

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO
Commonwealth of Puerto Rico

**Regulation for the Prevention of
Sexual Harassment in Employment**

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REGULATION FOR THE PREVENTION OF SEXUAL HARASSMENT IN EMPLOYMENT

SECTION 1 – INTRODUCTION

The policy of the Government Development Bank for Puerto Rico, its subsidiaries and affiliates (hereinafter “the Bank” or “the institution”) is to fully comply with the legal provisions protecting officials, supervisors, employees, contractors, visitors, applicants or candidates for employment, and students against the illegal and discriminatory practice of sexual harassment, by preventing, discouraging and avoiding sexual harassment. In addition, the Bank has the responsibility of taking the necessary measures to achieve this purpose.

For this reason, the Bank has the moral and legal obligation not to discriminate by reason of sex, sexual orientation or gender identity, and to take affirmative action in order to eliminate any practice that promotes the form of discrimination known as sexual harassment.

In harmony with the foregoing, the Bank strongly prohibits this illegal and discriminatory practice and, therefore, will not allow said undesirable behavior in employment; in addition, the Bank agrees to keep its work areas free of sexual harassment, impose responsibilities and fix penalties.

SECTION 2 - NAME

This document will be known as Regulation for the Prevention of Sexual Harassment in Employment (hereinafter, “the Regulation” or “Regulations”).

SECTION 3 –LEGAL BASIS

These Regulations are enacted pursuant to Law No. 17 of September 22, 1948, which bestows upon the Government Development Bank for Puerto Rico, its subsidiaries and affiliates the power to establish the necessary regulations for the sound administration of its human resources and for the best performance of its duties and services.

The Constitution of the Commonwealth of Puerto Rico provides categorically that the dignity of the human being is inviolable, that all people are equal before the law, and that no discrimination shall be made on account of race, color, sex, birth, social origin or condition, or political or religious ideas.

Law No. 17 of April 22, 1988, as amended, which was enacted to prohibit sexual harassment in employment, establishes as public policy of the Government of the Commonwealth of Puerto Rico that sexual harassment in employment is a type of sexual discrimination and, as such, constitutes an illegal and undesirable practice that violates the established constitutional principles. This Act prohibits sexual harassment in employment in any of its forms, imposes responsibilities and fixes penalties for violations to its provisions. It demands employers keep a work environment free from sexual harassment and intimidation and establish an adequate and effective internal procedure to address sexual harassment complaints.

Law No. 69 of July 6, 1985. This Act prohibits discrimination in employment by reason of gender. Sexual harassment in employment has been defined as discrimination by reason of sex or gender. This Act imposes responsibilities and sanction on employers.

Law No. 100 of June 30, 1959, as amended. This Act prohibits discrimination in employment by reason of age, race, color, social or national origin, social condition, political affiliation, religious ideology, matrimony, gender identity, sexual orientation, being a victim or perceived as a victim of domestic abuse, sexual aggression or stalking.

Law No. 217 of September 29, 2006. This Act provides for the implementation of a Protocol for Managing Domestic Abuse Situations at the workplace or the place of employment in order to strengthen prevention and intervention efforts in domestic abuse cases that may arise in employment, and protect employees and visitors.

Law No. 22 of May 29, 2013. This Act prohibits employment discrimination based on sexual orientation and gender identity in the public or private sector.

Law No. 115 of December 20, 1991. This Act guarantees that an employee may not be discharged, threatened or discriminated against regarding the terms, conditions, compensation, location, benefits or privileges of the employment should the employee offer or attempt to offer, verbally or in writing, any testimony, expression or information before a legislative, administrative or judicial forum in Puerto Rico, as well as in the internal proceedings established by the employer, or before any employee or representative in a position of authority, when such expressions are not of a defamatory nature nor constitute disclosure of privileged information established by law.

In the federal sphere, discrimination on the basis of sex is prohibited by Title VII, Section 703(a)(1) of the 1964 Civil Rights Act, as amended (42 U.S.C. 2000 et seq.). In this sense, sexual harassment is interpreted as a type of discrimination by reason of sex in the Guidelines on Discrimination Because of Sex published by the Equal Employment Opportunity Commission (EEOC) 29 C.F.R. 1604.11, as amended.

SECTION 4- PUBLIC POLICY STATEMENT

Sexual harassment in employment, in addition to being a form of discrimination by reason of gender, is a practice against the best interests of the state and, therefore, will not be allowed in any of its manifestations.

It will be the Bank's public policy to comply with all the rules of law and jurisprudence that protect officials, supervisors, employees, visitors, students, applicants or candidates for employment, and contractors against sexual harassment in employment. In order to improve the quality of the workplace at the Bank, sexual harassment, discrimination by reason of sexual orientation or gender identity, in any of their manifestations, by and between officials, supervisors, employees, visitors, students, applicants or candidates for employment, and contractors are declared strictly forbidden. These Regulations establish the ways to prevent this, the procedure for filing complaints, and the investigation procedure to determine the

facts; in addition, the Handbook of General Rules of Work provides the disciplinary sanctions that will be imposed on any person who violates the provisions of these Regulations.

