

MINUTES OF THE EXECUTIVE BOARD MEETING OF 10 FEBRUARY 2016

Present:

Executive Board: Øystein Olsen, Jon Nicolaisen, Egil Matsen, Hilde Myrberg, Kjetil Storesletten, Karen Helene Ulltveit-Moe, Kathryn M. Baker and Steinar Juel

Alternates:

Employee representatives: Gøril B. Havro (items 34-37 and 50-51)

Deloitte: Aase Aa. Lundgaard and Henrik Woxholt (items 35, 36 and 38)

Management: Yngve Slyngstad (items 38-42), Trond Grande (items 35-44), Dag Huse (item 41), Karsten Kallevig (item 42), Hege Gjerde (items 35, 36 and 38), Sirine Fodstad (item 37), Merethe Riddervold (items 35-41 and 43-44), Jannecke Ebbesen (items 34-37 and 50-51), Kathrine Stang Ottesen (items 34-37, 43-45 and 50-51), Ørjan Agdesteen (items 34-36, 38, 44-45, 47 and 50-51), Ingunn Valvatne (items 35-36, 38-41, 43-45, 47 and 50-51), Jane Haugland (item 37), Ida Wolden Bache (item 46), Olav Bø (item 47), Roger Rake (item 47), Sindre Weme (item 48), Knut Sandal (item 48), Anna Grinaker (item 48), Line Vogt (items 35 and 36), Mads G. Kristensen (item 43), Renate Haugen (item 43), Birger Vikøren (items 34-45 and 50-51), Pål Haugerud (items 38-41 and 47), Runar Malkenes (items 35-41 and 46-47), Bjarne Gulbrandsen (items 34-52), Sigrid Igland (items 34-41 and 43-52)

The following were distributed for information together with the discussion documents:

- Accrual and payment of performance-based pay for 2015
Memo from NBIM of 4 February 2016
- Real estate management – Report from REIB meeting of 27 January 2016
Memo from NBREM of 3 February 2016
- Real estate management – Update on item 19/2016 – Project Exchange
Memo from NBIM of 3 February 2016
- GPFG – Proposed amended provisions on a new product-based coal criterion in the framework for responsible investment
Letter to the Ministry of Finance of 27 January 2016
- Letter to the Ministry of Finance of 28 January 2016
- Letter from the Ministry of Finance of 1 February 2016
- Letter to the Ministry of Finance of 1 February 2016
- Government Pension Fund Global – Evaluation of the organisation of work on responsible investment
Letter to the Ministry of Finance of 29 January 2016

- Government Pension Fund Global – Revised principles for responsible investment
Letter to the Ministry of Finance of 4 February 2016
- Government Pension Fund Global – Investment mandate for the CEO of Norges Bank Investment Management
Letter to the Ministry of Finance of 8 February 2016
- Minutes of the Risk and Investment Committee meeting of 14 December 2015
- Report from the Audit Committee meeting of 25 January 2016

34/2016 Minutes of the Executive Board meeting of 27 January 2016

The Executive Board approved the minutes of its meeting of 27 January 2016.

35/2016 Norges Bank's annual report for 2015

Discussion documents:

- Memo from Corporate and Shared Services of 4 February 2016

Jannecke Ebbesen presented the changes to the report following its consideration by the Executive Board on 27 January. Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that drew its attention, including the presentation of the role of the Executive Board's committees and use of the Executive Board's time. The Committee's review did not bring anything to light that would point to a different stance to that of management.

The Executive Board exchanged views and took note of Norges Bank's annual report for 2015. The Governor was authorised to finalise the annual report based on the draft presented and the Executive Board's remarks.

36/2016 Norges Bank's annual financial statements for 2015

Discussion documents:

- Memo from Corporate and Shared Services of 4 February 2016

Jannecke Ebbesen and Ørjan Agdesteen presented the main elements of Norges Bank's annual financial statements for 2015. Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that drew its attention, including the impact of unrealised items on the income statement and the presentation of the policies for the allocation of the profit for the year. The Committee obtained satisfactory answers to its questions and noted agreement between management and auditor on estimated items, an absence of material shortcomings in internal control, and the audit having been performed according to plan. Based on this and on the auditor's report, the Committee found nothing that would point to a different stance to that of management.

