European Central Bank

European Central Bank
Staff Rules

Directorate General Human Resources, Budget and Organisation
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PART 0 ETHICS FRAMEWORK

0.1 General provisions and principles

0.1.1 The privileges and immunities enjoyed by members of staff under the Protocol on the Privileges and Immunities of the European Union are accorded solely in the interests of the ECB. These privileges and immunities shall in no way exempt members of staff from fulfilling their private obligations or from complying with the applicable laws and police regulations. Whenever privileges and immunities are in dispute, the members of staff concerned shall immediately inform the Executive Board.

0.1.2 In principle, members of staff who are seconded to the ECB or on leave from another organisation or institution in order to work for the ECB on the basis of an ECB employment contract shall be integrated into the staff of the ECB, shall have the same obligations and rights as other staff, and shall perform their professional duties solely for the ECB's benefit.

0.2 Independence

0.2.1 Conflicts of interest

0.2.1.1 Members of staff shall avoid conflicts of interest when performing their professional duties.

0.2.1.2 A 'conflict of interest' means a situation where members of staff have personal interests that may influence or appear to influence the impartial and objective performance of their professional duties. 'Personal interests' means any benefit or potential benefit, of a financial or non-financial nature, for members of staff, their family members, their other relatives or their circle of friends and close acquaintances.

0.2.1.3 Members of staff who become aware of a conflict of interest when performing their professional duties shall immediately inform their line manager thereof. The line manager may initiate any appropriate measures to avoid such conflict of interest after having sought the advice of the Compliance and Governance Office. If the conflict cannot be solved or mitigated by other appropriate measures, the line manager may relieve staff from responsibility for the relevant matter. If the conflict of interest is related to a procurement process, the line manager shall inform the Central Procurement Office or the Procurement Committee, as applicable, which shall then decide on the measures to be taken.

0.2.1.4 Prior to a candidate's appointment, the ECB shall in accordance with the rules on the selection and appointment of candidates assess whether there may be a conflict of interest resulting from the candidate's previous occupational activities or their close personal relationship to members of staff, members of the

Executive Board or members of other internal bodies of the ECB. The Selection Committee or the manager responsible for proposing the appointment shall seek the advice of the Compliance and Governance Office if they identify a conflict of interest.

0.2.2 Gifts and hospitality

0.2.2.1 Members of staff may neither solicit nor accept for themselves or any other person any advantage connected in any way with their employment with the ECB.

0.2.2.2 An 'advantage' is any gift, hospitality or other benefit of a financial or non-financial nature which objectively improves the financial, legal or personal situation of the recipient or any other person and to which the recipient is not entitled by law. Minor hospitality offered during a work-related meeting shall not be considered as an advantage. An 'advantage' is considered connected with a recipient's employment with the ECB if it is offered on the basis of the recipient's position with the ECB, rather than on a personal basis.

0.2.2.3 As an exception to Article 0.2.2.1, and provided they are not frequent and not from the same source, the following may be accepted:

(a) hospitality offered by the private sector with a value of up to EUR 50 if it is offered in the context of a work-related occasion. This exception shall not apply to hospitality offered by current or potential suppliers or by credit institutions in the context of on-site inspections or audits undertaken by the ECB, in which cases no hospitality may be accepted;

(b) advantages offered by other central banks, national public bodies or European and international organisations which do not go beyond what is customary and considered appropriate;

(c) advantages offered in specific circumstances in which their rejection would have caused an offence or put the professional relationship at serious risk.

0.2.2.4 Members of staff shall register with the Compliance and Governance Office without undue delay

(a) any advantage accepted in accordance with Article 0.2.2.3 (c);

(b) any advantage whose value cannot be clearly established to be under the thresholds provided for in Article 0.2.2.3;

(c) any offer of third parties of advantages the acceptance of which is prohibited.

Members of staff shall hand over to the ECB any gifts accepted in accordance with Article 0.2.2.3(c). Such gifts shall become the ECB's property.

0.2.2.5 The acceptance of an advantage shall not, in any event, impair or influence the objectivity and freedom of action of staff.

0.2.3 Procurement

Members of staff shall ensure the proper conduct of procurement procedures by maintaining objectivity, neutrality and fairness, and ensuring the transparency of their actions. Members of staff shall in particular comply with all general and specific rules related to avoiding and reporting conflicts of interest, the acceptance of advantages and professional secrecy.

Members of staff shall only communicate with suppliers participating in a procurement procedure through official channels and shall communicate with them in writing, wherever possible.

0.2.4 Awards, honours and decorations

Members of staff shall obtain authorisation from the Compliance and Governance Office before accepting awards, honours or decorations in connection with their work for the ECB.

0.2.5 Prohibition of payment from third parties for the performance of professional duties

Members of staff shall not accept for themselves any payments from third parties in respect of the performance of their professional duties. If payments are offered from third parties, they shall be made to the ECB.

Activities that relate to ECB tasks or the member of staff's responsibilities are presumed to be part of the overall professional duties of the member of staff. In case of doubt, the responsible line manager shall assess and decide whether an activity is to be considered a professional duty.

0.2.6 External activities

0.2.6.1 Members of staff shall obtain written authorisation before engaging in an external activity that is of an occupational nature or goes otherwise beyond what can be reasonably considered a leisure activity.

The Director General Human Resources, Budget and Organisation or their Deputy, after consulting the Compliance and Governance Office and the relevant line manager(s), shall grant such authorisation if the external activity does not in any way impair the performance of the member of staff's professional duties towards the ECB and does not constitute a likely source of conflict of interest.

Such authorisation shall be granted for a maximum of five years at a time.

0.2.6.2 As an exception to Article 0.2.6.1, no authorisation shall be required for external activities that are:

(i) unremunerated, and

(ii) in the domain of culture, science, education, sport, charity, religion, social or other benevolent work, and

(iii) not related to the ECB or the member of staff's professional duties at the ECB.

0.2.6.3 Without prejudice to Articles 0.2.6.1 and 0.2.6.2 above, members of staff may engage in political and trade union activities, but in doing so shall not make use of their position at the ECB and shall explicitly state that their personal views do not necessarily reflect those of the ECB.

0.2.6.4 Members of staff who intend to stand for or who are elected or appointed to public office shall notify the Director General Human Resources, Budget and Organisation or their Deputy, who shall decide, after consulting the Compliance and Governance Office, having regard to the interest of the service, the importance of the office, the duties it entails and the remuneration and reimbursement of expenses incurred in carrying out the duties of the office, whether the member of staff concerned:

(a) should be required to apply for unpaid leave on personal grounds;

(b) should be required to apply for annual leave;

(c) may be authorised to discharge their professional duties on a part-time basis;

(d) may continue to discharge their professional duties as before.

If a member of staff is required to take unpaid leave on personal grounds or is authorised to discharge their professional duties on a part-time basis, the period of such unpaid leave or part-time work arrangement shall correspond to the member of staff's term of office.

0.2.6.5 Members of staff shall perform external activities outside working hours. On an exceptional basis, the Director General Human Resources, Budget and Organisation or their Deputy may authorise derogations from this rule.

0.2.6.6 The Director General Human Resources, Budget and Organisation or their Deputy may, at any time and after consulting the Compliance and Governance Office and hearing the member of staff, where possible, require the member of staff to terminate external activities that may in any way impair the performance of the member of staff's professional duties towards the ECB or constitute a

likely source of conflict of interest, even if previously authorised. If so required, members of staff shall be granted a reasonable period of time to terminate the external activities, unless an immediate cessation of such activities is necessary in the interest of the service.

0.2.7 Gainful occupation of a spouse or recognised partner

Members of staff shall inform the Compliance and Governance Office of any gainful occupational activity of their spouse or recognised partner that may lead to a conflict of interest. Should the nature of the occupational activity lead to a conflict of interest with the professional duties of the member of staff, the Compliance and Governance Office shall first inform and advise the responsible line manager with regard to the appropriate measures to be initiated to mitigate the conflict of interest, including, if necessary, relieving of the member of staff from responsibility for the relevant matter.

0.2.8 Post-employment restrictions

Negotiating prospective occupational activities

0.2.8.1 Members of staff shall behave with integrity and discretion in any negotiations concerning prospective occupational activities. They shall inform the Compliance and Governance Office if the nature of the occupational activity may lead to a conflict of interest with the professional duties of the member of staff. If there is a conflict of interest, the Compliance and Governance Office shall inform and advise the responsible line manager with regard to the appropriate measures to be initiated to mitigate the conflict of interest, including, if necessary, relieving of the member of staff from responsibility for the relevant matter.

Notification obligations

0.2.8.2 Members of staff and former members of staff shall notify the Compliance and Governance Office before accepting any occupational activity during the following notification periods:

(a) members of staff at salary band I or above and involved in supervisory activities: two years from the date on which their involvement in supervisory activities ceased;

(b) members of staff at salary bands F/G to H and involved in supervisory activities: six months from the date on which their involvement in supervisory activities ceased;

(c) other members of staff at salary band I or above: one year from the date on which they were effectively relieved of their professional duties.

Cooling-off periods

0.2.8.3 The following members of staff shall be subject to cooling-off periods:

(a) members of staff who were during their employment with the ECB involved in supervisory activities for at least six months may only start working for:

(1) a credit institution in the supervision of which they were directly involved after the expiry of:

(i) one year if they are at salary band I or above (which may in exceptional circumstances be increased to up to two years in accordance with Article 0.2.8.7);

(ii) six months if they are at salary band F/G to H

from the date on which their direct involvement in the supervision of the credit institution ceased;

(2) a direct competitor of such a credit institution after the expiry of:

(i) six months if they are at salary band I or above;

(ii) three months if they are at salary band F/G to H

from the date on which their direct involvement in the supervision of the credit institution ceased;

(b) members of staff at salary band I or above who worked in the Directorate General Economics, the Directorate General Research, the Directorate General Macro-Prudential Policy and Financial Stability, the Directorate General Market Operations, the Directorate Risk Management, the Directorate General International and European Relations, the ECB Representation in Washington, the Directorate General Secretariat (with the exception of DIV/IMS), the Counsel to the Executive Board, the Directorate General Legal Services, the Directorates General Micro-Prudential Supervision I to IV or the Secretariat to the Supervisory Board for at least six months may only start working for a financial corporation established in the Union after the expiry of three months from the date on which their work in these business areas ceased;

(c) members of staff at salary band K or above who worked in any other ECB business area for at least six months may only start working for a financial corporation established in the Union after the expiry of three months from the date on which their work in these business areas ceased;

(d) members of staff at salary band I or above who were during their employment with the ECB engaged in payment systems oversight for at least six months may only start working for an entity in the oversight of

which they were directly involved after the expiry of six months from the date on which their direct involvement in the oversight of the entity ceased;

(e) members of staff at salary band I or above who were during their employment with the ECB directly involved in the selection of a supplier or the management of a contract with a supplier may only start working for such a supplier after the expiry of:

(1) six months if the total value of the contract(s) with this supplier is more than EUR 200 000 but less than EUR 1 million;

(2) one year if the total value of the contract(s) with this supplier is EUR 1 million or more

from the day on which their involvement ceased;

(f) members of staff at salary band I or above may after their employment with the ECB only engage in lobbying and advocacy vis-à-vis the ECB on matters for which they were responsible during their employment with the ECB after the expiry of six months from the date on which their responsibilities for these matters ceased;

(g) members of staff at salary band I or above who were during their employment with the ECB directly involved in a legal dispute or seriously conflictive relationship with another entity may only start working for such an entity or for any other party acting on behalf of that entity after the expiry of six months from the date on which their direct involvement ceased.

0.2.8.4 If the envisaged occupational activity falls under two different cooling-off periods, the longer one shall apply.

0.2.8.5 For members of staff whose employment with the ECB does not exceed four years the duration of the notification obligations and cooling-off periods set out in Articles 0.2.8.2 and 0.2.8.3 shall not exceed half of the duration of their employment with the ECB.

0.2.8.6 Upon the request of a member of staff, the Executive Board may exceptionally waive or reduce the cooling-off periods laid down in Article 0.2.8.3, if there are particular circumstances that exclude conflicts of interest resulting from the subsequent occupational activity. The member of staff shall submit a reasoned request including supporting evidence to the Compliance and Governance Office for decision by the Executive Board within a reasonable period.

0.2.8.7 If the cooling-off period set out in Article 0.2.8.3(a)(1)(i) applies, the Executive Board may in exceptional circumstances and upon a proposal from the

Compliance and Governance Office decide to increase that cooling-off period up to a maximum of two years where conflicts of interest persist.

0.3 Professional Standards

0.3.1 Professional secrecy

Members of staff shall comply with the ECB's rules on management and confidentiality of documents, in particular seek authorisation to make disclosure of information within and outside the ECB, where necessary.

0.3.2 Relations with external parties

0.3.2.1 Members of staff shall be mindful of the ECB's independence, reputation and the need to maintain professional secrecy. In the performance of their professional duties, members of staff shall neither seek nor take instructions from any government, authority, organisation or person outside the ECB. Members of staff shall inform their line manager of any attempt by a third party to influence the ECB in the performance of its tasks.

When expressing views on issues on which the ECB has not established a position, members of staff shall explicitly state that their personal views do not necessarily reflect those of the ECB.

0.3.2.2 Members of staff shall maintain a high level of accessibility in their contacts with other European institutions, bodies, agencies and international organisations and be responsive and make themselves available for timely reactions.

Members of staff shall conduct their relations with their colleagues in the national central banks of the European System of Central Banks (ESCB) and the national competent authorities which participate in the single supervisory mechanism (SSM) in a spirit of close mutual cooperation, bearing in mind their obligations towards the ECB and the impartial role of the ECB within the ESCB.

0.3.2.3 Members of staff shall maintain caution in their relations with interest groups and the media. Members of staff shall refer all requests for information by the general public or the media to the Directorate General Communications and Language Services (DG/C) in accordance with the provisions laid down in the Business Practice Handbook. Members of staff shall refer all requests by the general public or the media for access to ECB documents to the Directorate General Secretariat in accordance with the provisions laid down in the Business Practice Handbook.

0.3.2.4 Members of staff who intend to speak at external conferences or seminars or consider contributing to external publications shall seek prior authorisation in accordance with the Business Practice Handbook and comply with the relevant provisions.

0.3.2.5 Articles 0.3.2.3 and 0.3.2.4 shall not apply to staff representatives with regards to matters falling within their mandate. Staff representatives may inform DG/C about any media contacts, speeches or external publications in good time. Their duty of loyalty and professional secrecy obligations shall remain fully applicable in all cases.

0.3.3 In-house relations

0.3.3.1 Members of staff shall comply with their managers' instructions and with applicable reporting lines. If members of staff consider that an instruction given to them is irregular, they shall inform their line manager of their concerns, or, if they consider that the line manager has not sufficiently addressed their concerns, their Director General, Director or their Deputy. If the instruction is confirmed by the Director General, Director or their Deputy in writing, members of staff shall execute such instruction unless it is manifestly illegal.

0.3.3.2 Members of staff shall not require other staff to perform private tasks for them or for others.

0.3.3.3 Members of staff shall behave loyally towards their colleagues. In particular, members of staff shall neither withhold from other members of staff information that may affect the conduct of business, particularly to gain a personal advantage, nor provide false, inaccurate or exaggerated information. Moreover, they shall not obstruct or refuse to cooperate with colleagues.

0.3.4 Respect of the principle of separation between supervisory and monetary policy functions

Members of staff shall respect the principle of separation between supervisory and monetary policy functions as specified in the rules implementing this principle.

0.4 Private financial transactions

0.4.1 General principles

0.4.1.1 Members of staff shall employ utmost caution and care when making private financial transactions for their own account or for the account of a third party to safeguard the reputation and credibility of the ECB as well as public confidence in the integrity and impartiality of its staff. Their private financial transactions shall be non-speculative, restrained and in reasonable proportion to their income and wealth in order not to put their financial independence at risk.

0.4.1.2 The Compliance and Governance Office may issue binding guidelines for the interpretation and application of this Article. Subject to the approval by the Executive Board, the Compliance and Governance Office may in particular specify further private financial transactions which shall be prohibited or subject

to prior authorisation under Articles 0.4.2.2 and 0.4.2.3 if such transactions are or may be perceived to be in conflict with the ECB's operations. The Compliance and Governance Office shall publish such guidelines by appropriate means.

0.4.1.3 Members of staff shall be prohibited from using or attempting to use information which pertains to the activities of the ECB, national central banks, national competent authorities or the European Systemic Risk Board, and which has not been made public or is not accessible to the public (hereinafter 'inside information'), to further their own or another's private interests.

Members of staff are specifically prohibited from taking advantage of inside information in any private financial transaction or in recommending or advising against such transactions.

0.4.1.4 In case of doubt as regards the interpretation of this Article, members of staff shall seek the advice of the Compliance and Governance Office before engaging in a private financial transaction.

0.4.2 Categories of private financial transactions

Without prejudice to the general obligations laid down in Articles 0.4.1 and 0.4.3, members of staff shall comply with the rules applicable to the following categories:

(a) exempt private financial transactions;

(b) prohibited private financial transactions;

(c) private financial transactions subject to prior authorisation;

(d) private financial transactions subject to ex-post reporting.