All the Bank's officials, directors, managers, and supervisors, as well as contractors, will be responsible for setting a good example for the personnel, and for ensuring strict compliance of these Regulations. In order to implement the policy, the Labor Relations Specialist is appointed Sexual Harassment Prevention Coordinator. The Coordinator will examine the effectiveness of the implementation of the Law and of these Regulations on a regular basis. In such capacity, the Coordinator will offer employees advice and guidance on these Regulations and will follow up on sexual harassment cases that may arise in employment. The Organizational Development and Performance Measurement Division will implement an educational program throughout all levels on the prevention of sexual harassment and other types of discrimination.

No conduct that may be interpreted as a type of unwanted sexual approach in the form of direct or indirect advances and ranging from the most subtle and furtive verbal or physical acts to simple or aggravated assault on the part of any official, supervisor, employee, visitor, student, applicant or candidate for employment, or contractor, will be allowed. Communications, conducts or expressions [that may be similarly interpreted] and are transmitted through work telecommunications or tools will not be allowed either. Any person who has allegedly incurred in this forbidden conduct will be subject to investigation, and if found to have committed the charges he/she is accused of, the person will be punished in accordance with the severity of the violation of the regulations.

Under the Law, the Bank is responsible for keeping a workplace free from sexual harassment or any kind of discrimination on account of age, race, color, sex, marriage, social or national origin, social condition, sexual orientation, gender identity, genetic information, Vietnam War veteran or disabled veteran status, political or religious ideology, or for being a person with disabilities, or being a victim or being perceived as a victim of domestic abuse, sexual aggression or stalking, or any other category prohibited by law, a workplace where supervisors, officials, employees, visitors, students, applicants and candidates for employment may feel respected and free from any kind of sexual threats. In order to attain this goal measures will be taken to:

1. Distribute this public policy to all employees, provide them orientations on the prohibition of sexual harassment in their workplace, and guarantee an environment of respect and dignity for them.
2. Publish [these Regulations] so that applicants for employment may learn the protection afforded by law against this type of offensive conduct.
3. Instruct supervisors, through talks or written documents, on their responsibility to maintain a work area free from sexual harassment or any type of discrimination.
4. Instruct supervisors on their duty to report immediately any complaint brought by any employee, client or person who alleges being a victim of sexual harassment to the

Sexual Harassment Prevention Coordinator, the Human Resources and Labor Relations Director, or the President, as the case may be.

5. Establish an adequate and effective internal procedure to address sexual harassment complaints, including the pertinent investigation and holding of an informal administrative hearing, if applicable. Said hearing will comply with the due process of administrative law.

SECTION 5 – SCOPE AND APPLICABILITY

The provisions of these Regulations will apply to all employees of the Government Development Bank for Puerto Rico, its subsidiaries and affiliates, regardless of their level, position or rank, as well as to any other nonemployee whose conduct constitutes a sexual harassment act. The public policy to prevent and condemn sexual harassment in employment also applies to candidates for employment, students, contractors, providers and/or visitors.

Any person who believes he/she has been discriminated, who has witnessed an act or received information of an act against another person, by any of the aforementioned persons, may present a complaint under these Regulations.

SECTION 6 – DEFINITIONS

These Regulations have been drafted without distinction of sex, sexual orientation or gender identity; therefore, they apply to men and women alike. The terms discussed in these Regulations bear the meaning stated below, unless a different definition may be implied from their context or the law that defines their cause of action.

1. **Appointing Authority/President:** President of the Government Development Bank for Puerto Rico and/or Executive Director of the affiliates and subsidiaries, as applicable.
2. **Government Development Bank for Puerto Rico:** Government Development Bank for Puerto Rico, its subsidiaries and affiliates (hereinafter, “the Bank” or by its acronym, “GDB”, or “the institution”).
3. **Contractor:** Any natural or legal person, their representatives or employees that keep a contractual relation with the GDB, including personnel under miscellaneous, service and consulting contracts, as well as subcontractors.
4. **Complaint Coordinator:** Person appointed by the Appointing Authority or the Director of Human Resources and Labor Relations of the GDB to receive individuals and provide them orientation, and to investigate the complaints. As a general rule, the Labor Relations Specialist shall serve as the Complaint Coordinator, but other

persons may be appointed in accordance with the needs of the service.

