



JOB DESCRIPTION FOR THE CHIEF EXECUTIVE OFFICER OF NORGES BANK INVESTMENT MANAGEMENT

APPROVED BY THE EXECUTIVE BOARD OF NORGES BANK
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1. Principal duties

The Chief Executive Officer of NBIM (“the Chief Executive Officer” or “NBIM CEO”) is responsible for the performance and day-to-day management of the Government Pension Fund Global (“the Fund”) in accordance with the Central Bank Act, this Job description and the investment mandates from the Ministry of Finance and the Executive Board. The Chief Executive Officer shall adhere to principles and instructions from the Executive Board, and from the Governor in matters concerning the common administrative tasks of Norges Bank. The management responsibility includes operation and development of NBIM. Day-to-day management shall not include matters that are of an unusual nature or major importance in the context of Norges Bank’s management of the Fund. Matters of particular importance, of principle significance or of major public interest must be brought to the Executive Board for decision.

The Chief Executive Officer may also within the area of responsibility of NBIM decide a matter within the competence of the Executive Board if delegated, or when it is necessary for a decision to be made swiftly, and time and opportunity do not allow the matter to be presented to the Executive Board. The Chief Executive Officer shall inform the Executive Board in writing of the decision as soon as possible, cf. § 2-13 third paragraph in the Central Bank Act.

The investment management activities are organised as a separate operational area of the Central Bank, NBIM. The Chief Executive Officer shall not take part in discussions by the management of Norges Bank concerning monetary policy or financial stability issues or international organisations’ assessments of such issues. NBIM must be organised to protect inside information and other confidential or market sensitive information. NBIM employees shall, to the extent possible, not have access to confidential information from other parts of Norges Bank.

NBIM shall be organised to ensure an appropriate management structure, including adequate risk and control systems and procedures, appropriate for the Fund and the portfolios under management. The organisational structure shall be based on proper segregation of duties, delegated authority and defined areas of responsibility. Delegation of investment authority shall be documented through investment mandates.

The Chief Executive Officer reports directly to Norges Bank’s Executive Board, and shall execute decisions made by the Executive Board. The Chief Executive Officer shall be



entitled and obliged to attend the Executive Board's deliberation of matters pertaining to such management and to speak thereon. This shall not apply if otherwise decided by the Executive Board or in case of the excused absence of the NBIM CEO.

The Chief Executive Officer shall as a general rule attend the Supervisory Council's deliberation of matters pertaining to the management of the Fund.

The Chief Executive Officer represents Norges Bank externally in matters falling within the scope of his or her responsibilities, and can by this enter into agreements and legally commit Norges Bank externally. This includes establishing and representing Norges Bank as owner in real asset management companies and investment structures.

NBIM CEO shall participate in Norges Bank's Leadergroup (NBLG), to discuss administrative tasks of common interest.

The Chief Executive Officer shall participate in the Strategic crisis management group in Norges Bank.

NBIM shall use the shared administrative services provided by Norges Bank Administration (NBA). NBA and NBIM shall have a mutual obligation to exchange relevant information. NBIM shall assist NBA with necessary administrative system support for the potential use by NBA of relevant NBIM systems.

2. Investment advice

The Chief Executive Officer shall advise the Executive Board on issues concerning investment management and is responsible for providing well-founded and documented advice on the Fund's overall investment strategy and other aspects of investment management to the Executive Board. Unless otherwise decided by the Executive Board this responsibility includes:

- Prepare the basis for decisions on investment management to be taken by the Executive Board in accordance with the mandate for the Risk and Investment Committee of the Executive Board;
- Ensure that relevant expertise and advisory capacity is available to the Executive Board;
- Ensure independence between the individuals responsible for preparing the basis for the Executive Board's advice to the Ministry of Finance and individuals or investment units in NBIM whose performance may be affected by such advice;
- Provide well-founded research and proposals relating to the Executive Board's advice to the Ministry of Finance on matters concerning changes in the Fund's investment strategy, including new asset classes, asset allocation, investment risk, benchmark indices, investment limits and other operating parameters for the Fund and portfolios under management;



- Strengthen the academic foundation of the management activities through management of the Norwegian Finance Initiative (NFI) and administer and develop NFI programs and initiatives;
- Contribute to academic research in line with principles laid down by the Executive Board.

3. Planning and management

The Chief Executive Officer shall maintain and develop an appropriate organisation to support NBIM's investment strategy. This includes:

- Develop an appropriate organisational structure within NBIM;
- Prepare and implement the strategic and annual plans and ensure that these are formally updated on a regular basis, as well as whenever necessary to reflect significant changes;
- Ensure NBIM operates in a cost effective manner and propose an annual budget and cost framework for activities;
- Provide financial reporting and accounting, for the preparation of semi-annual and annual accounts for the Government Pension Fund Global ("the Fund") in accordance with applicable accounting rules and Norges Bank's accounting principles and policies;
- Sign a representation letter to external auditor for the annual account for the Fund, with a copy to the Director of NBA;
- Manage Norges Bank's overseas offices and take care of all functions relating to the operation of such offices, including the maintenance of relationships with regulatory authorities and the facilitation of representation arrangements. The responsibility does not include personnel security, personal protection or security of physical assets.

4. Human resources and organisational development

NBIM CEO is responsible for the organisational development, recruitment and personnel management of all employees within NBIM, with exception of administrative tasks that concern all of Norges Bank, including the centralised employer function in Norges Bank.

All administrative support for these tasks shall be drawn from NBA resources.

The NBIM CEO decides on dismissal of employees within his area of responsibility. The NBIM CEO cannot suspend, terminate or dismiss the NBIM Chief Compliance Officer without having presented the issue to the Executive Board.