0.4.2.1 Exempt private financial transactions

Without prejudice to the general obligations laid down in Articles 0.4.1 and 0.4.3, members of staff may make the following private financial transactions without being subject to any restrictions or notification obligations:

(a) purchase or sale of units in a collective investment scheme in respect of which the member of staff has no influence on the investment policy, except schemes whose main purpose is to invest in assets falling under Articles 0.4.2.2(b) and 0.4.2.3(b) and (c), as well as funds transfers and foreign exchange transactions directly connected with such purchase or sale;

(b) purchase or redemption of insurance policies or annuities;

(c) purchase or sale of foreign exchange for the occasional acquisition of non-financial investments or assets, for private travel purposes, or to

cover current or future personal expenses in a currency other than that in which the salary of the member of staff is paid;

(d) expenditures, including purchase or sale of non-financial investments or assets including real estate;

(e) arrangement of mortgages;

(f) transfer of funds from a member of staff's current or savings account held in any currency to another current or savings account owned by them or a third party;

(g) other private financial transactions which are neither prohibited nor subject to prior authorisation and the value of which does not exceed EUR 10 000 within any given calendar month. Members of staff shall not split up private financial transactions in order to circumvent this threshold.

0.4.2.2 Prohibited private financial transactions

Members of staff shall not make any of the following private financial transactions:

(a) transactions relating to or with either a private legal entity or individuals with whom the member of staff has an on-going professional relationship on behalf of the ECB;

(b) transactions concerning (i) individual marketable bonds and shares issued by financial corporations (except central banks) established or having a branch in the Union; (ii) derivative instruments related to such bonds and shares; (iii) combined instruments if one of the components falls under (i) or (ii); and (iv) units in collective investment schemes whose main purpose is to invest in such bonds, shares or instruments.

0.4.2.3 Private financial transactions subject to prior authorisation

Members of staff shall request the authorisation of the Compliance and Governance Office before making the following financial transactions:

(a) short-term trading, i.e. the sale or purchase of assets with the same International Securities Identification Number (ISIN) which have been purchased or sold within the previous month. No authorisation is required if the subsequent sale is made in execution of a stop-loss order which the member of staff has given to their broker;

(b) transactions exceeding EUR 10 000 within any given calendar month in (i) government securities issued by euro area Member States; (ii) derivative instruments related to such government securities; (iii) combined instruments if one of the components falls under (i) or (ii); and (iv) units in

collective investment schemes whose main purpose is to invest in such securities or instruments;

(c) transactions exceeding EUR 10 000 within any given calendar month in (i) gold and gold-related derivative instruments (including gold-indexed securities); (ii) shares, bonds or related derivative instruments issued by companies whose principal business is mining or producing gold; (iii) combined instruments if one of the components falls under (i) or (ii); and (iv) units in collective investment schemes whose main purpose is to invest in such securities and instruments;

(d) foreign exchange transactions other than those listed in Article 0.4.2.1(c) and exceeding EUR 10 000 within any given calendar month.

0.4.2.4 Private financial transactions subject to ex-post reporting

Members of staff shall report to the Compliance and Governance Office any private financial transaction exceeding EUR 10 000 within any given calendar month which does not fall under one of the previous three categories within 30 calendar days after its execution. The Compliance and Governance Office shall define the information to be reported, the reporting format and the procedure.

The obligation to report shall apply in particular to:

(a) loans other than mortgages (including switching from a fixed to a floating arrangement, or vice-versa, or extending an existing loan). Members of staff shall indicate whether the loan is used for the acquisition of financial instruments;

(b) interest rate-related derivatives and derivatives based on indices;

(c) purchases or sales of shares of corporations other than the ones set out in Article 0.4.2.2(b) and bonds issued by such corporations.

0.4.2.5 Existing assets resulting from prohibited transactions

Members of staff may keep assets resulting from transactions within the meaning of Article 0.4.2.2:

(a) which they hold at the moment when they become subject to the restrictions laid down in Article 0.4;

(b) which they acquire at a later point in time without action by them, in particular by way of inheritance, gift, change in their family status, or as a result of a change in the capital structure or a change of control of the entity in which the member of staff holds the assets or rights;

(c) which they acquired at a time when the transaction was not yet prohibited.

Members of staff may dispose of or exercise any rights attached to those assets subject to prior authorisation by the Compliance and Governance Office.

Members of staff shall seek the Compliance and Governance Office's advice if keeping these assets may create a conflict of interest. In such a case, the Compliance and Governance Office may request the member of staff to dispose of such assets within a reasonable period of time, if such disposal is necessary to avoid a conflict of interests.

0.4.2.6 Request for authorisation

Any request for authorisation in accordance with Article 0.4.2.3 or 0.4.2.5 shall be submitted to the Compliance and Governance Office at least five working days prior to the envisaged order date in the format specified by the Compliance and Governance Office. The Compliance and Governance Office shall decide on the request within five working days considering in particular and where relevant: (a) the professional duties of the member of staff and their access to relevant inside information; (b) the speculative/non-speculative nature of the transaction; (c) the amounts involved, if indicated; (d) the reputational risk for the ECB; (e) the timing, in particular the proximity to a meeting of the ECB's decision-making bodies. The Compliance and Governance Office may make an authorisation subject to certain conditions. If the Compliance and Governance Office does not react to a request for authorisation within five working days, the transaction shall be deemed to be authorised.

0.4.2.7 Discretionary asset management by a third party

Financial transactions shall be exempted from the restrictions laid down in Articles 0.4.2.2 to 0.4.2.6 to the extent that they are made by a third party to whose discretion the member of staff has entrusted the management of their private financial transactions under a written asset management agreement. This exemption is subject to the authorisation by the Compliance and Governance Office. The authorisation shall be granted if evidence is provided that the terms and conditions ensure that the member of staff cannot directly or indirectly influence any management decision to be taken by the third party. The member of staff shall inform the Compliance and Governance Office about any change to the terms and conditions of the asset management agreement.

0.4.3 Compliance monitoring

0.4.3.1 Members of staff shall provide the Compliance and Governance Office with a current list of:

(a) their bank accounts, including shared accounts, custody accounts, credit card accounts and accounts with stockbrokers; and

(b) any powers of attorney which third parties have conferred on them in connection with their bank accounts, including custody accounts. Members of staff may only hold and use powers of attorney for third party bank accounts where they are allowed to make available to the ECB the relevant records in line with Article 0.4.3.2.

Members of staff shall keep this list up-to-date.

0.4.3.2 In view of their reporting obligations under Article 0.4.3, members of staff shall keep records for the previous and current calendar years of all of the following:

(a) account statements for all accounts listed in Article 0.4.3.1;

(b) any sale or purchase of financial assets or rights made by members of staff or third parties at the risk and for the account of members of staff or made by members of staff at the risk and for the account of third parties;

(c) the conclusion or the amendment of mortgages or other loans at their own risk and for their own account, or by them at the risk and for the account of others;

(d) their dealings in relation to retirement plans, including the ECB's Pension Scheme and Retirement Plan;

(e) any powers of attorney which third parties have conferred on them in connection with their bank accounts, including custody accounts;

(f) the terms and conditions of any written asset management agreement as defined in Article 0.4.2.7 and of amendments to such agreement.

0.4.3.3 Subject to the approval of the Executive Board, the Compliance and Governance Office may request an external service provider to carry out:

(a) regular compliance checks covering a certain percentage of members of staff as determined by the Compliance and Governance Office; and

(b) ad-hoc compliance checks focusing either on a specific group of members of staff or on specific types of transactions.

For the purpose of such compliance checks, the Compliance and Governance Office may request the members of staff concerned to provide, for a period of time to be specified, the records listed in Article 0.4.3.2 in a sealed envelope for onward transmission to the external service provider. Members of staff shall provide such records within the time limit set by the Compliance and Governance Office.

0.4.3.4 Without prejudice to Article 0.4.3.5, the external service provider shall treat all information and documentation received in strictest confidence and shall use it only for the purpose of carrying out compliance checks.

0.4.3.5 If the external service provider identifies evidence giving rise to a suspicion of a breach of professional duties by a member of staff or a breach of contractual duties by an external person working for the ECB and subject to the restrictions laid down in Article 0.4 by way of their contract, they shall report such a potential breach together with the supporting documentation to the Compliance and Governance Office. The Compliance and Governance Office shall assess the potential breach and, if the suspicion is substantiated, report it to the competent body or business area(s) for further investigations, if necessary, or disciplinary follow-up. The report of the external service provider, including the supporting documentation submitted in accordance with the rules above, may be part of any subsequent internal and/or external proceedings.

0.4.3.6 The obligations of members of staff under Article 0.4.3 shall continue to apply until the end of the calendar year following the year in which their employment ended. The prohibition to use inside information laid down in Article 0.4.1.3 shall continue to apply as long as the information has not been made public.

0.5 Dignity at work

0.5.1 Members of staff shall respect the dignity of their colleagues and refrain from any inappropriate behaviour that demeans others. They shall show sensitivity to and respect for others.

0.5.2 Definitions

For the purpose of the ethics framework, the following definitions shall apply:

1. 'Dignity at work' means the absence of inappropriate behaviour. Inappropriate behaviour means any form of direct or indirect discrimination, physical violence, psychological harassment (also referred to as bullying or mobbing) and sexual harassment.
2. 'Direct discrimination' shall be taken to occur where one person, because of their nationality, gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, is, has been or would be treated less favourably than another person in a comparable situation.
3. 'Indirect discrimination' shall be taken to occur where an apparently neutral provision, criterion or practice would put a person at a particular disadvantage on the grounds of nationality, gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation compared to another person, unless the provision, criterion or practice is objectively justified.
4. 'Physical violence' means the intentional use of physical force or the threat of physical force against another person that results in physical, sexual or psychological harm.

5. 'Psychological harassment' means any improper conduct that takes place over a period, is repetitive or systematic and involves physical behaviour, spoken or written language, gestures or other intentional acts that may undermine the personality, dignity or physical or psychological integrity of any person.

6. 'Sexual harassment' means conduct relating to sex which is unwanted by the person to whom it is directed and which has the purpose or effect of offending that person or creating an intimidating, hostile, offensive or disturbing environment.

The inappropriateness of the behaviour shall be assessed objectively from the perspective of a reasonable third party.

0.5.3 Procedures

0.5.3.1 Members of staff that consider themselves to have been the target of inappropriate behaviour may have recourse to both an informal procedure and a formal procedure. Members of staff initiating any such procedure shall not suffer any negative consequences therefor unless in the context of the procedure they are found to have made deliberately false or malicious complaints.

0.5.3.2 Informal procedure

Under the informal procedure, the member of staff concerned may:

(a) approach the alleged wrongdoer directly;

(b) involve a trusted person of their choice including a staff representative;

(c) involve their line manager for immediate management action; or

(d) involve the Social Counsellor.

0.5.3.3 Formal procedure

If the member of staff concerned considers that the informal procedure is not appropriate or if the informal procedure has not been successful, the member of staff concerned may request the Director General Human Resources, Budget and Organisation or their Deputy to take appropriate (interim) measures. The Director General or their Deputy shall treat such requests rapidly, seriously and confidentially. If necessary, the Director General or their Deputy may report the matter to the competent body to decide whether to initiate an internal administrative inquiry.

0.5.3.4 Managers who become aware of inappropriate behaviour which cannot be addressed properly by immediate management action shall report such behaviour without undue delay to the Director General Human Resources,

Budget and Organisation or their Deputy who shall decide on the follow-up in line with Article 0.5.3.

0.5.3.5 Other members of staff who become aware of inappropriate behaviour may report such behaviour to their line manager or, if need be, directly to the Director General Human Resources, Budget and Organisation or their Deputy. The rules on the protection of staff reporting breaches of professional duties shall apply accordingly.

0.6 Use of ECB resources

Members of staff shall respect and protect ECB property. All equipment and facilities, whatever their nature, are provided by the ECB for official use only, unless private use is permitted either according to the relevant internal rules in the Business Practice Handbook or under special authorisation by the Director General Human Resources, Budget and Organisation or their Deputy. Members of staff shall take all reasonable and appropriate measures to limit costs, so that the available resources can be used most efficiently.

0.7 Implementation

0.7.1 Without prejudice to Article 0.4.2, the Compliance and Governance Office, together with the Director General Human Resources, Budget and Organisation or their Deputy, may issue guidelines on the interpretation and application of the ethics framework.

0.7.2 Members of staff may request the Compliance and Governance Office, or the Director General Human Resources, Budget and Organisation or their Deputy in cases where they are competent to decide, to provide guidance on any matter related to their compliance with the ethics framework. Staff conduct that fully complies with the advice given by the Compliance and Governance Office or the Directorate General Human Resources, Budget and Organisation shall be presumed to comply with the ethics framework and shall not give rise to any disciplinary procedure. Such advice shall not, however, release staff from any liabilities under national law.

PART 1 GENERAL PROVISIONS

1.1 Personal file

The provisions of Article 7 of the Conditions of Employment are applied as follows:

1.1.1 There shall be only one personal file for each member of staff. Medical certificates and related documents required for the application of the Conditions of Employment shall be an integral part of a member of staff's personal file but

shall be separately stored in the Directorate General Human Resources, Budget and Organisation.

The medical file, which shall not form part of the personal file, shall be retained by the ECB's Medical Adviser, who will be solely responsible for it.

1.1.2 The ECB shall implement appropriate measures to protect personal data against accidental or malicious destruction, loss, alteration, unauthorised disclosure or unauthorised access.

1.1.3 The personal file of a member of staff shall contain:

(a) all documents concerning his/her administrative status and all reports relating to his/her ability, efficiency and conduct; and

(b) any comments by the member of staff on such documents.

A member of staff shall have the right, even after leaving the ECB, to acquaint himself/herself with all the documents in his/her file.

1.1.4 The personal file shall be confidential. Access to it will be granted only to

(a) the member of staff concerned

(b) members of the Executive Board;

(c) members of staff who, for professional reasons, need to have access to the information contained in the file and whose access is authorised by the Director General Human Resources, Budget and Organisation or his/her Deputy Director General. These parties will be subject to the legal obligation of professional secrecy.

(d) a member of staff may authorise the Directorate General Human Resources, Budget and Organisation - subject to the approval of the Executive Board - to make his/her personal file available to third parties.

1.1.5 Provided that there are no pending claims, the personal file shall be retained for a maximum of 10 years. The retention period for the personal file shall commence either when the staff member's employment with the ECB ceases or following the last ECB pension payment to either the pensioner or their entitled dependants. Medical certificates and relating documents required for the application of the Conditions of Employment shall be retained for a maximum of five years commencing on the date of their submission.

1.2 Right to strike

The provisions of Article 8 of the Conditions of Employment are applied as follows:

1.2.1 Strike is the deliberate collective abstention from work of employees.

1a.5 Assessment of candidates

1a.5.1 After the closing date, the selection committee shall assess the comparative merits of the candidates and short-list at least two candidates who meet the requirements of the vacancy notice and invite at least two short-listed candidates to participate further in the selection procedure.

For internal recruitment procedures where the selection committee is not able to short-list at least two candidates who meet the requirements, it shall close the recruitment procedure.

For external recruitment procedures where the selection committee is only able to short-list one candidate who meets the requirements, it shall decide to continue the selection procedure with one short-listed candidate or to close it.

A candidate not invited to participate further in the selection procedure may be put on hold and later invited or rejected.

Candidates shall respond and make themselves available within one week after having been invited to participate further in the selection procedure. The selection committee shall decide whether to accommodate requests from candidates unable to make themselves available for the selection procedure in due time.

1a.5.2 All selection procedures shall include at least one interview with the selection committee. Selection procedures for positions allocated to salary band I and above shall include an assessment of managerial and leadership competencies by an external provider. The selection committee may decide on additional selection tools. Candidates shall not disclose the content of selection tools until after completion of the selection procedure.

1a.5.3 Travel expenses incurred by applicants shall be borne by the ECB within the limits and under the conditions further specified by the Directorate General HR, Budget and Organisation.

1a.5.4 The selection committee may consider relevant references provided by the candidate from current or past employers and ECB managers. Referees may be contacted at any time following the submission of an application.

1a.5.5 The selection committee shall assess the merits of the candidates who participated further in the selection procedure and rank them against the requirements in the vacancy notice. If the selection committee considers that none of the candidates are suitable, it may decide to invite additional candidates from the short-list whose applications were put on hold.

The selection committee shall decide on the list of suitable candidates and propose their ranking. It may place one or several suitable candidates onto a reserve list in the order of their suitability.

1a.5.6 For positions at salary band A to H, the business area head filling the position, and for positions at salary band I and above, the Executive Board member in charge of the business area filling the position, shall endorse the list of suitable candidates and may amend the proposed ranking. Amending the proposed ranking of suitable candidates shall require a statement of reasons.

1a.5.7 Only individuals on the list of suitable candidates may be appointed to a position. For managerial positions at salary band I and above, candidates shall only be eligible for appointment if their managerial and leadership skills were assessed by an external provider resulting in a recommendation of the candidate. If a candidate was not recommended, the majority of the selection committee on a reasoned proposal may propose to overrule this assessment based on the candidate's substantial and successful managerial experience at the ECB as evidenced by the candidate and documented in the selection memorandum. The Director General of the Directorate General HR, Budget and Organisation may challenge this proposal in the selection memorandum to the Executive Board.

1a.6 Closure of the selection procedure

1a.6.1 The ECB shall inform the candidates of the outcome of the selection procedure.

1a.6.2 The secrecy of the selection procedure shall be safeguarded by restricting the access of candidates to their respective submissions in the selection procedure and the parts of the assessment relating to them including any reference information obtained therein.

