June 29, 2007

Mr. Robert B. Zoellick
Dear Mr. Zoellick,

As you know, the Executive Directors of the International Bank for Reconstruction and Development selected you as its President on June 25, 2007. On behalf of the Executive Directors, we wish to congratulate you for this decision and look forward to cooperating with you in achieving the Bank's purposes.

The attached letter lists the terms of your appointment in accordance with our discussions. With your approval, it will constitute the agreement between you and the Bank.

Please accept our sincere wishes for the Bank's successful leadership.

Sincerely yours,

[signed]  [signed]
Eckhard Deutscher  Jiayi Zou
Executive Directors
June 29, 2007

Terms of Appointment of Robert B. Zoellick as President of the International Bank for Reconstruction and Development

Dear Mr. Zoellick,

On June 25, 2007, the Executive Directors of the International Bank for Reconstruction and Development selected you as its President.

In accordance with our discussions, we are writing this letter to confirm the understanding between you and the Bank:

1. **Term.** Your appointment will become effective July 1, 2007, and your term of office will be five years from that date.

2. **Principal Responsibilities.** Your duties as President and Chairman of the Board of Executive Directors of the Bank will be those set forth in the Articles of Agreement of the Bank as supplemented by the By-Laws and such rules, regulations, directives and instructions as the Executive Directors shall adopt in accordance therewith. They shall include such further duties as may be attached to offices in other institutions held *ex officio* by the President of the Bank or to offices in these institutions to which you may be appointed. At present, the offices held *ex officio* by the President of the Bank are Chairman of the Board of Directors of the International Finance Corporation, President and Chairman of the Executive Directors of the International Development Association, Chairman of the Administrative Council of the International Centre for the Settlement of Investment Disputes and Chairman of the Board of Directors of the Multilateral Investment Guarantee Agency.

3. **Code of Conduct.** You will adhere to the standards set forth in the Code of Conduct for Board Officials (the Code). You will also observe the standards of ethical conduct applicable to staff members of the Bank, where these reflect a stricter standard. Notwithstanding any provisions to the contrary in the Code or the staff standards, the following provisions will apply to you as President:

   a. **Gifts and Honors.** In view of the international character of your position and in order to maintain the highest standards of independence and impartiality, you will not accept any gift or fee from any government, nor from any party external to the Bank that could influence the discharge of your duties as President. In addition, you will not, without the prior approval of the Executive Directors, accept any honor, decoration or favor in respect to services rendered during your tenure with the Bank.
b. **Non-Profit Service.** It is understood that during your tenure with the Bank, you will not, without the prior approval of the Executive Directors, serve as a non-salaried officer, director or trustee of non-profit charitable, educational, literary or scientific organizations or committees, provided that such service requires only occasional effort on your part and does not in any way conflict or interfere with the performance of your duties as President of the Bank.

c. **Outside Employment.** It is understood further that you will not, without the prior approval of the Executive Directors, accept any public or private employment or engage in any other business activity.

d. **Private Investment Management.** You may manage your own private investments and those of members of your immediate family to the extent that the management of these investments does not involve the operation of a business.

e. **Conflict of Interest.** It is understood further that you will avoid any conflict of interest, real or apparent.

f. **Financial Disclosure.** The annual written disclosures made by you in accordance with paragraph 5 (b) of the Code shall also include such disclosures as are required of senior staff members of the Bank.

g. **Clarification.** Where clarification is required with respect to ethical standards, you may seek the guidance of the Ethics Committee, established by the Executive Directors pursuant to paragraph 10 of the Code.

4. **Remuneration.** You will receive remuneration from the Bank for your service as follows:

   a. **Salary.** The salary of the President of the Bank is currently $420,930 per annum, payable in equal semi-monthly installments.

   b. **Allowance.** In addition to reimbursement for all other expenses incurred by you on the business of the Bank, you will receive a non-pensionable allowance, payable in equal semi-monthly installments, without any certification or justification by you. The amount of this allowance is currently $75,350 per annum.

   c. **Annual Adjustment.** Your salary and allowance will be adjusted effective July 1, 2008 and each July 1 thereafter by the percentage increase in the Washington metropolitan area consumer price index for the twelve months ending in the preceding May. The applicable index for this purpose will be the U.S. Bureau of Labor Statistics Regional (Washington, Baltimore, Maryland, Virginia, West Virginia) Consumer Price Index for All Urban Consumers, or the equivalent replacement index.
d. **Tax Allowance.** You will receive quarterly a tax allowance on your salary and allowance, as provided for in Section 13(b) of the By-Laws of the Bank, in accordance with the usual practice for staff of the Bank.

