

Draft
May 1, 1946

Dear _____:

The International Monetary Fund is in the process of being organized to carry out the functions prescribed for it by the Articles of Agreement. Since their first meeting the Executive Directors have been considering the appointment of a Managing Director. In view of your outstanding ability and experience, the Executive Directors decided at their meeting on May ____, 1946, to offer you the appointment. It is their sincere hope that you will accept appointment to the position of Managing Director of the International Monetary Fund on the following terms and conditions:

1. The International Monetary Fund agrees to appoint you its Managing Director and you agree to serve as Managing Director of the Fund for the period of five (5) years commencing May ____, 1946. Your employment is subject to

(a) Your right to resign at any time effective thirty (30) days after you give notice to the Fund; and

(b) The right of the Executive Directors of the Fund to exercise their power pursuant to Article XII, Section 4(a) of the Articles of Agreement of the Fund which states "The Managing Director shall cease to hold office when the Executive Directors so decide."

2. You recognize that the responsibilities of the Fund are not national but international. Therefore you agree that in the performance of your duties you will not seek or receive instructions from any Government or from any authority external to the Fund. In accordance with the international character of the Fund you further agree that you will not accept any honor, decoration, favor, gift or fee in respect to services rendered during the period of your service with the Fund and that you will resign your position with the Fund if you should become a candidate for any office of a political character.

3. You recognize that by virtue of your position with the Fund you will have access to confidential information and that you are obligated to exercise the utmost discretion in regard to the disclosure of such information to persons not officially connected with the Fund.

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4. You agree that within a period of two (2) years after termination of this agreement or of any renewal thereof ^{he} you will not disclose any confidential information ^{he has} you have received during ^{his} your service with the Fund by reason of ^{his} your official position.

5. You agree to devote the whole of your time, attention and skill to the business of the Fund. You further agree that you will not, without the written approval of the Executive Directors, be connected with or concerned or interested, directly or indirectly, in any other business or employment or pursuit whatsoever during the term of your employment (other than the management of your private investments) and that you will resign from any position of public or private employment that you now hold.

6. Your duties as Managing Director of the Fund shall be those set forth in the Articles of Agreement of the Fund as supplemented by the By-Laws and such rules, regulations, directives and instructions as the Executive Directors may adopt.

7. The Fund agrees to pay you the salary of \$30,000 per year as full compensation for your services.

8. The Fund agrees to reimburse you for any reasonable expenses incurred in the interest of the Fund. Such expenses will include travel and transportation expenses for you and your immediate family, and the cost of moving the personal effects of you and your immediate family once to the seat of the Fund during or immediately before your term of office and once from the seat during or immediately after your term of office, and shall also include reasonable expenses for housing, entertainment and other similar expenditures made on behalf of the Fund.

9. You agree, upon demand by the Executive Directors or such person or persons as they may designate, to supply such evidence as may be desired in connection with any claim for reimbursement under the terms of paragraph 8 of this agreement.

10. As used in paragraph 8 of this agreement, the term "immediate family" shall mean your wife, your children, your personal servants and such other persons as may habitually reside with you.

11. [Taxation provision to be added]

12. You agree to furnish upon request to the Executive Directors or to such person or persons as they may designate all pertinent evidence with respect to your tax payments and liabilities. You further agree to take advantage of any provision in the tax laws, regulations, or rulings of the national government of which you are a citizen or subject which would reduce or eliminate the obligation assumed by the Fund under paragraph 11 of this agreement.

13. As used with respect to the provisions concerning taxation above, the term "national government" shall include the government of any state, province, county, municipality, or any other political subdivision of the country of which you are a citizen or subject as well as the government of the country itself. Your salary will be paid in United States dollars in twenty-four (24) equal installments on or about the 15th and last day of each month during which this agreement is in force. Reimbursement of expenses pursuant to this agreement will be made in the currency in which such expenses were incurred unless you purchase such currency with another, in which case reimbursement will be made in the currency you used. Such reimbursement shall be made within a reasonable time after such expenses have been incurred and have been certified to the Fund.

15. Any additional sums which shall be due to you pursuant to paragraph 11 shall be paid by the Fund at such time or times as you are required to meet your tax liabilities. Such payments shall be made in the currency in which the tax has been paid or in which the tax liability exists. If you are required to make payments on the basis of an estimated return, payments made under paragraph 11 shall be adjusted when your payments to the taxing authorities are adjusted.