1a.6.3 With the exception of security clearance documents, the Directorate General HR, Budget and Organisation shall keep all relevant selection documentation for a period of five years from the closing date for the submission of applications.

1a.7 Direct appointment

Positions may be filled by means of direct appointment, in order

(a) to fill a position for short-term employment or short-term transfer;

(b) to fill a position by horizontal transfer, if

(i) the position is at salary band I or above,

(ii) members of staff swap their positions,

(iii) the position is filled from within the same business area, or

(iv) the transfer is warranted in the interest of the service;

(c) to appoint a candidate from the reserve list for a recruitment procedure for the same or a similar position within 12 months from the date of the decision to appoint the successful candidate;

(d) to appoint a candidate directly to a position of Counsellor to a member of the Executive Board. If a candidate has been appointed to a vacant position of Counsellor to a member of the Executive Board such appointment shall be limited in time and shall not extend beyond the term of office of that member of the Executive Board. This time limitation may be exceptionally extended for transitional purposes;

(da) to directly appoint an internal or an external candidate to the position of Chief Services Officer. The employment relationship, to which a time limitation applies as laid down in Article 10(e) of the Conditions of Employment may, exceptionally, be extended for transitional purposes for a maximum period of 12 months; or

(e) to fill the position of Head of Business Area or Adviser to the Executive Board with an internal candidate where all the following conditions are met:

(i) the position cannot suitably be filled by horizontal transfer;

(ii) the candidate has outstanding qualifications and the highest merit, including very good management performance required for the position;

(iii) the candidate currently holds a position allocated to salary band J for an appointment to a position allocated to salary band K, or currently holds a position allocated to salary band K for an appointment to a position allocated to salary band L.

Direct appointments to managerial positions shall require an assessment of managerial and leadership skills by an external provider resulting in a recommendation, unless:

(i) the appointment is for a period of three months or less; or

(ii) the appointee has a documented positive track record of managerial performance at the same level as the appointment.

(iii) the appointment is at the level of Head of Business Area or to the position of the Chief Services Officer.

1a.8 Appointment

The provisions of Article 8(b) of the Conditions of Employment shall apply as follows: The Director-General of the Directorate-General Human Resources,

Budget and Organisation or their Deputy Director General shall decide on the appointment of staff for positions at salary band A to H and may sub-delegate the decisions on appointments for short-term employment.

PART 2 EMPLOYMENT RELATIONS

2.0 Conversion of contracts for a definite period

The provisions of Article 10(c) of the Conditions of Employment are applied as follows:

The following members of staff shall be eligible to an employment contract for an indefinite period (hereinafter the 'convertible contracts'):

(a) members of staff assigned to a permanent and vacant post below the I band and engaged for a fixed period of three years; and

(b) members of staff assigned to a permanent and vacant post at the I band and above and engaged for a fixed period of five years.

Subject to the interest of the service, such contracts (hereinafter 'convertible contracts') may be converted in case of at least overall satisfactory performance of the member of staff over the period of the convertible contract. At least six months prior to the expiry of a convertible contract the decision whether or not to convert the contract shall be taken by:

(a) the Director General Human Resources, Budget and Organisation after having consulted the Director General or Director of the business area in which the member of staff assigned to a post below the I band is employed; or

(b) the Executive Board member to whom the Director General Human Resources, Budget and Organisation reports, for members of staff assigned to a post at the I band or above.

2.0a Conditions for non-convertible fixed-term contracts and successive contracts

The provisions of Article 10(d) of the Conditions of Employment are applied as follows:

1. Non-convertible fixed-term contracts may be issued in the following cases:

   (a) against a non-vacant permanent post to replace a member of staff, in particular, but not exclusively, who is absent on maternity, parental or unpaid leave or due to part-time work. The maximum

duration of these contracts shall be six years, with the possibility of extension for up to ten years for the same replacement;

(b) against a vacant non-permanent post which meets one of the following conditions:

(i) it has been created to address specific time-limited organisational needs. The maximum duration of these contracts shall be six years, with the possibility of extension for up to ten years if justified by the continuation of the specific organisational need;

(ii) it relates to the performance of specific time-limited tasks linked to an extraordinary increase of workload related to exceptional circumstances affecting an area of work and which cause a justifiable need for specific skills during a limited period of time. The maximum duration of these contracts shall be six years;

(iii) it requires on a recurrent basis up-to-date specialised knowledge in a specific field that is needed to perform specific tasks for a limited period of time and is not available internally within the ECB. The maximum duration of these contracts shall be six years.

2. The following restriction shall apply to the issue of non-convertible fixed-term contracts:

The ECB may not conclude a non-convertible fixed-term contract with persons:

(a) who have previously been or are employed with the ECB under the conditions of Article 2.0a.1(a) or 2.0a.1.(b)(i) for a period of up to 10 consecutive years, whether under one non-convertible fixed-term contract or under a succession of consecutive short-term and non-convertible fixed-term contracts; or

(b) who have previously been or are employed with the ECB under the conditions of Article 2.0a.1(b)(ii) or (iii)for a period of up to six consecutive years, whether under one non-convertible fixed-term contract or under a succession of consecutive short-term and non-convertible fixed-term contracts;

unless the person has not been in an employment relationship with the ECB (hereinafter the ‘cooling-off period’) for at least one third of the total duration of the preceding contract, including any extensions.

For the purposes of this provision, fixed and short-term employment contracts shall not be considered consecutive following a cooling-off period where there has been no employment relationship with the ECB for a period of at least one third of the duration of the preceding employment contract.

2.1 Probationary period

The provisions of Article 10(b) of the Conditions of Employment are applied as follows:

2.1.1 Appointments shall be subject to a probationary period of six months unless the Executive Board decides to waive the probationary period. In exceptional circumstances the Executive Board may determine a probationary period longer than six months as set out in 2.1.2 (a) below.

2.1.2 When the probationer is prevented by illness, accident, maternity or, in exceptional circumstances, special leave from performing his/her duties for a period of more than one month, the Executive Board may extend the probationary period accordingly.

In addition, the Executive Board may, in exceptional circumstances,

(a) extend the probationary period up to a maximum of twelve months; or

(b) extend the probationary period up to a maximum of twelve months and assign the probationer to another function.

2.1.3 During the probationary period the Executive Board may terminate the contract, giving one month's notice, should the probationer's performance or suitability prove inadequate.

The probationer may resign at any time during the probationary period, giving one month's notice, unless otherwise agreed.

The Executive Board may release a probationer from actual duty during his/her period of notice.

2.2 Termination of contract

The provisions of Article 11 of the Conditions of Employment are applied as follows:

2.2.1 Contracts shall be terminated in writing.

2.2.2 In the event of dismissal for gross misconduct, contracts may be terminated by the Executive Board either without notice or with reduced notice.

2.2.3 The period of notice shall in no case run beyond the normal end of the contract.

2.2.4 The Executive Board may release a member of staff from actual duty during his/her period of notice.

2.3 Support for a transition to a career outside the ECB

Article 11(e) of the Conditions of Employment is applied as follows:

2.3.1 Members of staff who, whilst holding an employment contract for an indefinite period, have remained at least eight consecutive years in the same single salary band, or at least 12 consecutive years in the same broadband, shall be eligible for support for a transition to a career outside the ECB.

For the purpose of the previous paragraph, changes in salary band on the basis of Decision ECB/2006/NP9 of 15 September 2006 on the implementing measures in connection with Article 1 of Annex II to the Conditions of Employment for Staff of the European Central Bank or of Decision ECB/1998/NP14 of 20 November 1998 laying down some specific rules applicable to staff of the European Central Bank who were previously employed by the European Monetary Institute shall not be considered as salary band changes and members of staff who have changed salary band solely on the basis of these Decisions shall be considered to have remained in the salary band in which they were before these Decisions entered into force.

The following periods shall not be considered as interrupting the periods of eight and 12 years, and shall not be deducted from the calculation of the total number of years:

(a) any period of leave;

(b) periods of promotions of less than one year;

(c) employment contracts governed by the Conditions of the Graduate Programme of the European Central Bank;

(d) periods during which the member of staff received a disability allowance.

During the period they receive a disability allowance, members of staff shall not be eligible for support for a transition to a career outside the ECB.

2.3.2 Subject to the procedure laid down in Article 2.3.8(b) and to the limit specified in Article 2.3.9, eligible members of staff resigning with effect at the latest on 1 January 2015 shall be entitled to financial support for a transition to a career outside the ECB. This financial support shall consist of:

(a) a resignation payment;

(b) reimbursement of expenses incurred for participating in activities to prepare for a transition to a career outside the ECB;

(c) temporary cover under the medical benefits and dental plan;

(d) a one-off payment per dependent child.

2.3.3 The resignation payment shall be calculated as:

(a) the monthly basic salary plus allowances, averaged for the last 12 months preceding the end of the employment contract during which the member of staff received a salary from the ECB, multiplied by

(b) the number of completed years of employment,

up to a maximum of 15 times that average.

The term “basic salary” shall be replaced by the terms “full disability allowance” or “partial disability allowance combined with adjusted basic salary”, where appropriate.

The number of completed years of employment shall be computed from the start date of the employment contract referred to in Article 2.3.1.

2.3.4 The expenses incurred for participating in activities to prepare for a transition to a career outside the ECB shall be reimbursed up to a maximum of EUR 10 000. The reimbursement of the expenses shall be subject to a request in accordance with Article 2.3.8(a), the submission of supporting documentation and the approval of each activity by the Head of the HR Policies & Staff Relations Division or their Deputy.

2.3.5 Cover under the medical benefits and dental plan may continue for a maximum of 24 months from the end of the employment contract or during the unpaid leave on personal grounds after the member of staff’s request for resignation payment has been accepted in accordance with Article 2.3.9. Cover shall continue beyond the first six months only on evidence that medical and dental expenses cannot be claimed under another insurance. Contributions to the medical benefits and dental plan shall be calculated on the basis of the monthly basic full-time salary paid or that would have been paid at the date immediately prior to the start of this cover and shall be shared equally between the member of staff and the ECB. At the end of the unpaid leave, Article 33 of the Conditions of Employment shall regulate cover under the medical benefits and dental plan.

2.3.6 The one-off payment per dependent child shall be paid where allowances for the dependent child form part of the calculation basis for the resignation payment. This one-off payment shall be equal to 12 times the maximum ceiling for the education allowance specified in the first paragraph of Article 19(i) of the Conditions of Employment, or, in the case of members of staff entitled to the education allowance on the basis of Article 19(i)(b) of the Conditions of Employment at the date on which their employment contract ends, equal to 12 times the maximum ceiling for the education allowance specified in the second paragraph of Article 19(i) of the Conditions of Employment. The one-off payment shall be paid only once for the same dependent child and shall be deducted

from the child, pre-school and education allowances paid for the same dependent child to another member of staff at the date on which the employment contract of the resigning member of staff ends.

2.3.7 The total financial support for a transition to a career outside the ECB per member of staff shall not exceed the overall limit of 1/4 of the amount obtained by multiplying the amount defined in Article 2.3.3(a) by the number of calendar months between the end of the employment contract and a member of staff's 65th birthday.

2.3.8 Eligible members of staff may submit to the Directorate General Human Resources, Budget and Organisation:

(a) a request to participate in activities to prepare for a transition to a career outside the ECB; and/or

(b) a notice of resignation in accordance with Article 11(c) of the Conditions of Employment and a request for resignation payment.

2.3.9 Financial support for a transition to a career outside the ECB shall be limited to the first 50 eligible members of staff who request it following the procedure in Article 2.3.8(b).

The Executive Board shall approve or reject all such requests from eligible members of staff submitted on one day if this submission leads to more than a total of 50 requests.

Requests for financial support for a transition to a career outside the ECB shall be accepted as long as the number of resignation payments remains below 50 or the limit specified in the second paragraph of this Article.

2.3.10 A resignation agreement between the ECB and the member of staff shall specify the end date of the employment contract and the precise amounts payable as financial support for a transition to a career outside the ECB.

2.3.11 Members of staff shall pay back the financial support for a transition to a career outside the ECB as follows:

(a) 100% of the amount received if they do not resign in accordance with Article 2.3.2 or if they enter into a new employment relationship with the ECB within five years after the resignation in accordance with Article 2.3.2 takes effect;

(b) the amount received reduced by 1/5 per complete year if they enter into a new employment relationship with the ECB five or more years after the resignation in accordance with Article 2.3.2 takes effect.

PART 3 BASIC SALARY AND ALLOWANCES

3.1 General principles

3.1.1 Whenever

- a member of staff does not serve a full month, or
- changes in the employment situation have occurred,

salaries and allowances shall be pro-rated based on the actual number of days worked in relation to the total number of working days for that period, unless otherwise stated in these Rules.'

3.1.2 Allowances shall be paid up to a maximum of three months retroactively from the date of submission of the claim and upon provision of full documentation requested. Where the claim is not completed within two months from its submission, the claim shall be rejected as incomplete unless documents cannot be provided on time for reasons beyond the control of the member of staff.

The ECB shall pay retroactively to the members of staff all amounts due under fully documented claims submitted by the members of staff on time.

3.1.3 Members of staff shall reimburse to the ECB salaries and allowances that have been paid although the member of staff did not fulfil the conditions.

3.2 Salary payment

3.2.1 Members of staff are paid on the 15th of each month unless this date falls on a weekend or a public holiday observed by the ECB, in which case payment will be made on the nearest working day immediately before this date. Payments will be effected by direct credit to a German bank account. Members of staff may request to transfer entirely or partially their monthly net standard salary into a bank account in the European Union, but outside Germany.

A statement of earnings (salary, allowances, etc.), deductions and the resultant net amount payable shall be sent to members of staff on or shortly before pay day.

3.3 Entitlement to the payment of allowances by the ECB

3.3.1 Members of staff shall furnish evidence of their entitlement to allowances prior to any payment being made by the ECB.

3.3.2 Members of staff shall inform the ECB without delay of any change in their circumstances that might affect their entitlements.

3.3.3 For serving members of staff, entitlement to the allowances shall take effect from the beginning of the month in which the entitlement commences. On cessation of such entitlement, the serving members of staff shall receive the

sums due until the last day of the month in which entitlement ceases unless otherwise stated in these rules.

For new members of staff, the entitlement shall take effect from the date of their appointment.

3.3.4 Deductions in respect of the receipt of allowances from another source shall not affect the calculation of the member of staff's expatriation allowance or the calculation of the member of staff's tax liability.

3.3.5 Married couples or recognised partners who are both members of staff of the ECB shall be considered as a single household for entitlements to allowances. Where relevant, entitlements shall be based on the higher salary.

3.4 Recognition of non-marital partners

3.4.1 Non-marital partnerships shall be recognised provided that the conditions listed below are fulfilled.

(a) Neither partner may be engaged in a marital relationship.

(b) There must be no blood relationship in the first or second line between partners.

(c) The couple

- produces a legal document recognised as such by a Member State of the European Union or one of the accession countries acknowledging their status as non marital partners; or
- gives evidence that they are recognised as non marital partners for the purposes of taxation and/or social security in a Member State of the European Union or one of the accession countries; or
- gives evidence that they are recognised as non marital partners by the Central Bank of a Member State of the European Union or one of the accession countries from which one or both partners is/are seconded; or
- produces documentation showing to the satisfaction of the ECB that:
  - (a) they have cohabited and formed a household for at least the last two years, and
  - (b) continue to do so currently; or
- completes a partnership declaration which shall be provided by the Directorate General Human Resources, Budget and Organisation upon request.

(d) A written request for recognition as partners must be submitted to the Directorate General Human Resources, Budget and Organisation, together with the supporting documentation indicated under c) above. The partnership shall be recognised a maximum of three months retroactively from the date of the submission of the complete documentation.

3.4.2 The ECB may periodically ask for reconfirmation of the status of non-marital partners.

3.4.3 The dissolution of the partnership must be notified immediately in writing to the Directorate General Human Resources, Budget and Organisation.

3.5 Household allowance

The provisions of Article 15 of the Conditions of Employment shall be applied as follows:

3.5.1 "Gross annual income" means any form of remuneration for services rendered (which includes salaries, wages, overtime payments, bonus or merit pay payments, pensions, fees, royalties or any other equivalent income) and any allowances or benefits with the exception of payments representing reimbursement of expenses.

In this context investment income or capital gains shall not be considered to form part of remuneration.

The reference period for determining the gross annual income shall be the current calendar year.

3.5.2 Evidence of income must be provided. This may be, for example, the latest tax declaration and salary statement, where relevant, or any other document which the ECB would consider as appropriate and acceptable.

3.5.3 When it can be reasonably considered, on the basis of evidence provided and taking into account any likely change, that the income of the current calendar year will be lower than the limit, the allowance shall be paid. If the annual income turns out to be higher than the limit, the amount paid in excess for that calendar year shall be treated in accordance with Article 3.1.3.

3.5.4 Where both spouses or recognised partners are members of staff of the ECB and earning less than the limit, the household allowance shall be paid to the member of staff with the higher salary.

3.5.5 A member of staff who is widowed, divorced, legally separated or unmarried shall be entitled to the household allowance if they have dependent children within the meaning of Article 3.6.1.

3.5.6 A member of staff who is divorced or legally separated shall retain their entitlement to the household allowance if they have to contribute to the maintenance of their (ex) spouse/(ex) recognised partner by virtue of the terms of the divorce/legal separation agreement.

