

*Approved by the Board of Governors with entry into force on 26 March 2012*

**CODE OF CONDUCT  
FOR THE BOARD OF DIRECTORS AND  
THE PRESIDENT**



## Contents

|  |    |
|--|----|
| 1. General provisions .....  | 3  |
| 1.1 Purpose .....  | 3  |
| 1.2 Application .....  | 3  |
| 1.3 Definitions .....  | 3  |
| 2. Basic standards of conduct .....  | 4  |
| 2.1 Loyalty .....  | 4  |
| 2.2 Integrity, impartiality and discretion.....                              | 4  |
| 2.3 Conduct within the Bank .....  | 5  |
| 3. Privileges and immunities.....  | 5  |
| 3.1 In general.....  | 5  |
| 3.2 Waiver of immunities and privileges .....                                | 5  |
| 4. Conflict of interest.....   | 5  |
| 4.1 In general.....  | 5  |
| 4.2 Rules for disqualification .....   | 6  |
| 4.3 Perquisite positions.....  | 6  |
| 4.4 Prospective employment .....   | 6  |
| 5. Financial interests and investments .....                                 | 7  |
| 5.1 In general.....  | 7  |
| 5.2 Insider rules .....  | 7  |
| 6. Obligation to disclose information.....                                   | 7  |
| 6.1 Disclosure of positions and interests .....                              | 7  |
| 6.2 Updating .....   | 8  |
| 7. Confidential information.....   | 8  |
| 7.1 In general.....  | 8  |
| 7.2 The right to provide the Member countries with information .....         | 8  |
| 7.3 Information to pre-investigation, prosecuting and other authorities..... | 8  |
| 7.4 Documents of the Bank .....  | 9  |
| 7.5 Public statements on behalf of the Bank.....                             | 9  |
| 8. Gifts, remuneration and resources .....                                   | 9  |
| 8.1 Gifts and remuneration .....   | 9  |
| 8.2. Use of NIB's resources .....  | 9  |
| 9. Final provisions .....  | 9  |
| 9.1 Supervision of the Code .....  | 9  |
| 9.2 Entry into force.....  | 10 |

# CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE PRESIDENT OF THE NORDIC INVESTMENT BANK

## 1. General provisions

### 1.1 Purpose

This Code of Conduct for the Board of Directors and President (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 of the Bank 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.

### 1.2 Application

This Code shall apply to the members of Board of Directors of the Bank and the President of the Bank.

A separate Code of Conduct shall apply to the staff. Both codes share the same standards of loyalty, integrity, impartiality and discretion, as set out in this Code in section 2.

The members of the Board of Directors and the President are encouraged to turn to the Chief Compliance Officer in unclear situations or when in doubt how the rules and principles set out in this Code shall be applied.

### 1.3 Definitions

In this Code,

“**Agreement**” refers to the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden of 11 February 2004 concerning the Nordic Investment Bank and thereto pertained Statutes;

“**Board**” refers to the Board of Directors of the Bank;

“**member of the Board**” shall also include the alternates;

“**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 a member of the Board / the President 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, members of the Board of Directors, the President or the staff;

**“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”** shall mean all types of securities, including but not limited to: shares, notes, bonds or other publicly issued debt instruments, options, 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;

**“insider 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 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 information published significant time must have passed for the securities markets to digest the information;

**“institution”** shall mean any company, association or other public or private entity or organisation; and,

**“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 Board / the President shall carry out his or her responsibilities as set out in the Agreement and Statutes, 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 Board / the President shall fulfil his or her duties solely with the interest and objectives of the Bank in view.

### **2.2 Integrity, impartiality and discretion**

A member of the Board / the President shall avoid any kind of actions that may reflect adversely upon his or her position as a member of the Board / the President of the Bank as an international organisation.

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

## **2.3 Conduct within the Bank**

A member of the Board / the President shall treat colleagues, members of the governing bodies and staff members (including consultants and experts) of the Bank with courtesy and respect.

A member of the Board / the President 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 Board shall refrain from exercising influence upon the administration of the Bank for his or her own interest, or for that of a third party, concerning lending or other issues under preparation that are the responsibility of the administration of the Bank.

