



MINUTES OF THE EXECUTIVE BOARD MEETING OF 12 AUGUST 2020

Present:

Executive Board: Øystein Olsen, Jon Nicolaisen, Ida Wolden Bache, Karen Helene Ulltveit-Moe, Kristine Ryssdal, Arne Hyttnes, Nina Udnas Tronstad (items 124-139) and Hans Aasnæs

Employee representatives: Mona H. Sørensen (items 124 and 133-142) and Kjersti-Gro Lindquist (124 and 133-142)

Office of the Supervisory council: Jan Frode Jakobsen (items 125, 127-130 and 135-141)

Deloitte: Henrik Woxholt (items 127-128 and 141)

Management: Ørjan Agdesteen (items 125, 128, 135 and 137-139), Julie Belck-Olsen (128 and 135), Olav Bø (125 and 137), Hege Gjerde (128, 135 and 139-141), Trond Grande (124, 127-132 and 134-136), Bjarne Gulbrandsen (124-142), Pål Haugerud (125 and 127-131), Jane Haugland (137-141), Stephen Hirsch (136), Dag Huse (125 and 127-128), Torbjørn Hægeland (137), Per Gunnar Bull Karlsen (125), Lise Lindbäck (129-131), Runar Malkenes (124-128, 130-134 and 138-139), Jan Jørgen Necas (139 and 141), Kyrre Nilsen (124-142), Arne Osnes (125), Roger Rake (125), Marius Ryel (133-134), Yngve Slyngstad (127-132), Ingrid Solberg (137), Stian Solheim (137 and 139), Kirsten Steinberg (133-134 and 136-139), Nicolai Tangen (124), Ingunn Valvatne (125, 127-131 and 135-141), John Tore Vatnar (127-131 and 135-136), Birger Vikøren (124), Morten Øfsti (138), Steinar Årdal (137)

There were no comments on the meeting notice and agenda.

The Executive Board approved conducting the meeting via videoconference.

Item 124/2020 Work to organise the functions of the NBIM Leader Group

Discussion document: Memo from the Deputy Governor with special responsibility for the GPFG of 7 August 2020

Jon Nicolaisen presented the matter for discussion. He also informed that the matter had been discussed with the elected representatives.

Mona Sørensen summarised the discussion meeting on behalf of the elected representatives.

The Executive board discussed the matter and took note of the tentative proposal for a new organisational structure of NBIM's Leader Group. The Executive Board authorised the Deputy Governor with special responsibility for the GPFG to implement necessary steps in the process until a new CEO of NBIM is in place.

The Executive Board assumes that it will be informed by a new CEO about the organisation of NBIM's Leader Group after the office is assumed on 1 September.

Item 125/2020 Financial risk and management of the foreign exchange reserves – Report for 2020 Q2

Discussion Memo from Markets and ICT of 6 August 2020
document:

Olav Bø presented the main elements of the report.

The Executive Board took note of the report on financial risk and management of the foreign exchange reserves for the 2020 Q2. The report is to be submitted to the Supervisory Council for information. An edited version of the report covering only the foreign exchange reserves is to be published on Norges Bank's website on 21 August 2020.

Item 126/2020 Briefing on relevant matters for Norges Bank Central Banking Operations (NBCBO)

The Governor and Deputy Governors gave a briefing on relevant matters for NBCBO.

Item 127/2020 NBIM Return and Risk 2020 Q2

Discussion Memo from NBIM of 6 August 2020
document:

Yngve Slyngstad and Dag Huse presented the main elements of the report.

The Executive Board took note of the report on return and risk for the second quarter of 2020.

Item 128/2020 GPFG – Public report for 2020 H1

Discussion Memo from NBIM of 6 August 2020
document: Memo from the Audit Committee of 11 August 2020

Yngve Slyngstad presented the main elements of the report.

Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that particularly drew its attention, including how uncertainties regarding valuations of unlisted investments have been influenced by Covid-19. The Committee recommended that the Executive Board follows management's guidance.

Henrik Woxholt from Deloitte confirmed that nothing had come to its attention during its review causing it to believe that the interim financial information had not

in all material respects been prepared in accordance with relevant accounting standards.

