

**IMMEDIATE
ATTENTION**

EBAP/13/41

April 16, 2013

To: Members of the Executive Board

From: The Secretary

Subject: **Managing Director—Proposed Acceptance of Invitation to Serve on Board of the Holton-Arms School Board of Trustees**

At the request of Mr. García-Silva, in his capacity as Chairman of the Ethics Committee, attached for consideration by the Executive Directors is a memorandum from Mr. García-Silva to the Members of the Executive Board setting forth the recommendation of the Ethics Committee in connection with the Managing Director's request to accept the invitation to serve on the Board of Trustees of the Holton-Arms School.

It is not proposed to bring this matter to the agenda of the Executive Board. In the absence of objection by the **close of business on Thursday, April 18, 2013**, the Ethics Committee's recommendation will be deemed approved by the Executive Board, and it will be so recorded in the minutes of the next meeting thereafter.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads



Office Memorandum

A handwritten signature in dark ink, appearing to be "Pablo", is written over the "To:" line and extends slightly into the "From:" line.

To: Members of the Executive Board

April 15, 2013

From: Pablo García-Silva, Chair of the Ethics Committee

Subject: **Managing Director: Proposed acceptance of invitation to serve on the Holton-Arms Board of Trustees**

The Ethics Committee has received a request from the Managing Director to approve her proposal to accept an invitation to serve on the Board of Trustees of the Holton-Arms School for an initial term of three years. The Holton-Arms School is an independent, non-profit school for girls in Bethesda, Maryland, of which the Managing Director is an alumna. Its Board of Trustees is composed of 27 alumnae, parents, a faculty member and the Head of School. Under the By-laws of the School, the Board of Trustees is, among other things, responsible for formulating and adopting the strategic goals and initiatives of the School, policies for its operation, and will set tuition, monitor and support fundraising and manage endowment funds. Regular meetings of the Board are held a minimum of four times per year. The Board of Trustees is voluntary in nature, and the Trustees receive no compensation. [See attached correspondence from Messrs. Dippell, Lawley and Jones, dated Friday, March 29, 2013.]

Under the terms of the Managing Director's contract, she may not, without the approval of the Executive Board, apply for or accept any public or private employment or position, whether or not she receives any compensation for such employment or position. In addition, the Managing Director has an exclusive duty of loyalty to the Fund and is required to avoid any conflict of interest or the appearance of such a conflict. Under the framework for the Application of the Standard of Ethical Conduct vis-à-vis the Managing Director, the Ethics Committee is responsible for making recommendations to the Executive Board in this regard. In doing so, the Ethics Committee applies the Fund's standards of conduct, as those are the standards applicable to the Managing Director under the terms of her contract.

The Ethics Committee, having consulted with the Fund's Ethics Advisor, considers that the Managing Director's acceptance of this position would be permissible under the Fund's standards of conduct. As the position does not entail the payment of any compensation to the Managing Director in the United States, the acceptance of this position would be permissible under the U.S. immigration rules. In addition, given the limited time commitment expected of the Managing Director, and the difference in the nature of the two institutions, the Ethics Committee is not of the view that this position would detract from the Managing Director's Fund duties, nor would it give rise to an actual conflict of interest. In order to avoid the perception of conflict of interest, however, the Ethics Committee recommends that the Managing Director should refrain from participating in investment decisions relating to the School's endowment or other finances. The Managing Director also agrees that such a limitation would be appropriate. Accordingly, the Ethics Committee recommends that the Executive Board approve the Managing Director's request to accept the position, subject to the conditions set forth herein.

cc: Messrs. Hagan and Lin

Attachment



HOLTON-ARMS
SCHOOL

I will find a way or make one

March 29, 2013

To Whom It May Concern:

The Holton- Arms School is honored to extend this invitation to Madame Christine Lagarde to join its Board of Trustees.

Founded in 1901, Holton-Arms is an independent, non-profit school for girls in Bethesda, Maryland. It is a 501 3c corporation governed by a Board of Trustees composed of 27 alumnae, parents, a faculty member and the Head of School. The latter two Trustees are ex officio. A term of trusteeship is three years, beginning July 1. Trustees may complete three terms upon successive nomination by the Board's Trustee Committee and approval of the slate of nominees by a majority of the Board of Trustees. As a voluntary board of a non-profit educational institution, our Trustees receive no compensation.

We very much look forward to Madame Lagarde's membership on our Board of Trustees. Should you have further questions, or need further documentation on Holton-Arms School, we would be pleased to respond.

Thank you.

Martha Dippell, Class of 1968
Chair, Board of Trustees

Leslie Lawley
President, Board of Trustees

Susanna Jones
Head, Holton-Arms School