

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

This job description was approved by the Executive Board of Norges Bank on 26 November 2008.

*Title: Executive Director and Chief Executive Officer of NBIM
Name: Yngve Slyngstad
Area of responsibility: Norges Bank Investment Management (NBIM)
Reports to: The Governor of Norges Bank on behalf of the Executive Board*

1. Principal duties

Responsibility for the management of

- the Government Pension Fund – Global on behalf of the Ministry of Finance,
- the Government Petroleum Insurance Fund on behalf of the Ministry of Petroleum and Energy, and
- the investment portfolio and buffer portfolio in Norges Bank's foreign exchange reserves on behalf of Norges Bank

has been delegated to the Executive Director of Norges Bank Investment Management (NBIM) by decision of the Executive Board on 26 November.

The position of Executive Director and Chief Executive Officer of NBIM entails responsibility for:

- Advising the Governor and Executive Board of Norges Bank
- Management, operation and development of NBIM as an organisation
- Development of an investment strategy to achieve the highest possible return for the funds within the investment constraints laid down
- Management of the above funds within the constraints laid down for their management in the investment mandates, rules and guidelines laid down by the Executive Board of Norges Bank and the funds' owners
- Establishing adequate procedures for the management of risk in investment management, including taking care of legal interests
- Cost-effective operation of NBIM and preparation of budgets and accounts
- Exercise of ownership rights on behalf of the Government Pension Fund – Global and the foreign exchange reserves in line with the guidelines laid down by the Ministry of Finance and the Executive Board of Norges Bank
- Reporting on NBIM's operations to the Governor of Norges Bank, the funds' owners and the general public

2. Advisory and preparatory work

The Executive Director of NBIM is the Governor of Norges Bank's closest professional adviser on issues concerning investment management, and is responsible for providing well-founded and documented advice on investment strategy and other aspects of investment management. This includes:

- Preparing the basis for decisions on investment management to be taken by the Governor and Executive Board of Norges Bank
- Helping to ensure that NBIM always has relevant theoretical and practical expertise and advisory capacity
- Putting forward proposals and giving advice on matters concerning changes in investment strategy, asset classes, asset allocation, investment risk, benchmark indices, investment limits and other operating parameters for the funds and portfolios managed by NBIM

3. Planning and management

The Executive Director has professional and administrative responsibility for NBIM's operations. This responsibility entails:

- Preparing, implementing and updating strategy plans and annual plans for NBIM
- Preparation and administrative follow-up of NBIM's budgets
- Financial reporting and accounting, including providing data for the preparation of quarterly and annual accounts for Norges Bank in line with applicable accounting rules and Norges Bank's accounting policies
- Managing Norges Bank's offices in London, New York and Shanghai, and taking care of all functions relating to the operation of these offices and relations with Norwegian and foreign authorities

4. Human resources and organisational development

The Executive Director is responsible for organisational development and personnel management for all employees of NBIM. This includes:

- Recruiting employees at every level of NBIM, including motivating and developing employees so that NBIM has the resources to ensure high professional standards
- Establishing a human resources policy for NBIM's employees, including personnel services and salary and incentive structures, based on the overall principles applying to Norges Bank
- Determining the precise responsibilities of employees reporting directly to him, including the approval of job descriptions
- Chairing NBIM's employee participation committee (MPU)

5. Entry into contracts and monitoring of service providers

The Executive Director is responsible for ensuring that the legal interests of Norges Bank and the funds' owners are taken care of in all commercial contracts. This includes ensuring the management of legal risk associated with entry into contracts and documentation for all parts of NBIM's operations. External service providers, including external investment management institutions, are to be chosen responsibly. This includes the establishment of procedures for the selection, monitoring and control of these external suppliers.

The Executive Director is also to ensure that NBIM seeks to take care of Norges Bank's financial interests by recovering claims, participating in shareholder actions, et cetera, in line with the guidelines laid down by the Executive Board and Norges Bank's interests.

