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Staff Regulations

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PREFACE

These Staff Regulations have originally been approved by the Board of Directors of the Nordic Investment Bank (NIB) on 14 December 2004 as a codification and update of the regulations, rules and practices of NIB. Based on a decision by the President and CEO of NIB, the Staff Regulations entered into force as of 15 March 2005.

Subject to specific decision to that effect by the Boards of Directors of Nordic Environment Finance Corporation (NEFCO), and/or Nordic Development Fund (NDF), these institutions may decide to apply the provisions of these Staff Regulations or parts thereof to their staff.¹

Changes to the Staff Regulations have been approved by the Board of Directors of NIB:

- on 9 March 2006;
- on 31 January 2007;
- on 30 August 2007;
- on 24 April 2008;
- on 18 June 2009;
- on 3 February 2011;
- on 5 March 2015;
- on 23 March 2023; and
- on 26 March 2025.

¹ As distinction it is noted that in respect of NDF and NEFCO, these institutions are responsible themselves for employment and termination of employment of their staff. NDF and NEFCO themselves independently carry out the entire employer's work management and supervision responsibilities in relation to their staff and consequently also bear all the costs for their staff.

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STAFF REGULATIONS

1 GROUND PRINCIPLES

The Staff Regulations contain the fundamental terms and conditions of employment at the Nordic Investment Bank (NIB). NIB's fundamental principles in respect of its staff are: the rule of law, transparency, predictability and equality.

Based on NIB's legal status as an international organisation, NIB has established its own provisions for its employees named the Staff Documents. As a main rule, national employment related legislation, including labour law, does not apply to NIB, unless NIB or its Member countries have made an explicit decision to the contrary.

The primary sources governing employment are: 1) the employment contract and 2) the Staff Documents (incorporated by reference in the employment contract). All Staff Documents can be found at NIB's intranet NIBnet.

If not otherwise agreed by the Member countries, the Board of Directors has the powers to decide on the fundamental terms and conditions of employment. The President has certain delegated powers to decide on other terms and conditions of employment.

2 GENERAL PROVISIONS

2.1 Privileges and immunities

Employees have the status of staff in an international organisation. NIB and its staff have been granted certain privileges and immunities as set out in the Membership Agreement.² Staff should not act in a way that would potentially constitute abuse of these privileges and immunities.

2.2 Professional conduct

Employees shall follow the core values and promote the strategy and mission of NIB.³

Employees shall comply with the policies, regulations, rules and guidelines issued by NIB and conduct themselves in a manner consistent with the international character of NIB and in accordance with the Code of Conduct for Staff.

2.3 NIB's right to direct and supervise

By taking up employment at NIB, employees agree to perform work for NIB under NIB's direction and supervision. Employees shall perform their work with due care and diligence in accordance with managerial instructions and guidance.

2.4 Protection on duty

NIB shall protect its staff by creating a healthy and safe working environment. NIB aims at preventing work-related illness and accidents, and at maintaining a good working and functional ability of the employees. NIB shall pay attention to the security and safety of employees travelling on duty.

The Staff Rules contain more detailed information on occupational safety. In addition, NIB has established a Crisis Management Plan for emergency situations.

² 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. The legal status and immunities and privileges of the staff is described in the Framework for Legal status of NIB and its staff.

³ NIB's core values are described on NIBnet – NIB Values.

2.5 Respectful workplace

NIB shall promote fair and equal treatment of employees and the balance between professional and private life. NIB shall put emphasis on preventing and intervening if an employee is discriminated or harassed in any way. For further information, see the Code of Conduct for Staff.

2.6 Privacy protection

NIB shall respect and protect the employees' privacy. NIB has the right to limit or interfere with the employees' privacy only under limited circumstances. The measures taken shall be in proportion to the justified purpose of the measure. NIB shall always consider available alternative measures, which would not limit or interfere with the employees' privacy. Provisions to protect the employees' privacy and personal data are set out in the Privacy Protection Regulations.

2.7 Intellectual property rights

Intellectual property rights and ancillary rights in respect of inventions, designs, trademarks, software applications and other similar results that employees create or develop in the course of their work for NIB are vested with NIB unless otherwise explicitly agreed. Unless otherwise explicitly agreed, copyright to art, literature or photos that an employee creates or develops in the course of their work for NIB are vested with NIB, while the moral rights are vested in the employee.