5. **Employee:** Any person who holds a position in the GDB. For purposes of this policy against sexual harassment in employment, the term includes, regular, irregular, temporary, emergency, transitory, and probationary employees, as well as political appointees, students and preselected candidates for employment.
6. **Investigation File:** File containing the documents related to the complaint, as well as all the statements and evidence gathered during the internal administrative investigation process conducted by the GDB.
7. **Gender Identity:** As defined in Law No. 22 of May 29, 2013, it is the manner in which an individual identifies or recognizes him/herself in relation to his/her gender, with or without regard to the individual's designated sex at birth.
8. **Investigation Report:** The final written decision and recommendation issued by the Human Resources and Labor Relations Office on the results of a sexual harassment in employment investigation.
9. **Intimidation:** An act aimed at instilling in a person the fear of personally, or a close relative, suffering any kind of harm so that the person submits to discrimination or refrains from reporting it for fear of suffering retaliations.
10. **Board of Directors:** Board of Directors of the Government Development Bank for Puerto Rico, its subsidiaries and affiliates, as applicable.
11. **Disciplinary Measures or Sanctions:** All corrective measures imposed by the President or his/her representative, when an employee's conduct does not conform to the rules established in the applicable laws, rules and regulations.
12. **Temporary Measures:** Preventive measures that may be taken while the investigation of the sexual harassment complaint is pending. These temporary measures are usually temporary, do not constitute a decision or set a precedent, and are not related to the final decision resulting from the investigation.
13. **Officer Examiner:** Person appointed by the Government Development Bank for Puerto Rico, its subsidiaries and affiliates to preside over the Informal Administrative Hearing on the complaint for sexual harassment in employment.
14. **Office:** Office of Human Resources and Labor Relations.
15. **Labor Union:** Employee Union of the Government Development Bank for Puerto Rico, its subsidiaries and affiliates, as applicable.

16. **Sexual Orientation:** As defined in Law No. 22 of May 29, 2013, it is the ability of any person of having an emotional, affective, or sexual attachment to persons of the other gender, the same gender, or more than one gender.
17. **Employer:** Government Development Bank for Puerto Rico, its subsidiaries and affiliates. It has the meaning and scope defined in the law that grants the cause of action.
18. **Informal Complaint:** A verbal complaint alleging a conduct that constitutes sexual harassment filed against a GDB employee, official, contractor or visitor. It may be [lodged by] the person affected by the sexual harassment act, a person who witnessed the sexual harassment act against another person, or a person who knows of the conduct that constitutes sexual harassment in employment.
19. **Formal complaint:** A written complaint filed by a person with the right to file the complaint pursuant to these Regulations and the prevailing legal system, in order to initiate an administrative complaint. It may be the person affected by the sexual harassment act, a person who witnessed the sexual harassment act against another person, or a person who knows of the conduct that constitutes sexual harassment in employment.
20. **Respondent:** Person who allegedly committed acts of sexual harassment in employment.
21. **Complainant:** Person who has the right to file the written complaint pursuant to these Regulations and the prevailing legal system. It may be the person affected by the sexual harassment act, a person who witnessed the sexual harassment act against another person, or a person who knows of the conduct that constitutes sexual harassment in employment.
22. **Regulations:** Regulations for the Prevention of Sexual Harassment in Employment.
23. **Retaliation:** As defined by Law No. 115 of December 20, 1991, it is when an employee is discharged, suspended or subject to more burdensome work conditions related to the terms, conditions, compensation, location, benefits or privileges of the employment, or is in any way discriminated against because he/she has offered or attempted to offer, verbally or in writing, any testimony, expression or information before a legislative, administrative or judicial forum in Puerto Rico, or in the internal procedures established by the employer, or before any employee or representative in a position of authority—if said expressions are not defamatory and do not constitute a disclosure of lawfully privileged information—, [or] has filed a complaint or provided testimony in any administrative or judicial forum.
24. **Supervisor:** Any GDB employee who directs or exercises some kind of control or whose recommendation is taken into consideration for contracting, classifying, discharging, promoting, transferring, fixing compensation, or in connection with

work hours, places or conditions or the tasks or duties that an employee or group of employees perform or may perform, or with any other terms or conditions of employment; or any person that performs day to day supervisory tasks.

25. **Third Party:** For purposes of these Regulations, this term refers to all non GDB employees, including contractors, suppliers, clients and visitors.
26. **Time Periods:** will be understood to be work days, unless otherwise specified.
27. **Victim:** Any person against whom an act of sexual harassment has been committed in the employment.
28. **Informal Administrative Hearing:** Process or mechanism that allows the right to request reconsideration of an administrative decision.
29. **Visitor:** Any non GDB employee who visits the facilities of the institution to provide or receive some service, accompany someone else, or do some business.

SECTION 7 – DEFINITION OF PROHIBITED CONDUCT

Law No. 17 of April 22, 1988, as amended, defines sexual harassment as: *any type of undesired sexual approach, demand for sexual favors and any other verbal or physical behavior of a sexual nature or that is reproduced by using any means of communication including, but not limited to, the use of multimedia tools through the cybernetic network or through any electronic means, when one or more of the following circumstances occur:*

- a. When submission to said conduct becomes, implicitly or explicitly, a term or condition of a person's employment.
- b. When submission to, or rejection of such conduct by the person becomes the grounds for making employment decisions or decisions regarding the job that affect that person.
- c. When the conduct has the effect or purpose of interfering unreasonably with the performance of such person's work or when it creates an intimidating, hostile or offensive work environment. In order to be the type of sexual harassment that results from a hostile work environment, the harassment must be sufficiently severe to alter the conditions of employment and create an unfavorable environment for the victim.

Sexual harassment, as described above, applies when the forbidden conduct occurs in situations involving persons of the same sex or persons of opposite sex. In order for these Regulations to be of the utmost clarity, the stated conduct is prohibited regardless of the manner in which it occurs, whether it is man-woman, woman-man, woman-woman, or man-man. Sexual harassment involves any kind of unwanted approach or pressure of a sexual nature, whether physical, verbal or virtual, arising from the employment relation, which, in

turn, results in a hostile, tense and difficult environment in which to perform the duties of the position.

