



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

This job description was approved by the Executive Board of Norges Bank on 21 October 2015.

*Title: Chief Executive Officer of NBIM
Name: Yngve Slyngstad
Area of responsibility: Norges Bank Investment Management (NBIM)*

1. Principal duties

Norges Bank's Executive Board is responsible for the overall investment management in accordance with the Ministry of Finance's mandate for management of the Government Pension Fund Global ("the Fund"). The responsibility for the investment management activities is, in accordance with the Executive Board's powers as described in Act on Norges Bank (24 May 1985 no. 28), delegated to the Chief Executive Officer of NBIM ("the Chief Executive Officer" or "NBIM CEO") through an investment mandate.

The Central Bank's governance structure reflects the different nature and characteristics of the investment management activities that Norges Bank has been entrusted with. The investment management activities are organised as a separate wing of the Central Bank. Norges Bank shall organize its investment management activities to reflect the recognised standards for the division of responsibilities between the board and the company's executive officers and administration. The Chief Executive Officer shall not take part in discussions by the management of Norges Bank concerning monetary and credit policy issues or international organisations' assessments of such issues. NBIM employees shall, to the extent possible not have access to confidential information from other parts of Norges Bank.

The Chief Executive Officer of NBIM has the professional and administrative responsibility for NBIM and the Fund as a whole and is delegated the responsibility for the management, operation and development of NBIM. The Chief Executive Officer shall have the responsibility to support the strategic objectives with respect to assets under management, including establishing and representing Norges Bank as owner in real estate management companies and investment structures in Norges Bank Real Estate Management ("NBREM"). The delegation furthermore includes the responsibility for investment advice to Norges Bank Executive Board, rebalancing, asset allocation, risk management and Fund level control and investment mandate compliance for the combined assets under management in the Fund.

The Chief Executive Officer reports directly to Norges Bank's Executive Board and is in charge of the administration of NBIM in accordance with the principles and guidelines laid down by the Executive Board. Taking due account of relevant principles laid down by the Executive Board, the Governor may issue additional guidelines or decisions in matters



concerning the administration of both the Central Banking Operations and NBIM. This is to ensure adequate coordination of activities within Norges Bank as one legal entity or related to common requirements for Norges Bank as a whole. The Chief Executive Officer establishes and chairs NBIM's Leader Group.

NBIM shall be organised in a way that ensures that the organisation fulfils its mission to safeguard and build wealth for future generations, within the framework of the mandate given by the Fund owners. 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.

NBIM shall establish organisational separation between the management of the Fund's investments in, on the one hand, equities, fixed income and the listed part of the Fund's real estate investments ("the Listed Portfolio"), and on the other hand, the Non-listed Real Estate Portfolio (in Norges Bank Real Estate Management).

2. Management of NBREM

2.1 NBIM CEO shall delegate all activities related to the management of the Non-listed Real Estate Portfolio to the Chief Executive Officer of Norges Bank Real Estate Management ("NBREM CEO"), subject to such limits or requirements as laid down by NBIM CEO due to his responsibility for the overall management of the Fund and within the Investment Mandate issued by the Executive Board to the NBIM CEO.

2.2 NBIM CEO nominates a Chief Executive Officer of Norges Bank Real Estate Management for appointment by the Executive Board.

2.3 NBREM CEO reports to NBIM CEO. NBIM CEO decides upon the compensation to NBREM CEO.

2.4 NBIM CEO shall issue a Job Description for NBREM CEO subject to such limits or requirements as laid down by NBIM CEO due to his responsibility for the overall management of the Fund. NBIM CEO shall inform the Executive Board about the NBREM CEO Job Description.

The Job Description for NBREM CEO shall reflect the framework, principles and requirements of this Job Description for NBIM CEO issued by the Executive Board, and furthermore include the following elements:



- NBREM CEO's responsibility for providing well-founded and documented advice on real estate investment strategy and other aspects of real estate investment management as input to NBIM CEOs advisory role for Norges Bank Executive Board.

- NBREM CEO's responsibility for developing and maintaining internal guidelines to support the management of the non-listed real estate portfolio in accordance with the Executive Board Principles for Responsible Investments.

- NBREM CEO's responsibility for preparing separate reports on the investment management activities in NBREM to the Executive Board on a regular basis. - NBREM CEO's responsibilities regarding the establishment and governance of real estate management companies and investment structures in NBREM, hereunder ensuring that the process for establishing subsidiary entities comply with the requirements laid down by Norges Bank Executive Board and the Executive Board's principles for establishment of real estate subsidiaries and that auditing bodies receive information in order to fulfil their responsibilities.

3. Investment advice

The Chief Executive Officer of NBIM is the Executive Board's closest professional adviser 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. This responsibility includes:

- Prepare the basis for decisions on investment management to be taken by the Executive Board;
- Ensure relevant theoretical and practical expertise and advisory capacity;
- Provide advice on matters concerning changes in investment strategy, asset classes, asset allocation, investment risk, benchmark indices, investment limits and other operating parameters for the Fund and portfolios under management;
- Proposing to the Executive Board the mandate for investments in non-listed real estate and investments restrictions to be established for the non-listed real estate portfolio which reflects the requirements laid down by the Ministry of Finance and the Fund's overall investment strategy;
- Strengthen the scientific foundation of the management activities through management of the Norwegian Finance Initiative (NFI), and administer and develop NFI programs and initiatives.

4. Planning and management

The Chief Executive Officer has the professional and administrative responsibility for NBIM and shall maintain and develop an appropriate organisation to support NBIM's investment strategy. This includes:

- Develop an appropriate management 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, including records to Norges Bank, for the preparation of quarterly and annual accounts for the Government Pension Fund Global (“the Fund”) in line with applicable accounting rules and Norges Bank’s accounting policies;
- 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.

5. Human resources and organisational development

The Chief Executive Officer is responsible for the organisational development and personnel management of all employees within NBIM. This includes:

- Recruit NBIM personnel and chair the employee participation committee (MPU);
- Motivate and develop employees so that NBIM has the human resources and competence to ensure high professional standards;
- Define and document the primary responsibilities for employees representing direct reports;
- Establish and maintain a human resources policy for NBIM’s employees, including personnel services, in line with the overall rules applying to Norges Bank;
- Establish and administer compensation arrangements which ensure recruitment of competent personnel for positions at all levels in NBIM in accordance with the principles for compensation of NBIM employees as laid down by the Executive Board;
- Conduct, at least annually, a review of compensation arrangements, including benchmarking against competitors in the local markets where NBIM operates;
- Prepare materials for the Executive Board’s Compensation Committee for all NBIM matters, in accordance with the Committee’s mandate;

6. Service providers

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.



7. 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.

8. Responsible investment management and active ownership

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
- Develop and maintain 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.

9. Risk and compliance

The Chief Executive Officer of NBIM 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 Fund's combined assets are managed within the constraints laid down by the Fund owners and the Executive Board of Norges Bank and that restrictions 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 contingency plans for NBIM's operations;
- Organise NBIM's operations in such a way that, to the extent possible, its employees do not have access to confidential information from other parts of Norges Bank;
- Maintain guidelines for valuation of instruments in connection with internal transactions between the real estate portfolio and the equity and fixed income portfolios;
- 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.

10. Reporting and communication

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:

- Quarterly and 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

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 significant or critical breaches on investment guidelines or regulatory breaches.

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. This includes:

- Work to build confidence in Norges Bank's investment management activities amongst the Fund owners and the general public;
- Present Norges Bank's views and provide information on its investment management operations in internal and external forums;
- Arrange press conferences and press seminars;
- Respond to enquiries from the media with requests for information.