

Approved by the Control Committee of NIB on 19 October 2011

**CODE OF CONDUCT
FOR THE CONTROL COMMITTEE**



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CODE OF CONDUCT FOR THE CONTROL COMMITTEE OF THE NORDIC INVESTMENT BANK

1. General provisions

1.1 Purpose

This Code of Conduct for the Control Committee (the “Code”) of the Nordic Investment Bank (“NIB” or the “Bank”) is intended to further enhance best practises in relation to the governance of the Bank. It is based on and shall be read in conjunction with the Agreement and Statutes of the Bank, the Rules of Procedure for the Control Committee and other guidelines and instructions related to the governance of the Bank.

The Code is neither all-inclusive nor exhaustive; rather its purpose is to set out fundamental principles for avoiding situations of conflict and in general to uphold proper conduct.

In unclear situations a member of the Control Committee may turn to the Chairman of the Control Committee or to the Chief Compliance Officer of the Bank.

1.2 Application

This Code shall apply to the members of the Control Committee of the Bank.

1.3 Definitions

In this Code,

“**Committee**” refers to the Control Committee of the Bank;

”**close relative**” shall mean a spouse, a cohabitant, a person who is living in the same household since at least one year, or a person for whom the member of the Committee is acting as guardian;

“**confidential information**” shall mean information (hard copy, electronic format or verbally) obtained as a consequence of performing duties on behalf of the Bank and otherwise not publicly available, including but not limited to the operations, businesses, finances and services of the Bank or any of its clients, borrowers, stakeholders, cooperation partners or staff. Information related to someone’s personal affairs and a business or professional secret shall also be considered confidential;

“**staff**”, “**staff member**” and “**employee**” includes, for the purpose of this Code, all persons employed by NIB, regardless of status or position, as well as all experts and consultants retained by the Bank.

“**controlling financial interest**” refers to a direct or indirect possession of at least 10 per cent of shares, votes or a comparable financial interest in an institution;

”**financial instruments**” refers to all kinds of securities including, but not limited to, stocks, notes, bonds or other publicly issued debt instruments, options and futures and other derivative instruments;

“**financial interest**” shall mean any right to receive interest, dividends, capital appreciation, fees or other monetary or in-kind benefit;

“**IFI**” shall mean an international financial institution, established by international treaty between its Member countries under public international law;

“**inside information**” shall mean information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. In order to consider insider information published, significant time must have passed for the securities markets to digest the information;

“**institution**” refers to any company, association or other public or private entity or organisation;

“**Member country**” refers to the eight Member countries of the Bank, namely Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden.

2. Basic standards of conduct

2.1 Loyalty

A member of the Committee shall act independently and professionally and carry out his or her responsibilities as prescribed in the Agreement and Statute and thereto related documents of the Bank, to the best of his or her ability and judgement, and shall observe the highest standards of ethical conduct in a manner compatible with the Bank’s international status.

A member of the Committee shall fulfil his or her duties solely bearing in mind the interest and objectives of the Bank as a whole and not with the interest and objectives of any individual Member country or any other individual interest in view.

2.2 Integrity, impartiality and discretion

A member of the Committee shall avoid any kind of actions that may reflect adversely upon his or her position as a member of a supreme supervisory body of an international organisation.

A member of the Committee shall show the utmost discretion in all matters concerning the Bank during his or her mandate period and also after his or her service at the Bank has ended.

A member of the Committee shall avoid any kind of actions, public announcements or activity for private gain that may adversely reflect upon his or her status, his or her integrity, or the impartiality that is required in his or her position.

2.3 Conduct within the Bank

A member of the Committee shall treat colleagues, members of the governing bodies and the staff of the Bank with courtesy and respect.

A member of the Committee shall refrain from any form of discrimination or harassment, particularly discrimination based on gender, age, nationality, ethnic origin, family status,

religion, political activities, physical attributes, and sexual orientation or, in general, the manner in which these persons choose to conduct their private lives.

A member of the Committee shall refrain from exercising influence upon the decision making within the Bank or upon the administration of the Bank, for his or her own interest or for that of a third party, concerning such issues that are the responsibility of the staff, of the executive management, the Board of Directors or the Board of Governors.

3. Conflict of interest

3.1 In general

Any kind of activity that relates to the Bank, to a staff member or any other third party and tends to impair the impartiality and independence of a member of the Committee shall be avoided. If this kind of activity may result in financial or other personal benefit for a member of the Committee or a close relative, it is forbidden.

