



NORDIC
INVESTMENT
BANK

FINANCING
THE
FUTURE



Code of Conduct for the Board of Directors and the President

Adopted by the Board of Governors of the Nordic Investment Bank
on 24 May 2019 with entry into force as of 29 May 2019



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CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE PRESIDENT

1 INTRODUCTION

1.1 Purpose

This Code of Conduct for the Board of Directors and the President (“**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 [Membership Agreement and the Statutes](#) and other policies, regulations and rules 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 applies to the members and alternates of the Board of Directors’ (“**BoD**”) of the Bank and the President of the Bank.

Separate Codes of Conduct apply to the [staff](#) and in respect of the [Control Committee](#). All codes share the same standards of loyalty, integrity, impartiality, respect, accountability and discretion, as set out in Section 2.

The members of the BoD and the President shall turn to the Chief Compliance Officer (“**CCO**”) 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,

“Membership Agreement” means the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden of 11 February 2004 concerning the Nordic Investment Bank;

“Member of the BoD” shall also include the alternates;

“Close Relative” means 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 BoD / the President is acting as guardian;

“Confidential Information” means 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 BoD, the President or the staff;

“Financial Instruments” means 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” means any right to receive interest, dividends, capital appreciation, fees or other monetary or in-kind benefit;

“Inside Information” means information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or on the price of related derivative financial instruments;

“Institution” means any company, association or other public or private entity or organisation; and

2 BASIC STANDARDS OF CONDUCT

2.1 Loyalty

A Member of the BoD / the President shall carry out his or her responsibilities as set out in the [Membership 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 BoD / 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 BoD / the President shall avoid any kind of actions that may reflect adversely upon his or her position as a Member of the BoD / the President of the Bank as an international organisation.

A Member of the BoD / 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 BoD / 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 BoD / 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 BoD / 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 BoD 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 [Membership Agreement](#) all members of the BoD 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 BoD / 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 BoD may, to such extent and upon such conditions as it may determine, waive any of the immunities and privileges, if the BoD considers this to be in the best interest of the Bank.

4 CONFLICT OF INTEREST

4.1 General

A Member of the BoD / 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 BoD / the President. If the activity may result in financial or other personal benefit for a Member of the BoD / 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 BoD / the President shall, on his or her own initiative, disqualify himself or herself.

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

- (i) which concerns or may influence any of his or her, or a Close Relatives', personal or financial interests; and / or
- (ii) concerning matters of Financial Interest to any public or private entity in which he or she holds the position as chair or member of the board, alternate, president, managing director or act as an appointed representative.

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

A Member of the BoD is normally entitled in all matters to receive the written material provided to the BoD. In these cases, the rules of confidentiality in Section 7 shall be applicable. If a conflict of interest arises, a Member of the BoD 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 BoD, that Member of the BoD shall not receive the written material unless he or she has confirmed to the Secretary of the BoD that he or she is in a position to receive it.

4.3 Perquisite positions

A Member of the BoD / the President shall not accept 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 BoD / the President.

If a Member of the BoD / the 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 Chair of the BoD or the CCO, as set out in Section 9.

When taking up the position or at any time during his or her term at the Bank, the President shall obtain written permission from the Chair of the BoD for any other employment, perquisite position or assignment that he or she is involved in.

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 BoD / the President shall not allow such circumstances to influence the proper performance of his or her duties at the Bank.

A Member of the BoD 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 BoD, or within two years following the end of such service. The BoD 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 BoD while serving as President or while employed as staff member. The President cannot be appointed as a Member of the BoD within two years following the end of serving as the President.

A Member of the BoD / 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.

5 FINANCIAL INTERESTS AND INVESTMENTS

5.1 General

A Member of the BoD / the President shall not, whether directly or indirectly, buy or sell Financial Instruments of an Institution to which he or she is aware of (or should be aware of) that NIB has started a credit process for a loan or other financing instruments, as this may be perceived as, or constitute, a conflict of interest. The prohibition to buy or sell is in force until the loan has been made public on NIB's website or otherwise until the consideration in NIB has been concluded

It is prohibited for a Member of the BoD / the President to trade with Financial Instruments issued by NIB.

A Member of the BoD / the President shall not engage in short-term trading and any Financial Instruments shall be held for at least 30 calendar days.

The prohibitions and/or restrictions of trading set forth in this Section 5.1 do not apply to:

- (i) government bonds, index-linked products, mortgage bonds, unit trusts and currencies; and
- (ii) investment in funds where the investments are undertaken by a third party that prevents the Member of the BoD / the President from having active control over the trades.

An exception to the prohibitions and/or restrictions set forth in this Section 5.1 may be granted if profound reasons thereto exist, such as personal economic distress (due to divorce, loss of a Close Relative or severe illness) or when purchasing a new home.

5.2 Insider rules

A Member of the BoD / the President may receive Inside Information when carrying out his or her duties for NIB.

A Member of the BoD / the President, who in his or her capacity receives Inside Information or becomes aware of Inside Information is prohibited from trading in the Financial Instruments of any Institution, including but not limited to NIB and its borrowers or potential borrowers while in possession of Inside Information. A Member of the BoD / the President shall not use Inside

Information when conducting financial transactions for NIB or him or herself, or, disclose Inside Information to a third party.

