



ASIAN INFRASTRUCTURE INVESTMENT BANK
RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

(Adopted January 17, 2016 and amended October 9, 2017 by the Board of Directors)

These Rules of Procedure of the Board of Directors are intended to be complementary to the Articles of Agreement and By-Laws of the Asian Infrastructure Investment Bank, and shall be construed accordingly.

In the event of a conflict between these Rules and the Articles of Agreement, the Articles of Agreement shall prevail. In the event of a conflict between these Rules and the By-Laws, the By-Laws shall prevail.

References to a specific gender shall be equally applicable to any gender.

Section 1. Authority for these Rules

These Rules are adopted pursuant to paragraph 4 of Article 24 of the Articles of Agreement, to Article 27 of the Articles of Agreement, and to Section 2 of the By-Laws.

Section 2. Definitions

- (a) "Advisor" means an advisor to a Director, designated by the Director in accordance with Section 3(h).
- (b) "Agenda" refers to the list of items to be considered at a meeting.
- (c) "Articles of Agreement" refers to the Articles of Agreement of the Asian Infrastructure Investment Bank.
- (d) "Board" refers to the Board of Directors.
- (e) "By-Laws" refers to the By-Laws of the Asian Infrastructure Investment Bank.
- (f) "Chairman" refers to the person acting as Chairman of the meetings of the Board of Directors pursuant to Section 3(a).
- (g) "Director", except for a Director acting as Chairman under Section 3(a), includes an Alternate Director or a Temporary Alternate Director, as the case may be, when such Alternate is acting for a Director.
- (h) "Electronic Meeting" means a meeting of the Board where one or more Directors participates in the meeting by means of teleconference, videoconferencing or other electronic means allowing real-time multi-directional communication enabling participants to hear all other participants and address the meeting from different locations.
- (i) "Member" means a member of the Asian Infrastructure Investment Bank.
- (j) "President" refers to the President of the Asian Infrastructure Investment Bank.
- (k) "Secretary" means the Corporate Secretary of the Bank or an official designated by the President to serve in the Corporate Secretary's absence.

Section 3. Meetings

- (a) The President, or, in the absence of the President, the Vice-President so designated by the President, shall act as Chairman of the Board. In the event of their absence from any meeting, the Board shall select a Director as Chairman. The President, Vice Presidents and Directors shall not act as Chairman of a meeting in the event of a conflict of interest related to an item on the agenda at that meeting.
- (b) Meetings of the Board shall be called as the business of the Bank may require by the President (or other person acting as Chairman under Section 3 (a)). Pursuant to Section 2 (b) of the By-Laws, the Board shall hold regular meetings at least quarterly in each year. The Board may be called into session at any time by the President on his own initiative. The President shall call the Board at any time at the written request of any three (3) Directors. In exceptional circumstances, and in the absence or incapacity of both the President and the designated Vice- President, the Secretary may call a meeting upon the request of any three (3) Directors.
- (c) 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 twenty-one (21) days in advance of each meeting.
- (d) The Board shall meet at the principal office of the Bank unless it decides that a particular meeting shall be held elsewhere. As provided in paragraph 4 of Article 27 of the Articles of Agreement, the Board may convene any meeting as an Electronic Meeting, in which one or more Directors participates through electronic means, as defined in Section 2(g).
- (e) A majority of the Directors shall constitute a quorum for any meeting of the Board, provided such majority represents not less than two-thirds of the total voting power of the Members. Directors participating through electronic means in an Electronic Meeting shall be included for purposes of the quorum for that meeting. For such Electronic Meetings, Directors are responsible for ensuring that only the Board Officials and Advisors from their respective constituencies are allowed to observe the proceedings.
- (f) In addition to the Directors and their Alternates, the President, Vice-President(s), and the Secretary, meetings of the Board shall be open to attendance only by such members of the Bank's staff as the President may designate, representatives of Members appointed under paragraph 3 of Article 27 of the Articles of Agreement and Section 2 (c) of the By-Laws, and such other persons as the Board may invite.
- (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-President(s), the Secretary and, with the approval of the Board, granted separately for each Executive Session, such other persons as are specifically named, without prejudice to the provisions of paragraph 3 of Article 27 of the Articles of Agreement.
- (h) Each Director shall be entitled to designate up to three (3) Advisors as observers for meetings of the Board, without any voting or speaking rights. A Director of a constituency with seven (7) or more Members may designate more than three (3) Advisors, provided that the total number of the Director and his Alternate Director(s) and Advisors does not exceed the number of Members of the constituency.