3.6 Child allowance

The provisions of Article 16 of the Conditions of Employment shall be applied as follows:

3.6.1 "Dependent child" shall mean

(a) the legitimate, natural or adopted child of a member of staff or of his/her spouse or recognised partner;

(b) a child in the custody of a member of staff for whom the member of staff has lodged an application of adoption with the competent national authority; or

(c) a child of the ex-spouse or ex-recognised partner of a member of staff but not of the member of staff, who resides in the member of staff's household. Temporary residence elsewhere for the purpose of attendance at an educational establishment or for medical purposes shall be considered as residence in the member of staff's household.

In addition, the child must actually be maintained by the member of staff, where "actually be maintained" means that the child

(i) resides in the member of staff's household or the member of staff is contributing financially towards the child's upbringing; and

(ii) does not have a personal gross annual income (as defined in Article 3.5.1) in excess of EUR 11,200; and

(iii) is not on military or alternative service.

3.6.2 Not more than one child allowance shall be paid by the ECB in respect of any one dependent child.

3.6.3 Subject to the above conditions, the allowance is paid

(a) automatically until the end of the month in which the child is 18; or

(b) on application to and confirmation by the Directorate General Human Resources, Budget and Organisation, until the end of the month in which the child reaches the age of 26; for children who are in regular full-time attendance at a recognised educational establishment. Supporting evidence must accompany the application (see Article 3.8.1 and Article 3.8.2).

The allowance may be extended until the end of the month in which the child reaches the age of 30, when education is interrupted by compulsory military or alternative service, provided the studies undertaken are a continuation of those interrupted. Extension shall be for the period of service, on production of a reference from the appropriate authorities specifying the length of the service.

The allowance ceases

- at the end of the month in which studies are completed; or
- at the end of the month in which studies are completed if the child begins paid employment immediately thereafter (i.e. within the same calendar month); or
- at the end of the month in which the child ceases his/her studies before completion of the course; or

(c) on application, with supporting evidence in accordance with Article 3.5.4, for children aged over 18 who are suffering from a serious illness or disability. The allowance may be granted for a fixed-term period on the basis of a proposal by the Medical Adviser and shall cease when the Medical Adviser confirms that the serious illness or disability no longer exists.

3.6.4 On confirmation by the ECB's Medical Adviser that a child suffers from a serious illness or disability, the allowance shall be doubled

(a) in the case of a child under 26 years of age;

(b) in the case of a child over 26 years of age, when expenditure linked to the ascertained disability, less any reimbursement, amounts to more than 20% of the taxable income of the member of staff. Costs considered to be related to the disability may be direct costs, such as special schooling fees, special medical treatment not covered by a medical scheme, special equipment, transport or housing facilities, or indirect costs, such as a parent needing to resign from a paid job in order to take care of the child. A lower threshold may be fixed on a case by case basis when justified by personal and/or family circumstances.

Medical documents establishing that a child is suffering from a serious illness or disability shall be sent in a sealed envelope to the ECB's Medical Adviser, who shall confirm to the Directorate General Human Resources, Budget and Organisation the existence of such an illness or disability. For children over 26 years of age, evidence of expenses linked to the ascertained illness or disability must also be provided.

The Medical Adviser shall be entitled to examine and periodically re-examine the child, to refer the child for a specialist opinion if required and with the consent of the member of staff to ask the doctor of the member of staff's child for relevant information. The ECB's Medical Adviser shall be informed of any change in the medical situation of the child concerned which may influence the member of staff's entitlement.

In the event of a disagreement between the ECB's Medical Adviser and the doctor of the member of staff's child, both doctors shall appoint by mutual agreement a qualified specialist to act as arbitrator.

The ECB shall adopt the arbitrator's recommendation.

3.6.5 In the event of reversion to dependent child status after loss of entitlement to the child allowance, payment of the allowance is granted again on production of evidence that the relevant conditions are met, until entitlement to the allowance in accordance with the above articles ceases.

3.6.6 Where both parents are members of staff, the allowance is paid to the member of staff with the higher salary, unless the parents choose otherwise. In the event of separation or divorce, the allowance is paid to the parent who has the child in his/her household, unless parents lodge a common request for payment to one of them with the Directorate General Human Resources, Budget and Organisation.

3.6.7 **Single parent**

"Single parent" means a member of staff who has one or more dependent children as defined in Article 3.6.1 and who is neither married nor in a recognised partnership as defined in Article 3.4.1.

3.7 Expatriation allowance

The provisions of Articles 17 and 18 of the Conditions of Employment shall be applied as follows:

3.7.1 In determining a member of staff's entitlement to an expatriation allowance, where they are not and have never been a national of the State in whose territory their place of employment is situated, the following periods shall not be taken into account:

(a) periods of work within the State in whose territory his/her place of employment is situated, where the work was carried out for another State or for an international organisation; and

(b) periods of education or training within the State in whose territory his/her place of employment is situated, if during that time his/her main residence remained in another country.

3.7.2 In determining a member of staff's entitlement to an expatriation allowance where they are or have been a national of the State in whose territory their place of employment is situated, the following periods shall not be taken into account:

(a) periods of work outside the State in whose territory their place of employment is situated, where the work was carried out for this State or for an international organisation; and

(b) periods of education or training outside the State in whose territory their place of employment is situated, if during that time their main residence remained within this State.

3.7.3 The condition of habitual residence for an entire period shall be deemed fulfilled even if that period has been interrupted for a period not exceeding six months by short-term employment or secondment, study, military or alternative service, training periods, holidays, etc.

3.7.4 When a member of staff has dual nationality including that of the State in whose territory his/her place of employment is situated, the latter shall determine his/her entitlements.

3.8 Education allowance

The provisions of Article 19 of the Conditions of Employment are applied as follows:

3.8.1 "Regular full-time attendance at a primary, secondary or higher educational establishment" means:

(a) education, or vocational training; or

(b) professional training following theoretical training, which is legally required for admission to a profession.

It shall consist of a minimum of sixteen hours of lessons and/or practical work per week for a minimum period of three months in any school year. School holidays shall not be considered as a break in the studies. Training must be pursued in or under the supervision of educational establishments which are organised or recognised by a competent public authority and must lead to an official qualification or be legally required for admission to a profession.

3.8.2 One of the following must be provided as evidence of full-time attendance at an educational establishment:

(a) in the case of primary and secondary education, a certificate of registration or an invoice for tuition or registration fees to be provided once each school year;

(b) in the case of higher education, a certificate of registration to be provided for each academic term, semester or year, as appropriate;

(c) in the case of vocational or professional training, a certificate of registration confirming the level of education with respect to Article 19 (i) or 19 (ii) of the Conditions of Employment and compliance with Article 3.8.1, to be provided for each school term, semester or year, as appropriate. A contract of vocational or professional training must be provided where relevant.

The ECB may periodically ask for reconfirmation of regular full-time attendance at an educational establishment.

3.8.3 For attendance at a primary or secondary educational establishment, the following costs shall be reimbursed, subject to the maximum laid down in Article 19 (i) of the Conditions of Employment, upon presentation of the prescribed documentation:

(a) "tuition fees": mandatory fees charged for attendance at an educational establishment, i.e. tuition fees *per se*, initial registration fees, annual re-registration fees, monetary contributions of another kind on production of evidence that they are mandatory for admission or attendance to the school. The actual costs of the tuition fees shall be evidenced by a detailed invoice and proof of payment to the school;

(b) "boarding fees": if it is a condition for attendance at an educational establishment that a student resides in the educational establishment itself and a fee is charged for such residence, such fee shall be considered as boarding fees. The actual costs of the boarding fees shall be evidenced by a detailed invoice, a statement of the condition of residence in the educational establishment, and proof of payment to the educational establishment;

(c) "costs of daily local transportation": costs of daily local transportation shall be reimbursed by a mileage fee based on the distance between the child's home, closest to the school, and the educational establishment attended. Provided there is a distance of more than one kilometre between the home, closest to the school, and the educational establishment attended, the rate paid shall be EUR 0.40 per kilometre. Members of staff requesting reimbursement of the costs of transportation shall use the form provided. The mileage fee shall be paid on a monthly basis by application of the following formula: (km*2*0.40 EUR*180 school

days)/12. Whenever the school attended or the child's home changes, the mileage fee shall be recalculated from the following month.

3.8.4 With regard to Article 19 (i) (b) of the Conditions of Employment, the condition of imperative educational needs shall be fulfilled in the following situations:

(a) a child who suffers from a serious illness or disability, as certified by the ECB Medical Adviser in accordance with paragraphs 2, 3 and 4 of Article 3.6.4 of the present Staff Rules, and which requires the child to attend a school providing special education suitable for his/her conditions. The Director General Human Resources, Budget and Organisation or his/her Deputy Director General shall verify this suitability after consultation with the Headmaster/mistress of the European School in Frankfurt. The Director General Human Resources, Budget and Organisation or his/her Deputy Director General shall decide when the certificate of the Medical Adviser as well as the verification by the Headmaster/mistress of the European School in Frankfurt shall be renewed;

(a)bis a child who suffers from a learning disability or a neuro-behavioural developmental disorder, as certified by the ECB Medical Adviser in accordance with the procedures laid down in paragraphs 2, 3 and 4 of Article 3.6.4 of the present Staff Rules, which requires the child to receive additional specialised educational support suitable for his/her condition while attending a regular school. The Director General HR, Budget and Organisation or his/her Deputy Director General may at any time verify the suitability of the additional specialised educational support and/or counselling and shall decide when the certificate of the Medical Adviser shall be renewed;

(b) a child of a member of staff who is in the final year of either primary or secondary school or in the last school term of a school year when the member of staff takes up employment, under the condition that the school attended by the child is more than 50 kilometres from the ECB;

(c) a child whose knowledge of languages is insufficient to enable the child to attend classes at the European School in Frankfurt under the condition that the school attended by the child is more than 50 kilometres from the ECB. The Headmaster/mistress of the European School in Frankfurt shall provide a certificate stating that the child's knowledge of languages is insufficient to enable that child to attend classes at the European School.

(d) a child, who cannot attend the European School due to specific organisational constraints faced by the European School in the enrolment of a child with special needs due to compelling pedagogical reasons. The Director General Human Resources, Budget and Organisation or his/her Deputy Director General shall verify the specific organisational constraints of the European School and the special needs of a child due to compelling pedagogical reasons after consultation with the Headmaster/mistress of the European School in Frankfurt. The Director General Human Resources, Budget and Organisation or his/her Deputy Director General shall decide when to renew the verification.

3.8.5 When a member of staff makes in his/her request for an education allowance a choice between the first or the second paragraph of Article 19 (ii) of the Conditions of Employment, the choice shall apply for a full academic year.

3.8.6 A request for an education allowance according to the second paragraph of Article 19 (ii) of the Conditions of Employment shall result in reimbursement of the following costs, subject to the maximum laid down therein, upon presentation of the prescribed documentation:

(a) “tuition fees”: see Article 3.8.3 (a);

(b) “boarding fees”: see Article 3.8.3 (b);

(c) “prescribed books”: books and texts of which the mandatory nature in respect of studies undertaken is certified by the educational establishment. The costs shall be evidenced by a detailed invoice and proof of payment.

3.8.7 Additional charges or interest levied because of spreading payments throughout the year rather than making a single payment, or because of late payment, shall not be considered for reimbursement.

3.8.8 Where the allowance is stated as a monthly limit, the annual limit will be twelve times this amount.

3.8.9 Entitlement to the education allowance shall commence on the first day of the month in which the conditions for the allowance are fulfilled. Entitlement to the education allowance shall cease at the end of the month in which the conditions for the allowance are no longer fulfilled.

3.8.10 In the event of loss of dependent child status and thereby entitlement to the child allowance, payment of the education allowance shall cease. In the event of reversion to dependent child status after loss of entitlement to the child allowance and therefore to the education allowance, payment of the education allowance will be granted again subject to the usual conditions.

3.8.11 When entitlement to the education allowance is for only a part of the school year, the actual school year is used to calculate the prorated entitlement.

3.8.12 Where both parents are members of staff, the allowance is to be paid to the parent receiving the child allowance.

3.8bis Pre-school allowance

The provisions of Article 19bis of the Conditions of Employment shall apply as follows:

The pre-school allowance shall commence in the month in which the dependent child is born and shall be paid until the first day of month in which the child begins to attend a primary educational establishment and in any event no later than the last day of the month in which the child reaches the age of seven.

PART 4 BENEFITS ON APPOINTMENT AND TERMINATION OF SERVICE

4.1 General principles

4.1.1 Members of staff shall claim their benefits on appointment within one year after completion of their probationary period.

4.1.2 For the purposes of the resettlement allowance, members of staff shall resettle within one year after termination of service.

Members of staff shall claim their benefits on termination of service within three months of resettlement.

4.1.3 Prior to the payment of an allowance by the ECB, members of staff shall confirm that an allowance of a similar nature from another source has not or will not be received.

4.1.4 The calculation of benefits on appointment or termination shall consider the marital status of members of staff, their entitlement to allowances (child allowance, household allowance) and basic monthly salary (full, part-time, etc.) at the date of appointment or termination of service.

4.1.5 Members of staff shall reimburse to the ECB benefits on appointment and termination of service that have been paid although the member of staff did not fulfil the conditions.

4.2 Entitlement

4.2.1 Members of staff shall be entitled to benefits on appointment if

(a) their place of appointment is Frankfurt am Main; and

(b) their place of recruitment is more than 50 kilometres from the ECB; and

(c) their request to relocate is approved prior to their date of appointment by the Directorate General Human Resources, Budget and Organisation.

If their place of appointment is not Frankfurt am Main a decision will be made on a case by case basis.

4.2.2 Members of staff shall be entitled to benefits on termination of service if they resettle more than 50 kilometres from the ECB.

For members of staff who resettle outside the EU, the reimbursement of travel and removal expenses is limited to the capital of the EU Member State furthest from the ECB, or the actual costs whichever is the lesser.

Members of staff whose place of recruitment is outside the EU shall be entitled upon request to relocation to their place of recruitment.

4.3 Travel expenses

The provisions of Article 22(i) and Article 23(i) of the Conditions of Employment are applied as follows:

4.3.1 Travel expenses shall be reimbursed for members of staff, their spouse/recognised partner and their dependent children on appointment and on termination of service.

On request, the Protocol & Conferences Division is available to make travel arrangements.

4.3.2 The ECB will reimburse travel expenses incurred on the basis of the most convenient and economic way of carriage, according to the following rules:

(i) by air: economy class, and transfers to and from the airport by public transportation or taxi at either end of the journey;

(ii) by rail: first class including, when necessary, a surcharge for using special trains and transfers to and from the train station by public transportation or taxi at either end of the journey;

(iii) by private car: a payment of EUR 0.40 per kilometre and all ferry tickets and tolls. It is the responsibility of members of staff to ensure that their private car is insured for any damage, which may be caused to it or by it. The ECB will not accept responsibility in this regard.

When necessary, a means of transport other than those mentioned above may be used, subject to prior approval by the Directorate General Human Resources, Budget and Organisation. The terms of reimbursement shall be determined on a case by case basis.

4.3.3 Claims in respect of travel expenses must be made on the form “Reimbursement of travel expenses on appointment/termination of service”. The

form shall be signed by the member of staff and sent to the Directorate General Human Resources, Budget and Organisation, together with the original bills and receipts. A separate form must be filled in for family members who travel on a different date from the member of staff.

4.3.4 Hotel accommodation shall be reimbursed only if prior approval, which will be granted on the basis of necessity, has been received from the Directorate General Human Resources, Budget and Organisation.

4.3.5 All other expenses (e.g. meals, out-of-pocket expenses) are met by a lump-sum payment as follows:

(a) member of staff: EUR 103;

(b) spouse or recognised partner: EUR 103;

(c) dependent child: EUR 52.

4.4 Removal expenses

The provisions of Article 22(i) and Article 23(i) of the Conditions of Employment shall be applied as follows:

4.4.1 Members of staff shall be entitled to reimbursement of all removal expenses incurred in respect of removing furniture and personal effects that belong to themselves, their spouse/recognised partner and dependent children, including the cost of insurance against ordinary risks, from their place of residence to their new place of residence. Expenses incurred in the alteration, fitting, or extension of furniture and/or effects shall not constitute removal expenses.

4.4.2 Members of staff shall submit a prior request to the Directorate General Human Resources, Budget and Organisation which shall provide instructions on the practical organisation of the removal.

4.5 Subsistence allowance

The provisions of Article 22(ii) of the Conditions of Employment shall be applied as follows:

4.5.1 Members of staff shall be entitled to a subsistence allowance if they provide evidence that they have moved into temporary residence at the place of employment whilst maintaining temporarily also their previous residence either at the place of recruitment, previous employment or in their country of origin.

Members of staff shall be refutably presumed having issued such evidence provided they have submitted a declaration of honour as received from the ECB.

The maximum period of entitlement to the subsistence allowance, which accrues on a daily basis, shall be three months.

4.5.2 In case of entitlement to a subsistence allowance for the entire period referred to in Article 4.5.1, the member of staff shall be entitled to a subsistence allowance of EUR 9 270 (hereinafter the 'standard subsistence allowance'). This allowance shall be increased by a maximum supplement of EUR 2 070 for any spouse/ recognised partner and dependent child accompanying them.