If a Member of the BoD / the President believes he or she has come into possession of Inside Information, he or she shall not execute any trade in the Financial Instruments of the subject or entity without first consulting the CCO, who will determine whether such a trade would violate this Code or applicable laws.

6 DISCLOSURE OF FINANCIAL AND BUSINESS INTERESTS

Members of the BoD / 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 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.

Members of the BoD / the President shall when joining NIB and thereafter annually declare the Financial Interest that they or their Close Relatives have, directly or indirectly, in any borrower of NIB. In this context “indirectly” refers to investments made through a company, fund or other entity in which the Members of the BoD / the President have a controlling interest (more than ten per cent (10 %) ownership or by other means of control).

The declaration of Financial Interests shall be submitted to the CCO. The information shall be disclosed to all Members of the BoD / the President.

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

7 CONFIDENTIAL INFORMATION

7.1 General

The immunities and privileges conferred upon the Bank, the Members of the BoD, 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 [Membership Agreement](#).

A Member of the BoD / 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 BoD / 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 BoD 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 BoD.

A Member of the BoD 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 counsel, or other relevant official in the consideration of a BoD matter, a Member of the BoD 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 BoD 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 [Membership Agreement](#) all documents belonging to the Bank are inviolable. A Member of the BoD 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 BoD / 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 BoD 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 BoD 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 Chair of the BoD.

8 GIFTS, REMUNERATION AND RESOURCES

8.1 Gifts and remuneration

A Member of the BoD / 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 an indication, a gift with a value of approximately EUR 100 or lower would normally not be considered to exceed common business hospitality. Further, any other benefit, such as an offered dinner, with a value of approximately EUR 200 or lower would normally not be considered to exceed common business hospitality.

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 CCO and subsequently handed over to the Bank.

When performing his or her duties, a Member of the BoD / 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 BoD / 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 IMPLEMENTATION, MONITORING AND REVIEW

The responsibility for correct implementation of this Code shall remain with the individual Directors and the President. The Chair of the BoD shall monitor adherence to this Code.

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

- (i) A Member of the BoD / the President requests advice;
- (ii) Allegations of misconduct or prohibited practices are raised against a Member of the BoD / the President.

This Code shall be reviewed at least every three (3) years.

**PROCEDURES FOR THE MEMBERS OF THE BOD AND THE PRESIDENT FOR
(I) ISSUING GUIDANCE, AND
(II) INVESTIGATING ALLEGATIONS OF MISCONDUCT****(I) Procedures for issuing guidance**

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

- (i) A request for advice or guidance shall be submitted by the requestor in writing either to the Chair of the BoD or the CCO, setting forth the nature of the query.
- (ii) The Chair of the BoD 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 working days from receipt of the query, issue a written opinion (or a joint opinion) and send this to the Chair of the BoD.
- (v) Taking into consideration the opinion, the Chair of the BoD shall take a decision within seven working 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 working days from receipt of the query. The answer shall also be disclosed to the Chair of the BoD.

(II) Procedures for investigating allegations of misconduct and prohibited practices

- 1) Allegations of misconduct or prohibited practices against a Member of the BoD / the President (the Subject) shall be made in writing to the CCO, who will submit them within 7 working days to the Chair of the BoD for information.
- 2) The CCO will, within 14 working 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 or prohibited practices. 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, after consultations with the Chair, determines that the allegation warrants further investigation an independent external investigator shall be appointed to act as an Inquiry Officer. The CCO shall provide the Inquiry Officer with appropriate Terms of Reference under which the Inquiry Officer shall conduct an independent, objective and expeditious investigation, in accordance with the Principles set forth in Annex 2.
- 4) The Inquiry Officer shall complete the investigation within 60 working days of being instructed. Should further time be needed (e.g. in order to obtain further relevant evidence) an extension of up to 21 working days may be granted by the CCO, who may notify the Chair of the BoD of such extension and the reason for it. On the completion of the investigation, the Inquiry Officer shall submit a written report detailing the findings to the CCO, including an assessment whether the Code has been violated or if misconduct or prohibited practices have taken place.

- 5) If the report concludes that the allegations are unfounded the CCO shall close the file, conclude that no further action shall be taken and duly inform the Subject and the Chair of the BoD.
- 6) If the report concludes that the allegation is substantiated in whole or in part the CCO shall 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 shall send a copy of the Inquiry Officer's Report and the written comments to the Chair of the BoD.
- 7) Within 14 working days of receipt of the Inquiry Officer's Report and the comments the Chair of the BoD 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 Chair of the BoD shall ascertain the decision and inform the CCO.
- 8) If the President is the Subject, the Chair of the BoD shall forward the Inquiry Officer's report together with any comments to the Members of the BoD. The BoD shall decide what action should be taken.
- 9) If the Chair of the BoD is the Subject of an investigation the Deputy Chair of the BoD shall resume the duties of the Chair of the BoD.

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 or prohibited practices.
- 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 beforehand;
 - (ii) Only under exceptional circumstances, justified by the seriousness of the allegation, 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.

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