## **3. Privileges and immunities**

### **3.1 In general**

According to the Agreement all members of the Board and the President shall with respect to acts performed by them in their official capacity on behalf of the Bank be accorded immunity from legal process and certain privileges in relation to immigration restrictions and travelling facilities.

Without prejudice to the privileges and immunities granted, it is the duty of the members of the Board / the President to observe the laws and regulations in force in the host country or in any other jurisdiction where they are present.

### **3.2 Waiver of immunities and privileges**

The Board may, to such extent and upon such conditions as it may determine, waive any of the immunities and privileges, if the Board considers this to be in the best interest of the Bank.

## **4. Conflict of interest**

### **4.1 In general**

A member of the Board / the President shall avoid any situation that involves a conflict, or that could be perceived by others as a conflict, between personal interests, or those of close relatives, and the performance of official duties.

This includes any kind of activity that relates to the Bank, to a staff member or any other third party and that tends to impair the impartiality and independence of a member of the Board /

the President. If the activity may result in financial or other personal benefit for a member of the Board / the President, a close relative or any other third party, it is forbidden.

## **4.2 Rules for disqualification**

Prior to deliberation or decision-making on a matter involving any potential conflict of interest, a member of the Board / the President shall, on his or her own initiative, disqualify himself or herself.

In particular, a member of the Board / the President shall not participate in a deliberation or decision-making process in a matter:

- i. in which he or she, or any close relative has a controlling financial interest; and / or
- ii. of financial interest to any municipality, association or other institution in which he or she holds the position as chairman or member of the board, alternate, president, managing director or representative.

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 Board is normally entitled in all matters to receive the written material provided to the Board. In these cases the rules of confidentiality in section 7 shall be applicable. If a conflict of interest arises a member of the Board shall himself or herself evaluate whether he or she will take part of the written material. If the Bank is aware of a situation where a potential conflict of interest may arise in relation to a member of the Board, that member of the Board will not receive the written material unless he or she has confirmed to the Secretary of the Board that he or she is in a position to receive it.

## **4.3 Perquisite positions**

It is recommendable that a member of the Board / the President shall 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 Board / President.

If a member of the Board/President is uncertain whether accepting a perquisite position is compatible with his or her duties at the Bank or creates a permanent conflict of interest, advice shall be sought by consulting the Chairman of the Board or the Chief Compliance Officer, as set out in section 9.1.

When taking up the position or at any time during his or her term at the Bank, the President shall seek permission from the Chairman of the Board for any other employment, perquisite position or assignment that he or she is involved in, and any controlling financial interest he or she is in possession of, or wants to acquire.

## **4.4 Prospective employment**

When negotiating for, or entering into an arrangement concerning prospective employment, or any other assignment or position, a member of the Board / the President shall not allow such circumstances to influence the proper performance of his or her duties at the Bank.

A member of the Board shall not seek, apply for, or take up employment as a staff member (including as a consultant and expert) of the Bank while serving as member of the Board, or within two years following the end of such service. The Board may in a particular case decide to derogate from this provision.

The President or any staff member shall not be appointed as a member of the Board while serving as President or while employed as staff member. It is recommendable that appointment as a member of the Board is not made within two years following the end of such service or employment.

A member of the Board / the President can following separation from the Bank proceed to work for any outside institution. He or she shall for a period of six months following separation from the Bank recuse himself or herself from involvement in or influence on matters related to the Bank, unless otherwise agreed with the Bank.

## **5. Financial interests and investments**

### **5.1 In general**

A member of the Board / the President shall not, whether directly or indirectly, retain or acquire any controlling financial interest in securities issued by any entity which is in receipt of Bank financing, unless separately approved by the Chairman of the Board. The Chief Compliance Officer shall immediately be notified if a member of the Board becomes aware of any such controlling financial interest on the part of themselves or their close relative.

A member of the Board / the President 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.

### **5.2 Insider rules**

A member of the Board / the President, who in his or her capacity receives insider information may not use this for personal or any third party's financial gain 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.