4.5.3 Subject to Article 4.5.1, a provisional payment equal to the standard subsistence allowance shall be paid as a lump sum with the second monthly salary. The supplement shall be paid following completion of the period referred to in Article 4.5.1.

4.5.4 Members of staff who have received the provisional payment and before the completion of the period referred to in Article 4.5.1 (i) settled at their permanent place of residence; or (ii) resign from the service of the ECB; or (iii) whose contract is terminated by the ECB shall refund part of the provisional payment in proportion to the unexpired portion of that three months' period.

4.5.5 Where a member of staff and21.458 -12(0 Td ( )Ta)-24c 0.33.807 8(l)-9(r)-6(efvy(ed t)-Tw 2

unpaid leave per calendar year for such certified illness. The notice period for requesting unpaid leave in Article 5.12.2 shall not apply.

In the event of subsequent certified illness of that same or another of the abovementioned persons in the same calendar year, the member of staff may use any remaining days of special leave, without having to request further days of annual or unpaid leave. Where a member of staff does not work for a full year, his/her entitlement to special leave shall be proportional to the period worked and rounded up to the nearest half hour.

5.10.3a Days of unpaid leave in accordance with Article 5.10.2 and 5.10.3 shall affect only the basic salary, salary-based allowances, entitlements and contributions while other allowances, benefits, entitlements and contributions shall remain unaffected. Members of staff who have been granted unpaid leave in accordance with Article 5.10.2 and 5.10.3 shall remain covered under the medical benefits and dental plan and the accident insurance; contributions to the medical benefits and dental plan and the accident insurance shall be calculated on the basis of the corresponding basic full-time salary as if the member of staff concerned had served a full month.

5.10.4 Members of staff may apply through their Director General/Director or his/her representative for special leave to be granted by the Director General Human Resources, Budget and Organisation or his/her Deputy Director General when they have to fulfil legal duties (e.g. compulsory military reserve training, compulsory appearances as a witness before a court). Such leave will be granted if the members of staff are otherwise likely to be subject to penalties imposed by a national administration.

The number of days granted will be decided on a case by case basis, taking into account particular needs and circumstances.

Any emolument paid to the member of staff in connection with the grounds for the special leave will be deducted from his/her remuneration or may be credited to the ECB.

5.10.5 Additional special leave for the reasons mentioned in Article 5.10.2 and 5.10.3, and special leave for other reasons, may be approved by the Director General Human Resources, Budget and Organisation or his/her Deputy on a case-by-case basis.

5.10.6 In addition to the days of special leave granted in accordance with Article 5.10.1 and 5.10.4, travelling time of up to two days per calendar year for travelling to and from an event covered by those Articles shall be granted to the member of staff as follows:

(a) one day for travel by air, where the one-way flight time is up to four hours;

(b) one day for travel by other means than air travel over a distance between 200 and 400 km;

(c) two days where a combination of travel according to (a) and (b) is required, as well as for any travel of a longer duration or over a longer distance.

The days of special leave for travelling time shall be calculated on the basis of the quickest means of travel.

5.10.7 On application via the member of staff's Director General/Director or his/her representative, the Director General Human Resources, Budget and Organisation or his/her Deputy shall grant special leave of up to five days for medically certified hospitalisation of a dependent child under the age of 18. In case of prolonged hospitalisation, the Director General Human Resources, Budget and Organisation or his/her Deputy may extend the special leave on a case-by-case basis.

5.10.8 On application via the member of staff's Director General/Director or their representative, the Director General Human Resources, Budget and Organisation or their Deputy shall grant special leave of up to 10 days for the period until 1 January 2015 to members of staff who requested participation in activities to prepare for a transition to a career outside the ECB. Special leave shall be granted subject to the approval of each activity by the Head of the HR Policies & Staff Relations Division or their Deputy and for the days on which such activities take place, as evidenced by supporting documentation.

5.11 Parental leave

The provisions of Article 29 of the Conditions of Employment are applied as follows:

5.11.1 A member of staff is entitled to unpaid parental leave to take care of each of his/her dependent children until the child reaches the age of ten years. Parental leave may also be taken for a child who needs constant care because of a serious illness or disability.

5.11.2 Parental leave shall be granted for a maximum of three years per child, which may be non-consecutive. The total parental leave granted to a member of staff shall in no case exceed six years. Parents who are both members of staff shall both be entitled to parental leave.

5.11.3 Members of staff shall apply for parental leave to the Directorate General Human Resources, Budget and Organisation via their Director General/Director or his/her representative at least three months in advance. In exceptional

circumstances, the Director General Human Resources, Budget and Organisation or his/her Deputy may also consider requests that were not submitted at least three months in advance.

5.11.4 The procedure described in Article 5.11.3 shall also apply to requests to extend parental leave. A member of staff may return to duty prior to the expiry of parental leave subject to a delay decided on a case-by-case basis. In any event, the delay shall not exceed six months or the expiry date of the parental leave, whichever is the sooner.

5.11.5 At the end of parental leave of six months, members of staff shall have the right to return to their position. At the end of parental leave of more than six months they shall have the right to return to their position or, if that is not possible, to a similar position.

5.11.6 Members of staff on parental leave shall retain the following entitlements.

- child and education allowances;
- disability pension and death in service benefits;
- continued inclusion in the ECB's pension plan, but no contributions by the ECB or the member of staff will be paid; and
- continued cover under the medical benefits and dental plan and accident insurance, provided that during the leave they pay their personal contributions. Contributions to the medical benefits and dental plan and the accident insurance shall be calculated on the basis of the corresponding basic full-time salary before the parental leave starts. Contributions shall be adjusted in line with salary adjustments and changes to the insurance premiums occurring during the period of parental leave. Alternatively, the member of staff may opt out of the medical benefits and dental plan and accident insurance for the period of the parental leave.

5.11.7 No other leave shall be granted during parental leave nor shall annual leave accrue.

5.11.8 Periods of parental leave shall otherwise count as service.

5.12 Unpaid leave

The provisions of Article 30 of the Conditions of Employment are applied as follows:

5.12.1 Members of staff shall, at their request, be granted unpaid leave for their period of compulsory military or alternative service.

5.12.2 Members of staff may, at their request, be granted unpaid leave on personal grounds, including unpaid leave to support the transition to a career outside the ECB, provided that:

(a) the ECB's business is not unduly affected;

(b) such unpaid leave does not conflict with the ECB's legitimate interests, in particular that the activities to be undertaken by the member of staff during such leave do not give rise or may be perceived to give rise to a conflict of interest.

Members of staff may, at their request, be granted unpaid leave to temporarily take up employment with another employer for the purpose of external mobility, provided that, in addition to (a) and (b), they have an employment contract with the ECB for an indefinite period.

5.12.3 Unless otherwise authorised by the Executive Board on compelling grounds and in the interest of the ECB, unpaid leaves in accordance with Article 5.12.2 shall be granted for a minimum of two consecutive weeks up to a maximum total duration of three years.

Members of staff may request an additional period of unpaid leaves for a maximum total duration of three years, if they have not taken any unpaid leave in accordance with Article 5.12.2 in the seven years preceding the date of commencement of the requested additional period of unpaid leave.

Members of staff returning from unpaid leave shall return to the same or an equivalent position. If no such position is immediately available, they may be assigned to a position allocated to a lower salary band for an interim period. Their remuneration shall correspond to their salary prior to the commencement of the unpaid leave, adjusted in line with salary adjustments.

5.12.4 Members of staff shall submit requests for unpaid leave, endorsed by their area head, to the Director General Human Resources, Budget and Organisation or their Deputy at least three months in advance of the requested date of commencement of the unpaid leave. In exceptional circumstances, the Director General Human Resources, Budget and Organisation or their Deputy may also consider requests that were submitted with less notice.

The same procedure and time frames as set out in the first paragraph of 5.12.4 shall apply to: (a) requests to extend the unpaid leave; and (b) requests to return to duty prior to expiry of such unpaid leave, which may be accommodated if this is compatible with the interest of the service.

5.12.5 During unpaid leave in accordance with Article 5.12, no other leave, including sick leave and maternity leave, shall accrue or be granted.

5.12.6 During unpaid leave, salary, allowances and the membership of the social security provided for in Parts 6 and 7 of, and the Annexes to, the Conditions of Employment, and Parts 6 and 7 of the Staff Rules shall be suspended.

As an exception to the first paragraph and without prejudice to the cover under the medical benefits and dental plan provided in support for a transition to a career outside the ECB laid down in Article 2.3.5, members of staff who have been granted unpaid leave may, not later than two weeks before the leave commences, apply to remain covered for the entire duration of their unpaid leave under the medical benefits and dental plan as provided for in Article 33 of the Conditions of Employment and under the accident insurance for non-work related accidents as provided for in Article 34(b) of the Conditions of Employment.

Provided that during the unpaid leave the member of staff pays the full contribution, including the ECB's contribution, such cover shall be granted, unless

(a) they have been granted unpaid leave for compulsory military or alternative service; or

(b) their risk profile has significantly increased as a consequence of the activities performed during the unpaid leave.

Contributions to the medical benefits and dental plan and the accident insurance shall be calculated on the basis of the member of staff's basic full-time salary prior to the commencement of the unpaid leave. Contributions shall be adjusted in line with salary adjustments and changes to the insurance premiums occurring during the period of unpaid leave.

Unpaid leave shall not be considered service for the purpose of determining the duration of the unemployment allowance laid down in Article 6.5.1.

5.12.7 During unpaid leave, members of staff shall notify the ECB without undue delay of any changes of relevance to their unpaid leave and any other changes which may affect their rights, obligations and entitlements vis-à-vis the ECB.

5.13 Sick leave

The provisions of Article 31 of the Conditions of Employment shall be applied as follows:

5.13.1 Members of staff unable to work because of illness or accident must, unless it is absolutely impossible, inform their immediate manager personally before 10 a.m. on the first day of absence. Members of staff who are not at their usual place of residence must let their immediate manager know where they can be contacted.

5.13.2 A medical certificate is required where:

- the absence is longer than two consecutive working days per period of absence; or
- a member of staff is unable to work for the contractually agreed hours due to medical reasons; or
- a member of staff is scheduled to attend a disciplinary or underperformance hearing; or
- the illness or accident occurs during annual leave; or
- the uncertified absences exceed ten working days per annum.

Where sick leave coincides with a weekend or a public holiday, two consecutive working days means:

- a Friday and the following Monday; or
- a Tuesday and Thursday, for example, when Wednesday is a public holiday.

The medical certificate shall indicate the date on which the sickness commenced and the date on which it is expected to end. A single medical certificate can certify an absence of up to a maximum of six weeks in duration.

The medical certificate shall be sent to the Directorate General Human Resources, Budget and Organisation as soon as possible. If the absence is likely to be longer than one week, the medical certificate shall be posted.

Members of staff shall inform their immediate manager without delay if the sick leave is extended. Any extension requires the submission of a medical certificate.

5.13.3 Members of staff must report to their immediate manager on the first day they resume work after sick leave. If the absence was longer than six weeks or if the member of staff concerned wishes to resume his/her duties on a part-time basis, resumption of work is subject to clearance by the ECB's Medical Adviser.

5.13.4 A member of staff may consult the ECB's Medical Adviser at any time during his/her absence. The ECB may refer members of staff to the Medical Adviser at any time and members of staff shall make themselves available for a house call by the Medical Adviser, or other measure of a medical nature as requested by the Medical Adviser, including his/her requirement of a medical certificate for all absences. The Medical Adviser may ask the member of staff's doctor for relevant information.

PART 6 SOCIAL SECURITY

6.1 Payment during sick leave

The provisions of Article 32(a) of the Conditions of Employment are applied as follows:

6.1.1 Remuneration will not be paid beyond the term of the contract of employment.

6.2 The ECB's medical and dental plan

The provisions of Article 33 of the Conditions of Employment are applied as follows:

6.2.1 The cover is effective from the date of appointment in respect of medical and dental treatment obtained on or after that date. There is no waiting period and no prior medical examination.

A person entitled to reimbursement of expenses under another health insurance scheme shall in the first instance claim for benefit under the other insurance. If reimbursement under the other insurance is lower than the reimbursement which would normally be paid under the ECB's plan, the ECB insurer shall pay the difference.

6.2.2 Cover normally ceases on the date on which employment with the ECB ends or, in respect of the member of staff's spouse, recognised partner or children, on the date on which they are no longer considered as dependent within the meaning of Articles 15 and 16 of the Conditions of Employment.

6.2.3 Continuation or conversion of cover may be arranged according to the following rules:

Extension of cover under the ECB's plan

Cover may be continued for a maximum period of six months (or longer in the case of former members of staff in receipt of unemployment benefits), starting on the day following the date on which the insured person would normally cease to be covered under the ECB's medical and dental plan. The premium shall be calculated on the basis of the last full basic monthly salary. Where a member of staff is entitled to the unemployment benefit of the ECB the premium will be shared equally by the ECB and the member of staff concerned.

6.3 Accidents, accidents at work and occupational diseases

The provisions of Article 34(a) and (b) of the Conditions of Employment are applied as follows:

6.3.1 (a) An accident means a sudden, involuntary occurrence adversely affecting the member of staff's health, the cause or one of the causes of which is

external to the victim's organism. The following shall *inter alia* be considered accidents:

- poisoning,
- bites of animals or stings of insects resulting in infections, sicknesses and injuries or any other damage to health,
- exertion resulting in sprains, tears, lacerations or ruptures of muscles or tendons,
- acts carried out in a situation of emergency, in self-defence or when saving human life or salvaging property resulting in bodily injuries,
- assaults or attempts on the life of the member of staff, including in the course of strikes or disturbances, unless the member of staff participated of their own free will in the violent action in which they were injured, other than in self-defence.

(b) An accident at work means an accident fulfilling the definition of paragraph (a), occurring by virtue of, and in the performance of, a member of staff's duties at the ECB. This definition includes any accident occurring:

- on the ECB's premises,
- during duly authorised teleworking,
- during business travel,
- during normal transit between ECB buildings,
- on the journey between the place of residence for the purposes of the member of staff's employment and the place of work and vice versa.

(c) Accidents shall be excluded from the benefits provided under Article 34(a) and (b) of the Conditions of Employment if they are due to the following causes:

(i) wilful involvement of the member of staff in a brawl except if the following three cumulative conditions are met:

(1) the brawl occurred in the course of, or in connection with, the performance by the member of staff of their duties at the ECB or on their way to and from work, including business travel,

(2) the member of staff was called to account and placed in a position of self-defence or saving human life,

(3) the brawl or the accident was not the result of inexcusable conduct by the member of staff;

(ii) manifestly reckless acts committed by the member of staff, including but not limited to their participation by means of motorised equipment in sporting contests, races and official trials;

(iii) a blood alcohol level of the member of staff who is the victim of an accident, of more than 0.5 mg/ml in the case of accidents resulting from the driving of any motor vehicle, and of more than 1.4 mg/ml in the case of any other accident;

(iv) the use by the member of staff of drugs not prescribed by a doctor, except in case of error;

(v) the deliberate handling by the member of staff of weapons or ammunition, except in an emergency or in the course of or in connection with the performance by the member of staff of their official duties;

(vi) practice of any of the following sports without professional supervision: boxing, karate, bungee jumping, any airborne sports activities, any water sports activities other than swimming in controlled or supervised waters, speleology, climbing cliffs or pinnacles of rock or mountain peaks otherwise than on beaten tracks;

(vii) a criminally punishable wilful act which has been the subject of a final verdict to immediate imprisonment. If that sentence was passed in a country of which the member of staff is not a national, the exclusion from cover shall apply only if the judicial proceedings guaranteed the fundamental rights of defence and if the same act would have been punishable by immediate imprisonment under the law of the State of which the member of staff is a national;

(viii) the intentional provision of false or incomplete information on the ECB occupational safety and health self-assessment form for teleworking or the omission, by negligence or otherwise, to notify the ECB of significant changes to the remote work location or to work equipment.

In order to apply, the disqualifying behaviour in question must have directly increased the risk of the accident occurring.

6.3.2 An occupational disease means a pathology listed in the *European schedule of occupational diseases* laid down in Annexes I and II to Commission

Recommendation 2003/670/EC of 19 September 2003 concerning the European schedule of occupational diseases[1], where the member of staff contracted the pathology in the performance of their duties at the ECB.

6.3.3 Reimbursement of reasonable and customary medical and dental expenses incurred as a result of an accident or occupational disease shall be regulated as follows:

- members of staff who suffer an accident at work or contract an occupational disease may apply for reimbursement of expenses from the administrator. Expenses shall be reimbursed at the rate of 100% without the application of the maximum ceilings provided for in the medical benefits and dental plan;
- members of staff who suffer a non-work related accident may apply for reimbursement of expenses from the administrator if, at the date of the accident, they were members of the medical benefits and dental plan. In this case, applications for reimbursement of expenses will be processed by the administrator on the basis of the ECB insurance policy in force at the time. If they were not members of the medical benefits and dental plan, members of staff shall be responsible for the medical and dental expenses incurred.

In the event of disagreement between the administrator and a member of staff, or those entitled under them, concerning the reimbursement of expenses or the terms of the insurance policy in relation to reimbursement of expenses for occupational disease or accidents, the matter shall be determined in accordance with the complaints procedure laid down in the insurance policy. The ECB shall bear no liability in respect of such applications for reimbursement of expenses.

