

Adopted by the Board of Directors of the Nordic Investment Bank on 7 June 2015

RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS



PREAMBLE

The governance structure of the Nordic Investment Bank is set out in the Agreement concerning Nordic Investment Bank signed on 11 February 2004, and the Statutes of the Bank, as amended from time to time. The relations between the supreme governing bodies of the Bank and their mandate are defined in the Statutes.

These Rules of Procedure for the Board of Directors (“Rules”) are adopted with reference to Section 15 of the Statutes:

Except as provided for in Section 14, all the powers of the Bank shall be vested in the Board of Directors, which may delegate these powers to the President to the extent considered appropriate.

The Board of Directors shall be composed of eight Directors, of whom each Member country shall appoint one Director for a term of up to four years at a time. Each Member country shall appoint one alternate according to the same principles.

The Board of Directors shall appoint from among its members a Chairman and a Deputy Chairman for a term of two years. The chairmanship and the deputy chairmanship shall rotate among the Member countries.

The Board of Directors shall be convened when decided by the Chairman or at the request of at least two of the Directors or the President.

Seven members or alternates entitled to vote shall constitute a quorum. Each member shall have one vote; in the absence of a member, an alternate from the same Member country is entitled to vote. A position supported by at least five members or alternates entitled to vote shall become the decision of the Board of Directors. Decisions may also be taken by a written procedure.

SECTION 1. DEFINITIONS

- 1.1 “Bank” refers to the Nordic Investment Bank
- 1.2 “Agreement” refers to the Agreement signed 11 February 2004 between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Bank
- 1.3 “Statutes” refers to the Statutes of the Bank attached to the Agreement as they are amended from time to time
- 1.4 “BoG” refers to the Board of Governors
- 1.5 “BoD” refers to the Board of Directors
- 1.6 “Control Committee” refers to the Control Committee of the Bank
- 1.7 “Director” refers to the member of the BoD, and includes the Alternate when such Alternate is acting for a Director
- 1.8 “Alternate” refers to the alternate member of the BoD
- 1.9 “Chairperson” refers to the person appointed as chairperson of the BoD by the BoD and acting as chairperson of the meeting of the BoD
- 1.10 “President” refers to the President and Chief Executive Officer of the Bank

- 1.11 “Agenda” refers to the list of items to be considered at a meeting of the BoD
- 1.12 “Secretary” refers to the secretary of the BoD.

SECTION 2. COMPOSITION AND CHAIRPERSON

- 2.1 The BoD shall be composed of eight Directors, of whom each Member country shall appoint one Director for a term of up to four years at a time. Each Member country shall appoint one Alternate according to the same principles. The Directors and the Alternates may be reappointed. Each Member country shall officially communicate to the Secretary the persons designated as its Director and Alternate.
- 2.2 In the event of a vacancy arising as a result of death, voluntary resignation, compulsory retirement or for any other reason, the Member countries shall as soon as possible appoint a replacing Director or Alternate for the remainder of the term of office.
- 2.3 The BoD shall appoint from among its members a Chairperson and a Deputy Chairperson for a period of two years. The chair and the deputy chair shall rotate among the Member countries according to the established rotation scheme attached to these Rules.
- 2.4 The Directors and Alternates shall possess high competence in economic and financial matters. It is expected that the Directors and Alternates allocate sufficient time and resources to the Board activities, read all relevant documents prior to the meetings and have the ability to work in written and spoken English.
- 2.5 Based on a proposal by the President, the BoD shall appoint a member of the Bank’s staff as Secretary to the BoD.

SECTION 3. POWERS

- 3.1 In accordance with Section 15 of the Statutes, and except for Section 14 of the Statutes, all the powers of the Bank shall be vested in the BoD. The BoD may delegate these powers to the President to the extent considered appropriate. In particular the BoD shall exercise the following non-exclusive powers:
- It shall adopt the policy decisions concerning the operations of the Bank, in particular the general framework for the financing, borrowing and treasury operations and their management
 - It shall appoint the President of the Bank
 - It shall approve the financing and guarantee transactions proposed by the President
 - It shall authorise the President to carry out borrowings and associated treasury operations under established programs as well as under general annual authorisations
 - It shall approve the principles for financial and liquidity management and set limits used for the Bank’s risk management and risk control
 - It shall decide upon the annual financial plan and the financial statements
 - It shall submit proposals to the BoG on matters which are within the exclusive powers of the BoG
 - It shall decide upon the administrative matters and all other matters not delegated to the President or which are not otherwise part of the President’s responsibility according to the Statutes and agreed mandate.

SECTION 4. MEETINGS AND NOTICES

- 4.1 The BoD shall convene when decided by the Chairperson or at the request of at least two of the Directors or the President.
- 4.2 The BoD meets normally eight times a year. Dates for meetings of the BoD for the year are set at the end of the previous year. At each meeting the date of the next meeting is confirmed. As a rule, the Directors or Alternates shall participate in the meetings in person. Most of the meetings of the BoD are held at the headquarters of the Bank in Helsinki. A meeting can also be held as an online (video or telephone) meeting. The BoD may also take decisions by written procedure as defined in Section 5.4.
- 4.3 Notice of the meetings of the BoD together with details of the Agenda and supporting documentation is prepared by the President and the Chairperson. As a rule, the Bank shall distribute the documentation no less than ten (10) days prior to the meeting. The Bank may use electronic means in the distribution of the documentation.
- 4.4 Each Director may suggest additional items to the Agenda of the meeting by giving the Chairman and the President five (5) days prior notice. If all Directors agree, items can be included in the Agenda also at the meeting.
- 4.5 In addition to the items included in the Agenda from time to time, a separate rolling twelve (12) month plan shall be prepared for items to be considered each year as well as for special policy matters that need in depth consideration.

