



NORDIC
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Code of Conduct for the Board of Directors and the President

Adopted by the Board of Governors of the Nordic Investment Bank on 31 March
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CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE PRESIDENT

1 PURPOSE OF THE CODE

The Nordic Investment Bank (“**NIB**”) is the international financial institution of the Nordic and Baltic countries. The Bank works towards a prosperous and sustainable Nordic–Baltic region and its mission is to finance projects that improve productivity and benefit the environment.

The purpose of the Code of Conduct for the Board of Directors and the President (“**Code**”) of NIB is to promote best practices in relation to the governance of NIB. The Code sets out the fundamental principles for managing conflicts of interest and for upholding proper conduct.

The Code shall be read in conjunction with the [Constituent Documents](#)¹ and other policies, regulations and rules related to NIB’s governance, and shall apply without prejudice to any other conduct rules applicable to the members and alternates of the Board of Directors (“**Board Members**”).

2 SCOPE

This Code applies to each Board Member and to the President of NIB.

In addition, the President is subject to certain sections of the [Code of Conduct for Staff](#)². In the case of a conflict between the two Codes, this Code will apply.

The Board Members and the President may seek guidance from the Chair of the Board of Directors (“**Chair**”) or the Chief Compliance Officer (“**CCO**”) with regards to the rules and principles set out in this Code.

3 CORE PRINCIPLES

Board Members and the President are entrusted to carry out their responsibilities and obligations to the best of their ability, in compliance with the Constituent Documents and the [Rules of Procedures of the Board of Directors](#) and in line with NIB’s objectives and best interest. They shall observe the highest standards of ethical conduct.

Board Members and the President are expected to act in accordance with the principles below:

Integrity. Act with integrity in all NIB activities, avoiding any behaviour that would reflect adversely on themselves or NIB, and strive to avoid even the appearance of improper conduct.

Independence. Act solely and objectively in the interest of NIB. This includes refraining from exercising influence upon the administration of NIB for his or her own interest, or for that of a third party.

¹ NIB’s constituent documents include the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Nordic Investment Bank of 11 February 2004 and the related Statutes, as amended from time to time, and the Host Country Agreement between the Government of Finland and the Nordic Investment Bank of 20 October 2010.

² The President is subject to the following sections of the Code of Conduct for Staff: 5 Respectful Workplace, 6.1 Observance of law, 6.2.1 Recusal, 6.2.2 External activities, 6.2.3 Political activities, 6.2.4 Former and subsequent employment, 6.2.5 Relationships with other staff, 6.3 NIB’s resources and intellectual property, 6.6 Personal data, 6.7 Compliance Declaration and Disclosure Requirements and 7 Speaking up culture.

Duty of Care. Act on an informed and prudent basis with respect to NIB and its operations.

Discretion. Apply the utmost discretion in all matters concerning NIB during her or his mandate period and also after her or his service at NIB has ended.

Respect. Act in a fair, open, and honest manner in all interactions with members of the governing bodies and staff members.

In addition, the President is also subject to the principles of Duty of Loyalty and Accountability as described in the Code of Conduct for Staff.

4 RESPECTFUL WORKPLACE

NIB is committed to a respectful workplace; therefore, Board Members and the President shall ensure that all interactions between Board Members and with NIB staff, irrespective of position or seniority, are collaborative, respectful, courteous, and inclusive with everyone being treated fairly.

The Board Members and the President are expected to act as role models for staff by upholding highest standards of conduct and demonstrating fairness and impartiality.

Harassment and discrimination are not tolerated at NIB and are considered Misconduct.³

5 CONFLICT OF INTEREST

A conflict occurs when the personal interests of a Board Member or the President, or those of her/his Close Associate⁴, or those related to any entity in which she/he holds a position with decision-making powers, could compromise her/his judgment, decisions, or actions related to NIB. These situations can undermine NIB's activities and the confidence in a member's ability to perform her or his duties.

A Board Member and the President shall avoid any situation involving an actual, perceived or potential conflict of interest.

An actual conflict of interest involves a direct and existing conflict of interest. A perceived conflict of interest occurs where a conflict of interest could reasonably be perceived (internally or externally) to exist. A potential conflict of interest involves a situation where a conflict of interest may materialise under specific circumstances.

The Board Member and the President may seek advice from the Chair or the CCO with regards to any conflict of interest. Board Members and the President shall provide information to help NIB determine if a conflict of interest exists.

