

Minutes of the Supervisory Board meeting of 25 March 2014

The Supervisory Board of SpareBank 1 Nord-Norge held a meeting on Tuesday 25 March 2014 at 13.00 in the assembly hall at SpareBank 1 Nord-Norge's offices in Tromsø.

The notice of the meeting was dated 4 March 2014 and forwarded to the members of the Supervisory Board, Main Board of Directors and Control Committee, as well as the external auditor.

37 members and invited deputy members were present:

Åshild Strømmesen	Kari Lene Olsen (from item 2/2014)	Sissel Ditlefsen
Line Mikkelsen	Jon Tørset	Marie M. Fangel
Reidun Kristiansen Flakstad	Kjell Kræmer	Tom Rømer Svendsen
Jan-Hugo Sørensen	Kjell Kolbeinsen	Trond Mohn
Rita Myrvang	Frode Helgerud	Trond Vidar Hansen
Aina Willumsen	Trygve Myrvang	May Britt Nilsen
Tone Marie Myklevoll	Odd Erik Hansen	Hans Olav Gjøvik
Hilde Sivertsen	Ole-Henrik Hjartøy	Einar Frafjord
Kari Ann Olsen Lind	Asbjørg Jensvoll Strøm	Ann-Kirsten Larsen
Charlotte Ringkjøb	Bente Evensen	Øyvind Pallesen
Britt Dahlberg	Berit Berg	Ulf Mathisen
Terje Marius Nilsen	Herman Mehren	Daniel Nyhagen
		Anne Kathrine Nygaard

Present from the Main Board of Directors were:

Kjell Olav Pettersen	Sonja Djønnne	Greger Mannsverk
Pål Andreas Pedersen	Ann-Christine Nybacka	Vivi-Ann Pedersen
Hans-Tore Bjerkaas	Anita Persen	Gunnar Kristiansen

In addition, the chairman of the Control Committee, external auditor, CEO and representatives of the bank's administration staff were present.

There were no comments on the notice of the meeting and the agenda. The meeting was declared to be lawfully constituted.

Elected to sign the minutes jointly with the Supervisory Board's chairman were Tone Marie Myklevoll and Trygve Myrvang.

Questions were asked by members of the Supervisory Board and answered by the CEO and the CFO.

External auditor Stig-Tore Richardsen explained the auditor's report and the chairman of the Control Committee, Tore Bråthen, reviewed the Control Committee's report. The meeting's chairman referred to the annual financial statements, which included the income statement, balance sheet, notes and the report of the Main Board of Directors and gave an account of the recommended resolution.

Resolution:

- 1. The submitted annual report and accounts for 2013 for the parent bank and group shall be adopted as the parent bank's and group's accounts for 2013.*
- 2. The cash dividend for the bank's equity certificates shall be set at NOK 1.10 per equity certificate for 2013, for a total of NOK 110,437,817.60.*

Dividends shall be distributed to registered equity certificate holders as of 25 March 2014. The bank's equity certificates shall be traded ex dividend as of 26 March 2014.

- 3. The bank shall allocate NOK 282,256,838.47 to the dividend equalisation fund.*
- 4. The bank will shall NOK 43,130,000.00 in dividends to the bank's community owned capital, which will, in its entirety, be expended on donations (determined by the regional boards/CEO).*
- 5. The Main Board of Directors shall be granted the authority to control the bank's endowment fund recognised in the balance sheet in accordance with the rules and guidelines in force at any given time for the awarding of donations.*
- 6. The bank shall allocate NOK 479,334,178.87 to the Savings Banks Fund.*

Item 3/2014 Auditor's fees for 2013

In a letter to the Supervisory Board's chairman dated 3 March 2014 the external auditor requested approval of ordinary auditor's fees of NOK 870,000 for 2013, exclusive of VAT.

Resolution: The Supervisory Board approves the external auditor's fees for 2013 of NOK 870,200 exclusive of VAT.