The prohibited conduct covers a diversity of expressions including, but not limited to flirtatious remarks, winks, sexual advances, insistent looks to different body parts, telling offensive jokes of a sexual nature, making obscene practical jokes, or exhibiting offensive, indecent or pornographic sexual material. It also includes clearly offensive conduct, such as, patting, pinching, coming in close physical contact, kissing and squeezing, communications, conduct or expressions made through work telecommunications or tools, in addition to physical violence, which includes rape, as well as any pattern of conduct aimed at causing discomfort or humiliation, or both, which includes making sexual remarks and explicit sexual statements. The whole range of actions and expressions comprised within the above examples are included within the prohibited conduct.

We are dealing with a possible case of sexual harassment when:

1. There is some kind of pressure or approach of a sexual nature, including verbal, physical and virtual sexual harassment.
2. The verbal, physical and virtual sexual harassment approach or conduct is not wanted by the victim.
3. It arises from the employment relation. In other words, the harassment conduct arises from an existing employment relation because the victim is employed or has a contact with the harasser because the latter is in a position of supervisor, co-worker, client or visitor at the workplace.

Virtual sexual harassment occurs when communications, conducts or expressions flow through work telecommunications or tools using computers and other similar means within the institution causing a hostile work environment for a person or persons related to the Bank.

It should be clear that the Bank does not allow any employee to submit another employee to any kind of sexual harassment act at work. It should also be clear that no employee has to submit to, or accept any sexual harassment act at work regardless of the position or rank of the alleged harasser.

In harmony with the above, the Bank has a commitment consistent with these Regulations; consequently, this institution actively prohibits this illegal and discriminatory practice in any of its forms. The Bank will punish any employee who incurs in this prohibited conduct regardless of the employee's position or rank by imposing strict disciplinary sanctions. All Directors, Managers, Supervisors, and employees performing supervisory duties shall be responsible for ensuring a work environment free from sexual harassment.

SECTION 8 – RESPONSIBILITY

Because it is an illegal and discriminatory act that infringes on human dignity, sexual harassment demands that the Bank take active, effective, preventive and punitive action against said conduct.

Law No. 17 of April 22, 1988, as amended, prohibits sexual harassment in employment and imposes on the employer the responsibility for actively taking the following measures:

1. The Bank shall establish and maintain a strong policy at all levels against sexual harassment in employment.
2. The Bank is responsible for using all the methods needed to effectively communicate the policy of sexual harassment in employment to employees, applicants for employment, officials, contractors and visitors. These methods include, but are not limited to trainings, courses, literature, posters, educational films, etc.
3. Making officials, students, employees and contractors aware of the importance of preventing and prohibiting sexual harassment in employment, by developing and implementing an educational program on this subject. Prevention and education are the most effective ways to avoid this type of conduct.
4. Making sure that every employee is informed of the rights and protections afforded by the Law and these Regulations. Any employee who begins to render services will receive a copy of these Regulations in the Human Resources and Labor Relations Office. In addition, employees will be given workshops or trainings on this subject through the Human Resources and Labor Relations Office. Attendance to these workshops shall be mandatory and may not be delegated.
5. Establishing an effective, adequate and confidential procedure for the speedy, fair and efficient processing of all complaints of sexual harassment in employment.
6. Imposing applicable administrative sanctions and measures.
7. Sexual harassment in employment will not be tolerated at the Bank, regardless of the position or rank of the harasser.

No retaliatory or discriminatory actions may be taken against any complainant, witness or person who reports a sexual harassment case in the premises of the Bank or in any event sponsored by the Bank, provided the complaint is not frivolous or malicious.

SECTION 9 – INTERNAL COMPLAINT PROCEDURE

In order to efficiently implement these Regulations, the Bank has established an internal procedure to hear and resolve complaints of sexual harassment in employment.

1. The allegedly affected party may first lodge an initial claim with his/her immediate supervisor or with the Coordinator to have the conduct of an official or visitor investigated for the alleged sexual harassment. In the absence of the immediate supervisor and the Coordinator, the complaint may be filed with the Human Resources and Labor Relations Director, or directly with the President of the Bank. In this way, the Bank will have the opportunity to take corrective measures on the matter.
2. If the complainant were a union employee, he/she may also bring the situation to the attention of the Union, pursuant to the provisions of the Collective Bargaining Agreement. The employee may, at his/her discretion, ask the President or an official of the Union to be present upon filing the complaint.
3. Any employee who believes that he/she is being sexually harassed or who witnesses a sexual harassment act, or to whom another employee has complained of being a victim of sexual harassment shall report it to his/her immediate supervisor, the Coordinator or the Human Resources and Labor Relations Director. If the alleged harasser is one of these persons or their relative or close friend, the employee shall report or submit the informal complaint directly to the Human Resources and Labor Relations Director or in his/her place to the President.
4. The sexual harassment acts may come from supervisors or other management personnel, other employees or third-parties, such as, visitors. Failure to report immediately to the above mentioned persons having witnessed a harassment act or that another employee complained of harassment constitutes an act of indiscipline and entails the corresponding sanction, depending on the seriousness of the harassment. Any information, notification, informal or formal complaint received regarding sexual harassment shall be promptly investigated and kept in the strictest possible confidentiality in order to protect the employee from retaliation.
5. In those cases in which it is determined that a supervisor, official or employee has incurred in some kind of sexual harassment, the corresponding corrective measure shall be taken, including the appropriate disciplinary measure. These Regulations provide for the dismissal of the harasser in cases that warrant dismissal.
6. If the sexual harassment acts are committed by third parties, the Bank will take such corrective measures that are reasonably available to the Bank in order to correct the situation.
7. The Director of Human Resources and Labor Relations may at his/her own initiative launch an investigation on the improper conduct of an official or employee for alleged sexual harassment.