3.2 Rules for disqualification

If a potential conflict of interest is at hand a member of the Committee shall prior to giving an opinion, deliberating or taking a decision related to monitoring of an operation or activity of the Bank, on his or her own initiative, disqualify himself or herself.

3.3 Employment, position or assignment

When taking up his or her position as a member of the Committee, it is recommendable that the member provides the Chief Compliance Officer of the Bank with information concerning all institutions where he or she is employed, has a perquisite position, an assignment or a controlling financial interest.

A member of the Committee should seek to avoid any kind of employment, perquisite position or assignment during his or her service that might adversely affect his or her position as a member of the Committee.

A position in another IFI does not in itself constitute a conflict of interest in matters concerning the relations between the Bank and these institutions.

A member of the Committee can following his or her end of the term of office proceed to work for any outside institution. However, he or she should for a period of six months disqualify himself or herself from involvement in or influence on, matters related to the Bank, unless otherwise agreed with the Bank.

4. Financial interests and investments

4.1 In general

Subject to the principles in this Code, the rules in section 3 and in this section below, a member of the Committee shall be free to conduct his or her financial affairs in the way he or she deems fit.

A member of the Committee shall not engage in short-term trading, i.e. buying and selling within six months, in securities issued by the Bank or in funds or portfolios in which securities issued by the Bank are included.

4.2 Insider rules

A member of the Committee, who in his or her service receives inside information may not use this for personal gain or for that of a close relative or any other third party by selling or acquiring financial instruments for his or her own benefit or for that of any other third party or by directly or indirectly advising someone to trade in them.

5. Confidential information

5.1 In general

The immunities and privileges conferred upon the Bank, the members of the Board of Directors, the President and the staff members shall be taken into account when disclosing information.

In particular the confidentiality and inviolability of the official communication and documents shall be observed as stipulated in the Agreement of the Bank.

5.2 Confidential information

A member of the Committee who in his or her duties is provided with confidential information shall not disclose such information or use it for his or her own benefit, or for that of a close relative, or any other third party. The obligation shall continue to prevail also after the service of the member of the Committee has ended.

5.3 Contact with Member country

If the general principles laid down in this Code are adhered to and confidentiality safeguarded, a member of the Committee may stay in contact with his or her Member country and its political leadership to the extent appropriate, in order to provide information concerning matters important in principle to the Committee.

5.4 Information to pre-investigating, prosecuting and other authorities

The President decides about disclosing confidential information to pre-investigation or prosecuting authorities for solving a crime or to any other authorities. A member of the Committee has neither the right nor the obligation to provide the authorities with confidential information.

5.5 Documents of the Bank

A member of the Committee shall see to it that all the written material he or she receives from the Bank is kept separately or destroyed so that no outside party can take possession of it. A member of the Committee shall continue to be bound by this obligation after his or her service has ended.

5.6 Public statements on behalf of the Bank

A member of the Committee is entitled to disclose non-confidential information concerning the Bank that has already been published by the Bank or otherwise exists in the public domain. Public statements on behalf of the Bank are to be provided by, or in understanding with, the Chairman of the Board of Directors and the President.

6. Gifts

6.1 Acceptance of gifts

A member of the Committee shall not give or accept gifts, other gratuities or benefits beyond common business hospitality when representing the Bank, as they may imply a duty to return a favour. When assessing what is acceptable to give and receive the gift's relative value both in the country of the grantor and the recipient shall be taken into consideration, as well as local cost and value levels.

A gift beyond common business hospitality can be accepted if refusal would be practically impossible or create unwanted embarrassment. Such a gift should be accepted on behalf of the Bank, be reported to the Chief Compliance Officer and subsequently be handed over to the Bank.

When performing his or her duties, a member of the Committee shall not receive accept or solicit any kind of compensation, remuneration, commission, and advantageous terms of purchase or sale in any kind from external parties.

6.2 Use of NIB's resources

A member of the Committee shall use services, equipment, assets, resources or facilities of the Bank for official business only and not for personal advantage, nor allow any other person to do so.

7. Final provisions

7.1 Supervision of the Code

The Chairman of the Committee shall supervise adherence to this Code. Where the conduct or interests of the Chairman are concerned, supervision shall be exercised by the Chairman of the Board of Governors. A breach of this Code may result in reporting to the appointing authority who appointed the member of the Committee in question.

7.2 Entry into force

This Code of Conduct enters into force upon approval by the Committee.

This Code of Conduct shall be signed by all the members of the Committee. These signed copies shall be held by the Chief Compliance Officer of the Bank.