6.3.4 If a member of staff suffers an accident during a period for which they were granted special leave for compulsory military reserve training pursuant to Article 28(iii) of the Conditions of Employment or unpaid leave pursuant to Article 30 of the Conditions of Employment, benefits of the same kind paid from other sources shall be deducted from those payable under this Article insofar as the member of staff is insured under the ECB's accident insurance.

6.3.5 (a) The indemnity provided for in Article 34(b)(i) of the Conditions of Employment shall be paid also following the unexplained disappearance of a member of staff if, on expiry of a period of one year and following an investigation into the circumstances of the disappearance, the member of

1 OJ L 238, 25.9.2003, p. 28

staff is presumed dead unless there are grounds for presuming that the death was not due to an accident.

(b) Where a member of staff is found to be alive after all, or part of the indemnity under Article 34(b)(i) of the Conditions of Employment has been paid, all sums paid shall be reimbursed by the member of staff and those entitled under them. Special arrangements may be made by the ECB to effect such reimbursement.

(c) Where, following payment of the indemnity provided for in Article 34(b)(ii) or (iii) of the Conditions of Employment, the member of staff dies as a result of the same accident or the same occupational disease which gave rise to the entitlement to the indemnity, the indemnity referred to in Article 34(b)(i) of the Conditions of Employment shall be payable only if that indemnity exceeds the indemnity paid pursuant to Article 34(b)(ii) or (iii) of the Conditions of Employment and only in respect of the difference.

6.3.6 (a) Total or partial permanent invalidity shall be measured in terms of physical impairment as laid down in the European disability rating scale in Annex II to the Staff Rules.

(b) For the purposes of the indemnity provided for in Article 34(b)(ii) of the Conditions of Employment, a member of staff shall be considered to have sustained total permanent invalidity as a result of an accident or an occupational disease when the resulting physical impairment is 100%.

(c) Total or partial permanent invalidity resulting from injuries to limbs or organs previously disabled shall only be indemnified by the difference between the degree of invalidity before and after the accident or occupational disease.

(d) The assessment of injuries to healthy limbs or organs damaged in the accident or by the occupational disease shall take into account the state of infirmity of other limbs or organs not affected by the accident or the occupational disease and provided that those limbs or organs function in synergy with those damaged in the accident or the occupational disease. In that case, the indemnity shall cover also the total or partial loss of the function.

The indemnity for partial permanent invalidity resulting from the partial loss of function shall be determined according to the following rule:

$i = (V1 – V2) / V1 *100$

i = invalidity to be granted for the accident or the occupational disease taking account of the state of infirmity of the organ that acts in synergy not affected by the accident or the occupational disease

V1 = validity before the accident or the occupational disease

V2 = validity remaining after the accident or the occupational disease.

(e) The total indemnity for total or partial invalidity on several counts arising out of the same accident or the same occupational disease shall be obtained through addition but such total shall not exceed either the total indemnity of the insurance for permanent total invalidity or the partial sum insured for the total loss or the complete loss of use of the limb or organ injured.

6.3.7 Where, as a result of an accident at work or an occupational disease, the member of staff is incapacitated to such an extent that they cannot do without the permanent assistance of another person, the Director General Human Resources, Budget and Organisation or their Deputy may, after consulting the doctor appointed by them, or the Medical Committee established in accordance with Article 6.6, grant a monthly flat-rate allowance equal to the justified expenditure and not exceeding 150% of the minimum subsistence figure referred to in Article 35 of the Conditions of Employment.

The flat-rate allowance shall be paid only after the reimbursements payable for nursing expenses under the medical benefits and dental plan have been exhausted and shall be paid as a supplement to such reimbursements.

The decision to grant such an allowance shall be subject to review at intervals of not more than three years, to be determined by the Director General of Human Resources, Budget and Organisation or their Deputy.

6.3.8 The benefits payable under Article 34(b)(i) to (iii) of the Conditions of Employment shall be calculated on the following basis:

- in the case of an occupational disease, the monthly basic full-time salary paid in the 12 months preceding (i) the date on which the disease is first diagnosed or, failing that, (ii) the date on which the member of staff first becomes incapable of working as a result of the disease or, failing that, (iii) the date of submission of a request as laid down in Article 6.3.11(a). For former members of staff, benefits shall be calculated on the basis of the monthly basic full-time salary paid during the last 12 months of employment.
- in the case of an accident, the monthly basic full-time salary paid in the 12 months preceding the date of the accident.

6.3.9 No reimbursement of expenses, indemnity or allowance under Article 6.3.7 shall be payable to a member of staff or those entitled under them whose accident or occupational disease arose from a situation in which they intentionally caused or contributed to the death or injury of another person.

6.3.10 (a) Members of staff who suffer an alleged accident at work or those entitled under them shall report it to the Directorate General Human Resources, Budget and Organisation.

Where the alleged accident at work results in death or where it is impossible for the member of staff or those entitled under them to report it, this may be done by any member of their family or any other person with knowledge of the facts.

The report shall specify the date and time, the causes and the circumstances of the alleged accident at work and also the names of witnesses and of any third party which may be liable. A medical certificate shall be annexed, specifying the nature of the injuries and the probable consequences of the alleged accident at work.

(b) The report shall be submitted not later than 10 working days following the date on which the alleged accident at work occurs except where the Director General Human Resources, Budget and Organisation or their Deputy has established that the delay was justified by *force majeure* or by any other legitimate reason.

(c) The Directorate General Human Resources, Budget and Organisation may investigate whether the reported incident constitutes an accident at work.

(d) Members of staff who sustain a non-work related accident within the meaning of Article 6.3.1(a) that might give rise to reimbursement of expenses under the medical benefits and dental plan, or those entitled under them, shall report the accident to the administrator mentioned in Article 6.3.3.

6.3.11 (a) Members of staff who request the application of Article 6.3 on grounds of an occupational disease shall submit a statement to the Directorate General Human Resources, Budget and Organisation within a reasonable period following the onset of the disease or the date on which it is diagnosed for the first time. The statement may be submitted by the member of staff or, where the symptoms of the disease allegedly caused by the performance of their duties at the ECB become apparent after the termination of employment, by the former member of staff; where a

member of staff dies as a result of a disease allegedly caused by the performance of their duties at the ECB, it may also be submitted by those entitled under them.

The statement shall specify the nature of the disease and be accompanied by medical certificates and any other supporting documents. For medical conditions included in Annex II to Recommendation 2003/670/EC, the statement shall include evidence that the member of staff contracted the pathology in the performance of their duties at the ECB.

(b) The Directorate General Human Resources, Budget and Organisation shall investigate the nature of the disease, whether it has resulted from the performance of the member of staff's duties at the ECB and also the circumstances in which it has arisen, paying due regard to the *Information notices on occupational diseases: a guide to diagnosis*[2] published by the European Commission.

(c) After seeing the report drawn up following the investigation, the doctors appointed by the Director General Human Resources, Budget and Organisation or their Deputy pursuant to Article 6.3.12(a) shall state their findings as provided for in the same Article.

6.3.12 (a) On the initiative of a member of staff or those entitled under them and in accordance with the procedure laid down in Article 6.3.13, the Director General Human Resources, Budget and Organisation or their Deputy shall adopt a decision:

(i) to recognise an accident at work,

(ii) to recognise the occupational nature of a disease,

(iii) to establish the degree of permanent invalidity after consolidation of injuries pursuant to Article 6.3.14(c).

Such decisions shall be taken on the basis of expert medical opinion of one or more doctors appointed by the Director General Human Resources, Budget and Organisation or their Deputy and, in the event of an appeal pursuant to Article 6.3.13(b), after consulting the Medical Committee established in accordance with Article 6.6.

(b) Failure by a member of staff to attend a consultation requested by the doctors appointed by the Director General Human Resources, Budget and

2 European Commission, *Information Notices on Occupational Diseases: A Guide to Diagnosis*, Publications Office, Luxembourg, 2009, ISBN 978-92-79-11483-0 (http://ec.europa.eu/social/BlobServlet?docId=3155&langId=en)

Organisation or their Deputy, or the Medical Committee established in accordance with Article 6.6, shall lead to the termination of the case, except where the Director General Human Resources, Budget and Organisation or their Deputy has established that such failure was justified by *force majeure* or by any other legitimate reason.

(c) With regard to decisions concerning the recognition of non-work related accidents and the assessment of the related degree of permanent invalidity, the member of staff or those entitled under them shall claim the indemnity provided for in Article 34(b)(i) to (iii) of the Conditions of Employment from the insurer on the basis of the ECB accident insurance policy in force at the time of the accident. The ECB shall bear no liability in respect of such claims.

6.3.13 (a) Before taking a decision pursuant to Article 6.3.12(a), the Director General Human Resources, Budget and Organisation or their Deputy shall prepare a draft decision and notify it to the member of staff or those entitled under them together with a summary containing non-confidential information from the report of the doctors appointed by the Director General Human Resources, Budget and Organisation or their Deputy. The member of staff or those entitled under them may request that the full medical report be communicated to a doctor chosen by them.

(b) Within two months from the date on which the draft decision is communicated to them, the member of staff or those entitled under them may request that the Medical Committee established in accordance with Article 6.6 delivers its opinion. This request shall contain the name of the doctor representing the member of staff or those entitled under them together with a medical report from that doctor setting out the medical issues disputed in relation to the medical report of the doctors appointed by the Director General Human Resources, Budget and Organisation or their Deputy.

(c) Where, on expiry of this period, no request has been made for consultation of the Medical Committee, the Director General Human Resources, Budget and Organisation or their Deputy shall adopt a decision in accordance with the draft decision previously notified to the member of staff or those entitled under them.

6.3.14 (a) Members of staff who have submitted a request for recognition of an accident at work or an occupational disease shall inform the Directorate General Human Resources, Budget and Organisation of any change in their state of health by submitting medical certificates.

(b) If members of staff provide no information under paragraph (a) for more than six months, they will be presumed to have recovered and the case will be terminated.

(c) The decision pursuant to Article 6.3.12(a)(iii) to establish the degree of invalidity shall be taken after the member of staff's injuries resulting from the accident at work or occupational disease have consolidated. Such injuries shall be considered to have consolidated where they have stabilised or will diminish only very slowly and to a very limited extent. To this end, the member of staff concerned shall submit a medical report confirming the stabilisation and nature of their injuries. The doctors appointed by the Director General Human Resources, Budget and Organisation or their Deputy or, where appropriate, the Medical Committee established in accordance with Article 6.6, may decide that consolidation has taken place regardless of the conclusions of this medical report or in the absence of such a report.

Where it is impossible to define the degree of invalidity after medical treatment is concluded, the findings of the doctors appointed pursuant to Article 6.3.12(a) or, where appropriate, the report of the Medical Committee established in accordance with Article 6.6, shall specify a deadline for reviewing the member of staff's case.

(d) Where an occupational disease is recognised and the member of staff's injuries are found not to have consolidated pursuant to paragraph (c), the Director General Human Resources, Budget and Organisation or their Deputy shall grant a provisional indemnity corresponding to the undisputed proportion of the permanent invalidity rate. That indemnity shall be set off against the final indemnity.

(e) Paragraph (d) shall also apply to decisions concerning the recognition of accidents at work where the degree of invalidity is more than 20% and the member of staff's injuries are found not to have consolidated pursuant to paragraph (c).

6.3.15 (a) In cases other than those referred to in Article 6.3.12(a), where the Director General Human Resources, Budget and Organisation or their Deputy is required to adopt a decision after consulting the doctor appointed by them, the former shall prepare a draft decision and notify it to the member of staff or those entitled under them together with a summary containing non-confidential information from the report of the said doctor. The member of staff or those entitled under them may request that the full medical report be communicated to a doctor chosen

by them. Within 30 days from the date on which the draft decision is communicated to them, the member of staff or those entitled under them may request consultation of another doctor, to be chosen by agreement between the doctor appointed by the Director General Human Resources, Budget and Organisation or their Deputy and the doctor appointed by the member of staff or those entitled under them. If, on the expiry of that period, no request for such consultation has been made, the Director General Human Resources, Budget and Organisation or their Deputy shall adopt a decision in accordance with the draft decision previously notified to the member of staff or those entitled under them.

(b) The expenses incurred in consulting the doctor appointed by agreement under paragraph (a) shall be borne by the ECB. However, where the opinion of that doctor is in accordance with the draft decision previously notified, the member of staff or those entitled under them shall pay the fee and incidental expenses involved in such consultation.

6.3.16 Recognition of total or partial permanent invalidity pursuant to Article 34(b)(ii) and (iii) of the Conditions of Employment shall in no way prejudice application of Article 32 of the Conditions of Employment and vice versa.

6.3.17 Decisions taken under this Article shall be subject to the appeals procedures laid down in Articles 41 and 42 of the Conditions of Employment initiated by the member of staff or those entitled under them only on the grounds of alleged procedural defects or irregularities. The appeals procedures may not be used to challenge medical findings or conclusions which shall be regarded as definitive provided that the conditions in which they were made are not irregular.

6.4 Death - reimbursement of repatriation cost

In the event of the death of a member of staff, his/her spouse/recognised partner or dependent children, the ECB shall reimburse the costs involved in repatriating the body from the member of staff's place of employment to his/her original place of residence. However, in the event of a member of staff's death during official business travel, the ECB shall bear the costs involved in repatriating the body from the place where death occurs to the member of staff's original place of residence or place of employment.

6.5 Unemployment benefits

The provisions of Article 36 of the Conditions of Employment are applied as follows:

6.5.1 In determining the duration of the allowance, the additional months referred to in calculating monthly unemployment allowance after twelve months of

unemployment shall be one additional month per year of service over three years and one additional month per age bracket of two years after the age of forty.

6.5.2 Not later than one month following the date of termination of his/her service, the former member of staff shall forward to the Directorate General Human Resources, Budget and Organisation evidence that he/she is registered as unemployed and is seeking employment through the competent employment authorities of the state in which he/she has established or establishes his/her residence.

Such evidence shall be provided for each further month of unemployment and after each period of the suspension of entitlements.

6.5.3 The unemployment benefits shall nevertheless be granted if the former member of staff is unable to register as seeking employment because of the absence of any competent national authority or rejection of his/her application by such authority in the case of illness, accident, maternity, invalidity or a situation recognised as being similar.

6.5.4 The allowance shall be subject to the tax for the benefit of the European Communities.

6.5.5 Entitlement to the household allowance shall be calculated on the basis of the unemployment allowance

6.5.6 Extension of cover under the ECB's medical and dental plan shall be subject to payment of a contribution equal to the half of the premium calculated on the basis of the unemployment allowance. The extension shall be granted

- for six months, subject to regular conditions;
- for the period of entitlement to the unemployment allowance beyond six months on evidence that medical expenses cannot be provided by another scheme.

6.5.7 Extension of cover under the ECB accident insurance shall be for a maximum period of six months subject to the payment of half of the premium based on the unemployment benefit payable.

6.5.8 If the former member of staff ceases to fulfil the conditions of entitlement, the payment of the benefits is suspended. Payment is resumed if, before the expiry of the two-year period, the conditions are again fulfilled.

6.5.9 The above benefits

(a) are paid monthly in arrears. When they are not due in respect of a whole month, they shall calculated on the basis of a 30-day month;

(b) are paid to the surviving dependents as appropriate in the case of death;

6.5.10 Unless the Executive Board decides otherwise, there shall be no entitlement to unemployment benefits in the following instances:

- resignation;
- refusal by the member of staff of an extension of contract for the same or an equivalent position;
- dismissal for disciplinary reasons;
- termination during the probationary period.

6.5a. The provisions of Article 36a of the Conditions of Employment are applied as follows:

6.5a.1 Members of staff requesting the benefits under Article 36a of the Conditions of Employment shall submit evidence of their being registered as unemployed and seeking employment in accordance with the conditions set out in Article 6.5.2.

On the basis of the evidence presented, the Director General Human Resources, Budget and Organisation or their Deputy shall decide on the payment of the special allowance and the related benefits.

The Director General Human Resources, Budget and Organisation or their Deputy may request further evidence in particular to prove that the member of staff is not able to find a suitable alternative occupation.

6.5a.2 Articles 6.5.4, 6.5.5, 6.5.6, 6.5.7, 6.5.8 and 6.5.9 shall apply accordingly.

6.6 Medical Committee

6.6.1 The Medical Committee shall consist of three doctors:

(a) one appointed by the member of staff or those entitled under them;

(b) one appointed by the Director General Human Resources, Budget and Organisation or their Deputy;

(c) one appointed by agreement between the doctors appointed under paragraphs (a) and (b), and who shall neither have been consulted by the member of staff nor have been contracted to provide services as Medical Adviser or General Practitioner to the ECB prior to their appointment to a Medical Committee.

Where agreement cannot be reached on the appointment of the third doctor within a period of two months following the appointment of the second doctor, the President of the Hessian Landesärztekammer shall appoint the third doctor at the request of either party.

Irrespective of the method of appointment, the third doctor shall possess relevant medical expertise to produce an expert opinion related to the medical condition of the member of staff.

6.6.2 The member of staff or those entitled under them shall notify the appointment of the doctor under Article 6.6.1(a) to the Directorate General Human Resources, Budget and Organisation within 30 days of the latter notifying the member of staff of the appointment of the doctor under Article 6.6.1(b). If the member of staff or those entitled under them fails to appoint a doctor who is willing to act as a member of the Medical Committee, a doctor not previously consulted by the member of staff in connection with the medical issue in question shall be appointed on their behalf by the President of the Hessian Landesärztekammer.