The above-mentioned applies to financial instruments issued by the Bank as well as by other parties.

## **6. Obligation to disclose information**

### **6.1 Disclosure of positions and interests**

Members of the Board / the President shall in writing declare all other official or professional employments, positions and assignments held by them at any time during their service. Additionally any controlling financial interest in an institution, as well as all other circumstances that might be in conflict with the activities of the Bank shall be disclosed.

The written statement shall be submitted to the Chief Compliance Officer. The Secretary of the Board shall keep a record of the written statements.

The information shall be disclosed to all members of the Board / the President.

## **6.2 Updating**

The above-mentioned information in the written statements shall be updated continuously and confirmed once a year.

## **7. Confidential information**

### **7.1 In general**

The immunities and privileges conferred upon the Bank, the members of the Board, the President and the staff (including consultants and experts) shall be taken into account when disclosing confidential information. In particular the confidentiality and inviolability of the official communication and documents shall be observed as stipulated in the Agreement concerning the Bank.

A member of the Board / the President who in his or her duties at the Bank is provided with confidential information shall not disclose such information or use it for his or her own, or any third party's benefit. The above-mentioned obligation shall continue to prevail also after the service of the member of the Board / the President has ended.

### **7.2 The right to provide the Member countries with information**

If the general principles in the Code are adhered to it is recommendable that a member of the Board stays 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 Board.

A member of the Board has the right to disclose confidential information necessary to address policy-related questions to ministers and officials in respective Member country representing the interests of the Bank's owners. Such information may not include project or transaction specific information or personal information.

In order to seek assistance from an advisor, a counsellor, or other relevant official in the consideration of a Board matter, a member of the Board may disclose confidential information, provided that such persons are subject to an equivalent duty of confidentiality.

### **7.3 Information to pre-investigation, prosecuting and other authorities**

A member of the Board has neither the right nor the obligation to provide the authorities with confidential information. The President decides about disclosing confidential information to pre-investigation or prosecuting authorities for solving a crime or to any other authorities with due regard to the Bank's immunities and privileges, and policies, regulations and rules of the Bank.

## **7.4 Documents of the Bank**

According to the Agreement all documents belonging to the Bank are inviolable. A member of the Board 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 Board / the President shall continue to be bound by this obligation after his or her service has ended.

## **7.5 Public statements on behalf of the Bank**

A member of the Board 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. A member of the Board shall refrain from making public statements on behalf of the Bank concerning any operational or policy matter, unless they have been coordinated or agreed with the President and the Chairman of the Board.

## **8. Gifts, remuneration and resources**

### **8.1 Gifts and remuneration**

A member of the Board / the President may 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 shall be accepted on behalf of the Bank, reported to the Chief Compliance Officer and subsequently handed over to the Bank.

When performing his or her duties, a member of the Board / the President 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.

### **8.2. Use of NIB's resources**

A member of the Board / the President shall use services, equipment, assets, resources or facilities of the Bank for official business only and not for personal, or a third party's benefit.

## **9. Final provisions**

### **9.1 Supervision of the Code**

The Chairman of the Board shall supervise adherence to this Code.

The procedures established in Annex 1 shall be followed in the event that:

- i. A member of the Board / the President requests advice;
- ii. Allegations of misconduct are raised against a member of the Board / the President.

## **9.2 Entry into force**

This Code enters into force upon approval by the Board of Governors of the Bank.

**PROCEDURES FOR THE MEMBERS OF THE BOARD AND THE PRESIDENT FOR  
(I) ISSUING GUIDANCE, AND  
(II) INVESTIGATING ALLEGATIONS OF MISCONDUCT**

**(I) Procedures for issuing guidance**

1. When advice or guidance is sought the procedure shall be as follows:

- i. A request for advice or guidance must be submitted by the requestor in writing either to the Chairman of the Board or the Chief Compliance Officer (CCO), setting forth the nature of the query.
- ii. The Chairman of the Board shall before giving advice refer the query to the CCO.
- iii. Where legal issues arise the CCO shall refer the request to the General Counsel. Both the CCO and the General Counsel may request further information or clarification regarding the query if required.
- iv. The CCO or the General Counsel shall, within a period of 28 days from receipt of the query, issue a written opinion (or a joint opinion) and send this to the Chairman of the Board.
- v. Taking into consideration the opinion, the Chairman of the Board shall take a decision within seven days of receipt of the opinion.
- vi. The decision shall be disclosed without undue delay to the requestor, the CCO, as well as the General Counsel, when he or she has been involved.
- vii. When the CCO or General Counsel considers the query to be straightforward an answer shall be communicated to the requestor in writing within 14 days from receipt of the query. The answer shall also be disclosed to the Chairman of the Board.

