



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE



# Rules of Procedure for the Board of Directors

Adopted by the Board of Directors of the Nordic Investment Bank  
on 29 January 2025 with entry into force as of 30 January 2025



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# RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

## 1 INTRODUCTION

The governance structure of the Nordic Investment Bank (“**NIB**”) is set out in the Agreement of 11 February 2004 between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden concerning the Nordic Investment Bank, the Agreement of 28 February 2020 Amending Section 14 of the Statutes, and the Statutes.

In accordance with the Statutes, NIB has a Board of Governors (“**BoG**”), Board of Directors (“**BoD**”), President, and Control Committee (“**Committee**”). The Statutes define the relations between and mandate of NIB’s governing bodies.

These Rules of Procedure for the Board of Directors (“**Rules**”) are adopted with reference to Section 14 of the Statutes:

*Except as provided for in Section 13, 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 Chair and a Deputy Chair for a term of two years. The positions of chair and deputy chair shall rotate among the Member countries.*

*The Board of Directors shall be convened when decided by the Chair 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.*

Each Member country shall officially communicate to the Secretary General the persons designated as its Director and Alternate. The Directors and Alternates may be reappointed. In the event of a vacancy on the BoD for any reason, the relevant Member country shall endeavour to appoint a replacement as soon as is practicable for the remainder of the term of appointment.

The rotation scheme for the positions of the BoD’s Chair and Deputy Chair is set and approved by the BoG, and is appended to these Rules.

The Directors and Alternates shall possess high competency in economic and financial matters. The Directors and Alternates shall acquaint themselves thoroughly with NIB’s operations, mandate and governance and the Directors and Alternates are expected to allocate sufficient time and resources to the activities of the BoD, including acquainting themselves with the meeting agenda and supporting documentation. The Directors and Alternates must be able to work in written and spoken English.

NIB’s Secretary General, or a staff member proposed by the President and appointed by the BoD, acts as the Secretary to the BoD. All arrangements for the meetings of the BoD are the responsibility of NIB.

## 2 POWERS

In accordance with Section 14 of the Statutes, and except for Section 13 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:

- adopt policy decisions concerning the operations of NIB — in particular, the general framework for the financing, borrowing, and treasury operations and their management;
- appoint the President of NIB;
- approve the financing and guarantee transactions proposed by the President;
- authorise the President to carry out borrowings and associated treasury operations under established programmes, as well as under general annual authorisations;
- approve the policies concerning financial, capital and liquidity management and the risk appetite statement of NIB and set the limits used for NIB's risk management and risk control in the frame of the Principles for Capital and Liquidity Management adopted by the BoG;
- decide upon the financial statements to be presented to the BoG and the annual financial plan;
- submit proposals to the BoG on matters that are within the exclusive powers of the BoG, including proposals on dividend in line with the Principles for Dividend adopted by the BoG; and
- decide upon the administrative matters and all other matters not delegated to the President or that are not otherwise part of the President's responsibility according to the Statutes and agreed mandate.

In addition to the appointment of the President as set out in Section 15 of the Statutes, the BoD confirms the employment and discharge of the Chief Internal Auditor on recommendation of the President. Additionally, the President consults with the BoD prior to appointment or discharge of other heads of key control functions, namely the Chief Risk Officer and Chief Compliance Officer. The Chief Internal Auditor reports to the BoD and the Chief Risk Officer and Chief Compliance Officer shall have unrestricted access to the Chair of the BoD.

## 3 MEETINGS AND AGENDA

The Chair acts as the chair of the meetings of the BoD. If the Chair is not present, the Deputy Chair shall replace him or her.

The BoD normally meets eight (8) to ten (10) times a year, the dates for which are approved by the BoD during the previous year. Both Directors and Alternates shall usually participate in the meetings in person. Most meetings are held at NIB's headquarters in Helsinki. A meeting can also be held as an online or hybrid meeting.

The notice of a meeting of the BoD, together with the agenda and supporting documentation, is prepared by the President and the Secretary General, in consultation with the Chair. As a rule, NIB shall make all meeting documentation available to the BoD no fewer than ten (10) days prior to the meeting.

Each Director may suggest additional items to the agenda by giving adequate prior notice to the Chair and the President. If all Directors or Alternates entitled to vote agree, items can also be included on the agenda during a meeting.

A separate record of pending and recurring items as well as an annual wheel for the BoD shall be held, along with BoD-requested policy matters for in-depth consideration (e.g., as seminars).

The signed minutes of the Control Committee and its Chairmanship shall be submitted to the BoD.

The Chair of the BoD normally attends the Control Committee meetings and provides an update on BoD's activities. The Chair and Deputy Chair shall attend the annual meeting of the BoG. For other meetings of the BoG, the Chair and Deputy Chair may attend.

#### **4 DECISION MAKING AND PARTICIPATION**

According to Section 14 of the Statutes, seven Directors or Alternates entitled to vote shall constitute a quorum. Each Member country shall have one vote; in the absence of a Director, the Alternate from the same Member country is entitled to vote. A position supported by at least five Directors or Alternates entitled to vote shall become the decision of the BoD.