6.6.3 (a) The Medical Committee shall be responsible for determining medical appeals.

In its three-member composition, it shall also be competent to decide on all disputes relating to medical opinions expressed for the purposes of the Conditions of Employment and the Staff Rules, on the one hand by the doctor designated by the Director General Human Resources, Budget and Organisation or their Deputy and, on the other, by the doctor designated by the member of staff concerned.

(b) Cases shall be submitted to the Medical Committee either on the initiative of the Director General Human Resources, Budget and Organisation or their Deputy or at the request of the member of staff concerned or those entitled under them.

(c) The Director General Human Resources, Budget and Organisation or their Deputy shall define the terms of reference of the Medical Committee. These shall cover medical matters raised by the report of the doctor representing the member of staff or those entitled under them and other relevant medical reports transmitted to or by the ECB.

The fees and incidental expenses of the doctors making up the Medical Committee shall be set in accordance with the Justizvergütungs- und entschädigungsgesetz[3] .

(d) Before establishing the terms of reference of the Medical Committee, the Directorate General Human Resources, Budget and Organisation shall inform the member of staff or those entitled under them of the fees and

3 Gesetz über die Vergütung von Sachverständigen, Dolmetscherinnen, Dolmetschern, Übersetzerinnen und Übersetzern sowie die Entschädigung von ehrenamtlichen Richterinnen, ehrenamtlichen Richtern, Zeuginnen, Zeugen und Dritten (Justizvergütungs- und -entschädigungsgesetz - JVEG) http://www.gesetze-im-internet.de/bundesrecht/jveg/gesamt.pdf.

incidental expenses which are liable to be borne by them in accordance with Article 6.6.5. The member of staff or those entitled under them may not under any circumstances object to the third doctor on account of the amount of the fees and expenses requested by them.

6.6.4 (a) The member of staff or those entitled under them shall be responsible for submitting to the Medical Committee all relevant medical documents concerning them. These shall include any reports or certificates from the member of staff's doctor and from doctors consulted in connection with the medical issue in question. The member of staff or those entitled under them shall provide the doctor appointed by them under Article 6.6.1(a) with the names of all doctors consulted in connection with the medical issue in question.

(b) The Medical Committee shall meet at the latest within 60 days following the appointment of the third doctor.

(c) The Medical Committee shall examine collectively all the available documents likely to be of use to it in its assessment and shall take all decisions by majority vote. The third doctor shall be responsible for providing the secretariat and drafting the report. The Medical Committee may decide on and adopt its own rules of procedure. The Medical Committee may request additional examinations and consult experts in order to carry out its task.

(d) The Medical Committee may deliver medical opinions only on the facts submitted to it for examination or which are brought to its attention. If the Medical Committee considers that its task may entail a legal dispute, it shall abstain from providing opinions on the legal aspects of the case.

(e) On completing its deliberations, the Medical Committee shall adopt its opinion in the form of a medical report. Such medical report shall be added by the Directorate General Human Resources, Budget and Organisation to the medical file of the member of staff concerned. The Medical Committee shall provide a summary containing non-confidential information from this report to the Director General Human Resources, Budget and Organisation and their Deputy. On the basis of the summary, the Director General Human Resources, Budget and Organisation or their Deputy shall notify the member of staff or those entitled under them of their decision together with the summary containing non-confidential information from the report of the Medical Committee. The member of staff or those entitled under them may request that the Medical Committee's full report be transmitted to a doctor of their choice.

(f) The deliberations of the Medical Committee shall be secret.

6.6.5 Fees and incidental expenses incurred in connection with the proceedings of the Medical Committee shall be borne as follows:

(i) where the opinion of the Medical Committee is in accordance with the draft decision of the Director General Human Resources, Budget and Organisation or their Deputy, members of staff or those entitled under them shall pay the fees and incidental expenses of the doctor appointed by them and half of the fees and incidental expenses of the third doctor;

(ii) where members of staff or those entitled under them decide to discontinue the procedure for referral to the Medical Committee, they shall pay the fees and incidental expenses of the doctor appointed by them, and half of the fees and incidental expenses of the third doctor, in respect of the part of the work that has been completed;

(iii) where the opinion of the Medical Committee is not in accordance with the draft decision of the Director General Human Resources, Budget and Organisation or their Deputy, the ECB shall pay all the fees and incidental expenses;

(iv) the total amount members of staff or those entitled under them shall pay in accordance with subparagraphs (i) or (ii) shall be limited to EUR 500. However, if members of staff or those entitled under them agree with the doctor appointed by them, or appointed on their behalf, fees or incidental expenses that are higher than those regulated in the Justizvergütungs- und entschädigungsgesetz, or if the doctor appointed by the members of staff or those entitled under them, or appointed on their behalf, is not resident at the place of work of the member of staff, the limit of EUR 500 shall not apply for the sums exceeding the tariffs provided in the Justizvergütungs- und -entschädigungsgesetz or for the travel expenses of that doctor.

6.6.6 In exceptional cases, the Director General Human Resources, Budget and Organisation or their Deputy, after consulting the doctor appointed by them, may decide that all fees and incidental expenses referred to in Article 6.6.5 are paid by the ECB.

6.7 Staff assigned to the administration of medical procedures

Members of staff assigned to administering Articles 6.1, 6.2, 6.3 and 6.6 of the Staff Rules and of Articles 6.1, 6.2 and 6.4 of the Rules for Short-Term Employment shall be required to observe confidentiality regarding medical documents and expenses which come to their attention in the course of the

performance of their duties. They shall continue to be subject to this obligation after their duties have ceased.

PART 7 PENSION

7.1 Dispute settlement procedures

Any dispute as defined in the pension arrangements for members of staff of the ECB, referred to in Part 7 of the Conditions of Employment, arising between any of the following:

- the Administrator,
- the Oversight Committee,
- the Core Benefit Investment Committee,
- the Flexible Benefit Investment Committee

shall be dealt with in accordance with the procedure laid down in the Terms of Reference of the Oversight Committee, the Core Benefit Investment Committee and/or the Flexible Benefit Investment Committee, as appropriate.

PART 8 APPEALS AND DISCIPLINARY PROCEDURES

8.1 Administrative review and grievance procedures

The provisions of Article 41 of the Conditions of Employment are applied as follows:

8.1.1 A member of staff may ask the Director General Human Resources, Budget and Organisation, or their Deputy Director General, to take a decision relating to them. The member of staff shall be notified of a reasoned decision within two months from such request. If the member of staff has not received a reasoned decision within two months from their request, this shall be deemed to constitute an implied decision rejecting the request, against which an administrative review may be lodged.

8.1.2 A member of staff may request an administrative review of a decision within two months from the date on which it was communicated to them. They shall submit their request to the Director General Human Resources, Budget and Organisation.

8.1.3 The Director General Human Resources, Budget and Organisation or their Deputy Director General shall notify the member of staff of their decision in

writing within two months from the date on which the request for an administrative review was submitted to them.

8.1.4 A member of staff who remains dissatisfied with the decision following the administrative review procedure, or who has not received a decision within two months from the Director General Human Resources, Budget and Organisation or their Deputy Director General, may use the grievance procedure set forth below.

8.1.5 A member of staff may initiate a grievance procedure within two months from the date on which

(a) the decision taken under the administrative review procedure giving rise to the grievance has been notified to the member of staff; or

(b) the period of two months from the request to the Director General Human Resources, Budget and Organisation or their Deputy Director General expired without such a decision referred to in paragraph (a) having been taken.

The member of staff shall submit the request for a grievance procedure to the President together with any relevant documents. The request shall clearly state the reasons for challenging the decision and the relief sought.

The President shall notify the decision to the member of staff within two months from the date on which the request was submitted to them.

8.1.6 Decisions taken by the Executive Board shall be subject to a special appeals procedure. A member of staff may initiate an appeal within two months from the date on which the Executive Board's decision was communicated to them.

The member of staff shall submit the appeal to the President together with any relevant documents. The request shall clearly state the reasons for challenging the decision and the relief sought.

The President shall notify the Executive Board's decision to the member of staff within two months from the date on which the appeal was submitted.

8.1.7 The submission of a request for an administrative review, a grievance procedure or an appeals procedure shall not by itself have the effect of suspending the decision in question or any action pursuant to that decision. However, at the member of staff's request, the Director General Human Resources, Budget and Organisation or their Deputy Director General in the case of an administrative review, or the President in the case of a grievance, or the Executive Board in the case of an appeal, may suspend the decision, or any action pursuant to that decision.

8.1.8 A member of staff may seek the assistance of a staff representative in the course of an administrative review, grievance procedure or appeals procedure.

8.2 Appeals to the Court of Justice of the European Union

The provisions of Article 42 of the Conditions of Employment are applied as follows:

8.2.1 Appeals to the Court of Justice of the European Union shall be filed within two months from the date on which:

- the member of staff concerned is notified of the final decision taken in a grievance or appeals procedure, or
- the period of two months which applies in the grievance or appeals procedure expires without such a final decision having been taken. Nevertheless, if the final decision in a grievance or appeals procedure is taken after this two-month period but before the two-month period for filing an appeal to the Court of Justice of the European Union has expired, the period for filing an appeal shall start to run afresh.

8.3 Disciplinary procedure

The provisions of Articles 43, 44 and 45 of the Conditions of Employment are applied as follows:

8.3.1 Breach of professional duties shall mean a breach of the obligations laid down in the Statute of the European System of Central Banks and of the European Central Bank, the Conditions of Employment, the Staff Rules, the Code of Conduct of the European Central Bank or any other legal act or internal standard or rule applicable to members of staff.

8.3.2 On the basis of a report, which shall state the facts and the circumstances of the breach of professional duties, including any aggravating or extenuating circumstances and the underlying evidence, and the results of the hearing of the member of staff concerned after they have been notified of all evidence in the files, the Executive Board may decide any of the following:

- to initiate disciplinary proceedings for breach of professional duties,
- to inform the member of staff that no case can be made against them,
- not to impose a disciplinary measure, even if there is or appears to have been a breach of professional duties.

If the disciplinary measure likely to be imposed is a written warning or a written reprimand, the Director General Human Resources, Budget and Organisation or their Deputy Director General (for members of staff in salary bands A to J), or the member of the Executive Board to whom the Directorate General Human

Resources, Budget and Organisation reports (for members of staff in salary bands K or L), may take any of the abovementioned decisions.

Disciplinary proceedings shall be initiated at the latest within five years from the date of the facts occurring and within one year from the date on which those facts were discovered, save in cases of serious misconduct for which a dismissal may be imposed, where the time limit shall be respectively 10 years and one year.

Any periods of absence from work of a member of staff after the date of discovery of the facts due to sickness, disability or maternity, where there is a medically certified incapacity to participate in the hearing pursuant to this Article, shall suspend the time limit for initiation of disciplinary proceedings for the duration of the certified incapacity.

The member of staff subject to the disciplinary proceedings (hereinafter the 'member of staff') shall be informed in writing of the initiation of the disciplinary proceedings and of the allegations made against them.

Disciplinary proceedings not involving the Disciplinary Committee

8.3.3 If a written warning or written reprimand are likely to be imposed, the Director General Human Resources, Budget and Organisation or their Deputy Director General (for members of staff in salary bands A to J), or the member of the Executive Board to whom the Directorate General Human Resources, Budget and Organisation reports (for members of staff in salary bands K or L), shall hear the member of staff concerned before such a disciplinary measure is imposed.

8.3.3a References in Parts 8.3.2 and 8.3.3 to members of staff in salary bands K or L shall also include higher bands.

Disciplinary proceedings involving the Disciplinary Committee

8.3.4 The imposition of disciplinary measures other than a written warning or a written reprimand shall require the involvement of the Disciplinary Committee.

8.3.5 The Disciplinary Committee shall be composed of five members as follows:

(a) a non-voting Chair appointed by the Executive Board from a list composed of former high-ranking officials of another Union institution or senior members of a European international organisation. They shall be remunerated on a daily basis at a level equivalent to 1/22 of the basic monthly salary of an ECB member of staff in band L at step 1;

(b) the Director General Human Resources, Budget and Organisation or their Deputy Director General;

(c) two members of staff appointed by the Executive Board;

(d) a staff representative appointed by the Executive Board from a list ranking three names of members of staff submitted by the Staff Committee and the recognised trade unions. The Staff Committee and the recognised trade unions shall maintain at all times a list of three names. Should no member on this list be available or eligible for whatever reason, and the Staff Committee and the recognised trade unions are not able to provide substitutes, the Executive Board shall appoint another member of staff to complete the composition of the Disciplinary Committee.

The members of the Disciplinary Committee appointed according to paragraphs (c) and (d) may not belong to the business area of the member of staff subject to disciplinary proceedings. The Executive Board shall establish a list of alternates to replace the members of the Disciplinary Committee and the secretary appointed in accordance with Article 8.3.9.

The alternate for the member of staff appointed under paragraph (d) shall be taken from the list mentioned in the same paragraph unless there is no member available or eligible on this list and the Staff Committee, and the recognised trade unions are not able to provide a substitute, in which case the Executive Board may appoint another member of staff as alternate.

8.3.6 Subject to the approval of the Chair, a member of the Disciplinary Committee may be excused from duty for legitimate reasons and shall withdraw if a conflict of interest exists. Their alternate shall replace them.

8.3.7 The deliberations and proceedings of the Disciplinary Committee shall be treated as personal and confidential in accordance with the ECB's internal rules on confidentiality. The members of the Disciplinary Committee shall act in their personal capacity and shall be completely independent in the performance of their duties.

8.3.8 The Chair of the Disciplinary Committee shall ensure implementation of decisions taken during the proceedings of the Disciplinary Committee and shall bring all relevant information and documents to the attention of each of its members.

8.3.9 A secretary appointed by the Executive Board shall assist the Disciplinary Committee and shall draw up minutes of its meetings.

8.3.10 The member of staff shall be informed of the composition of the Disciplinary Committee and may object to one of the members of the Disciplinary Committee within the following five days.

8.3.11 The report referred to in Article 8.3.2 shall be communicated to the member of staff. On receipt of the report, they shall have the right to obtain their complete personal file and take copies of all documents relevant to the proceedings, including exonerating evidence. They shall have not less than 15 calendar days from receipt of the report to prepare their defence.

8.3.12 The Disciplinary Committee shall hear the member of staff, who may present observations in writing or orally and be assisted by a person of their choice. They may call witnesses. The member of staff and all witnesses shall sign the minutes or transcripts of interviews formalising their evidence or transmit their comments and/or remarks within 15 calendar days of receipt of the minutes or transcripts. At the member of staff's request, the Disciplinary Committee shall hear the Staff Committee.

8.3.13 At the beginning of the hearing, the Disciplinary Committee shall inform the member of staff whether they will record the oral hearings for the purpose of drawing up the minutes. These recordings shall be destroyed within six months from the final decision by the Executive Board unless they are needed for a possible follow-up such as judicial proceedings.

8.3.14 If the Disciplinary Committee does not consider the information at its disposal as sufficient, it may ask one of its members to carry out further investigations. For this purpose they may take any necessary fact-finding measure such as interviews with members of staff, requests for clarification and for documents and any forensic expertise of underlying evidence presented in the report referred to in Article 8.3.2. In cases of other fact-finding measures, such as checking ECB electronic traffic data and/or accessing electronic files, performing on-the-spot searches, checking ECB telephone traffic data or intercepting business telephone calls made from ECB telephones, the Disciplinary Committee may request such measures to be conducted by those who have established the report referred to in Article 8.3.2. Following these investigations, an additional report shall be established and communicated to the Disciplinary Committee and to the member of staff. They shall have 15 calendar days to update their defence.

8.3.15 The Disciplinary Committee shall, by majority vote, deliver a final opinion signed by all members on whether the facts are established, whether they constitute a breach of professional duties and on any disciplinary measure. Any member of the Disciplinary Committee may attach a divergent view to the opinion. The Disciplinary Committee shall transmit its final opinion to the Executive Board and to the member of staff within three months from the notification of the initiation of the disciplinary proceedings to the member of staff. If the Disciplinary Committee

performs complementary investigations, the time limit shall be five months. It shall in any case be commensurate to the complexity of the case.

Any periods of absence from work of the member of staff following the initiation of disciplinary proceedings due to sickness, disability or maternity, where there is a medically certified incapacity to participate in the hearing referred to in Article 8.3.12, shall suspend the time limit for transmission of the final opinion for the duration of the certified incapacity.

8.3.16 The member of staff may submit their own observations to the Executive Board within 15 days from the transmission of the Disciplinary Committee's final reasoned opinion.

8.3.17 The Executive Board shall decide on the most appropriate disciplinary measure within one month from the receipt of the Disciplinary Committee's final reasoned opinion and of the observations of the member of staff. It shall give due consideration to the Disciplinary Committee's recommendations but shall not be bound by them.

8.3.18 The decision imposing a disciplinary measure shall be stored in the personal file of the member of staff. If the Executive Board does not impose any disciplinary measure, the member of staff may request insertion of this decision in their personal file.

8.3.19 The decision imposing a disciplinary measure shall be removed from the personal file of the member of staff after three years in case of a written warning, after five years in case of a written reprimand and after seven years in any other case.

