

## Minutes of the meeting of the Board of Trustees on 14 March 2006

Sparebanken Nord-Norge's Board of Trustees held a meeting on Tuesday 14 March 2006 at Rica Hotel in Hammerfest.

The notice convening the meeting was dated 6 March 2006 and sent to members of the Board of Trustees, main Board of Directors and Control Committee and to the Bank's External Auditor.

31 members and invited deputy members attended the meeting:

Lars Klæboe	Erik Sture Larre	Terje Sundklakk
Jann Sandøy	Svein Brustad	Stian Reinholdtsen
Reidun Kristiansen Flakstad	Tor Lægreid	Linda Bornø
Elise Gjerde	Trond Mohn	Odd Iversen
Jan-Hugo Sørensen	Widar Slemdal Andersen	Hans Olav Gjøvik
Sigfred Andersen	Asbjørg Jensvoll Strøm	Randi Hanssen
Bjørn Atle Hansen	Herman Mehren	Villy K. Johansen
Benn Mikalsen	Alf E. Erevik	Ove Hagen
Ann Sissel Emaus	Marie M. Fangel	Brith Sand
Kristin Vatnelid Johansen	Brynulf Grenersen	
Arne Kr. Bredahl	Liv Knaplund	

From the main Board of Directors the following persons attended:

Kjell Olav Pettersen	Erik Sture Larre jr.	Rolf Pedersen
Tom Veierød	Åse Annie Opsjøn	Hans Olav Karde
Elisabeth Johansen	Vivi Ann Pedersen	Gunnar Kristiansen

In addition, the members of the Control Committee, External Auditor and representatives from the Bank's management attended.

Due to illness, the Chairman was unable to attend the meeting and the deputy Chairman of the Board of Trustees, Ann-Sissel Emaus, chaired the meeting.

There were no comments relating to the notice convening the meeting and the agenda to be dealt with. The meeting was declared legally opened.

Benn Mikalsen and Kristin Vatnelid Johansen were chosen to sign the Minutes together with the Chairman of the Board of Trustees.

The following matters had been presented for discussion:



Sverre Einersen, External Auditor, submitted the Auditor's Report and Dag Nafstad, Chairman of the Control Committee, submitted the Report from the Control Committee.

*Resolution:*

1. *The submitted Annual Financial Statement and Annual Report for 2005 for the Bank and the Group to be adopted as the Bank's and Group's accounts for 2005.*
2. *Cash dividend on PCCs for 2005 to be fixed at NOK 10.00 per PCCs. An amount of NOK 25,624,384 to be set aside for the Dividend Equalisation Fund.*

*Dividend to be paid to all PCC-holders registered as owners as at 14 March 2006. The PCCs go ex-dividend on 15 March 2006.*

### 3/2006 Auditor's fees – 2005

In his letter to the Chairman of the Board of Trustees dated 8 March 2006, the External Auditor asked for approval of ordinary auditing fees for 2005 amounting to NOK 895,250 and fees of NOK 428,150 in connection with the auditing of opening balance sheets for 2004 and 2005 as a result of the implementation of IFRS and new lending rules and regulations. Both amounts include value added tax.

Lars Klæboe expressed the wish to have the letter about auditing fees sent out together with the other matters for the meetings of the Board of Trustees.

*Resolution: The Board of Trustees hereby fixes the External Auditor's fees for 2005 at NOK 895,250 and fees of NOK 428,150 including value added tax.*

### 4/2006 The Control Committee's Report for 2005

Reference is made to report for the 2005 accounting year submitted by the Control Committee.

*Resolution: The Board of Trustees have duly noted the report.*

### 5/2006 Purchase of/collateral security in own PCCs

*The Companies Act and Rules and Regulations relating to Primary Capital Certificates in Savings Banks contain rules which give banks permission both to buy their own PCCs and to use these certificates as collateral security. The Board of Trustees has to pass resolutions giving the Bank permission both to buy their own PCCs and to use these certificates as collateral security. The*

resolution is worded as a power of attorney to the Bank's Board of Directors, with a maximum duration of 18 months. The main conditions for such purchase and collateral security arrangements stipulate that such purchase and collateral security arrangements cannot exceed 10 per cent of the Bank's PCC-capital and that such certificates can only be acquired if the Bank otherwise complies with all rules and regulations contained in the law relating to equity and related capital. The other elements to be included in the power of attorney are evident from the proposed resolution.

During the Board of Trustees' meeting on 16 March 2005, the main Board of Directors was authorised to acquire PCCs within a limit of 10 per cent of the PCC-capital's nominal amount up to 16 September 2006. In order to ensure that PCCs may be traded after this date, a new power of attorney is required.

The Board of Trustees' resolution to give such a power of attorney to the Board of Directors must be approved by FSAN and the resolution must be reported to the Register of Business Enterprises before the power of attorney may be used.

The Chairman referred to the proposal dated 6 March 2006.

*Resolution:*

1. *The main Board of Directors is hereby authorised to buy and use own PCCs as collateral security within the limits contained in law, rules and regulations.*
2. *The total amount of PCCs owned by the Bank or used as collateral security cannot exceed NOK 79 million or 10 per cent of the Bank's PCC-capital.*
3. *The smallest amount which may be paid for PCCs is NOK 50 and the highest NOK 300. This limit also applies to agreed collateral security so that the claim to be secured by the collateral must be within these amount-related limits.*
4. *Purchase of PCCs is to be done through the securities market through the Oslo Stock Exchange and sales are to be made through the same market, or, if this were to be the case, as a private placement earmarked for sale to staff and elected representatives, within the currently applicable laws, rules and regulations. Collateral security must be arranged through agreements with customers in connection with the granting of credit and any realisation of such collateral security in the securities market via the Oslo Stock Exchange.*
5. *The Power of Attorney is valid for 18 months, until 14 September 2007.*

6/2006      Proposal for change in the Bank's pension scheme

The Chairman referred to the submitted memorandum including the working group's report dated 6 March 2006. In proposal 122/2004 to the main Board of Directors, the Board discussed the Bank's pension scheme after which it was agreed to establish a working group whose task would be to examine in detail possible changes to the Bank's pension scheme.