SECTION 10 – SUBMITTING A COMPLAINT

1. The employee or official may submit the complaint in person, which must include the name and telephone of the person submitting the complaint, the name of the alleged harasser, his/her relation with said person, the place of work of both parties, as well as his/her classification. It shall also include a summary of the facts giving rise to the complaint, the date and place of the events and the names and information of possible witnesses.
2. The Coordinator shall provide orientation to the complainant regarding his/her rights and the EAP services, as well as the employee's right to report the incident to the Corporation for the State Insurance Fund.
3. The complaint shall be processed as confidential and through the most reliable, effective and speedy means of communication as allowed by the circumstance (messenger, telephone, email, etc.).
4. The Coordinator shall begin to work on the complaint within five (5) work days after receipt for consideration.
5. Visitors may complain before the supervisor of the division, office or area where the alleged acts took place.
6. If there is any reason why the complainant believes that the supervisor has an impediment to process his/her complaint, the complainant shall submit it before the Sexual Harassment Prevention Coordinator.
7. The complainant shall submit a written statement directly to the Sexual Harassment Prevention Coordinator at the Office of Human Resources and Labor Relations, regardless of the other available means mentioned above. It is not necessary to establish that the respondent directly supervised the employee.
8. All supervisors or officers with knowledge of a sexual harassment act in the Bank shall be responsible for submitting the information to the Sexual Harassment Prevention Coordinator immediately.
9. Complaints for a situation that took place during a job interview or recruitment of personnel involving an applicant or a candidate for employment shall be channeled through the Director of the Office of Human Resources and Labor Relations or an authorized representative.
10. Any person who submits a frivolous or malicious complaint will be subject to disciplinary measures, in accordance with the provisions of the Handbook of General Rules of Work.

SECTION 11- CONFIDENTIALITY

Any complaint filed by any officer, supervisor, employee, visitor applicant or candidate for employment, contractor or student will be processed and investigated in the most **confidential** possible manner, protecting the dignity of the parties involved. Any person who intentionally discloses to unauthorized persons the identity of the parties or the information gathered or provided during any stage of the processing of a complaint for sexual harassment in employment will be subject to disciplinary measures in accordance with the provisions of the Handbook of General Rules of Work.

The Bank will not retaliate against any person who provides truthful and well-intentioned information regarding a possible sexual harassment act.

SECTION 12 – CONTENT OF THE FORMAL COMPLAINT

All formal complaints for any kind of sexual harassment will meet the following requirements:

1. The complaint will be formulated in writing.
2. It will contain the complainant's personal information: name, relation with respondent, classification, place of work, postal address, telephone, date and place of events, as well as an account of the events that constitute the offense.
3. Basis for the complaint and the type of sexual harassment, whether verbal, physical, hostile environment, sexual approach.
4. Identify the respondent by name and last name, the office where he/she works or sufficient information that allows to identify said party.
5. Identify the witnesses and provide any other relevant information supporting the complaint.
6. If the complaint is submitted by a visitor, contractor, student or client of the Bank, it shall contain the signature of the person involved.

The complainant and the witnesses may be asked that their written statements be verified before a Notary appointed by the Bank. Even if the formal complaint is not verified, the Office of Human Resources and Labor Relations may conduct an investigation of the alleged events.

SECTION 13 – RIGHTS OF COMPLAINANTS

The complainant will be notified that all the information obtained during the course of the investigation will be handled in a confidential and respectful manner. The fact that the sexual harassment conduct has stopped will not be grounds for dismissing the complaint; the complaint shall be thoroughly investigated. In addition, the complainant will have the following rights:

1. The complainant will not be asked about his/her past sexual behavior.
2. The fact that the complainant has agreed to the advances or invitations will not be grounds for not carrying out the investigation.

3. No retaliatory actions and no actions adversely affecting the complainant will be taken against him/her.
4. The complainant will have the right to voluntarily dismiss or withdraw the complaint at any stage of the proceedings, investigation or informal administrative hearing. To voluntarily dismiss the complaint, the complainant shall provide the Office of Human Resources and Labor Relations written notice confirming his/her wish to voluntarily withdraw the complaint.
5. The Complaint Coordinator will inform the complainant that he/she must make the request in writing, and once submitted the complainant will have five (5) work days, after giving the written notice of voluntary dismissal, to reinstate the complaint. After this term has lapsed, the complaint will be considered voluntarily dismissed and will be dismissed.
6. Voluntary dismissal of the complaint does not constitute sufficient reason to end the investigation if the Office of Human Resources and Labor Relations deems that the investigation of the complaint should continue.