SECTION 5. QUORUM AND VOTING

- 5.1 At any meeting seven Directors or Alternates present and entitled to vote shall constitute a quorum.
- 5.2 The Chairperson shall ordinarily ascertain and announce the sense of the meeting with regard to any matter set forth for decision and the BoD shall be deemed to have acted in accordance with the announcement of the Chairperson without the necessity of taking a formal vote. If there is a vote, each Director shall have one vote; and in the absence of the Director, her or his Alternate shall be entitled to vote. A position supported by at least five Directors or Alternates entitled to vote, shall form the decision of the BoD.
- 5.3 According to Section 10 of the Statutes, a loan shall not be made nor a guarantee issued if opposed by the Member country of the beneficiary. Consequently a decision on loans and /or guarantees requires either the presence of the Director representing the Member country of the beneficiary or a clearance on the position of that Director before the meeting takes place.
- 5.4 Decisions may also be taken by written procedure when the Chairperson of the BoD or the President determines that the decision on one or several specific question(s) should not be postponed until the next meeting of the BoD. Such written procedure shall to the extent possible follow the rules of procedure for ordinary meetings, meaning that seven Directors or Alternates entitled to vote shall constitute a quorum. The result of the written procedure shall be recorded in the minutes of the next meeting of the BoD.
- 5.5 The Alternates are invited to participate in all the meetings of the BoD. When an

Alternate participates in a meeting of BoD together with the Director she or he may speak when the Director advises the Chairperson that the Alternate will do so.

- 5.6 The Chairperson and Deputy Chairperson of the Control Committee may participate in the meetings of the BoD when deemed necessary. The President participates in the meetings of the BoD but is not entitled to vote.
- 5.7 In addition to the President and the Secretary, the meetings of the BoD shall be open to attendance only by such persons from the staff as the Chairperson or the President shall designate. The Chairperson may also invite other persons and experts to attend the meetings of BoD.

SECTION 6. RECORDS OF THE MEETINGS AND PROCEEDINGS

- 6.1 The language of the meetings of the BoD shall be English and the minutes and all documents pertaining thereto shall be in the English language.
- 6.2 Minutes shall be kept of the proceedings of the BoD. The minutes shall ordinarily reflect only the decisions taken by the BoD. When there is a vote any Director may however require that her or his opinion be noted in the minutes.
- 6.3 Draft minutes of the meeting shall be circulated by the Secretary to the BoD as soon as possible after the meeting. The minutes shall be presented to the BoD for approval at its next meeting.
- 6.4 The minutes shall be signed by the Chairperson and by the Secretary of the meeting they pertain to and be kept on file at the Bank.
- 6.5 The Secretary shall be responsible for the custody of the minutes and other documents relating to the proceedings of the BoD.

SECTION 7. COMMITTEES

- 7.1 The BoD may establish committees as it deems appropriate to facilitate its work. Such committees shall report to the BoD.

SECTION 8. CONFIDENTIALITY AND PUBLICITY

- 8.1 The minutes and all documentation related to the meetings of the BoD are confidential. The BoD shall observe the provisions on confidentiality of the Code of Conduct for the BoD, and shall especially assure the confidentiality of commercial transactions. Particularly strict confidentiality shall be observed in cases where information received is identified and determined as insider information.
- 8.2 The BoD may decide to publish part or all of its minutes, or otherwise give publicity to its decisions and work in line with the Bank's Public Information Policy. Such publication will be carried out by the President, assisted by the Chairperson if the situation so requires.

SECTION 9. REMUNERATION AND REIMBURSEMENT

- 9.1 Directors and Alternates shall be entitled to an annual remuneration and an attendee allowance for attending the meetings of the BoD. The Directors and Alternates and other persons specially invited to attend meetings of the BoD shall also be entitled to reimbursement of their travel expenses in accordance with the travel policy of the Bank. The BoG shall determine the amount of attendee allowance and annual remuneration for the Chairperson, Deputy Chairperson, Directors and Alternates.

SECTION 10. AMENDMENTS

- 10.1 These Rules may be amended by the BoD.

Rotation Scheme for Chair of NIB's Governing Bodies 2013-2030

Mandate period	01.06. 13 – 31.05. 14	01.06. 14 – 31.05. 15	01.06. 15 – 31.05. 16	01.06. 16 – 31.05. 17	01.06. 17 – 31.05. 18	01.06. 18 – 31.05. 19	01.06. 19 – 31.05. 20	01.06. 20 – 31.05. 21	01.06. 21 – 31.05. 22	01.06. 22 – 31.05. 23	01.06. 23 – 31.05. 24	01.06. 24 – 31.05. 25	01.06. 25 – 31.05. 26	01.06. 26 – 31.05. 27	01.06. 27 – 31.05. 28	01.06. 28 – 31.05. 29	01.06. 29 – 31.05. 30
Board of Governors, Chairperson	DK	FIN	EE	N	S	LAT	ISL	LIT	DK	FIN	EE	N	S	LAT	ISL	LIT	DK
Control Committee, Chairperson	S	LAT	LAT	ISL	ISL	LIT	LIT	DK	DK	EE	EE	FIN	FIN	N	N	S	S
Control Committee, Deputy Chairperson	LAT	ISL	ISL	LIT	LIT	DK	DK	EE	EE	FIN	FIN	N	N	S	S	LAT	LAT
Board of Directors, Chairperson	LIT	FIN	FIN	LAT	LAT	S	S	ISL	ISL	N	N	EE	EE	DK	DK	LIT	LIT
Board of Directors, Deputy Chairperson	FIN	LAT	LAT	S	S	ISL	ISL	N	N	EE	EE	DK	DK	LIT	LIT	FIN	FIN