3 RECRUITMENT

In recruitment, NIB emphasises personal and professional qualifications and experience. NIB shall promote a balanced distribution of gender, age and nationalities between the Member countries. There is, however, no requirement that only nationals of the Member countries can be employed. NIB promotes internal recruitment.

4 STAFF CATEGORIES

The President is chief of staff and is not considered a staff member.

The staff consists of:

- 1) members of the Executive Committee;
- 2) permanent staff; and
- 3) temporary staff.

Part of the staff consists of expatriate staff. The Staff Rules contain further provisions concerning the staff categories.

5 EMPLOYMENT

5.1 Employment decisions

The Board of Directors shall make decisions concerning the appointment and remuneration of the President. The President shall make employment decisions concerning staff eligible for membership in NIB's Executive Committee. The President, or a person delegated by the President, usually a Head of Department, shall make decisions concerning the employment of other staff.

5.2 Employment contracts

NIB and the employee shall enter into a written employment contract upon the commencement of employment. The employment contract may be made either until further notice or for a fixed term. A new employment contract may be entered into, for example, in connection with promotion.

5.3 Probation

Employment contracts include a mutual probationary period of a maximum of four (4) months.

During the probationary period either party may cancel the employment in writing, without following any notice period. NIB must not cancel the employment in a discriminatory manner, or on inappropriate grounds considering the purpose of the probationary period. A cancelled employment shall cease to have effect at the end of the working day when notice of cancellation was given.

5.4 Promotion

Promotions shall be decided based on professional competence and merit and shall imply the exercise of corresponding responsibilities. Proposals concerning promotions shall be made by the Head of Department and Head of Unit. Decisions concerning promotions shall be made by the President.

6 END OF EMPLOYMENT

6.1 Grounds

An employment ends on one of the following grounds:

- **Retirement.** The employment ends automatically, when the employee retires for old age pension or full-time disability pension. The employee shall inform NIB in advance about the retirement in accordance with the documents describing the pension scheme applicable to staff in Finland and Latvia.
- **Expiration of fixed term employment.** Fixed term employment ends automatically without a notice period at the end of the fixed term set out in the employment contract or upon completion of the agreed assignment.
- **Termination of employment by employee.** Employees may terminate their employment following the applicable notice period set out in the employment contract. Unless otherwise agreed in the employment contract, the employee's notice period is three (3) months.
- **Termination of employment by NIB.** NIB may terminate the employment as set out in Section 6.2 below.
- **Mutual agreement to terminate.** NIB and an employee may mutually agree to terminate the employment.
- **Cancellation of employment.** NIB or the employee may cancel the employment as set out in Sections 5.3 and 6.4.

6.2 Termination by NIB

NIB may only terminate employment if there are proper and weighty reasons for termination. The President, or a person delegated by the President, usually a Head of Department, shall make decisions concerning the termination of employment by NIB.

Employment may be terminated at the initiative of NIB on the following grounds:

1) Grounds related to the employee

NIB may decide to terminate employment due to (i) a serious breach or negligence of duties, including work performance, having an essential impact on the employment relationship; (ii) a misconduct by the employee as defined in the Code of Conduct for Staff; or (iii) essential changes having occurred in the conditions necessary for working related to the employee, which make the employee incapable of coping with his or her work.

NIB may terminate the employment due to serious breach or negligence of duties having an essential impact on the employment relationship only if the employee has first been given a written warning and nevertheless continues the activity or behaviour that constitutes the ground for termination. However, NIB shall, after hearing the employee, examine whether termination can be avoided by change of position and/or internal transfer of the employee. Change of position and/or internal transfer is determined unilaterally by NIB and is subject to acceptance by the employee.

If the termination is due to such a grave breach or negligence related to the employment as to make it unreasonable to require NIB to continue the employment, the procedures concerning warnings and internal transfer of the employee do not need to be observed.

The following cannot be regarded as proper and weighty reasons:

- i) illness, disability or accident affecting the employee, unless working capacity is substantially reduced as a result thereof for such a long period of time as to make it unreasonable to require NIB to continue the employment;
- ii) the employee's political, religious or other opinions or participation in permitted social activity or associations in accordance with the provisions in the Code of Conduct for Staff;
- iii) resort to means of legal protection available to the employee.