5.1 Recusal

Prior to any deliberation or decision-making related to NIB activities or operations, the Board Members and the President are responsible for identifying any potential conflict of interest.

³ See Section 10.

⁴ "Close Associate" means a spouse, a domestic partner, child or children, parents, a person who is living with the Board Member or the President in the same household, a person for whom the Board Member or the President is acting as a guardian, or a business partner.

If a conflict of interest is identified, the Board Member or the President shall inform the Chair of the BoD prior to the deliberation or decision-making process and recuse herself/himself for that specific matter. The Chair shall, thereafter, notify the Secretary of the BoD and the CCO of the recusal.

In cases where NIB is aware of a situation where a potential conflict of interest may arise in relation to a Board Member or the President, the Secretary, in coordination with the CCO, shall engage with the relevant Board Member or the President to determine whether it is appropriate for the individual to receive the written material or participate in the deliberative or decision-making process for such activity or operation.

In particular, a Board Member and the President shall recuse herself/himself from a matter concerning or that is related to any public or private entity in which she or he, or a Close Associate, holds:

- (i) a Financial Interest⁵; and/or
- (ii) a position as member or alternate member of the board, member of senior management or acts as an appointed representative.

5.2 Official Mandates and External Professional Activities

5.2.1 Official Mandates

Board Members shall avoid Official Mandates⁶ which may cause a conflict of interest or hinder their independence. A Board Member shall discuss any Official Mandate which may cause a conflict of interest or hinder their independence with the Chair to find a mutually agreeable solution.

A Board Member's appointment to a position in a governing body in another international financial institution is not considered a conflict of interest. Board Members are expected to manage these roles in line with their obligations to the respective institutions.

5.2.2 External Professional Activities

A Board Member and the President shall ensure that any External Professional Activity⁷, remunerated or not, does not hinder their independence, have a negative impact on their obligations, cause a conflict of interest nor damage the reputation of NIB.

When an External Professional Activity is considered to have an actual, perceived or potential conflict of interest, the Board Member shall notify the Chair. The Board Member may be required to recuse herself or himself.

Upon joining NIB and at any time during her or his term at NIB, the President shall declare and obtain written permission from the Chair for any External Professional Activity.

The Chair shall inform the CCO of any such notification and the related recommendation. The Chair may also seek advice from the CCO with regards to a specific request.

⁵ "Financial Interest" means any right to receive interest, dividends, capital appreciation, fees or other monetary or in-kind benefit.

⁶ "Official Mandate" means any activities undertaken by any Board Member as part of their duties and responsibilities of the governmental positions they hold, excluding their role as a member of the BoD for NIB.

⁷ "External Professional Activity" means any other employment or appointment undertaken by (1) a Board Member other than their role with NIB or Official Mandate, or (2) the President other than her/his role with NIB.

5.3 Gifts and other benefits

A Board Member and the President, when representing NIB, should not give, solicit or accept gifts or other gratuities, remuneration or benefits beyond common business hospitality as it may imply a duty to return a favour.

When assessing whether a gift or other benefit is within common business hospitality, the Board Member and the President shall consider the following:

- NIB regards common business hospitality as being a gift with a value of less than EUR 100 and any other entertainment, such as a dinner, with a value of less than EUR 150 per person; and
- the frequency of such invitations from the party in question is not excessive considering the nature and extent of the relationship.

NIB acknowledges that in certain cases, the refusal of a gift, hospitality or other benefit may be impossible or create unwanted embarrassment. Any gift or remuneration or benefit accepted for such reasons shall be reported and handed over to the CCO. The CCO is responsible for handling and disposing the gifts or other benefits accepted by the Board Member and the President.

5.4 Activities after completion of their appointment at NIB

Former Board Members and Presidents have the duty to act with integrity and discretion as regards the acceptance of employment or an appointment after their term with NIB. They shall avoid all situations which may give rise to an actual, potential or perceived conflict of interest.

After completion of their appointment with NIB, a Board Member or the President shall recuse herself/himself from any involvement in or influence on any matters relating to NIB for a period of one year.

A Board Member may not be employed as staff (including as a consultant and expert) or President of NIB for one year following the completion of their appointment. The BoD may, in a particular case, decide to make an exception to this provision.

5.5 Restricted financial transactions

When engaging in personal investment activities, Board Members and the President shall consider any conflicts of interest of themselves, and those of their Immediate Family⁸, and the type of information they possess with regards to an Institution⁹.