5. **Expenses.** You will be reimbursed for reasonable entertainment directly related to the business of the Bank over and above the normal expenses of running your household. When you travel on commercial airlines on official business, you may travel first class at the Bank’s expense. Your travel expenses shall include travel and hotel expenses of your wife in attending overseas Annual Meetings of the Board of Governors and in accompanying you on official travel in the cases you determine this to be in the interest of the Bank.

6. **Vacation and personnel arrangements.** You will be entitled to a reasonable vacation, and in matters of personnel policy, arrangements similar to those applying to the Executive Directors shall, except as otherwise provided, be applicable to you.

7. **End of service.** Although you have been appointed for a term of five years, the Executive Directors may terminate your contract with the Bank in accordance with Article V, Section 5(a) of the Articles of Agreement. It is expected that should you desire to resign, you will give the Bank reasonable advance notice of your desire to do so.

8. **Termination Allowance.** At the end of your term, or if your service is terminated by the Executive Directors, or if you resign or die in Bank service after having served for at least one year under this agreement, the Bank will pay a termination allowance. The termination allowance will be an amount equal in amount to your salary for one year, minus the amount of any income you receive from regular and continuous employment of not less than six months’ duration during the year following the end of your service. The termination allowance would be subject to a tax allowance in the same manner as your salary.

9. **Retirement Benefits.** In addition to your benefits under the Bank’s Staff Retirement Plan (the Plan), the Bank undertakes to pay you supplemental retirement benefits as follows:

   a. The Bank undertakes to pay you a supplemental pension for life in an annual amount equal to a percentage of your highest average net salary (as defined in the Plan) for each day of Plan service. The percentage shall equal 5/365% during your first eight years of service, and 3/365% thereafter. The supplemental pension, paid monthly, shall be subject to annual cost of living increases in the same manner as a Plan pension would be pursuant to Article 7A of the Plan.

   b. If, upon termination of Bank service, you receive income from regular and continuous employment of not less than six months’ duration in any twelve month period, the supplemental pension payable for that period will be reduced by the amount of such income, except to the extent that such income is offset from your termination allowance.
c. A supplemental death benefit equal in amount to 100% of the death benefit payable from the Plan will be payable to the recipient(s) of the Plan death benefit at the same time (or times) as the Plan death benefit is payable. If there is no death benefit payable under the Plan, the amount of the supplemental death benefit, as well as the beneficiary and form of payment, shall be determined by applying the provisions of Section 4A.2 of the Plan with respect to the annual supplemental pension payable immediately before your death.

d. No tax supplement is payable on the Plan benefit, the supplemental pension, the Plan death benefit or the supplemental death benefit.

10. Public Disclosure. These terms of appointment will be publicly disclosed, in accordance with applicable Bank policies.

Your acceptance of this letter will constitute the agreement between you and the Bank.

Sincerely yours,

International Bank for Reconstruction and Development

[signed]  [signed]
Eckhard Deutscher Jiayi Zou
Dean Co-Dean

Accepted: [signed]  Date: June 29, 2007
Robert B. Zoellick
December 23, 2008

Mr. Robert B. Zoellick, President

Dear Mr. Zoellick,

We refer to your Terms of Appointment set out in the letter of agreement between you and the Bank dated June 29, 2007. On behalf of the Bank, we are clarifying the payment mechanism for post employment benefits, in order to comply with applicable requirements under Section 409A of the U.S. Internal Revenue Code.

1. The Termination Allowance provided under paragraph 8 of your agreement shall be paid within 30 days after the end of your Bank service. Any reduction to your Termination Allowance on account of employment income that would otherwise be required under the second sentence of paragraph 8 shall be offset instead from your supplemental pension pursuant to paragraph 9(b).

2. The supplemental pension provided under paragraph 9(a) of the agreement shall become effective on the day after your last day of Bank service, and shall be paid at the end of each month thereafter, beginning with the month in which service ends, or the following month if the last day of service is within the last 15 days of the month. Any reduction to your supplemental pension that would be required under paragraph 9(b) with respect to employment income received during a calendar year will be offset from your supplemental pension beginning with the first payment in the following calendar year.

3. In the event that you die while in Bank service, the supplemental death benefit provided under Paragraph 9(c) shall be payable within 60 days after your death.

All other terms and conditions remain unchanged. Please indicate your acceptance by signing this letter, and the three attached copies.

Sincerely yours,

International Bank for Reconstruction
and Development

[signed]                          [signed]
Alexey G. Kvasov                 Jiayi Zou
Dean                             Co-Dean

Accepted:

[signed]
Robert B. Zoellick, President   December 23, 2008