8.3.20 Disciplinary measures may be challenged within two months by way of appeal submitted to the Court of Justice of the European Union if the Executive Board or a member of the Executive Board has imposed the disciplinary measure, or to the President if the Director General Human Resources, Budget and Organisation or their Deputy Director General has imposed the disciplinary measure.

8.4 Suspension from duties

The provisions of Article 46 of the Conditions of Employment are applied as follows:

8.4.1 If the full basic salary is reduced during a period of suspension, the member of staff's contributions to the ECB's medical and dental plan and accident insurance shall be based on their full basic salary.

8.4.2 If the Executive Board dismisses a member of staff with effect from the day of suspension, the member of staff shall retain amounts paid to them during the suspension period.

8.5 Underperformance procedure

The provisions of Article 11(a)(i) of the Conditions of Employment are applied as follows:

Initiation of an underperformance procedure

8.5.1 Underperformance shall mean a repeated and significant discrepancy between the expected and the actual performance of a member of staff, which takes into consideration performance related to both technical and behavioural competencies.

A discrepancy shall be considered to be significant when members of staff do not fulfill the objectives assigned to them.

8.5.2 An underperformance procedure shall be initiated if two consecutive annual appraisals establish underperformance. Such appraisals shall state in writing all of the following:

- the expected performance as previously communicated to the member of staff,
- the actual performance,
- the discrepancy between the expected and actual performance and its significance,
- the required improvements,
- the timeline for such improvements.

8.5.3 The underperformance procedure shall not be initiated:

(a) for members of staff who have not completed their probationary period;
(b) for members of staff who participate in the ECB's Graduate Programme, unless the Graduate Programme participant was engaged at the ECB as a member of staff for an indefinite period immediately prior to their participation in the ECB's Graduate Programme;
(c) for members of staff for whom the ECB's Medical Adviser has established that a medical condition is the main and direct cause of the underperformance;
(d) for members of staff elected to represent staff interests or nominated representatives of recognised trade unions and their alternates who are

officially dispensed from at least 25% of their work for their respective business area for most of the relevant performance cycle.

8.5.4 When the second consecutive annual appraisal establishes underperformance, the line manager shall, without undue delay and with the endorsement of the area head of the area to which the member of staff belongs, propose to the Director General Human Resources, Budget and Organisation or their Deputy the initiation of an underperformance procedure. The line manager shall inform the member of staff of such a proposal and of the possibility of requesting a hearing in accordance with this Article.

Within 10 working days of receipt of the proposal to initiate the underperformance procedure, the member of staff may request to be heard by the Director General Human Resources, Budget and Organisation or their Deputy prior to the decision whether or not to initiate an underperformance procedure.

During such a hearing, the member of staff may be assisted by another member of staff of their choice and shall comprehensively put forward all facts and, where applicable, supporting evidence to be taken into account for the decision whether or not to initiate an underperformance procedure.

In particular if, during such a hearing, the Director General Human Resources, Budget and Organisation or their Deputy considers, or if the member of staff invokes, a medical condition as the main and direct cause of the underperformance, the Director General Human Resources, Budget and Organisation or their Deputy shall immediately refer the member of staff to the ECB's Medical Adviser for examination. In this case, a decision whether or not to initiate an underperformance procedure shall be postponed until receipt of the reply from the ECB's Medical Adviser.

8.5.5 Within three months from receipt of the proposal, the Director General Human Resources, Budget and Organisation or their Deputy shall decide whether or not to initiate an underperformance procedure.

In deciding whether or not to initiate an underperformance procedure, the Director General Human Resources, Budget and Organisation or their Deputy shall assess whether a repeated and significant discrepancy between the expected and actual performance has been sufficiently established and documented and shall take into account all facts and supporting evidence presented in accordance with Article 8.5.4. The Director General Human Resources, Budget and Organisation or their Deputy shall inform the member of staff in writing of their decision as to whether or not to initiate an

underperformance procedure, including, where applicable, a statement on the discrepancy between the expected and actual performance and that the underperformance is such that a termination of the employment contract or demotion is envisaged at the end of the procedure, unless the performance significantly improves to sustainably reach at least a satisfactory level. During the underperformance procedure, the member of staff may be assisted by another member of staff of their choice.

Establishment of a Performance Improvement Plan

8.5.6 Within 10 working days from the initiation of an underperformance procedure, the line manager and the area head of the area to which the member of staff belongs shall jointly establish a draft Performance Improvement Plan (PIP) to which the member of staff shall be invited to contribute.

The PIP shall establish:

- concrete objectives to help the member of staff to bring performance back to at least a satisfactory level,
- the support to be provided to help the member of staff to reach these objectives,
- supplemental assistance in the form of training, coaching, mentoring and/or counselling that will be offered to the member of staff,
- the dates of regular performance reviews at which feedback is provided on the development of the performance,
- the date of the final performance review at which the level of performance will be re- assessed.

The line manager shall communicate the draft PIP to the member of staff, who may present their written observations within 10 working days of receipt thereof. Based on the draft PIP and, where applicable, the written observations by the member of staff, the Director General Human Resources, Budget and Organisation or their Deputy shall endorse the final PIP.

The final performance review shall take place between 6 and 12 months from the member of staff's receipt of the final PIP. In exceptional duly justified cases, the Director General Human Resources, Budget and Organisation or their Deputy may authorise that the final performance review may take place up to 24 months from the member of staff's receipt of the final PIP. The underperformance procedure shall in no case extend beyond the normal end of the contract.

8.5.7 At the regular performance review dates, the line manager shall provide feedback to the member of staff on the development of their performance.

Within 10 working days from a regular performance review, the line manager shall document their feedback in writing and communicate it to the member of staff. The member of staff may present their written observations within 10 working days of receipt thereof.

8.5.8 Within 10 working days from the final performance review, the line manager shall assess the performance development and its sustainability in writing and communicate it to the member of staff after endorsement by the area head of the area to which the member of staff belongs and the Director General Human Resources, Budget and Organisation or their Deputy. The member of staff may present their written observations within 10 working days from the receipt.

If, pursuant to such assessment:

- the performance has significantly and sustainably improved and has been qualified as at least satisfactory, the Director General Human Resources, Budget and Organisation or their Deputy shall close the underperformance procedure;
- the performance has significantly improved, but such improvement is not yet considered sustainable or satisfactory, the PIP may be revised accordingly and may determine a new final performance review date within the time limits specified in Article 8.5.6;
- the performance has not significantly improved, an underperformance hearing panel shall be established and shall schedule an underperformance hearing, in accordance with Article 8.5.9.

The underperformance hearing and panel

8.5.9 The Executive Board member to whom the Directorate General Human Resources, Budget and Organisation reports shall appoint the members of the underperformance hearing panel. This shall be composed of:

(a) the Director General Human Resources, Budget and Organisation or their Deputy; or, where the member of staff belongs to the Directorate General Human Resources, Budget and Organisation, the Director General of the Directorate General Legal Services or their Deputy;

(b) two area heads or deputies of area heads, one nominated by the member of staff and one nominated by the line manager of the member of staff.

The nominated area heads or deputies of area heads shall not belong to the business area of the member of staff and shall hold a position allocated to a higher salary band than the member of staff.

8.5.10 Where the member of staff subject to an underperformance procedure is an area head, the Executive Board shall appoint the members of the underperformance hearing panel. This shall be composed of:

(a) the Executive Board member to whom the Directorate General Human Resources, Budget and Organisation reports, or, where the area head belongs to the Directorate General Human Resources, Budget and Organisation, the Executive Board member to whom the Directorate General Legal Services reports;

(b) two Executive Board members, one nominated by the area head, and one nominated by the Executive Board member in charge of the area to which the area head belongs.

The nominated Executive Board members shall not be in charge of the business area of the area head.

The members of the underperformance hearing panel shall elect among themselves the Chair.

8.5.11 The member of staff subject to the underperformance procedure and the line manager of the member of staff, or Executive Board member in charge of the area to which the area head belongs, shall also nominate alternates to replace, if necessary, the respective members of the underperformance hearing panel.

The Staff Committee may nominate a non-voting staff representative to the underperformance hearing panel from a list of three names of members of staff submitted by the Staff Committee and the recognised trade unions. The Staff Committee and the recognised trade unions shall communicate and maintain at all times such list.

8.5.12 A member of the underperformance hearing panel may be excused from duty for legitimate reasons. A member of the underperformance hearing panel shall withdraw in the event of any situation or circumstances which are liable to give rise to or which may be perceived to give rise to a conflict of interest. Their alternate shall replace them.

8.5.13 The member of staff shall be informed of the composition of the underperformance hearing panel, including the alternates, and shall have the opportunity to reject any one of its members within five working days.

8.5.14 The deliberations and proceedings of the underperformance hearing panel shall be treated as ECB-CONFIDENTIAL-Personal in accordance with the ECB's rules on management and confidentiality of information. The members of the underperformance hearing panel shall act in their personal capacity and shall be completely independent in the performance of their duties.

8.5.15 The Chair of the underperformance hearing panel shall ensure implementation of decisions taken during the proceedings of the underperformance hearing panel and shall bring all related information and documents to the attention of its members and the member of staff.

8.5.16 A secretary appointed by the Director General Human Resources, Budget and Organisation or their Deputy shall assist the underperformance hearing panel and shall draw up minutes of its meetings.

8.5.17 The member of staff shall be informed of the date of the hearing and shall have at least 10 working days to prepare for the hearing.

8.5.18 The underperformance hearing panel shall hear the member of staff, the line manager and the area head of the area to which the member of staff belongs. The member of staff may present observations in writing and/or orally and be assisted by a member of staff of their choice. In exceptional cases of the member of staff repeatedly not providing observations in writing or not attending the underperformance hearing, the underperformance hearing panel may decide to proceed after having given the member of staff a final opportunity and at least 10 working days to present their observations.

8.5.19 The underperformance hearing panel and the member of staff may call individuals to testify. The member of staff and all individuals who have testified may transmit their observations within 10 working days from receipt of the minutes or transcripts of interviews.

8.5.20 Prior to the hearing, the underperformance hearing panel or the member of staff may request the recording of the hearing for the purpose of drawing up the minutes. These recordings shall be destroyed within six months from the final decision by the Executive Board or the closure of the underperformance procedure, unless they are needed for a possible follow-up such as judicial proceedings.

Decision by the underperformance hearing panel and/or Executive Board

8.5.21 The underperformance hearing panel shall, by majority vote, decide one of the following:

(a) to establish a PIP and/or schedule another hearing,

(b) to close the underperformance procedure,

(c) to propose to the Executive Board demotion with a corresponding change in the employment position of the member of staff,

(d) to propose to the Executive Board termination of the employment contract of the member of staff.

Any underperformance hearing panel member may attach a divergent view to the above decision.

The underperformance hearing panel shall transmit its decision to the member of staff, the Director General Human Resources, Budget and Organisation or their Deputy and, where applicable, to the Executive Board, within 20 working days from the underperformance hearing.

The proposal to the Executive Board from the underperformance hearing panel shall be accompanied by the fully documented record of the underperformance procedure.

The member of staff may submit their observations to the Executive Board within 10 working days from the transmission of the underperformance hearing panel's proposal.

The Executive Board shall decide within 30 working days of expiry of the deadline for the member of staff to submit observations.

8.5.22 The Executive Board shall only decide to demote a member of staff where this is justified in the interest of the service.

If the Executive Board decides to demote a member of staff, the underperformance procedure shall only be deemed to be closed if the first annual appraisal established at least six months following demotion establishes at least satisfactory performance.

If the annual appraisal established at least six months following demotion establishes underperformance, an underperformance hearing shall be scheduled in accordance with Article 8.5.18; the underperformance hearing panel shall, by majority vote, decide one of the following:

(a) to close the underperformance procedure,
(b) to propose to the Executive Board termination of the employment contract.

Documents established in the underperformance procedure

8.5.23 All documents established in conjunction with or as a result of the underperformance procedure provided for by these Rules, and all documents submitted by the member of staff in the course of such procedure, shall be stored in the member of staff's personal file.

The member of staff may request insertion of any decision by the Executive Board not to terminate the employment contract in their personal file.

With the exception of appraisals and, where applicable, the decision by the Executive Board to demote the member of staff or to terminate the employment contract, these documents shall be removed from the personal file

- in case of an underperformance procedure, five years following its closure;
- in case of a proposed initiation of an underperformance procedure in accordance with Article 8.5.4 that has not been followed by an underperformance procedure, three years following completion of the second annual appraisal establishing underperformance, or at the request of the member of staff at any point in time, after the member of staff was informed of the decision not to initiate an underperformance procedure in accordance with Article 8.5.5;

unless during that period another annual appraisal establishes underperformance or the documents are needed for a possible follow-up, such as judicial proceedings.

PART 9 STAFF REPRESENTATION

9.1 General provisions

The provisions of Article 48 of the Conditions of Employment are applied as follows:

9.1.1 Staff Representatives shall be elected for a two-year renewable term of office.

9.1.2 ,The term of office of a Staff Representative shall expire prior to its normal expiry date:

(a) in the event of the death of the Staff Representative;

(b) if the Staff Representative ceases to be an employee of the ECB;

(c) if the Staff Representative informs the Staff Committee that they are resigning from office; or

(d) in the event of the incapacity of the Staff Representative for a period longer than four months.

Any Staff Representative whose term of office has expired shall be replaced by another Staff Representative elected in accordance with the Election Rules.

The Staff Committee shall remain validly constituted notwithstanding the expiry of the term of office or resignation of one or more Staff Representatives. In order to ensure continued staff representation, resigning Staff Representatives who

remain members of staff of the ECB shall continue to perform their functions until new Staff Representatives have been elected.

A Staff Representative shall be considered incapacitated if they are unable to perform their duties due to illness or accident within the meaning of Article 31 of the Conditions of Employment.

9.1.2bis Without prejudice to Article 9.1.2 and in order to ensure continued staff representation in the event of the incapacity of a Staff Representative for a period of between one and four months, the incapacitated Staff Representative may reach agreement with the other Staff Representatives that his or her absence is covered through the temporary reallocation of his or her time dispensation to one or more of them. This agreement shall be communicated in writing by the Staff Committee to the Director General of DG/H, who will then discuss the operation of this reallocation with the Business Area Head(s) of the Staff Representative(s) whose time dispensation is to be extended. Afterwards, the Director General of DG/H will communicate the effective date of the temporary time reallocation to the Staff Committee.

Any agreed temporary reallocation shall continue until a new Staff Representative is appointed in accordance with the election rules, or until the date on which the incapacitated Staff Representative resumes their duties, whichever is earlier.

Should an incapacitated Staff Representative return to work after being incapacitated for a period exceeding four months, they shall be included on the reserve list for the Staff Committee, with due regard being given to the votes they have received during the latest election.

9.1.3 There shall be no less than three and no more than eleven Staff Representatives, who may be allocated between functional areas and/or categories of staff.

In advance of each general election, as specified in the Election Rules, the Staff Committee shall re-examine, in the light of existing numbers of staff, the number of Staff Representatives. During such periodic review, the Staff Committee shall also assess whether there is a need for allocation of Staff Representatives between categories of staff. When changes to the existing rules are needed the Staff Committee shall present a recommendation for a decision to modify the number of Staff Representatives and the categories of staff to the Executive Board of the ECB.

9.1.4 The Staff Committee shall appoint a spokesperson from among its members to represent the Committee with regard to the ECB.

9.2 Consultation procedure between the ECB and the Staff Committee

The provisions of Article 48 and 49 of the Conditions of Employment are applied as follows:

9.2.1 The Staff Committee may submit suggestions concerning matters within its competence to the President of the ECB or his/her representative, whose decision will be final.

9.2.2 Meetings between the Staff Committee and the President or his/her representative may be organised at the request of either party to discuss specific matters.

9.2.3 Each party may table items for the agenda, which should be circulated one week in advance of meetings.

9.2.4 The ECB shall respond to reasonable requests for information to assist understanding of the items on the agendas.

9.2.5 Minutes of each meeting shall be drawn up within one week after a meeting takes place, setting out any differences of opinion. They shall be signed jointly by both parties.

9.2.6 Staff Representatives shall be bound by an obligation of discretion with regard to information of a confidential nature, which is qualified as such by the President of the ECB or his/her representative.

9.3 Resources made available to Staff Representatives

The provisions of Article 52 of the Conditions of Employment are applied as follows:

9.3.1 Staff Representatives shall be free to circulate within the ECB, both during the time set aside for their duties as described below and outside their normal working time, and to make such contacts as are necessary for the fulfilment of their duties, provided that they do not significantly hinder the performance of work. They may consult all or some of the members of staff in writing or by convening a meeting, subject to the prior approval of management.

9.3.2 Staff Representatives shall be given the requisite dispensations by their managers to fulfil their mandate. Any such dispensations shall be deemed to be working time.

9.3.3 Premises shall be made available to the Staff Representatives in order to enable them to carry out their tasks and to hold meetings.

9.3.4 As part of the ECB's budget estimates, the Staff Committee shall be accorded an annual budget adapted to the expenses incurred in the performance of its tasks. Expenses shall be decided within this framework by the Staff Committee.

9.4 Elections

The provisions of Article 48 of the Conditions of Employment are applied in accordance with the Election Rules.

9.4.1 Members of staff who have been employed by the ECB for at least three months prior to the date of the election may stand for election.

9.4.2 Members of staff who have been employed by the ECB for at least three months prior to the date of the election are eligible to vote. They shall have the right to cast a vote for each Staff Representative to be elected.