

*The document was revised and approved by the Board of Governors
of the Nordic Investment Bank on 7 March 2014 with entry into force as on the same date.*

RULES OF PROCEDURE OF THE BOARD OF GOVERNORS



PREAMBLE

According to the Agreement on Nordic Investment Bank signed on 11 February 2004 which entered into force on 1 January 2005, the Bank has a new governance structure. The Member countries are represented by a Governor from each Member country in the Bank's Board of Governors.

The Board of Governors has the duties conferred upon it in Section 14 of the Statutes. Apart from those exclusive duties all the other powers of the Bank are vested with the Board of Directors. The Directors are also appointed directly by the Member countries.

The Statutes, Section 14 reads as follows:

"The Board of Governors shall be composed of eight Governors. Each Member country shall be represented by the Minister designated by it as its Governor.

The Board of Governors shall appoint a Chairman for a term of one year. The chairmanship of the Board of Governors shall rotate among the Member countries.

The Board of Governors shall be vested with the following powers:

- a) Amendments of the Statutes with the exception of this Section 14.*
- b) Decisions on increase and decrease of the authorised capital stock.*
- c) Decisions on questions of interpretation and application of the provisions of the Agreement and the Statutes.*
- d) Approval of the annual report of the Board of Directors and audited financial statements of the Bank.*
- e) Appointment of two members of the Control Committee in accordance with Section 17.*
- f) Decisions on procedures related to withdrawal of membership of the Bank.*
- g) Decision on liquidation of the Bank.*

Decisions of the Board of Governors shall be unanimous. Decisions may be taken by a written procedure.

The Board of Governors shall hold an annual meeting and such other meetings as deemed appropriate."

In addition to these duties the Board of Governors is expected to decide upon certain matters related to good governance such as the approval of the emoluments of the Directors as well as Code of Conduct of the Board of Directors and the President.

Section 1. Definitions

- 1.1. "Bank" refers to the Nordic Investment Bank
- 1.2. "Member" means a Member country of the Bank
- 1.3. "Agreement" refers to the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Nordic Investment Bank signed 11 February 2004
- 1.4. "Statutes" refers to the Statutes of the Bank attached to the Agreement as they are amended from time to time
- 1.5. "BoG" refers to the Board of Governors
- 1.6. "BoD" refers to the Board of Directors

- 1.7 “Control Committee” refers to the Control Committee of the Bank
- 1.8 “Governor” if not otherwise specified, includes the temporary alternate, as the case may be
- 1.9 “Director” refers to a member or alternate of the Board of Directors
- 1.10 “President” refers to the President and Chief Executive Officer of the Bank
- 1.11 “Chairman” refers to the person appointed as chairman of the BoG by the BoG and / or acting as chairman of the meeting of the BoG as the case may be
- 1.12 “Agenda” refers to the list of items to be considered at a meeting
- 1.13 “Secretariat” refers to the secretariat within the Bank
- 1.14 “Secretary” refers to the secretary of the BoG.

Section 2. Meetings; Notices

- 2.1. The BoG shall hold an annual meeting, where the annual report and the financial statements shall be considered. The Annual meeting shall be held at such date and place as the BoG may determine from time to time, provided however that the meeting should preferably take place by the end of March or in any event not later than the end of May in each year. The Governors or their temporary alternates shall participate in the Annual meeting in person. If all Governors agree, the Annual meeting may be held as a video or telephone meeting, or the decisions at the Annual meeting may be taken by the Governors by written procedure as defined in Section 7.3.
- 2.2. The BoG may in addition hold special meetings, when it so decides, pursuant to Section 14 in the Statutes.
- 2.3. The BoG shall meet when convened by its Chairman. The BoD and the President may also request the Chairman of the BoG to convene the BoG.
- 2.4. The Secretariat shall notify all Members, by the most rapid possible means, of the date and place of each meeting of the BoG. Such notice must be issued not less than forty five (45) days before the date set for each meeting.
- 2.5. All Governors shall attend a meeting to constitute a quorum. If a Governor cannot attend a meeting a temporary alternate shall be appointed to act on behalf of the Governor at such meeting.
- 2.6. The BoG may order the temporary adjournment of any meeting and its resumption at a later date.
- 2.7. The President together with the Secretariat will be responsible for all arrangements for the holding of meetings of the BoG.

Section 3. Attendance at meetings

- 3.1 The Chairman and Vice Chairman of the BoD as well as the President may attend the meetings of the BoG.

- 3.2 The Chairman and Vice Chairman of the BoD, the President as well as the Chairman and Vice Chairman of the Control Committee shall attend the annual meeting of the BoG.
- 3.3 The Chairman of the BoG, in consultation with the Chairman of the BoD and the President, may invite observers and other participants to attend any meeting of the BoG.

Section 4. Agenda for the meetings of the BoG

- 4.1 The President shall, in consultation with the Chairman of the BoG and the Chairman of the BoD, prepare an agenda for each meeting of the BoG and transmit such agenda to the Governors together with, or in advance of, the notice of the meeting.
- 4.2 Additional subjects may be placed on the agenda for any meeting of Governors by any Governor provided that he or she shall give notice thereof to the President at least thirty (30) days prior to the date of the meeting. The Governors shall be notified of such additional items forthwith by the President.
- 4.3 The BoG must be in possession of the agenda and related documents not less than twenty (20) days before the meeting of the BoG.
- 4.4 The time limits laid down in the foregoing Sections may be waived, if all Governors consent thereto.
- 4.5 In the course of any meeting of the BoG, the BoG itself may modify, add to, or eliminate items from the agenda.

Section 5. Representation of Members

- 5.1 At each meeting of the BoG, the Secretariat shall submit a list of the Governors and/or the temporary alternates whose appointments have been officially communicated to the Bank.

Section 6. Chairman

- 6.1 At the inaugural meeting of the BoG, the office of the Chairman will be held by the Governor of the Member indicated in the Rotation Scheme attached to these Rules of Procedure.
- 6.2 At the end of each Annual meeting, the BoG shall appoint a Chairman of BoG according to the order and mandate period set forth in the rotation scheme.
- 6.3 If the Governor who holds the Chairmanship cannot attend in person, and the Governor who is next in line to hold the Chairmanship is present in person, he or she will act as Chairman for the meeting.

Section 7. Decision making

- 7.1 Decisions of the Board of Governors shall be unanimous.

- 7.2. The vote of any Governor must be cast in person by the Governor or in his or her absence by the temporary alternate formally designated for the purpose of attending and voting at the meeting of the BoG when the Governor cannot attend.
- 7.3. Decisions may also be taken by written procedure if the Chairman of the BoG, the Chairman of the BoD or the President determines that the decision on one or several specific question(s) shall not be postponed until the next annual meeting of the BoG, and does not warrant the calling of a special meeting of the BoG. If all Governors agree, the decisions at the Annual meeting may be taken by written procedure.
- 7.4. Decision-making by written procedure shall to the extent possible follow the rules of procedure for ordinary meetings. Decisions taken by written procedure shall be deemed to have been accepted as soon as acceptance to the proposal has been received from all Governors. In case replies are not received from all Governors, the proposal shall lapse.

Section 8. Record of proceedings

- 8.1. Minutes shall be kept of the proceedings of the BoG. They shall be signed by the Chairman and the secretary of the meeting and be available to all Governors and kept on file at the Bank.
- 8.2. Correspondence for BoG shall be addressed to the Secretariat of the Bank.

Section 9. Language

- 9.1. At meetings of the BoG the working language shall be English.