**(II) Procedures for investigating allegations of misconduct**

1. Allegations of misconduct against a member of the Board / the President (the Subject) must be made in writing to the Chairman of the Board, who will submit them within 7 days to the CCO. Allegations against the Chairman of the Board shall be submitted directly to the CCO.
2. The CCO will, within 14 days of receipt of the allegation conduct a preliminary assessment of *inter alia* the reliability of the information received and the gravity of the alleged misconduct. If the CCO determines that the allegation is frivolous, vexatious or malicious and does not warrant further investigation the allegation shall be rejected.
3. If the CCO determines that the allegation warrants further investigation an independent external investigator will be appointed to act as an Inquiry Officer. The CCO will provide the Inquiry Officer with appropriate Terms of Reference under which the Inquiry Officer will conduct an independent, objective and expeditious investigation, in accordance with the Principles set forth in Annex 2.
4. The Inquiry Officer must complete the investigation within 60 days of being instructed. Should further time be needed (e.g. in order to obtain further relevant evidence) an extension of up to 21 days may be granted by the CCO, who may notify the Chairman of

the Board of such extension and the reason for it. On the completion of the investigation, the Inquiry Officer will submit a written report detailing the findings to the CCO, including an assessment whether the Code has been violated or not.

5. If the report concludes that the allegations are unfounded the CCO will close the file, conclude that no further action shall be taken and duly inform the Subject and the Chairman of the Board.
6. If the report concludes that the allegation is substantiated in whole or in part the CCO will send a copy of the report to the Subject, with a request to provide written comments to the CCO within 15 working days. On receipt of any such written comments from the Subject, the CCO will send a copy of the Inquiry Officer's Report and the written comments to the Chairman of the Board.
7. Within 14 days of receipt of the Inquiry Officer's Report and the comments the Chairman of the Board shall forward the same to the Governor in the relevant Member country, as the representative for the appointing authority. The Governor shall decide, having heard and duly considered any additional statements from the Subject, what action should be taken. The Chairman of the Board shall ascertain the decision and inform the CCO.
8. If the President is the Subject, the Chairman of the Board shall forward the Inquiry Officer's report together with any comments to the members of the Board. The Board shall decide what action should be taken.
9. If the Chairman of the Board is the Subject of an investigation the Deputy Chairman of the Board shall resume the duties of the Chairman of the Board.

**PRINCIPLES OF INVESTIGATIONS**

1. Any investigation shall be carried out with due consideration being given to safeguarding the rights of the Subject and to protecting the confidentiality of the investigation, including correspondence between the Subject and his or her appointing authority. The inquiry will be conducted as discreetly as possible with a view to protecting the reputation of the Subject and of any other person who may be involved, and avoiding any unreasonable intrusions into the personal privacy of the Subject.
2. To the extent practicable, the intensity and cost of the investigation shall be kept in broad proportion to the complexity of the allegation and the seriousness of the alleged misconduct.
3. All investigations shall be conducted in accordance with appropriate and adequate safeguards, including the following:
  - i. The knowledge and consent of the Subject will for a normal investigation by the Inquiry Officer be obtained on beforehand;
  - ii. (ii) Only under exceptional circumstances, justified by the seriousness of the allegation, and where agreement has been given by an independent third party, can the Inquiry Officer examine items under the control of the Subject in the absence of the Subject's consent. Such examination requires prior authorisation by the CCO and shall be performed in the presence of the independent third party.

Additional procedures to enable an investigation to be conducted can be adopted as needed.