The Executive Board approved the public report on the management of the Government Pension Fund Global, including interim financial reporting for 2020 H1.

Item 129/2020 Benchmark index for the Government Pension Fund Global

Discussion documents: Memo from NBIM of 6 August 2020
Memo from the Risk and Investment Committee of 10 August 2020

Yngve Slyngstad and Lise Lindbäck presented the matter and the draft letter for discussion.

Jon Nicolaisen reported on the Risk and Investment Committee's discussions and the issues of particular concern to the Committee. The committees recommended that the Executive Board follows management's guidance.

The Executive Board discussed the matter and made a number of remarks on the draft letter. The Executive Board approved the submission of a letter to the Ministry of Finance based on the appended draft. The Governor was authorised to finalise the letter in line with remarks from the Risk and Investment Committee and the Executive Board.

Item 130/2020 The benchmark for equities - Emerging equity markets

Discussion documents: Memo from NBIM of 7 July 2020
Memo from the Risk and Investment Committee of 10 August 2020

Yngve Slyngstad and Lise Lindbäck presented the matter and the draft letter for discussion.

Jon Nicolaisen reported on the Risk and Investment Committee's discussions and the issues of particular concern to the Committee. The committees recommended that the Executive Board follows management's guidance.

The Executive Board had an exchange of views and made a number of remarks on the draft letter. The Executive Board approved the submission of a letter to the Ministry of Finance based on the appended draft. The Governor was authorised to finalise the letter in line with the remarks from the Risk and Investment Committee and the Executive Board.

Item 131/2020 GPGF - Restriction 3.3.1 M) in the investment mandate of the CEO of NBIM

Discussion document: Memo from NBIM of 6 August 2020

Yngve Slyngstad and Trond Grande presented the matter for discussion.

The Executive Board discussed the matter and granted a general exemption from the limit in Section 3.3.1 M) of the investment mandate for the CEO of NBIM. The exception applies until the Executive Board has considered an assessment from NBIM of whether the limit is appropriate, and until year-end at latest. The Executive Board asked NBIM to report back with an assessment of such a limit by year-end.

Item 132/2020 Briefing on current issues in investment management

Yngve Slyngstad gave a briefing on relevant matters for NBIM.

Item 133/2020 Minutes of the Executive Board meetings of 20 and 27 May, 24 June, 22 July and 6 August 2020

Discussion Draft minutes
documents:

The Executive Board approved the minutes of its meetings of 20 and 27 May, 22 July and 6 August. The Executive Board had a few comments on the minutes from the meeting of 24 June 2020 and asked that these be incorporated before finalising the minutes.

Item 134/2020 Follow-up of the Executive Board's decision regarding the appointment of a new CEO of NBIM

Discussion Memo from the Deputy Governor with special responsibility for
document: the GPFG of 11 August 2020

Jon Nicolaisen presented the matter for discussion.

The Executive Board discussed the matter and assumes that NBIM establishes criteria for handling potential conflicts of interest, typical decisions when any corporate actions or other relevant decisions related to companies in which AKO funds are known to have substantial positions. The Board further assumes that NBIM sets more precise guidelines for NBIM employees about due diligence and for limitations regarding professional contact with employees at AKO companies. The Executive Board asked that NBIM provide a briefing on the follow-up of the points as soon as possible.

The Executive Board decided on the following follow-up points for the implementation of the Executive Board's decision of 27 May and 24 June:

- With GRC, the General Secretariat establishes a routine for regular follow-up and control of agreements and third-party declarations related to Tangen's contract of employment, with reporting to the Executive Board. NBIM Compliance will assist in this work.
- In its operations, NBIM will not:
 - use AKO as an external manager, or purchase any services from AKO companies,
 - enter into direct agreements with AKO companies on Securities lending or

- trade substantial shareholdings directly with AKO companies (OTC trades).
- As part of day-to-day operations, NBIM can otherwise trade normally in the markets, regardless of whether AKO could be a real potential counterparty.