NBIM CEO shall advise the Board on the remuneration arrangement in NBIM to ensure recruitment of competent personnel for positions at all levels in NBIM.



5. Service providers

Apart from support functions that are the responsibility of NBA, the Chief Executive Officer may utilise the services of third party providers to achieve the strategic direction. This includes:

- Establish guidelines to support when outsourcing may be used, together with prudent and thorough selection processes;
- Perform monitoring and control activities to oversee external service providers, including external investment management institutions.

6. Safeguarding of legal interests

The Chief Executive Officer shall ensure that the legal interests of Norges Bank, NBIM and the Fund are protected and pursued. This includes:

- Safeguard assets in the Fund through appropriate legal means;
- Ensure limited liability for Norges Bank in relation to the activities of NBIM;
- Mitigate legal risks associated with contracts and documentation across all parts of NBIM's operations;
- Pursue interests under contract and as an owner of financial instruments through legal means. This includes recovery of claims, participation in shareholder actions and litigations in line with the principles laid down by the Executive Board;
- If the NBIM CEO deems it appropriate to bring legal action against other states in order to safeguard the financial interests of the Fund, the matter shall be presented to the Ministry well ahead of the bringing of any legal action;
- The authority to disclose information of the business affairs of Norges Bank within the NBIM CEO's area of responsibility irrespective of the duty of confidentiality;
- Assist NBA upon request with legal advice with respect to administrative tasks relating to the management of the Fund.

7. Responsible investment management and active ownership

Norges Bank's responsible investment management and active ownership shall underpin the overall objective of ensuring a high long-term return after costs. The Chief Executive Officer shall incorporate responsible investment considerations into investment management activities and shall exercise ownership rights on behalf of the Fund and portfolios managed by NBIM. This includes:

- Exercise ownership rights in line with the Executive Board's principles for responsible investment;
- Contribute to the development of good international practice in the field of responsible investment and corporate governance;



- Establish internal guidelines to support the integration of social, environmental and corporate governance issues into the investment management process;
- Manage the exclusions of companies from the Fund in line with the Executive Board's decisions;
- Maintain contact with similar funds and other institutions and represent a centre of expertise in the fields of responsible investment and active ownership within the framework of the Executive Board's guidelines for the Bank's work on international standards relating to responsible investments;
- Membership of, or corresponding affiliation with, organisations or groups, as well as any contact with foreign government ministries should be in line with the framework of the Executive Board's guidelines for the Bank's work on international standards relating to responsible investments.

8. Risk and compliance

The Chief Executive Officer is responsible for establishing internal risk and compliance systems and procedures, appropriate for the Fund and the portfolios under management. This includes:

- Ensure that the investment mandate restrictions set by the Ministry of Finance and the Executive Board are regularly monitored for compliance;
- Ensure that assets are managed so that they comply with tax and market rules and regulations and that NBIM's adherence to these obligations are regularly monitored for compliance;
- Manage all contact between the Norwegian and foreign regulatory authorities with respect to NBIM activities;
- Establish satisfactory risk systems and control procedures for investment management which meet international recognised standards, including systems for the management of market, credit, counterparty and operational risks, valuation and measurement of returns;
- Establish and maintain continuity and contingency plans for NBIM's business operations taking into account the framework for physical crisis management in Norges Bank;
- Establish and maintain frameworks for operational risks for NBIM's business operations. This does not include personnel security, travel security, personal protection or security of physical assets in NBIM;
- Establish appropriate requirements and procedures governing the code of conduct of NBIM employees in accordance with the ethical rules laid down by the Executive Board and ensure such rules are observed;
- Ensure that the supervisory and audit bodies of Norges Bank can perform their control, supervisory and audit functions in line with applicable regulations.



9. Reporting and communication

On behalf of the Executive Board, the Governor is responsible for the strategic communication and dialogue with political authorities on the management of the Fund, in consultation with the Chief Executive Officer. Taking due account of this the Chief Executive Officer is responsible for the effective external communication of Norges Bank's investment management activities together with reporting to meet the requirements established by Fund owners and the Executive Board of Norges Bank. All administrative support for these tasks shall be drawn from NBA resources.

Norges Banks Executive Board shall be informed about the investment management activities and the developments of NBIM as an organisation through regular reporting. NBIM CEO is responsible for preparing and publishing public reports on the investment activities, including:

- Semi-annual reports on the investment management activities, in accordance with the requirements laid down by the Ministry of Finance
- Annual reports on the Fund's risk and performance
- Annual reports on the responsible investment activities.

Reporting to the Executive Board shall include information of all significant matters relating to assets under management including status of investment management activities, as follows:

- Status with respect to Fund level performance, performance by asset class, performance by listed and non-listed real estate and investment risk by the same dimensions
- Utilization of limits for market risk, credit and counterparty risk in accordance with the risk limits as set out in the respective investment mandate
- Status on implementation and achievements with respect to strategic and annual action plans, budget and costs
- NBIM's operational risk picture, including the status of effectiveness of internal control
- Non-compliance with regulatory requirements and investment restrictions as set out in investment mandates
- New markets and financial instruments implemented in the period,
- Annual status of NBIM's effectiveness of operational risk and internal control, including participation in, or active use of, securities litigations as well as other lawsuits and legal proceedings in which NBIM is involved
- NBIMs compensation practices
- Any information and data provided upon request to the Ministry, as well as to any companies or individuals assisting the Ministry. The CEO shall upon a request from the Ministry for access to data and analysis systems ensure that agreements with data providers, systems providers and index providers offer direct access for the Ministry.



The Executive Board must also without undue delay be informed about matters that are required to be reported to the Ministry of Finance in accordance with the mandate for management of the Government Pension Fund, significant changes and development of NBIM's organisation and investment management operations and in case of any material breaches on investment guidelines or regulatory breaches.