2) Change in NIB's activities or operations

Reorganizations, changes to the character and scope of business, or other economic reasons that result in substantial reduction of NIB's activities may be deemed as proper and weighty reasons for termination of employment by NIB. Employment shall not be terminated if the employee can be internally transferred (see Section 8 below). NIB may offer job seeking support through external service providers.

No grounds for termination related to NIB's activities exist, if (i) NIB, either before termination or within one (1) calendar year thereafter has employed a new employee for similar duties, even though NIB's operating conditions have not changed during the equivalent period or (ii) no actual reduction of work has taken place as a result of the reorganization.

6.3 Procedures for termination of employment by NIB

Decisions concerning termination of employment shall be made according to the same procedure as NIB's employment decisions (see Section 5.1). NIB shall terminate an employment in writing within a reasonable period after the grounds for the termination became known. Before terminating the employment, NIB shall inform the employee of the termination grounds and shall grant the employee an opportunity to be heard. The employee shall be entitled to receive written information about the termination grounds and has the right to be assisted by a counsel at the hearing.

6.4 Cancellation of employment

After the probationary period, NIB or the employee may cancel the employment only upon extremely weighty grounds. In such case the employment is terminated immediately, without following any notice period. Cancellation grounds exist if one of the parties commits a breach or neglects duties having an essential impact on employment in such a serious manner as to make it unreasonable to

expect the other party to continue the employment even for the notice period. Employment shall be cancelled in writing. NIB must not cancel an employment unless the President, or the Board of Directors, has made a decision to that effect.

7 JOB ROTATION

NIB enhances employees' professional skills and builds competence and capacities through internal job rotations. Job rotations also support cross-departmental cooperation and career development.

8 INTERNAL TRANSFER AND CHANGE OF POSITION

Changed circumstances, such as organisational changes, business needs or individual circumstances, can require adjustments that have a direct impact on the tasks and work situation of one or several employees. These changes may result in internal transfers between departments or units, and/or in changes to a position and related duties. Internal transfer requires that work can be offered, and primarily that another position is available at NIB that meets the employee's professional qualifications and experience at the time when considering possible termination.

9 DISCIPLINARY MEASURES

NIB can take the following disciplinary measures if an employee fails to fulfil his or her obligations to NIB, breaches or seriously neglects duties having an impact on the employment relationship, or has committed misconduct:

- 1) Oral warning
- 2) Written warning

During an investigation of misconduct or disciplinary proceedings, the President may upon the recommendation of the Head of HR or the Chief Compliance Officer (CCO) decide in writing to temporarily suspend (with or without pay) an employee for a specified period.

Disciplinary measures shall be taken by the President or the relevant Head of Department in consultation with the Head of HR and, when applicable, the CCO. The measures taken shall be in proportion to the seriousness of the employee's conduct.

Disciplinary measures shall be notified to the employee in a proven manner and in a form that makes it evident that the measure is a disciplinary one. Any disciplinary measure given shall be recorded in the employee's file.

NIB shall invoke disciplinary measures within a reasonable period from the time an employee's conduct became known to NIB.

Invoking such disciplinary measures or terminating or cancelling the employment does not prevent NIB from initiating legal proceedings against the employee.

10 CERTIFICATE OF EMPLOYMENT

Employees are entitled to receive a written certificate of employment both while working for NIB and after their employment has ended.

11 COMPENSATION

11.1 Salaries and other compensation

Compensation shall consist of base salary, allowances and other benefits. The salary levels set upon employment and promotion reflect the work profile, qualifications, individual competence and the

results that NIB expects the employee to achieve and deliver. Senior positions with greater responsibility and demanding work profiles are remunerated with higher salary levels than positions with less demanding work profile. Each employee's salary shall be reviewed once a year. The Board of Directors determines the scope for salary increases in respect of NIB. The President is authorised by the Board of Directors to make decisions as regards compensation within the scope of the Compensation Regulations and the Financial Plan.

Performance based premium can be paid to remunerate excellent and extraordinary performance of an individual staff member or a group of staff members.

The principles of remuneration and promotion are set out in the Compensation Regulations.

11.2 Taxation of salaries

Staff are taxed on their taxable income from NIB in accordance with applicable tax legislation and provisions of the applicable Host Country Agreement. Staff not resident in Finland when commencing their employment at NIB, and who become tax residents in Finland when commencing their employment at NIB, may choose to apply a separate provision in the Finnish tax legislation. For the staff stationed in Latvia, NIB shall calculate, withhold and retain a tax from the NIB income according to Latvian legislation, unless the income is taxed in a country other than Latvia.