In meetings of the BoD, the Chair shall move to end the discussion on any item as he or she sees fit and, having ascertained the views of the BoD, announce whether an item is approved. A formal vote shall be taken only if the Chair deems it appropriate or at the request of at least one Director or Alternate entitled to vote.

According to Section 9 of the Statutes, financing shall not be made if opposed by the Member country of the beneficiary and/or the project. Consequently, a decision on financing requires either the presence of the Director or Alternate entitled to vote of the Member country of the beneficiary and/or the project, or a clearance on the position of the Director before the meeting takes place.

Decisions may be taken by written procedure when the Chair 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 separate minutes or in the minutes of the next meeting of the BoD.

The Alternates are invited to participate in all the meetings of the BoD and may speak on any item in cooperation with the related Director.

The Chair and Deputy Chair of the Control Committee may participate in the meetings of the BoD in agreement with the Chair and the Deputy Chair of the BoD. The members of the Chairmanship of the Control Committee and the external auditors of NIB normally attend and report their findings at the BoD meeting where the annual accounts are finalised.

The President shall participate in the meetings of the BoD but is not entitled to vote.

In addition, the Secretary General and the remainder of the Executive Committee may participate in the meetings of the BoD. Persons from NIB's staff in certain positions—the Chief Compliance Officer and members of the Internal Audit function—are entitled to attend as observers of meetings of the BoD, in agreement with the President and/or the Chair. Attendance at a BoD meeting by any other member of NIB's staff is for the Chair or the President to designate.

The Chair and/or the President may also invite other persons and experts to attend the meetings of BoD as required.

#### **5 MINUTES AND RECORDINGS**

The language of the meetings of the BoD shall be English, and the minutes and all documents pertaining thereto shall also be in English.

Minutes shall be kept of the proceedings of the BoD. The minutes shall ordinarily reflect only the decisions taken by the BoD. Any Director may request that her or his opinion be noted in the minutes. Abstention from a decision is also noted in the minutes.

The draft minutes of the meeting shall be circulated by the Secretary General as soon as possible after the meeting, and presented to the BoD for approval at its next meeting. Once approved, the minutes shall be signed by the Chair and the Secretary General, or staff member appointed by the BoD to act as secretary for a specific meeting.

The signed minutes of the BoD shall be submitted to the Chairmanship of the Control Committee.

The meetings of the BoD may be recorded. The minutes, recordings, and supporting documentation shall be stored by NIB.

## **6 COMMITTEES AND WORKING GROUPS**

The BoD may establish committees or working groups as it deems appropriate to facilitate its work. The BoD shall determine the mandate and/or the terms of reference for such committees or working groups. Such committees or working groups shall report to the BoD.

The BoD has established a Risk and Audit Committee, the terms of reference for which shall be appended to these Rules.

## **7 CONFIDENTIALITY AND PUBLICITY**

The minutes and all documentation related to the meetings of the BoD are confidential. The BoD shall observe the provisions on confidentiality as specified in the Code of Conduct for the Board of Directors and the President, and shall especially ensure the confidentiality of commercial transactions. Particularly strict confidentiality shall be observed in cases where information received is identified and determined as insider information.

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 Public Information Policy. Such publication will be carried out by the President, in consultation with the Chair if the situation so requires.

In accordance with the Code of Conduct for the Board of Directors and the President, BoD members shall avoid any situation involving an actual, perceived, or potential conflict of interest. The BoD members shall disclose to the Chair and NIB's Chief Compliance Officer any potential or actual conflict of interest prior to any deliberation or decision on the matter giving rise to the potential or actual conflict of interest, and when appropriate, recuse themselves from that deliberation or decision. In the case of the Chair, the disclosure shall be made to the Deputy Chair and the Chief Compliance Officer. Should the Chair recuse him/herself for a matter due to a conflict of interest, the Deputy Chair will replace the Chair for that specific matter. In addition, BoD members shall generally avoid acting as an alternate for a Governor in the BoG. Further details and required courses of action are detailed in Section 5 of the aforementioned Code.

## **8 REMUNERATION AND REIMBURSEMENT**

The Chair, Deputy Chair, Directors, and Alternates shall be entitled to an annual remuneration and attendee allowance for participating in the meetings of the BoD. Travel expenses for the BoD, and for any person invited to attend a meeting of the BoD, shall be reimbursed according to NIB's Travel Guidelines. The BoG determines the amount of the attendee allowance and the annual remuneration for the BoD's Chair, Deputy Chair, Directors, and Alternates.