- (i) Advisors shall not be entitled to an allowance for travel expenses in traveling to such meetings of the Board.
- (ii) Each Advisor shall be bound by the Articles of Agreement, the By-Laws, and these Rules. The Code of Conduct for Board Officials shall apply, *mutatis mutandis*, to Advisors.

Section 4. Agenda for Meetings

- (a) An Agenda for each meeting of the Board shall be prepared by the President, or on his instructions, and a copy of such Agenda shall be given to each Director and his Alternate at least twenty-one (21) days before such meeting. In the case of a meeting called in special circumstances, the Agenda shall, if possible, be given to each Director and his Alternate at least seven (7) days before such meeting.
- (b) 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, before the start of the meeting.
- (c) 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.
- (d) The Board may postpone discussion or decision on any agenda item for such period as it deems appropriate.
- (e) Matters not on the agenda for a meeting may be considered at that meeting unless a Director or the Chairman objects thereto.
- (f) 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.
- (g) Documents for discussion in the Board shall be submitted to Directors at least twenty-one (21) days before the scheduled discussion, except that: (i) Project documents shall be submitted at least fourteen (14) days in advance; and (ii) documents for a meeting called in special circumstances shall, if possible, be submitted to Directors at least seven (7) days before the scheduled discussion.

Section 5. Voting

- (a) The Chairman 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 Chairman without the necessity of taking a formal vote. A Director may require that his views be recorded in accordance with Section 8 (c). Any Director may request a formal vote to be taken in accordance with the provisions of paragraph 3 of Article 28 of the Articles of Agreement. The Chairman shall not exercise any voting power but shall have a deciding vote in the event of an equal division.
- (b) Except as otherwise expressly provided in the Articles of Agreement, all matters before the Board shall be decided by a majority of the voting power of the votes cast.

- (c) At any meeting of the Board, the vote of any Member must be cast in person by the Director, a designated Alternate Director, or, in their absence, by a formally designated Temporary Alternate Director. In an Electronic Meeting, a Director or Alternate Director or so designated Temporary Alternate Director may cast his vote by being polled orally, or, if available, through a secure electronic voting system.
- (d) **Voting without meeting.** Whenever the President considers that the decision on a specific question which is for the Board to determine by a formal vote should not be postponed until the next regular meeting of the Board, the President shall promptly transmit, by the most rapid possible means of communication reasonably available, to each Director the proposals relating to that question with a request for a vote on such proposals. In compliance with such a request, votes shall reach the Bank within such period as the President shall indicate in that request which shall normally not be less than ten (10) days. Upon the expiration of that period, the President shall communicate the results to all Directors. Unless replies are received within the indicated time period from a majority of the Directors representing not less than two thirds of the total voting power of the Members, as required for a quorum under paragraph 2 of Article 27 of the Articles of Agreement, the proposals shall lapse.
- (e) **Approval in absence of objection.** Whenever the President considers that the decision on a specific question which is for the Board to determine should not be postponed until the next regular meeting of the Board, and is suitable to be made on a no-objection basis, the President shall promptly transmit, by the most rapid possible means of communication reasonably available, to each Director the proposals relating to that question with a request for approval of such proposals. The Board's approval shall be deemed to have been given upon the expiration of such period as the President shall indicate in the request for approval which shall normally not be less than ten (10) days, unless any Director objects to either the use of the no-objection approval procedure or any content of the proposals submitted thereby within that period, in which event the President shall request a formal vote by the Board in accordance with the procedure laid down in the preceding paragraph or submit the matter for discussion at a meeting of the Board.

Section 6. Notice to Directors

- (a) Any notice required by these Rules to be given to a Director or an Alternate shall be deemed to have been sufficiently given when it shall have been delivered in writing, by post, telephone, facsimile or e-mail or in person through the communication channel designated by such Director or his Alternate.
- (b) Whenever any document is required by these Rules to be delivered to a Director or an Alternate it shall be deemed to have been sufficiently delivered if it is sent by post, facsimile or e-mail through the communication channel designated by such Director or his Alternate.
- (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 an Alternate may be waived by the Director in writing, by any reasonably rapid means of communication, or in person, at any time.