SECTION 14 – RIGHTS OF RESPONDENTS

The respondent will have the following rights:

- a. The respondent will have the right to receive notice of the allegations against him/her within five (5) work days after the complaint has been submitted. Through this notice respondent will be summoned to appear at an interview.
- b. As a general rule, the notice will be delivered by hand. In those cases in which notice cannot be delivered by hand, it will be sent by certified, return receipt requested mail at respondent's last postal address in the personnel files of the Office of Human Resources and Labor Relations.
- c. Respondent will be given reasonable time, which may not exceed ten (10) work days, to answer the complaint and submit evidence, if any.
- d. If the respondent is a union employee, the employee will be notified that he/she may, upon request, be accompanied by a Union representative during the interview.
- e. Respondent will be informed of the disciplinary measures the Bank may take if the respondent does not collaborate with the investigation, fails to provide the names of witnesses or other evidence that may be relevant to the investigation, or if it is confirmed, during the course of the investigation, that he/she incurred in any discriminatory act.
- f. Respondent will be advised that the interview may not be cancelled, except for just cause through written request submitted at least five (5) work days before the interview.

SECTION 15– INVESTIGATION OF COMPLAINTS

For the effective implementation of these Regulations, the Bank has established an internal procedure to hear and adjudicate complaints for discrimination in employment.

1. As a general rule, the investigation shall begin on or before a term of five (5) work days after the complaint has been submitted in writing in the Office of Human Resources and Labor Relations.
2. The investigation will be carried out in the most confidential possible manner, limiting communications to those required to conduct the investigation of the reported events. The most reliable and effective means of communications will be used for this purposes. (e.g., faxes, emails, telephone calls, messengers)
3. The parties, as well as the witnesses and the persons who may have knowledge of the incidents alleged in the complaint, will be interviewed and will have to collaborate during the course of the investigation.
4. The written statements will form part of the file of the complaint and investigation, together with any other evidence. The parties may be asked to verify the statements before a Notary designated by the Bank.
5. The rights of the complainant and the respondent, and of all those taking part in the investigation, will be respected during the process of the investigation.
6. The persons designated to conduct the investigation will be appointed by the Director of Human Resources and Labor Relations, and may be Bank personnel or outside advisors.
7. The Coordinator or person designated to conduct the investigation shall refrain from conducting or participating in this investigation if there is any conflict of interest with any of the parties involved in, or affected by the situation, in order to guarantee the right to an impartial investigation.
8. Throughout this process, the parties will have the right to request the Director of Human Resources and Labor Relations that the Coordinator or person assigned to carry out the investigation disqualify him/herself if they believe that there is a conflict of interest, partiality or any other irrefutable situation establishing that the investigation is not being conducted or cannot be conducted in the required objective and impartial manner. Assumptions and speculations may not be grounds for ordering the disqualification of the Coordinator or person assigned to carry out the investigation.
9. The Director of Human Resources and Labor Relations may, on his/her own initiative, request an investigation of alleged acts that may constitute sexual harassment or any type of discrimination, without a formal complaint.
10. Respondent shall submit, within the term granted, and on the request of the Coordinator, or on his/her own initiative, any information considered relevant to the process.
11. The documents and any other evidence produced or obtained during the course of the investigation will be kept confidential and will belong to the GDB. The parties will not have the right, at this stage of the process, to examine the evidence that forms part of the investigation file.
12. Complaints for a situation that occurs during a job interview or the recruitment of personnel related to an applicant or candidate for employment will be channeled through the Director of the Office of Human Resources and Labor Relations.

SECTION 16- OBLIGATION TO COLLABORATE WITH THE INVESTIGATION

After a formal complaint has been submitted for alleged sexual harassment acts, the Coordinator will carry out an investigation to determine the validity of the allegations. This investigation will be conducted in the strictest possible confidence. Any person who is required to render testimony or any type of evidence has the duty and obligation to collaborate by providing it.

Failure to comply with the above requirements will entail the imposition of disciplinary measures for obstructing the process of the investigation.

SECTION 17 - TEMPORARY MEASURES

Convenient and necessary measures may be established during the process of submission and investigation of formal complaints in order to provide a respectful work environment and avoid possible retaliatory acts. The Human Resources and Labor Relations Director will determine the temporary measures that will be taken or established. Said measures may include:

1. Reassigning the complainant or the respondent to another work unit, if doing so does not harm the complainant.
2. Temporarily suspending the respondent from work without loss of pay.
3. Ensuring that complainant is not alone with the respondent.
4. Moving forward the vacation of any of the persons involved.
5. Any other temporary measure that is deemed convenient and necessary.

These measures will be adopted no later than five (5) work days after the formal complaint is submitted. The Sexual Harassment Prevention Coordinator will be responsible for establishing and overseeing that the applicable temporary measures are implemented.

Temporary measures will last for a reasonable period of time, but may not exceed the date of the final decision issued by the Director of Human Resources and Labor Relations. In those cases in which it is deemed necessary, these measures may be established permanently, as required in each case. The measures will not constitute a precedent, an admission or a determination in favor or against either party.