## Appendix 1: Rotation Scheme for Chair of NIB's Governing Bodies 2023-2040

	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	01.06. 30 - 31.05. 31	01.06. 31 - 31.05. 32	01.06. 32 - 31.05. 33	01.06. 33 - 31.05. 34	01.06. 34 - 31.05. 35	01.06. 35 - 31.05. 36	01.06. 36 - 31.05. 37	01.06. 37 - 31.05. 38	01.06. 38 - 31.05. 39	01.06. 39 - 31.05. 40
<b>Board of Governors, Chair</b>	EE	N	S	LAT	ISL	LIT	DK	FIN	EE	N	S	LAT	ISL	LIT	DK	FIN	EE
<b>Control Committee, Chair</b>	EE	FIN	FIN	N	N	S	S	LAT	LAT	ISL	ISL	LIT	LIT	DK	DK	EE	EE
<b>Control Committee, Deputy Chair</b>	FIN	N	N	S	S	LAT	LAT	ISL	ISL	LIT	LIT	DK	DK	EE	EE	FIN	FIN
<b>Board of Directors, Chair</b>	N	EE	EE	DK	DK	LIT	LIT	FIN	FIN	LAT	LAT	S	S	ISL	ISL	N	N
<b>Board of Directors, Deputy Chair</b>	EE	DK	DK	LIT	LIT	FIN	FIN	LAT	LAT	S	S	ISL	ISL	N	N	EE	EE

## **Appendix 2: Terms of Reference for the Risk and Audit Committee**

The Board of Directors (“**BoD**”) has on 8 November 2024 established a Risk and Audit Committee (“**Committee**”). These Terms of Reference have been adopted by the BoD on 29 January 2025, with entry into force as of 30 January 2025, with reference to Section 6 of the Rules of Procedure for the Board of Directors.

Provisions concerning confidentiality, publicity and conflicts of interest set out in the Rules of Procedure for the Board of Directors shall apply to the Committee.

### **MANDATE**

The purpose of the Committee is to support and advise the BoD in risk and audit matters, including those related to NIB’s financial reporting.

The meetings of the Committee will be dedicated to discussions and analysis rather than formal decision-making. Based on the discussions at the Committee, the Committee may make recommendations to the BoD. The recommendations may be for information only or require formal decision-making by the BoD.

To fulfil its mandate, the Committee shall monitor, review, discuss and make recommendations to the BoD, among other matters that may be referred to the Committee by the BoD, on the operating environment, risk management framework (inter alia risk appetite, policies, limits, capital & liquidity adequacy, and recovery planning), model risk management, risk reporting, financial reporting and financial statements, integrity and compliance, and audit (internal and external).

### **MEETINGS AND AGENDA**

The Committee shall have a Chair and a Deputy Chair. The Deputy Chair of the BoD shall be the Chair of the Committee, and the Director of the BoD next in line to be the Deputy Chair of the BoD based on the rotation scheme of the chairs of the governing bodies of NIB (Appendix 1 of the Rules of Procedure for the Board of Directors) shall be the Deputy Chair of the Committee.

The Committee shall comprise of eight (8) members, two of which shall always be the Chair of the BoD and the Chair of the Committee, and six (6) other Members. Each Director shall appoint a Member (Director or Alternate) to the Committee.

The Chair of the Committee acts as the chair of the meetings of the Committee. If the Chair of the Committee is not present, the Deputy Chair of the Committee shall replace him or her.

Based on a proposal by the President, the Committee shall appoint a NIB staff member as Secretary to the Committee.

The Committee normally meets four (4) to five (5) times a year, the dates for which are approved by the Committee during the previous year. Meetings of the Committee may be held in conjunction with meetings of the BoD.

Committee members shall usually participate in the meetings in person. A meeting can also be held as an online or hybrid meeting.

The notice of a meeting of the Committee, together with the agenda and supporting documentation, is prepared by the Secretary, in consultation with the Chair of the Committee. As a rule, the Secretary shall make all meeting documentation available to the Committee no fewer than seven (7) days prior to the meeting.



Each member may suggest additional items to the agenda by giving adequate prior notice to the Chair of the Committee. If all members agree, items can also be included on the agenda during a meeting.

A separate record of pending and recurring items as well as an annual wheel for the Committee shall be maintained by the Secretary in consultation with the Chair of the Committee.

When updating the Control Committee on the BoD's activities, the Chair of the BoD, in coordination with the Chair of the Committee, shall also update the Control Committee on activities of the Committee.

## **RECOMMENDATIONS AND PARTICIPATION**

Five Committee members shall constitute a quorum.

The Committee shall work on a consensus basis. Discussions and possible dissenting views will be reflected in the records of the meetings and in the recommendations made to the BoD.

In meetings of the Committee, the Chair shall move to end the discussion on any item as he or she sees fit and, having ascertained the views of the Committee, announce whether an item is finalised.

Recommendations of the Committee to the BoD may be made by written procedure when the Chair determines that discussion on one or several specific question(s) should not be postponed until the next meeting of the Committee. Such written procedure shall to the extent possible follow the rules of procedure for ordinary meetings. The result of the written procedure shall be recorded separately or in the records of the next meeting of the Committee.

The President, Chief Risk Officer (CRO), Chief Financial Officer (CFO), Chief Compliance Officer (CCO), Chief Internal Auditor and members of the Internal Audit function may participate in the meetings of the Committee, in agreement with the Chair of the Committee. The Chair may also decide that a meeting, or part thereof, is held only among the Committee members, or invite individual members of senior management to participate.

The Chair may invite members of NIB staff and other persons and experts, such as the external auditors, to attend the meetings of the Committee as required.

## **MEETING RECORDS**

The Committee shall keep records of the meetings. The Committee applies the procedures of the BoD meetings.