Section 7. Secretary

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

Section 8. Records

- (a) The Secretary, under the direction of the President, shall be responsible for the preparation of minutes and a summary record of the proceedings of the meetings of the Board.
- (b) The minutes shall be circulated to all Directors as soon as possible after meetings, for approval by the Board. The summary record of proceedings shall also be circulated to the Board for review as soon as possible after meetings.
- (c) Any Director may require that his views be recorded in the summary record of proceedings of the meeting.
- (d) The Secretary shall be responsible for the custody of the minutes, summary records of proceedings and other documents relating to proceedings of the Board and shall be the only person authorized to certify copies thereof.
- (e) The Bank shall publish minutes of meetings of the Board of Directors which shall contain the following: (i) the names of the 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.

Section 9. Publicity; Confidentiality

- (a) All proceedings of the Board are confidential, except that the minutes of the Board shall be published as provided in Section 8(e) of these Rules. Other records of the proceedings of the Board shall only be published when the Board decides to authorize the President to arrange for suitable publicity on any matter relating thereto.
- (b) The Board shall develop special procedures to assure the confidentiality of commercial transactions.

Section 10. Committees

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. Committees may also hold Electronic Meetings, in accordance with rules issued by the Board.

Unless the Board decides otherwise, these Rules shall apply, *mutatis mutandis*, to the proceedings of such committees.

Section 11. Amendments

These Rules may be amended at any meeting provided at least twenty-one (21) days' notice of the proposed amendment has been given to the Directors in writing.

Section 12. Interim Arrangements

The Report on the Articles of Agreement of the Asian Infrastructure Investment Bank of the Chief Negotiators for Establishing the Asian Infrastructure Investment Bank, dated May 22, 2015 (the Chief Negotiators' Report) outlined Interim Arrangements to provide an opportunity for Prospective Founding Members to continue to participate in the Bank's governance, pending their completion of the steps for membership. The Chief Negotiators' Report provided that these Interim Arrangements would operate once the Articles of Agreement had entered into force, and until the final date under paragraph 1 of Article 58 of the Articles of Agreement.

In that period, the Board shall accommodate non-voting representatives under these Rules as described below.

(a) Signatories to the Articles of Agreement (Signatories) shall agree on notional constituency groupings, recognizing that actual constituencies would be formed when Members' Governors cast their votes for or assign their votes to a Director. Each such notional constituency grouping (a Constituency) shall be represented either:

- (i) by a Director if one has been elected by a Member or Members in the Constituency; or,
- (ii) if there is no Director yet for the Constituency, by a special Constituency Representative selected by the Constituency Members through consultations.

Each Constituency shall be represented by a Director or by a Constituency Representative, but not both.

(b) Each Director shall represent the Governors who cast their votes for or assigned their votes to the Director, in accordance with the provisions of the Articles of Agreement. A Director may also informally represent the Signatories in the Constituency that have not yet become Members.

(c) Constituency Representatives and Alternate Constituency Representatives may participate in meetings of the Board and its committees without any voting rights.

(d) Each Constituency not represented by a Director shall be entitled to designate one Constituency Representative and one Alternate Constituency Representative, to act when the Constituency Representative is not available. Constituency Representatives and Alternate Constituency Representatives shall be entitled to a reasonable allowance for expenses incurred in travelling officially to such a meeting, in accordance with Section 10 (d) and (g) of the By-Laws.

(e) Constituency Representatives may propose items for inclusion in the Agenda prepared by the President under Section 4 (a). Documents sent to Directors for Board and committee meetings shall also be copied to Constituency Representatives.

(f) Constituency Representatives and their Alternates shall, inter alia, be subject to the ethical requirements applicable to Directors under Section 10(i) of the By-Laws and the confidentiality obligations under Section 9(a) of these Rules.

Once the deadline has passed for Signatories to complete the steps for membership and become Members under Article 58, these Interim Arrangements shall terminate. These Rules shall then be restated without this Section 12.