Aase Aa. Lundgaard summed up Deloitte's audit of Norges Bank for 2015. She confirmed that Deloitte will be issuing an unqualified auditor's report and that, in Deloitte's opinion, the annual financial statements have been prepared in accordance with the law and regulations and give a true and fair view of the financial position of Norges Bank as at 31 December 2015 and of its financial

performance and its cash flows for the year then ended in accordance with the Regulation concerning annual financial reporting for Norges Bank.

Against this background, the Executive Board approved Norges Bank's annual financial statements for 2015 and will submit them to the Supervisory Council for adoption. The Governor was authorised to make editorial changes up until its submission to the Supervisory Council.

37/2016 Annual report for 2015 – Norges Bank's Working Environment and Works Council

Discussion documents:

- Memo from Corporate and Shared Services of 3 February 2016

Jannecke Ebbesen presented the main elements of the report.

The Executive Board took note of the annual report for 2015 from Norges Bank's Working Environment and Works Council. The Executive Board took note of the appended presentation of the annual working environment survey (HCI).

38/2016 Annual report on the management of the Government Pension Fund Global for 2015

Discussion documents:

- Memo from NBIM of 5 February 2016

Yngve Slyngstad presented the main elements of the annual report. Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that particularly drew its attention, including valuations and the hierarchy for determining fair value. The Committee concluded that its review and discussions provided answers to important questions, and noted agreement between management and auditor on accounting policies and practices, an absence of material known errors or uncorrected items, and a good working relationship between auditor and management. The Committee's review did not bring anything to light that would point to a different stance to that of management.

The Executive Board exchanged views and took note of the report. The Governor was authorised to finalise the report based on the draft presented and the Executive Board's remarks.

39/2016 Briefing on activities under the Norwegian Finance Initiative (NFI)

Discussion documents:

- Memo from NBIM of 4 February 2016

Yngve Slyngstad presented the main elements of the NFI's annual report for 2015.

The Executive Board took note of the annual report.

40/2016 Government Pension Fund Global (GPFG) – Public quarterly reporting

Discussion documents:

- Memo from NBIM of 4 February 2016

Yngve Slyngstad presented the public reports on the management of the GPFG to be published in 2016, and proposals for changes to the reporting of the Fund's quarterly results in 2016.

In order to be able to publish the Fund's quarterly results as quickly as possible, and earlier than at present, management proposed that some provisional key figures for the first and third quarters of the year be disclosed at a press seminar shortly after the quarter-end. These seminars will be used principally to present other topical issues relating to investment management. The official quarterly reports containing the quarterly financial statements will, as currently, be published only after they have been considered by the Executive Board and submitted to the Ministry of Finance. When the Fund's annual report and second-quarter report are published, a press conference will be held in the same way as currently.

The Executive Board exchanged views and specified that the changes with a press seminar after the first and third quarters must be additional to the formal consideration of the quarterly reports by the Executive Board. The written summary of provisional key figures is to be submitted to the Executive Board and the Ministry of Finance before the seminar is held. On this basis, the Executive Board approved the changes to the public reporting for the Government Pension Fund Global. The changes are to be effective from the first quarter of 2016.

41/2016 Recommendation on exclusions – Product-based coal criterion

Discussion documents:

- Memo from NBIM of 5 February 2016

- Memo from the Ownership Committee of 8 February 2016

Yngve Slyngstad presented the discussion document. Egil Matsen presented the discussions on the Ownership Committee and the topics that drew its attention.

The Executive Board decided to exclude the listed companies from the Government Pension Fund Global. The Governor was authorised to remove companies from the exclusion list if NBIM so recommends on the basis of the information requested from the companies. The Executive Board is to be informed of any changes to the list. The Ministry of Finance is to be informed of the decision once the list of companies is finalised. The Governor was authorised to set a date for publishing the decision and the basis for the decision.

42/2016 Briefing on current issues

Yngve Slyngstad and Karsten Kallevig provided a briefing on current issues at NBIM and NBREM.

43/2016 Internal Audit's annual report to the Executive Board for 2015

Discussion documents:

- Memo from Internal Audit of 4 February 2016

Ingunn Valvatne presented the main elements of the report, which summarises Internal Audit's conclusions regarding risk management and internal control at Norges Bank in 2015. The report also summarises the audits reported on in 2015. Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that drew its attention. The Committee's review did not bring anything to light that would point to a different stance to that of Internal Audit.