The working group completed its work in December 2005 after which the matter was dealt with by the main Board of Directors – reference 7/2006.

The Chairman then invited the CEO to speak and he explained about the background for and the contents of the proposal relating to the changes in the pension scheme.

Any changes to the Bank's pension scheme require a final resolution from the Board of Trustees.

*Resolution:*

*With effect from 1.7.2006, the following changes to the Bank's pension scheme to be implemented:*

- *Transition to a contributory pension to be introduced by offering only this type of pension to new employees. Other members of staff to be offered voluntary transition to a contributory pension.*
- *Premium for the contributory pension scheme to be fixed as follows:*
  - *Salary level 1 – 6xbasic amount            5 %*
  - *Salary level 6 – 12xbasic amount        8 %*
  - *Salary level > 12x basic amount        8 %*
- *Today's benefit-based scheme to be changed so that the calculation basis for basic pension from the Social Security Department is amended from 0.75xbasic amount to 1xbasic amount. The benefit level of 70 per cent to be maintained.*
- *Spouse pension to be removed. This will be implemented when new tariffs for pension calculation are implemented, probably from 1.1.2007.*
- *The changes in the pension scheme to apply for all staff irrespective of age and income. 'User fee' in respect of premium not to be introduced.*
- *The removal of spouse pension will be partly compensated for by introducing increased insurance for group life within the limits to be fixed by the main Board of Directors.*

7/2006        Change in by-laws – proposal for changing the composition of the Board of Trustees and Board of Directors, coupled with a change in the Bank's by-laws – this is the first time this matter is discussed

The Chairman of the Board of Trustees referred to the submitted memorandum of 6 March 2006.

Following changes in the law in December 2004, new rules were introduced giving each savings bank significantly more freedom to decide itself how its Board of Trustees is to be structured and at

the same time the rule about a bank's Board of Directors having at least one member from the public sector was abolished.

At the Board of Trustees' meeting on 17 March 2005, the consequences these changes in the law ought to have for our Bank were discussed. It was decided to establish a committee consisting of one representative from each of the groups represented on the Bank's Board of Trustees, the Chairman of the main Board of Directors and the Bank's CEO in order to look at proposals for the future composition of the Board of Trustees. The committee was given a mandate and after three meetings produced the result of its deliberations in the memorandum submitted.

The CEO reviewed the matter, pointing out that the new by-laws ought to mention that at the first election to take place of a public sector member of the Board of Trustees from the Hålogaland region, the representative should be elected by Troms Fylkesting.

Benn Mikalsen emphasised Nordland County Council's investment and efforts at Helgeland and wished to maintain the number of public sector representatives from Nordland. The CEO replied that for the Hålogaland region, a representative from Troms and Nordland county councils would be elected every other time. This means that Nordland will get 2 representatives every other period. Besides, the Bank's largest market share is in Troms and Finnmark.

Erik Sture Larre proposed to change the name of the Bank's most senior body from Board of Trustees to Supervisory Board. In reply to an explicit enquiry, the Board of Trustees agreed to discuss the proposal submitted.

The CEO referred to the discussion which took place at the meeting of the main Board of Directors on 28 February this year when the following proposals were made:

1. *The main Board of Directors agrees with the proposals put forward by the Board of Trustees' committee and recommends that the matter is submitted to the Board of Trustees for a decision.*
2. *The main Board of Directors recommends that the Board of Trustees agrees to the proposed changes in by-laws in §§ 3-1 second sub-section, 3-2, 3-3, 5-1, second sub-section and 5-5 second sub-section.*

The chairman pointed out that this matter has to be discussed at two separate meetings, and for the second time at the meeting on 15 March.

*Resolution:*

**1. The committee's proposal**

*The Board of Trustees concurs with the committee's recommendations and proposals for changes to the Board of Trustees's composition.*

*The submitted proposal for guidelines for the Bank's Election Committees is agreed.*

**2. Changes in by-laws**

**a) First time consideration – on 14 March 2006:**

*Proposal to change the by-laws' §§ 3-1, second section, 3-2, 3-3, 5-1, second section and 5-5 second section and to change the name of the Bank's most senior body from Board of Trustees to Supervisory Board was submitted.*

*Resolution to be adopted at a later meeting.*

The ordinary meeting of the Board of Trustees was adjourned.

**The Board of Trustees and main Board of Directors discussed the following matter at a joint meeting:**

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**8/2006      The Donations Fund**

The main Board of Directors has proposed that NOK 75 million of the profit for the year is to be set aside for the Donations Fund. According to the Savings Banks Act, paragraph 17, first section, no. 3, a joint meeting of the Board of Trustees and main Board of Directors shall decide on the allocation of the donations which may be provided for various useful purposes.

*Proposal:      The Board of Trustees and main Board of Directors have decided in a joint meeting that the main Board of Directors is given power of attorney to allocate the amount of donations totalling NOK 75 million, with reference to the Savings Banks Act, paragraph 17, first section, no. 3.*

All resolutions were unanimous.

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The meeting finished at 15.40.

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Benn Mikalsen

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Herman Mehren

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Ann-Sissel Emaus  
Deputy Chairman of the Board of Trustees