifteen (15) calendar days before the scheduled discussion.

Section 8: Attendance of Meetings

- a) Each Director and Alternate Director shall devote to the activities of the Bank such time and attention as the interests of the Bank may require. They shall attend physical and Electronic Meetings of the Board of Directors, held as often as the business of the Bank may require, periodically throughout the year. Regular meetings of the Board of Directors shall be held at least quarterly.
- b) Directors, Alternate and Temporary Alternate Directors shall serve without compensation from the Bank, unless the Board of Governors shall decide otherwise.
- c) Each Director or when acting on behalf of the Director, the Alternate or Temporary Alternate, shall be entitled to a reasonable allowance for travel, per diem and accommodation expenses incurred in travelling officially to the place of any meeting of the Board of Directors, as decided by the Board of Governors.

Section 9: Voting

- a) The Chairperson shall ordinarily ascertain and announce to the meeting the sense of the meeting with regard to any matter and the Board shall be deemed to have acted in accordance with the announcement by the Chairperson without the necessity of taking a formal vote. A Director dissenting from the decision of the Board, or abstaining, may require that his or her views be recorded in the summary

record of the proceedings of the meeting. Any Director may request a formal vote to be taken in accordance with the provisions of paragraph (d) of Article 6 of the Articles of Agreement.

- b) Except as otherwise specifically provided for in the Articles of Agreement, all matters before the Bank shall be decided by a simple majority of votes cast. Where provided in the Articles of Agreement, a qualified majority shall be understood as an affirmative vote of two thirds of the total voting power of the members and special majority shall be understood as an affirmative vote of four of the founding members concurrent with an affirmative vote of two thirds of the total voting power of the members.
- c) Directors, Alternate and Temporary Directors may vote only in person. At the request of the Chairperson, in special circumstances, any attendance of a Director, by electronic means, shall, for the purpose of the meeting of Board of Directors, constitute a valid quorum and any subsequent vote by such means shall be valid.
- d) In circumstances when the President or the Chairperson determines that an important question for the Board to determine should not be postponed until the next meeting of the Board, the President shall transmit in writing, by the most rapid means of electronic communication, the proposal relating to the question with a request for each Director to take a decision on such proposal. In compliance with such request, the decisions shall reach the Bank within the period requested by the President in the request, but no less than seven (7) calendar days. Upon the expiration of that period, the President shall communicate the results to all Directors. Unless replies are received from a majority of the Directors exercising not less than two thirds of the total voting power, the proposal shall lapse. The period for response may be extended once by the President or the Chairperson of the Board.
- e) For any other matter requiring the view of the Board and which should not be postponed until the next meeting of the Board, the President or the Chairperson of the Board may request the Board to express its views on the matter in an official communication to the Bank, by rapid means of electronic communication within the period requested by the President, but no less than seven (7) calendar days.
- f) The President shall not exercise any voting power, except a casting vote in case of votes being equally split in the Board.
- g) The Vice-Presidents may participate in meetings of the Board but shall have no vote at such meetings, except when a Vice-President is acting as Chairperson in the absence or incapacity of the Chairperson and the President, in which case such Vice-President, acting as Chairperson, shall have the same casting vote as the President in case of votes being equally split in the Board.

Section 10: Notice to Directors

- a) Any notice required by these Rules to be given to a Director or his or her Alternate shall be deemed to have been sufficiently given when it has been delivered in writing by post, facsimile or e-mail.
- b) Whenever any document is required by these Rules to be delivered to a Director or his or her Alternate it shall be deemed to have been sufficiently delivered if it is sent by post, facsimile or e-mail.
- c) The giving of any notice or the delivery of any document which is required by these Rules to be given or delivered to any Director or his or her Alternate may be waived by the Director in writing, by any reasonably rapid means of communication, or in person, at any time.

Section 11: Secretary

The Corporate Secretary of the Bank shall serve as Secretary of the Board.

Section 12: Minutes

- a) The Secretary shall be responsible for the preparation of minutes and a summary record of the proceedings of the meetings of the Board.
- b) The draft minutes and summary record of the proceedings shall be reviewed by the Chairperson and circulated to all Directors as soon as possible, but not later than seven (7) working days after the meeting. Any comments by the Directors should be sent to the Secretary not later than fourteen (14) calendar days after receipt of the minutes and summary record, in order for the Secretary to circulate the draft minutes to the Directors for approval at the next Board meeting.
- c) The minutes shall contain: (i) the names of attendees; (ii) a record of the approval of the minutes of the previous meeting; (iii) titles of the agenda items; and (iv) agreements and decisions reached.
- d) Any Director may require that his or her views be recorded in the summary record of the proceedings of the meeting.
- e) The Secretary shall be responsible for the custody of the minutes, summary records of the proceedings and other documents relating to proceedings of the Board and shall be the only person authorised to certify copies thereof.

Section 13: Publicity

The summary records of the proceedings of the Board are confidential and shall not be published, except when the Board decides to authorise the President to arrange for suitable publicity on any matter relating thereto. The Board shall develop special procedures to assure the confidentiality of commercial transactions.

Section 14: Committees

- a) The Board may establish such committees as may be appropriate to facilitate its work to the extent authorized by the Board of Governors. Such committees shall report to the Board.
- b) Pursuant to paragraph (f) of the Article 12 of the Articles of Agreement the Board of Directors shall appoint a Credit and Investment Committee.

Section 15: Language

At meetings of the Board the working language shall be English.

Section 16: Amendments

- a) These Rules may be amended by the Board of Governors.
- b) These Rules shall be amended following the decision of the Board of Governors to make the Board a resident body pursuant to the paragraph (g) of Article 12 of the Articles of Agreement.