

**ARTICLES OF ASSOCIATION**

**FOR**

**SpareBank 1 Nord-Norge**

**22. March 2018**



## **CHAPTER 1 COMPANY - REGISTERED OFFICE - PURPOSE**

### **§ 1-1 Company name and headquarters**

The headquarters of SpareBank 1 Nord-Norge (hereinafter “Sparebank”) are located in Tromsø municipality.

### **§ 1-2 Purpose**

Sparebank’s purpose is to perform services which are normal or natural for a bank to perform, in accordance with the applicable legislation for savings banks at any given time and with the licenses granted at any given time.

## **CHAPTER 2 PRIMARY CAPITAL AND EQUITY SHARE CAPITAL**

### **§ 2-1 Primary capital**

Sparebank’s primary capital is repaid or is not required to be repaid.

The founders or others are not entitled to the dividends of the primary capital.

### **§ 2-2 Equity share capital**

Sparebank is entitled to issue tradable equity certificates. These equity certificates must be registered with the Norwegian Central Securities Depository (VPS).

In the case of a transfer of equity certificates, the transferor shall ensure that notification of such be sent to the Norwegian Central Securities Depository (VPS) immediately after the transfer of ownership. The voting rights associated with an equity certificate are held by the person that is registered with the Norwegian Central Securities Depository (VPS).

Sparebank’s equity share capital amounts to NOK 1,807,164,288.00, consisting of 100,398,016 equity certificates at NOK 18.00, fully paid.

## **CHAPTER 3 SUPERVISORY BOARD**

### **§ 3-1 The Supervisory Board**

The Supervisory Board is Sparebank’s highest governing authority.

A meeting of the Supervisory Board is normally held before the end of the month of March.

### **§ 3-2 The composition of the Supervisory Board**

The elected members shall together reflect Sparebank’s customer structure, as well as other special interest groups and societal functions.

The Supervisory Board shall consist of 40 members and 20 deputy members. Of these:

- 16 members and 6 deputy members shall be elected by the equity certificate owners;
- 10 members and 5 deputy members shall be elected by the depositors;
- 10 members and 5 deputy members shall be elected by and from the employees;
- 4 members and 4 deputy members shall be elected by Finnmark, Troms and Nordland county councils.

The Supervisory Board's members and deputy members shall meet in person. It is not possible to attend the meeting through the presence of a representative or advisor.

### **§ 3-3 Election to the Supervisory Board**

People over the age of 18 may be elected as members of the Supervisory Board.

Members and deputy members of the Supervisory Board are elected for a period of four years.

The Supervisory Board issues more detailed instructions on the elections.

### **§ 3-4 Equity certificate owners' election to the Supervisory Board**

The equity certificate owners' election of members and deputy members to the Supervisory Board takes place at an election meeting, in accordance with the regulations given by the Ministry of Finance. The election must be held before the end of March. Every two years the election meeting elects 4 members and 1 deputy member and every two years the election meeting elects 4 members and 2 deputy members.

Those who hold the right to vote are eligible for election, cf. § 2-2.

### **§ 3-5 Depositors' election to the Supervisory Board**

Retail customers of legal age and legal persons who have and within the past six months have had a deposit in the bank amounting to at least NOK 2,500 are entitled to vote at the depositors' election. The election must be held before the end of March. Every two years the election meeting elects 2 members and every two years the election meeting elects 3 members. Every four years the election meeting elects 2 deputy members and other years the election meeting elects 1 deputy member.

The person voting on behalf of and that can be selected as a representative for legal persons must be of legal age and have the right to sign for the legal entity. The appointment is personal to the elected on behalf of legal persons.

Selectable are the ones who have voting rights pursuant to the first and second paragraphs.

### **§ 3-6 Employees' election of members to the Supervisory Board**

Employees of Sparebank may be elected as member or deputy member of Sparebank's Supervisory Board, as a representative of the employees.

Employees of Sparebank are entitled to vote in the election of employee members to Sparebank's Supervisory Board. The election is held every two years. Every second time five members and two deputy members are elected and every second time five members and three deputy members are elected.

### **§ 3-7 County councils' election to the Supervisory Board**

Every four years, the county councils of the three northernmost counties in Norway elect four members and four deputy members between them. Finnmark county council elects one member and one deputy member, Troms and Nordland county councils alternate between electing one member and one deputy member one year and two members and two deputy members the next year.

### **§ 3-8 Notice of the Supervisory Board's meeting**

Members who cannot be present at the Supervisory Board's meeting shall inform Sparebank as soon as possible and at the latest five days before the meeting. Deputy members are called in should a normal member be unable to attend.

If documents concerning the items on the agenda for the Supervisory Board's meeting are made available for its members on Sparebank's website, the legal requirement that documents be sent to members of the Supervisory Board no longer apply. This is also true of documents which, in accordance with the law, shall be included in or attached to the notice of the Supervisory Board's meeting. Members of the Supervisory Board may nevertheless demand that documents concerning items on the agenda for the Supervisory Board's meeting be sent to them.

### **§ 3-9 Meetings and resolutions within the Supervisory Board**

Every member of the Supervisory Board in attendance at the meeting has a vote.

The Supervisory Board's decisions are passed by a majority vote, unless otherwise stated in laws or the articles of association. Should there be no majority once a vote has been conducted, the meeting's chairman will have the final say.