The Staff Documents contain more detailed descriptions concerning taxation of staff in Finland and Latvia.

11.3 Staff benefits

NIB offers certain benefits to the staff, including health and medical care. The Staff Documents contain more detailed provisions on staff benefits, including certain additional benefits and allowances available to expatriate staff.

12 WORKING HOURS AND ABSENCE

12.1 Working hours

The ordinary working hours are forty (40) hours per week in the wintertime and thirty-five (35) hours per week in the summertime. NIB and the employee may agree on differing working hours in special circumstances such as occupational disability or part-time work. The Staff Rules contain detailed provisions on working hours.

12.2 Absence

The employees have the right to be absent from work due to, for example, vacation, illness, family leave and other comparable reasons as set out in the Staff Rules. Longer periods of absence may entail certain changes to the terms and conditions of employment such as salary payment and other benefits.

13 SOCIAL SECURITY, PENSIONS AND INSURANCE

Article V of the Host Country Agreement with Finland provides that all staff residing in Finland, irrespective of nationality, shall be covered by the Finnish social security. According to Article VI of the Host Country Agreement with Latvia, NIB is responsible for organising social security for staff members. Based on NIB's decision, staff stationed in Latvia are covered by the Latvian social security irrespective of nationality.

According to Article VI of the Host Country Agreement with Finland and Article VI of the Host Country Agreement with Latvia, NIB is responsible for arranging pension security for its staff. In Finland, staff

are included in the employment pension scheme for the public sector. In Latvia, staff are included in the Latvian state unfunded compulsory pension scheme and the state funded pension scheme. In addition, NIB contributes to a supplementary pension scheme for permanent staff both in Finland and Latvia.

NIB is responsible for arranging adequate employment related insurances for its staff. In addition, NIB has taken out supplementary insurances for the staff.

The Staff Documents include more detailed descriptions on social security, pensions and insurances for staff in Finland and Latvia.

14 EMPLOYMENT RELATED ADVICE AND DISPUTE RESOLUTION

14.1 Advice

Employees shall primarily use the existing internal channels for advice, grievances and conflict resolution, i.e., consult their immediate supervisor, the Head of Department and/or the HR Unit in employment related matters. The employee is, alternatively or in parallel, entitled to consult the Ombudsman.

14.2 Employee grievances

Employee grievances associated with matters such as performance management, including appraisals, compensation, work assignments, employment and career progress opportunities, or any other personal grievances are not considered misconduct and shall be raised with the HR Unit, unless taken in a discriminatory and/or retaliatory manner.

The reporting channels and the process for handling alleged or suspected misconduct are set forth in the Code of Conduct for Staff.

14.3 Conflicts

Due to NIB's legal status as an international organisation, national courts do not have jurisdiction in NIB's employment related matters. To ensure adequate protection of the employee's fundamental rights, NIB shall maintain permanent regulations concerning arbitration in employment related disputes.

Disputes between an employee and NIB, or between two or several employees, shall primarily be solved internally between the parties as early as possible, using the existing internal channels for conflict resolution. If the parties are unable to settle the matter amicably, they have access to two independent dispute resolution mechanisms: mediation and arbitration.

Employees have the right to resort to any conflict or dispute resolution mechanism described in these Staff Regulations without the fear of reprisal or retaliation from NIB.

14.4 Mediation

When a dispute arises between one or several employees and NIB, or between two or several employees, an employee may request mediation under the guidance of NIB's Ombudsman. The mediation procedure is voluntary, confidential and free of charge. The Ombudsman Regulations set out the conditions and procedure applicable to mediation.

14.5 Arbitration

When a dispute arises between one or several employees and NIB relating to the terms and conditions of employment a party may refer the dispute to an arbitral tribunal in accordance with the

Arbitration Regulations, after having exhausted the existing internal channels for conflict resolution. However, arbitration does not apply to disputes between employees.

15 LIABILITY AND COMPENSATION FOR DAMAGES

15.1 NIB's general liability

If NIB intentionally, or through negligence, breaches its obligations as employer, or the provisions applicable to an employment, NIB shall be liable for compensating the damage (if any) caused to the employee.

15.2 NIB's liability for termination or cancellation

If NIB has terminated or cancelled an employment contrary to the grounds set out in these Staff Regulations, NIB shall be liable to pay compensation for such unjustified termination or cancellation to the employee concerned. The compensation shall be equivalent to the salary due for a minimum of three (3) months and a maximum of twenty-four (24) months.