Board Members and the President shall not:

- Acquire or dispose of Financial Instruments¹⁰ issued by NIB.
- Acquire or dispose of Financial Instruments of an Institution if they are aware (or should be aware) that NIB has started a credit process for an investment to the same Institution. The prohibition to buy or sell is in force until the investment has been made public on NIB's website or until the credit process has been concluded.

⁸ "Immediate Family" means a spouse, a domestic partner, dependent child or children, or a person for whom the Board Member or the President is acting as a guardian.

⁹ "Institution" means any company, association or other public or private entity or organisation.

¹⁰ "Financial Instruments" includes all types of securities, including but not limited to shares, notes, bonds or other publicly issued debt instruments, options, futures and other derivative instruments.

The President is required to hold all Financial Instruments she/he has invested in for at least thirty (30) calendar days.

Exceptions

Investments where the individual investment decisions are undertaken by a third party, e.g., unit trusts, funds, pension funds, are not subject to the restrictions and/or prohibitions set out above.

6 PREVENTION OF MARKET ABUSE

Board Members and the President shall adhere to NIB's [Prevention of Market Abuse Policy](#) and the Rules on Handling Inside Information and Market Soundings.

Board Members and the President shall not trade with Financial Instruments of NIB Lending counterparties or potential Lending counterparties while in possession of Inside Information.¹¹

7 CONFIDENTIALITY

NIB's immunities and privileges shall be taken into account before disclosing NIB's information. In particular, the confidentiality and inviolability of official communication and information shall be observed as set out in the Constituent Documents.

Furthermore, Board Members and the President shall observe any confidentiality obligations applicable to the information obtained during their appointment and safeguard the information accordingly.

All confidentiality obligations shall continue after the appointment with NIB has ended.

7.1 Information to Member countries

A Board Member may disclose non-public information concerning NIB's activities and operations to Member countries' ministers and officials representing the interests of NIB's owners if necessary to address policy-related questions. Such information may not include project or transaction specific information nor personal data.

A Board Member may disclose non-public information to an advisor, a counsel, or other relevant official in the consideration of a NIB matter, provided that such persons are subject to an equivalent confidentiality obligations.

For the avoidance of doubt, Board Members shall maintain the inviolability of NIB's information and documents. Any decision to share information with a national authority, other than in the above situations, shall be taken by the Board of Directors as a body and following the Rules of Procedure of the Board of Directors.

7.2 Public statements on behalf of the Bank

The Chair of the BoD and the President are authorised to make public statements on behalf of NIB following the applicable confidentiality rules.

A Board Member shall refrain from making public statements on behalf of NIB unless they have been coordinated or agreed with the President and the Chair of the BoD.

¹¹ Inside Information is defined in the Prevention of Market Abuse Policy.

A Board Member may use information concerning the Bank that has already been published by NIB or otherwise exists in the public domain.

8 USE OF NIB'S RESOURCES AND INTELLECTUAL PROPERTY

A Board Member and the President shall use services, equipment, assets, resources or facilities of NIB for official business only.

Intellectual property pertaining to NIB may not be used for personal benefit or for the benefit of others. This obligation continues after the appointment with NIB.

9 COMPLIANCE AND INTERESTS DECLARATIONS

Upon joining NIB, all Board Members and the President shall declare any External Professional Activities and Official Mandates, as well as Financial Interests, directly or indirectly, in any borrower of NIB.

On an annual basis, Board Members and the President shall declare compliance with the principles and obligations established in this Code and the Rules of Procedures of the Board of Directors and reconfirm any External Professional Activities, Official Mandates and any situation or activity, or that of their Immediate Family, that could give rise to a conflict of interest.

The declarations by Board Members and the President shall be submitted to the CCO. The CCO shall disclose any material matter to the Chair of the BoD.

10 MISCONDUCT

“Misconduct” is an individual’s conduct which is an intentional or reckless serious violation of the Constituent Documents, this Code, or the Rules of Procedures of the Board of Directors.

In addition, for the President, Misconduct includes an intentional or reckless serious violation of the sections of the Code of Conduct for Staff as set-out in section 2 of this Code, and any other professional obligation set-out in NIB’s Legal Framework.

The circumstances and the nature and severity of the reported behaviour will be considered when determining whether Misconduct has occurred.

11 REPORTING

Board Members and the President are required to report suspected Misconduct, Prohibited Practices¹² and non-compliance with NIB policies to the CCO.