16. In the event that you should become ill during the time that this agreement is in force and your illness, whether mental or physical, should incapacitate you from the performance of your duties, you shall nevertheless be entitled to receive full salary during the period of your illness for a period not to exceed six months in any calendar year or six successive months. In the event of any such illness exceeding six months during the course of any calendar year or six successive months, you shall be entitled to receive salary at one-half the rate stipulated in paragraph 7 during the continuance of such illness. Upon resumption of your duties, full salary shall again be payable to you from the date of such resumption.

17. If this agreement shall be terminated by the Executive Directors because of your illness pursuant to the terms of the following paragraph, such termination shall be deemed a termination without cause and you shall receive the additional compensation set forth in the following paragraph. Such termination shall from the date thereof supersede and render ineffective the provisions of the preceding paragraph.

18. In accordance with the provisions of paragraph 1 (b), the Fund, acting through the Executive Directors, has the option to terminate this Agreement without cause at any time, such cancellation to be effective as of any date fixed by the Fund. In the event that this option is exercised by the Fund, the Fund agrees to pay you in addition to the salary which you have earned up to the date of such termination, an amount to be determined as follows:

(a) If the effective date of such termination shall occur during the first three (3) years that this agreement is in effect, then the amount of such additional compensation shall be one-half of the amount due for the unexpired term of the agreement.

(b) If the effective date of such termination shall occur during the fourth year that this agreement is in effect, then the amount of such additional compensation shall be an amount equal to one full year's salary.

(c) If the effective date of such termination shall occur during the fifth year that this agreement is in effect, then the amount of such additional compensation shall be the amount due for the unexpired term of the agreement.

Amounts paid under this paragraph shall be subject to the provisions of paragraph 11, but the Fund reserves the right, if it would reduce its obligation under paragraph 11, to make such payments on a semi-monthly basis over the remainder of the five year period beginning May , 1946.

19. In the event that you should die or resign your position as Managing Director or that the Executive Directors should terminate this agreement for cause, you or your estate shall receive salary in full up to the date of your death or to the effective date of such resignation or termination, but no additional compensation. You or your estate shall receive reimbursement for all expenses provided for by paragraph 8 incurred up to such date. Amounts paid under this paragraph shall be subject to the provisions of paragraph 11.

20. In the event that the Executive Directors shall terminate this agreement pursuant to the provisions of paragraph 1(b) hereof, such termination shall not be deemed to be for cause unless prior to such termination the Executive Directors shall have given you ten (10) days' notice of their intention so to terminate the agreement and shall have given you the opportunity to be heard by them. Furthermore, no termination shall be deemed to be for cause unless the Executive Directors specifically so state at the time that they terminate the agreement. However, the Executive Directors shall be the sole judges of the completeness and adequacy of any hearing given you and it is agreed that their decision as to whether a termination is for cause shall be conclusive.

21. You shall be entitled to a reasonable vacation each year.

22. In the event that the Fund shall establish a retirement plan, an employee's group life insurance plan, or any other health or social welfare plan, and as long as you are an employee of the Fund, you shall be entitled to contribute to and to enjoy the benefits of such plans in accordance with the terms and conditions thereof as they may be in force from time to time.

23. In the event that either the Fund or you shall breach any condition, term or provision of this Agreement, no waiver of such breach shall be deemed to be a waiver of any preceding or subsequent breach of the same condition, term or provision, or of any other.

24. All information under this agreement which may be required to be given by the Fund or by you must be in writing. Notices to the Fund shall be by registered mail addressed to the Executive Directors of the Fund at its head office. Notices to you shall be by registered mail addressed to you at the head office of the Fund or to such other address as you may subsequently designate in writing and file with the Executive Directors of the Fund. The day following the date of mailing any such notice shall be deemed to be the date of its delivery.

25. This agreement is a personal contract and rights and interests hereunder may not be sold, transferred, assigned, pledged or hypothecated.

26. In the event that any disagreement shall arise between the Fund and you concerning the construction, application, or effect of any of the provisions of this agreement, such disagreement shall be determined by arbitration. The Fund and you shall each appoint one arbitrator. If either the Fund or you shall fail to designate an arbitrator within ten (10) days after written request from the other, the party making such request shall be entitled to designate two (2) arbitrators. The two arbitrators who are chosen shall select a third. The arbitrators by a decision of a majority of them may determine the place or places for hearing and determining the controversy and may adopt their own rules and procedure. The written decision of a majority of such arbitrators shall be final and conclusive on the Fund and on you.

27. This agreement shall be interpreted in accordance with the laws of the District of Columbia.