The following must be taken into account in determining the compensation: the reason for termination or cancellation, the time an employee is estimated to be without employment, the estimated loss of earnings, the remaining period of a fixed term employment, the duration of the employment, the employee's age and chances of finding employment corresponding to the employee's vocation or education and training, NIB's procedure in terminating the employment, any reason for termination originating in the employee, general circumstances of the employee and NIB, and other comparable matters.

If NIB has cancelled the employment contrary to the grounds set out in Section 5.3 (Probation), Section 6.4 (Cancellation of employment), or Section 6.2 point 2 (Change in NIB's activities or operations), the minimum amount of three (3) months' salary shall not apply when determining the amount of compensation NIB is liable to pay.

15.3 NIB's liability for discrimination

If NIB intentionally, or through negligence, has breached its obligations concerning non-discrimination set out in paragraph 3 of Section 5.1 (Equality, diversity and inclusion) of the Code of Conduct for Staff, and consequently an employee's rights have been violated, NIB shall be liable to pay compensation to the employee. The following factors must be considered in determining the compensation: the nature of the violation, NIB's efforts to prevent or eliminate the consequences of its conduct and other comparable matters.

15.4 Employees' liability

If an employee intentionally or through negligence breaches the employment obligations or the provisions applicable to the employment or in his or her work causes a loss to NIB, the employee shall be liable to compensate the damage (if any) to NIB, unless caused by minor negligence.

If damage has been caused by negligence, compensation may be adjusted, if such adjustment is reasonable, considering the nature of the act, the employee's position, the employee's and NIB's financial situation and other relevant circumstances.

An employee, who has failed to observe the notice period or unjustifiably cancelled the employment, is liable to compensate to NIB an amount equivalent to his/her salary for the notice period as a lump-sum compensation. If the employee has failed to observe the notice period only partly, the liability is limited to the equivalent of the salary for the non-observed part.

16 STATUTE OF LIMITATION

During employment, salary claims and other employment related pay claims shall be presented within five (5) years counted from the due date or from the date when a payment should reasonably have been made, unless the limitation period is interrupted earlier. The same period of limitation also applies to other employment related claims. Limitation of action is interrupted when the claimant party serves his or her claim in writing on the other party.

After termination of employment, all employment related claims shall be presented within two (2) years after the end of the employment.

The statute of limitation in case of compensation for physical injuries is however ten (10) years.

17 STAFF REPRESENTATION AND MODES OF COOPERATION WITHIN NIB

NIB shall maintain a cooperation procedure between NIB as the employer and the staff. The purpose of the cooperation procedure is to develop working conditions and to increase the effectiveness of the cooperation between the employer and staff by enabling NIB to take the staff's opinion into consideration in the decision-making process.

The cooperation procedure is carried out in the Cooperation Council consisting of both staff and employer representatives. The Council's main task is to make proposals and to present views to NIB's management in matters that fall within the Council's area of competence. However, NIB's management shall have the final decision-making power. The Rules for the Cooperation Council set out the details for the cooperation.

18 AMENDMENTS

18.1 Amendments to Staff Documents

The Staff Documents are subject to continuous monitoring and subsequent additions and modifications. As a ground rule, NIB cannot, without the employee's consent, modify the provisions of an individual employment contract by amending the Staff Documents. The Staff Documents cannot be amended retroactively, nor in a manner that would result in a deterioration of fundamental terms and conditions of employment.

In case the Staff Documents, or decisions of the Board of Directors in staff related matters, do not contain any applicable provisions concerning the legal status of the staff and employment relationships, guidance can be sought from the legislation of the host country taking into account generally applicable common Nordic legal principles and common practices of international administrative law.

18.2 Amendments to the Staff Regulations

Amendments to the Staff Regulations shall be adopted by the Board of Directors. Amendments to the documents referred to in these Staff Regulations shall, however, be made in accordance with the procedure set out in each document.

Amendments to the Staff Regulations shall be prepared with the contribution of at least one representative nominated by the staff (Staff Representative) as set out in the Rules for the Cooperation Council. The Staff Representative shall have the right to be present and heard when the amendment proposals are presented to NIB's Executive Committee and Board of Directors for approval, but not in the deliberation preceding decision making.