SECTION 18 - INVESTIGATION REPORT

As a general rule, the investigation shall be completed on or before twenty (20) work days after the written complaint is submitted. The Investigation Report will be issued within this term. If there is a request for disqualification of the Coordinator, the report will be submitted within the term of twenty (20) work days counting from the designation of the new investigator. If warranted under the circumstances, the term may be extended for ten (10) additional work days to complete the investigation and issue the Report.

Once the investigation is completed, the Coordinator shall submit a written report to the Director of Human Resources and Labor Relations. Said report will include:

1. A report of the contents of the complaint.
2. A detailed account of the information and findings obtained from the documents that form part of the file, including any sworn statements.
3. A finding of facts.
4. Recommended actions in either instance: there is and there is not sufficient cause to impose disciplinary sanctions or other applicable sanctions pursuant to law.

SECTION 19 – REPORT ON THE DECISION OF THE OFFICE OF HUMAN RESOURCES AND LABOR RELATIONS

After evaluating the report submitted by the Coordinator, the Director of Human Resources and Labor Relations shall issue a decision based on the facts and applicable law.

The Director of Human Resources and Labor Relations will have the authority to adopt, amend or reject the recommendations contained in the Investigation Report. In issuing the final decision, the Director of Human Resources and Labor Relations will take into account the applicable law and the nature or seriousness of the alleged conduct. The parties will be notified in writing with the final decision, in person or by certified mail, at the last address the parties have reported to the Coordinator. If it is decided that there was sufficient evidence to conclude that unacceptable, inappropriate and/or illegal conduct constituting sexual harassment occurred, the disciplinary sanctions procedure will be followed pursuant to the Bank's Handbook of General Rules of Work. If the investigation otherwise reveals that the conduct is purely personal or social, with no adverse consequences on the work environment or conditions, the parties will be notified of the outcome only.

If the decision involves a suspension from work with loss of pay or a dismissal, the employee will be given the opportunity to be heard before the Bank makes the final determination in the matter. If the respondent is a Union employee, and so wishes, he/she may be accompanied by the Union President or official designated by the latter at the time of being heard.

If the sexual harassment acts were committed by third parties who are not Bank employees, the Bank will resort to legal measures available under the Law. The parties will be informed of this decision through an official written communication from the President of the Bank or a representative.

SECTION 20 – LETTER INFORMING THE APPLICATION OF DISCIPLINARY MEASURES

If the investigation report recommends the application of disciplinary measures, and if so approved by the Appointing Authority, or by the person designated by the latter, the Office of Human Resources and Labor Relations will prepare the letter informing the application of disciplinary measures.

This letter will be signed by the President or a representative. The letter will be notified to the parties, the complainant and the respondent, on or before five (5) work days after it has been found that there was a deviation from the rules of conduct.

The letter must be served by the Coordinator. The letter must bear the signature and date of service of process. If the respondent cannot be contacted in person, he/she will be notified by certified mail at the address that the parties have provided to the Coordinator or at the last address on the personnel records. If the letter is delivered by certified mail and is returned unclaimed, the presumption of the rules of evidence applicable to regular mail will apply; according to his presumption, any letter that is mailed is received by the addressee, and presumed received, within three (3) calendar days after being mailed. The notification will be effective upon delivery by hand or from the date of the certified mail return receipt. The term to request an Informal Administrative Hearing before an Officer Examiner begins on said date.

The letter informing the disciplinary measure will include:

- a. Respondent's alleged improper conduct;
- b. The applicable regulatory provisions;
- c. The relevant facts;
- d. The disciplinary measure to be imposed;
- e. The applicable law;
- f. It will inform the respondent of his/her right to request the Board of Directors for an informal administrative hearing within a term of fifteen (15) calendar days after the notification is delivered;
- g. It will inform of the right to appear at the administrative hearing assisted by counsel.

The letter informing the disciplinary measure will be filed in the employee's personnel record. If the decision is not appealed, the complaint will be filed and the file will be disposed of pursuant to these Regulations.

SECTION 21- RIGHT TO APPEAL AND REQUEST A HEARING

1. A party who receives a disciplinary measure decision will have the right to appeal the decision and request an Informal Administrative Hearing before an Officer Examiner selected by the Bank.
2. The request for appeal must be made in writing and submitted within the term of fifteen (15) calendar days after receipt of the notification of Disciplinary Measure or the date of the letter's certified mail return receipt.
3. The request for appeal will be addressed to the Chairperson of the Board of Directors and it must be delivered at the Office of Human Resources and Labor Relations within the aforementioned term.
4. Once the request for appeal is received, the Office of Human Resources and Labor Relations will notify the employee that an Officer Examiner has been assigned to hold the Informal Administrative Hearing. At the hearing, the respondent will have the opportunity to present his/her version of the facts in dispute, as well as evidence

relevant to the case. This date will be notified within fifteen (15) work days prior to the Hearing.

5. After the term to request for appeal has lapsed, if the employee has not moved to appeal, he/she will lose the right of revision.