Reports related to NIB’s operations and projects are handled in accordance with the [Investigation and Enforcement Policy](#).

Allegations of Misconduct by a Board Member or the President are handled in accordance with the procedure and principles in Annex 1 to this Code.

¹² As defined in the [Integrity and Compliance Policy](#).

ANNEX 1 – INVESTIGATIONS

A. PROCESS

- 1. Reporting.** A report of alleged misconduct or prohibited practice by a Board Member or the President (“**Subject**”) shall be made to the Chief Compliance Officer (“**CCO**”), who will notify the Chair of the Board of Directors (“**Chair**”) of the report within 5 working days.
- 2. Preliminary assessment.** The CCO will, within 10 working days of receipt of the report, conduct a preliminary assessment of the reliability of the information received and the gravity of the alleged misconduct or prohibited practice. If the CCO, in consultation with the Chair, determines that the report is frivolous, vexatious or malicious and does not warrant further investigation, the report will be closed, and records of the decision stored. If the CCO, in consultation with the Chair, determines that there are sufficient grounds to open an investigation, an Inquiry Officer will be appointed to investigate the report.
- 3. Appointment of Inquiry Officer.** An independent suitably qualified 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 the investigation, in accordance with section B of the annex. The CCO shall facilitate the Inquiry Officer’s investigation, including provision of all necessary information.
- 4. Notification to the Subject.** The CCO and the Chair shall notify the Subject of the investigation. The Subject will be notified following the appointment of the Inquiry Officer. The notification may be deferred if notification would be prejudicial to the conduct of the investigation. The Subject is required to cooperate with the investigation.
- 5. Investigation.** The Inquiry Officer shall complete the investigation within 60 working days of being instructed. Should further time be needed, an extension of up to 20 working days may be granted by the CCO. The CCO shall notify the Chair of such extension and the reason for it. Any further extension requires the Chair’s approval. Upon the completion of the investigation, the Inquiry Officer shall submit to the CCO and the Chair a written report detailing the findings, including an assessment whether misconduct or a prohibited practice has taken place.

If there is insufficient evidence to prove an allegation, the CCO shall close the investigation. The Chair, in consultation with the CCO, shall consider if any further action is appropriate. The Subject will be notified of the outcome and the CCO will retain records of the investigation for 10 years.

If the Inquiry Officer finds sufficient evidence to conclude that it is more probable than not that a misconduct or prohibited practice has occurred, in whole or in part, the CCO shall send a copy of the report to the Subject, with a request to provide a written response to the report within 15 working days. The CCO shall send any response from the Subject to the Chair.

- 6. Decision-making.** Within 10 working days following the expiry of the 15 working day period for the Subject’s response, the Chair, with support from the CCO shall assess the information and make a recommendation on the course of action to be taken in response to the finding. The investigation’s report, the Subject’s response and the Chair’s recommendation shall be submitted to the Governor in the relevant Member country, as the representative for the appointing authority. With consideration of the Chair’s recommendation, the Governor shall decide the appropriate action to be taken and shall notify the Chair of their decision, who will in turn notify the CCO.

If the President is the Subject, the Chair, with support from the CCO, shall assess the information and make a recommendation on the course of action to be taken in response to the finding. The investigation's report, the Subject's response and the Chair's recommendation shall be submitted to the Board Members, excluding the alternates. The BoD shall decide the appropriate action to be taken.

If the Chair is the Subject, the Deputy Chair shall undertake the duties of the Chair as described above.

B. CONDUCT OF THE INVESTIGATION

The Inquiry Officer shall conduct all investigations in an independent, impartial, objective and expeditious manner.

In addition, all investigations shall be conducted in accordance with appropriate and adequate safeguards, including:

- (i) Due process for the Subject.
- (ii) Ensuring the confidentiality of the investigation and information collected during the process.
- (iii) Conducting the investigation with discretion and consideration of the reputation of NIB and any person involved, including the Subject.
- (iv) Examination of material or information under the control of the Subject without the Subject's consent requires prior written authorisation by the CCO. This shall only be granted under exceptional circumstances as justified by the seriousness of the allegation.
- (v) Due consideration of access to information owned by a Member country or its representatives.

Should a national authority be conducting an investigation into the same or a related matter, the Inquiry Officer, in consultation with the CCO and the General Counsel, shall consider the privileges and immunities set out in the Constituent Documents.