### **§ 3-10 The Supervisory Board's duties**

At the meeting of the Supervisory Board, the following items shall normally be discussed and determined:

- Election of the Supervisory Board's Chairman and Deputy Chairman for the next two years.
- Approval of annual report and accounts, including the allocation of profits/distribution of dividends
- Other items pertaining to the Supervisory Board, in accordance with laws and the articles of association

The Supervisory Board's chairman is also covered by the rules concerning credit for employees/employee representatives.

Resolutions regarding subordinated loans or the authority to raise these are adopted by the Supervisory Board with the same majority that is required for changes to the articles of association to be passed.

Sparebank raises debt capital and subordinated capital within the limits agreed upon by Sparebank's Supervisory Board. These shall be raised through contractual terms that will regulate priority, with regard to capital adequacy regulations, in the case of the liquidation of the company.

The Supervisory Board's chairman shall chair the meeting.

## **CHAPTER 4 BOARD OF DIRECTORS AND DAY-TO-DAY MANAGEMENT**

### **§ 4-1 Board of Directors**

The Board of Directors consists of nine members. Seven members of the Board of Directors are elected by the Supervisory Board.

Two members of the Board of Directors are elected by Sparebank's employees. Deputy members may be elected as the employees' representatives, in accordance with the rules in or pursuant to the Norwegian Financial Institutions Act § 8-4 fourth paragraph, cf. the Norwegian Public Limited Liability Companies Act.

Members and deputy members of the Board of Directors are elected for a period of two years. Members whose term is coming to a close and deputy members may be re-elected.

The chairman and deputy chairman of the Board of Directors are elected by the Supervisory Board in a special election.

The Board of Directors' duties comply with laws and regulations.

### **§ 4-2 Signing on behalf of the company**

The Chairman of the Board of Directors, the General Manager or two of the Board of Directors' other members may jointly represent Sparebank and bind it to obligations through their signature. The Board of Directors may grant the power of attorney.

### **§ 4-3 General Manager**

Sparebank shall have a General Manager. The General Manager is appointed by the Board of Directors.

The General Manager's duties shall comply with laws and regulations.

## **CHAPTER 5 NOMINATION COMMITTEES**

### **§ 5-1 The composition of the Nomination Committee**

The Supervisory Board elects a Nomination committee with five members and five deputy members.

#### **§ 5-2 The work of the Nomination Committee**

The Nomination Committee shall make the necessary preparations for elections to the Supervisory Board, the Board of Directors and the Nomination Committee.

The Supervisory Board issues more detailed instructions concerning the Nomination Committee.

### **CHAPTER 6 PROFITS, ENDOWMENTS AND COVERING DEFICITS**

#### **§ 6-1 Profits**

The profits shall be assigned to the owners of the equity certificates and Sparebank in proportion with the relationship between the equity share capital and Sparebank.

Profits from Sparebank's operations after dividends and endowments have been deducted shall be placed in Sparebank's fund and dividend equalisation fund.

Dividend funds may be put towards endowments to charitable causes, transferred to donations funds or transferred to foundations that benefit the public.

#### **§ 6-2 Covering deficits**

Any deficits existing after the income statement of the previous financial year shall be first covered by proportionate transfers from the primary capital (including that of the endowment fund) and equity share capital that exceeds the equity share capital stipulated in the articles of association (including that of the dividend equalisation fund). Deficits that cannot be covered in such a way are then covered by proportional transfers from the premium reserve and compensation reserve. Further deficits are covered by a reduction of the equity share capital stipulated in the articles of association and, where necessary, by a reduction of other capital.

### **CHAPTER 7 CHANGES TO THE ARTICLES OF ASSOCIATION**

#### **§ 7-1 Changes to the articles of association**

Changes to these articles of association may be adopted by the Supervisory Board. Decisions regarding changes to Sparebank's articles of association require the backing of at least two thirds of the votes submitted.

### **CHAPTER 8 LIQUIDATION**

#### **§ 8-1 Decision regarding the liquidation of Sparebank**

The Supervisory Board shall come to a decision on any proposal from the Board of Directors that concerns Sparebank's liquidation. Resolutions concerning such a liquidation will be made with the same majority as that required for changes to the articles of association to be passed and in the situations described in § 9-1.

### **§ 8-2 Disposal of Sparebank's capital in the case of liquidation**

Should the decision be made to liquidate Sparebank, Sparebank's remaining funds after all obligations have been covered shall be transferred to Sparebankstiftelsen SpareBank 1 Nord-Norge or another institution founded by Sparebank.

## **CHAPTER 9 SPECIAL OWNERSHIP POWERS FOR EQUITY CERTIFICATE OWNERS**

### **§ 9-1 Special ownership powers in relation to concrete items**

In addition to the majority required in the Supervisory Board in order for changes to the articles of association to be passed, the following items shall require at least a two-thirds majority in the votes given by the representatives elected by the equity certificate owners:

- a) Reduction of equity share capital,
- b) Increase of equity share capital,
- c) Issuance of subscription rights,
- d) Loans involving the right to require an issued equity certificate,
- e) Resolutions concerning changes to the company, liquidation and reorganisation as stipulated in the Financial Institution Act, chapter 12.

## **CHAPTER 10 COMMENCEMENT**

These articles of association enter into force on 22 March 2018, provided that they are approved by the Ministry of Finance where such an approval is required. From the same date the previous articles of association, last adopted by the Supervisory Board on 28 March 2017, shall be repealed.

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