6. Trading in financial instruments

The Executive Director of NBIM is to establish and maintain adequate internal systems for handling trading orders in the relevant time zones for the instruments included in the management of the portfolios. This includes:

- Ensuring that there are adequate systems for handling inflows of capital into the portfolios
- Rebalancing the portfolios in line with the guidelines laid down
- Choosing counterparties responsibly and maintaining up-to-date lists of approved counterparties used by NBIM

7. Active ownership

The Executive Director of NBIM is also responsible for the exercise of ownership rights on behalf of the portfolios. This includes:

- Responding to enquiries from the Ministry of Finance and passing on requests for information to individual companies on behalf of the Council on Ethics
- Reporting and providing information to the Ministry of Finance on the exercise of ownership rights in line with the reporting requirements laid down
- Maintaining contact with other similar funds and institutions and being a centre of expertise in active ownership in terms of both theory and international market practice
- Contributing to the development of Norges Bank's active ownership work, and preparing and maintaining strategies and principles for this work

8. Control

The Executive Director of NBIM is responsible for establishing an appropriate internal organisation for NBIM's operations in line with NBIM's investment strategy and mandate structure, including adequate functions for investment support, internal control and IT infrastructure for investment management operations. This responsibility includes:

- Developing an appropriate management structure within NBIM
- Establishing satisfactory risk systems and control procedures for investment management, including systems for the management of market, credit and operational risks, valuation, and measurement of returns
- Establishing and maintaining contingency plans for NBIM's operations
- Monitoring and verifying that investment guidelines are complied with and that all investments are made in accordance with the market regulations that apply to Norges Bank as an investor in the different markets
- Organising NBIM's operations in such a way that, as far as possible, its employees do not have access to confidential information from other parts of Norges Bank

The Executive Director of NBIM is not to take part in discussions by the management of Norges Bank concerning another country's monetary and credit policy or international organisations' assessments of such issues.

The Executive Director must also take steps to ensure that the Governor of Norges Bank or his authorised representative, Norges Bank's internal and external auditors, and the Office of the Auditor General of Norway can perform their own controls of NBIM's operations and of external service providers in a satisfactory manner.

9. Reporting

The Executive Director of NBIM reports directly to the Governor of Norges Bank on behalf of the Executive Board, and has a duty to keep him informed about NBIM's operations. This includes:

- Reporting in line with the requirements laid down in the investment mandates and applicable rules for internal control at Norges Bank
- Keeping the Governor informed about ongoing activities at NBIM, including:
 - Compliance with investment management constraints
 - Organisational changes, development, and improvements to NBIM's investment management operations
 - Implementation of NBIM's annual and strategy plans
 - Participation in shareholder actions
 - Management and measurement of risk and the costs associated with phasing in new capital
 - Exercise of ownership rights
 - Investments in new markets and instruments
- Informing the Governor of matters that are of particular importance or need to be put before or decided on by the Executive Board of Norges Bank
- Presenting regular reports on NBIM's results to the Governor and the Executive Board
- Informing the Governor about interpretations of NBIM's operating parameters without undue delay

10. Relations with the funds' owners and public institutions

It is also the Executive Director's duty to take care of contact with the funds' owners and public authorities. This includes:

- Preparing and presenting draft reports and decisions to be put before the Executive Board of Norges Bank
- Preparing drafts for the reports that Norges Bank submits to the Ministry of Finance concerning the operational management of the Government Pension Fund – Global, and to the Ministry of Petroleum and Energy concerning the management of the Government Petroleum Insurance Fund
- Negotiating and signing investment management agreements with the funds' owners
- Taking care of all contact with Norwegian and foreign regulatory authorities
- Handling exclusions of companies from the portfolios in line with the Ministry of Finance's decisions

11. Relations with the general public and the media

The Executive Director is responsible for helping to inspire confidence in Norges Bank's investment management among the funds' owners and the general public. This includes ensuring that NBIM's employees act in accordance with applicable rules and guidelines, and that ethical guidelines are observed.

It is also the Executive Director's duty to present Norges Bank's views and provide information on its investment management operations in internal and external fora. This includes:

- Preparing and leading press conferences called by Norges Bank's Director of Communications
- Responding to enquiries from the media as requested by Norges Bank's Director of Communications

Oslo, xx November 2008

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Svein Gjedrem

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Yngve Slyngstad