SECTION 22–INFORMAL ADMINISTRATIVE HEARING

The administrative hearing will be presided over by an Officer Examiner. The following rules will apply during the hearing:

1. The notification of the Informal Administrative Hearing will be sent to the employee within fifteen (15) work days prior to the hearing.
2. As a general rule, the notification will be delivered by hand. In those cases in which it cannot be delivered in person, it will be sent by certified, return receipt requested mail to the last postal address the employee has provided to the Office of Human Resources and Labor Relations.
3. The notification will be effective from the delivery by hand or the date of the certified mail return receipt.
4. The Informal Administrative Hearing will be presided over by an Officer Examiner selected by the Bank.
5. At the Hearing, the discovery mechanisms deemed necessary by the Officer Examiner will be used, excluding the harassment victim's past sexual history or behavior.
6. The Officer Examiner may ask the parties to provide any information that he/she deems pertinent and relevant to the case.
7. The employee respondent will offer his/her version of the events and may ask the Officer Examiner to request and inspect a copy of the complaint, the documents and the evidence relevant to the case. The employee has the right to know the legal and regulatory provisions that were allegedly breached.
8. The Hearing may only be suspended for just cause, through a written request, which must be received by the Officer Examiner at least five (5) work days prior to the date scheduled for the Hearing.
9. The respondent will be granted a second and last opportunity within a reasonable term, which will be established by the Officer Examiner in accordance with the circumstances of the case. If respondent were suspended from employment with pay, the time extension will be discounted from his/her [accrued] vacation leave.
10. The Report of the Officer Examiner will be issued within a reasonable period, which may not exceed forty-five (45) work days after the Hearing concludes. The Report will state the findings of fact and [conclusions] of law that are the grounds for the recommendation, and that reconsideration is available.
11. The Report issued by the Officer Examiner will be notified to the Complaint Coordinator who will prepare a communication to the Board of Directors with the consent of the Director of Human Resources and Labor Relations for their pertinent action. The letter and the resolution of the Board of Directors regarding the decision will be notified as soon as possible to the parties and to counsel, if any.

12. The party adversely affected by the decision will have twenty (20) calendar days to submit a motion for reconsideration counting from the date of the notification of the resolution of the Board of Directors.
13. If submitted, the Bank shall consider the motion for reconsideration or deny it within fifteen (15) calendar days after submission;
14. If the person fails to appear at the Informal Administrative Hearing on the established date, without justification, the allegations will be admitted and the person will lose the right to reconsideration.
15. The Informal Administrative Hearing will only take place on respondent's request.

SECTION 23 – PERIODS OF LIMITATIONS AND OTHER LEGAL REMEDIES

The employees or officials of the Bank, as well as former employees, applicants for employment, contractors, students or visitors may submit a sexual harassment formal complaint within a period of twelve (12) months after the last act.

The party affected by the conduct prohibited in these Regulations may avail him/herself of the procedures provided in Act 17 of April 22, 1988 by filing a complaint before the Labor Department's Anti-discrimination Unit or before the Equal Employment Opportunity Commission (EEOC), and does not need to exhaust the remedies established in these Regulations.

SECTION 24- PROCESSING AND DISPOSAL OF COMPLAINT FILE

Once the investigation is completed, the Coordinator will identify the file of the report on the sexual harassment complaint with the last four (4) digits of his/her Social Security number, file it in a sealed envelope and write the word "confidential" on the envelope. The sealed envelope will contain all the sworn statements, evidence and information relevant to the investigation.

SECTION 25 – RELATION WITH OTHER RULES

The provisions of these Regulations may not be interpreted independently of other regulations, policies and rules enacted by the Bank and by the Board of Directors of the Government Development Bank for Puerto Rico, its subsidiaries and affiliates.

SECTION 26 – SEVERABILITY CLAUSE

Should any section, part or paragraph of these Regulations be declared unconstitutional, invalid or void by a court, the judgment to that effect will not affect, undermine or invalidate the remaining provisions and parts of these Regulations, but rather, its effect will be limited to the sub-section, section or part thus declared unconstitutional or void.

SECTION 27 – AMENDMENTS TO THE REGULATIONS

These Regulations may be amended whenever necessary. Any amendment to these Regulations shall be evaluated and approved by the President.

Any matter protected by Law that is not included in these Regulations will be resolved through decisions taken by the Bank, in harmony with the Law.

SECTION 28 – REVOCATION

These Regulations repeal the Memorandum dated June 20, 1989 and any other directive that is in conflict with the provisions herein. These Regulations may be revoked or amended by the Board of Directors of the Government Development Bank for Puerto Rico on its own initiative or on the request of the President.

SECTION 29 – EFFECTIVENESS AND APPROVAL

These Regulations prohibiting Sexual Harassment in Employment will be of strict compliance and will be effective immediately. These Regulations were approved by the Board of Directors of the Government Development Bank for Puerto Rico, its subsidiaries and affiliates.

In San Juan, Puerto Rico, on August 19, 2015.

Melba Acosta Febo, Esq.
President
Government Development Bank
for Puerto Rico

Melba Acosta Febo, Esq.
Interim Chairwoman
Government Development Bank
for Puerto Rico