Item 135/2020 NBIM - Operations report 2020 Q2

Discussion Memo from NBIM of 6 August 2020
document:

Trond Grande presented the main elements of the report.

The Executive Board took note of NBIM operations report 2020 Q2.

Item 136/2020 NBIM compliance and control – Report for 2020 Q2

Discussion Memo from NBIM of 6 August 2020
documents: Memo from the Audit Committee of 11 August

Trond Grande and Stephen Hirsch presented the main elements of the report.

Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that particularly drew its attention, including the progress in establishing a delivery model for NBA and organisational challenges resulting from the exceptional circumstances in 2020 H1. The committees recommended that the Executive Board follows management's guidance.

The Executive Board took note of the report on compliance and control at NBIM for 2020 Q2.

Item 137/2020 Operations report for the Governor's areas of responsibility (NBCBO and NBA) for 2020 H1

Discussion Memo from NBA of 7 August 2020
document:

Ida Wolden Bache and Ørjan Agdestein presented the main elements of the report.

The Executive Board took note of the operations report for the Governor's areas of responsibility for 2020 H1.

Item 138/2020 Report on operational risk and compliance for the Governor's areas of responsibility for 2020 H1

Discussion Memo from GRC of 7 August 2020
documents: Memo from the Audit Committee of 11 August 2020

Kirsten Steinberg presented the main elements of the report.

Karen Helene Ulltveit-Moe presented the discussions in the Audit Committee and the topics that particularly drew its attention, including the progress in establishing

a delivery model for NBA. The committees recommended that the Executive Board follows management's guidance.

The Executive Board took note of the report on operational risk and compliance for the Governor's areas of responsibility for 2020 H1.

Item 139/2020 Biannual report Norges Bank - Budget status and accounting for 2020 H1

Discussion Memo from NBA of 7 August 2020
documents: Memo from the Audit Committee of 11 August 2020

Under the budget rules for Norges Bank, the Executive Board is to report on the budget status for the Bank's overall operations to the Supervisory Council at the end of H1 and at the end of the fiscal year.

Ørjan Agdestein presented the main elements of the biannual report.

Karen Helene Ulltveit-Moe reported on the Audit Committee's discussions and the issues of particular concern to the Committee. The committee recommended that the Executive Board follows management's guidance.

The Executive Board took note of the biannual report for 2020 H1. The report is to be submitted to the Supervisory Council. The Governor was authorised to finalise the report for the Supervisory Council based on the Executive Board's remarks.

Item 140/2020 Updating of the Executive Board's audit plan for the 2020 internal audit and status report on implementation

Discussion Memo from Internal Audit of 5 August 2020
documents: Memo from the Audit Committee of 11 August 2020

Ingunn Valvatne presented a status report and an updated audit plan.

Karen Helene Ulltveit-Moe reported on the Audit Committee's discussions and the issues that had been of particular concern to the Committee. The Committee recommended that the Executive Board follows Internal Audit's guidance.

The Executive Board had an exchange of views and endorsed Internal Audit's proposal for an updated audit plan for 2020. The Executive Board took note of the update on the status of audit projects.

Item 141/2020 Deloitte's audit plan for 2020

Discussion Memo from NBA of 6 August 2020
documents: Memo from the Audit Committee of 11 August 2020

Henrik Woxholt presented the audit plans.

Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that drew its attention, including key audit matters for 2020. The Committee recommended that the Executive Board follows management's guidance.

The Executive Board took note of Deloitte's audit plan for financial auditing of Norges Bank for 2020.

Item 142/2020 Any other business

The Governor gave a briefing on the hearing before the Standing Committee on Finance and Economic Affairs of 10 August and the process ahead.

Items for information:

- Minutes of the Executive Board's Risk and Investment Committee meeting of 18 June 2020
- NBIM Report: GPFG Performance and Risk - June 2020

Members of the Executive Board:

Øystein Olsen

Jon Nicolaisen

Ida Wolden Bache

Karen Helene Ulltveit-Moe

Kristine Ryssdal

Arne Hyttnes

Nina Udnes Tronstad

Hans Aasnæs

Employee-elected board members:

Mona Helen Sørensen

Kjersti-Gro Lindquist