The Executive Board took note of the annual report.

44/2016 General assessment of internal control and the risk situation at Norges Bank

Discussion documents:

- Memo from the General Secretariat of 4 February 2016

Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee. The Committee's review of Central Banking Operations' operations report for the second half of 2015, NBIM's report on operational risk management and internal control in 2015, and Internal Audit's annual report to the Executive Board for 2015, did not bring anything to light that would point to a different stance to that of management.

Against this background, the Executive Board exchanged views on risk management and the quality of internal control at Central Banking Operations and NBIM. The Executive Board's assessment is that internal control at Norges Bank in 2015 was conducted satisfactorily, that operational risk exposure at NBIM during the year was within the Executive Board's defined risk tolerance, and that operational risk exposure in Central Banking Operations is acceptable given the risk reduction measures to be implemented in 2016.

The Executive Board's assessment is to be submitted to the Supervisory Council. The annual internal control report for 2015 for NBIM, the operations report for the second half of 2015 for Central Banking Operations, and Internal Audit's annual report, are to be submitted to the Supervisory Council as attachments to the Executive Board's assessment.

45/2016 Audit review 1509 Operational risk management CBO – Independent reporting line for director of GRC

Discussion documents:

- Memo from the General Secretariat of 4 February

The Governor introduced the topic.

In line with the audit plan for 2015, Internal Audit has carried out an audit project covering operational risk management in Central Banking Operations. To ensure independent reporting responsibility to the Executive Board for the

risk and control function, it is recommended that the director of GRC (Governance Risk and Compliance) be given an independent reporting line for these functions. The director of GRC already has such a reporting line for compliance matters as Chief Compliance Officer for Central Banking Operations.

The Executive Board decided to establish a right and a duty for the director of GRC to report independently to the Executive Board for the risk and control function.

46/2016 Briefing on the current monetary situation

The Deputy Governor outlined the main economic developments since the previous Executive Board meeting.

47/2016 Financial risk and management of the foreign exchange reserves – Report for the fourth quarter of 2015

Discussion documents:

- Memo from Markets and Banking Services of 4 February 2016

Olav Bø presented the key points in the report. Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that drew its attention, including the rules for transfers to the transfer fund and the consequences for Norges Bank of the IMF quota increase.

The Executive Board took note of the report. 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 9 March.

48/2016 The report Financial Infrastructure 2016 – Proposed themes

Discussion documents:

- Memo from Financial Stability of 3 February 2016

Sindre Weme presented the proposed themes for the report, which will be considered by the Executive Board on 11 May.

The Executive Board approved the presentation of the proposed themes in the report Financial Infrastructure 2016.

49/2016 Briefing on current issues

The Governor presented current issues in Central Banking Operations.

50/2016 Operations report for the second half of 2015 – Central Banking Operations

Discussion documents:

- Memo from Governance, Risk and Compliance of 4 February 2016

Kathrine Stang Ottesen and Ørjan Agdesteen presented the discussion document. Karen Helene Ulltveit-Moe presented the discussions on the Audit Committee and the topics that drew its attention, including events with potentially major consequences, stability in IT service provision and follow-up of service providers, and IT security. The Committee's review did not bring anything to light that would point to a different stance to that of management.

The Executive Board took note of the operations report for Central Banking Operations for the second half of 2015. The report is to be submitted to the Supervisory Council as an attachment to the general assessment of internal control and the risk situation at Norges Bank (item 44/2016).

51/2016 Operations report for Norges Bank for 2015

Discussion documents:

- Memo from Corporate and Shared Services of 4 February 2016

Jannecke Ebbesen presented the report.

Section 6 of the budget rules issued by the Supervisory Council on 15 November 2012, last amended on 5 November 2015, requires the Executive Board to report on the overall status of spending for the whole of Norges Bank at the end of the fiscal year.

The Executive Board took note of the operations report for Norges Bank for 2015. The report is to be submitted to the Supervisory Council.

52/2016 Any other business

There was no other business.

Executive Board members:

Employee representatives in respect of items 34-37 and 50-51: