

Annex 1

Ethical rules

1. Conflict of interests

- 1.1 Within the scope of the procurement process a conflict of interests may occur concerning personal interests like personal deposits and assets of the Bank official or the acceptance of gifts and treating implying certain obligation for the official.
- 1.2 The Bank officials are prohibited from any involvement with bidders in the procurement where they have or may have personal and financial interests.

2 Confidentiality of information

- 2.1 Information on Procurement is considered confidential.
- 2.2 It includes any document or data which makes a part of the procurement process and any disclosure of them may
 - create unfavorable conditions for the Bank or the bidder
 - grant unfair privilege to the bidder
 - negatively affect the reputation of the Bank.
- 2.3 Officials involved in the process of Procurement must not let any information on the Procurement be available for the bidders until the information is fully available for business community.
- 2.4 The officials must not directly or indirectly disclose any information on the Procurement process for other persons except for those authorized to get such information.
- 2.5 It is necessary to exclude the disclosure of confidential information as it may seriously endanger principles of fairness and confidence in the Bank.

3 Gifts and treating

- 3.1 It is of primary importance that the Bank official involved in any stage of the process of Procurement cannot accept gifts or treating of any type and value from external source which applies to the Bank on purpose of business co-operation as it may be considered or be perceived as favorable attitude towards the stated entity.
- 3.2 The officials must politely refuse the proposal of gifts, including beverages, food, treating, even if they are associated with official visit.
- 3.3 Any gift must be returned and it must be strongly informed that officials involved in the process of Procurement of the Bank are not allowed to receive gifts as the officials involved in the

procurement process and the bidders are managed based on the principles of the policy “Zero tolerance”.

4 Corruption and fraud

4.1 Corruption may appear in any stage of the process of procurement with knowledge and consent of definite people of the Bank or by means of the unilateral covert activities of the bidder.

4.2 Corruption in the process of Procurement implies fraudulent activities and bribery.

4.3 Definitions mentioned below show the common types of corruption which though are not complete:

- Fraud - distortion of facts to the detriment of the bidder on purpose of affecting the process of implementation of Procurement, the election of the bidder and signing of contract which includes agreement among bidders on purpose of creating artificial and noncompetitive price level.
- Bribery - direct or indirect proposal, provision, receipt or demand of any valuable goods or services improperly affecting and reflecting on the third party.
- Infringement of ethical rules- breach of provisions on conflict of interests, information confidentiality and gifts and treating.
- Extortion or pressure - an action with which an attempt is made to affect or intervene in the acquisition of goods or services or in the signing of contracts through the threat of harm to the person, property or reputation.
- Conspiracy - an agreement or a worked out plan between two or more bidders with or without knowledge of definite Bank officials planned for defining an artificial and noncompetitive price level which is not accepted for the Bank.

5 Rules of behavior of the Supplier

5.1 The Bank shall expect from its potential suppliers moral and ethical behavior and loyalty to its highest standards, as well as avoidance of any type of corruption including bribery, fraud, extortion and others.

5.2 The Bank shall expect from its potential suppliers to inform the Bank about any situation that may lead to the conflict of interests, i.e. when any official or employee of the Bank has or may have any type of interest in business of the potential supplier of the Bank or economic relation to it.

5.3 The Bank adheres to the “Zero tolerance” policy and shall not accept any type of gift and treating. The Bank shall accept from its potential suppliers not to offer free goods or service of any value to the Bank officials in order to simplify, intervene or support the formation of business relations with the Bank.

5.4 Observance of the above mentioned principles is taken into consideration by the Bank during the election of suppliers. The bidders breaking the principles will be included into the list of undesirable suppliers for the Bank and will be deprived of the right to participate in tenders and requests for submission of bids carried out by the Bank.

5.5 The Bank inspires its potential suppliers to improve their business skills according to the above mentioned principles.

I have got acquainted and agree with the above mentioned rules.

(position, name, surname, signature)