Item 4/2014 Control Committee's report for 2013

An account was given of the Control Committee's report for the 2013 financial year. It was brought to the attention of the members that in the last sentence of the second to last paragraph on page 1 of the agenda it says 'Kredittilsynet'. It should in fact say 'Finanstilsynet'. It was proposed that the item be approved with the aforementioned change.

Resolution: The Supervisory Board took the Control Committee's report into consideration.

Item 5/2014 Statement on the fixing of salaries and other remuneration for executive personnel

The Supervisory Board's chairman made reference to the proposal for the item and reviewed the guidelines prepared by the Main Board of Directors.

Resolution: The Supervisory Board approved the guidelines for pay and other remuneration for executive personnel in SpareBank 1 Nord-Norge.

Item 6/2014 Purchase of or security interest in the bank's own equity certificates

The chairman of the meeting made reference to the proposal distributed for this item.

Questions were asked by a member of the Supervisory Board and answered by Executive Director Petter Høiseth.

The Supervisory Board's resolution to give such authority to the Main Board of Directors as proposed must be approved by the Financial Supervisory Authority of Norway and the resolution must be reported to the Register of Business Enterprises before the authority can be exercised.

Resolution:

- 1 The Main Board of Directors was authorised to purchase and establish security in the bank's own equity certificates within the framework stipulated by the law and regulations.*
- 2 The total holdings of equity certificates that the bank owns and/or has security interest in may not exceed 10% of the bank's equity certificate capital.*

- 3 *The minimum amount that can be paid for the equity certificates is NOK 12.5 and the maximum amount is NOK 75. These limits also apply to contractual charges so that the claim that is to be secured by the charge must also be within the same monetary limits.*
- 4 *The acquisition of equity certificates shall take place by purchases via the Oslo Stock Exchange and disposals shall take place by sales in same market, or as a private sale to employees in accordance with the current law and regulations.*

The pledge of security interests will take place through an agreement with customers in connection with the granting of credit and any realisation of the security interest through the securities market via the Oslo Stock Exchange.
- 5 *This authority will remain valid for 14 months until 25 May 2015 or as long as long as it is approved by the Financial Supervisory Authority of Norway.*

Item 7/2014 Winding up of regional boards

The meeting's chairman referred to the information distributed for this item. The CEO Jan-Frode Janson explained the main points of the matter.

Members of the Supervisory Board asked questions, which were answered by the CEO Jan-Frode Janson and Executive Director Petter Høiseth.

The Main Board of Directors' proposal concerning the winding up of regional boards, as set forth in the agenda, was presented to the meeting of the Supervisory Board.

Item 8/2014 Merger of branches

The meeting's chairman referred to the information distributed for this item. The CEO Jan-Frode Janson explained the main points of the matter.

Members of the Supervisory Board asked questions, which were answered by Regional Director Trude Glad.

Resolution: The Supervisory Board approved the closure of the following branches:

- *Beiarn*
- *Lavangen*
- *Ramberg*
- *Reine*
- *Røst*
- *Værøy*

The Main Board of Directors was granted authority to carry out the practical closure of the branches within the framework set forth in the memorandum presented to the Supervisory Board. The authority can be delegated to others.

Item 9/2014 Authorisation to issue hybrid tier 1 capital and to take out a subordinated loan

The chairman of the meeting made reference to the proposal for this item. CFO Rolf Eigil Bygdnes explained the main points of the matter.

Resolution:

AUTHORITY TO ISSUE HYBRID TIER 1 CAPITAL

The Supervisory Board grants the Main Board of Directors the authority to raise subordinated capital in the form of hybrid tier 1 capital and negotiate the associated conditions, in Norwegian kroner or correspondingly in another currency, up to a maximum of NOK 1,500 million. This authority applies for a period of three (3) years from the Supervisory Board's decision to grant the authority.

The previous authority granted for the same purpose is no longer valid.

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AUTHORITY TO RAISE SUBORDINATED LOAN CAPITAL

The Supervisory Board grants the Main Board of Directors the authority to raise subordinated loan capital and negotiate the associated conditions, in Norwegian kroner or correspondingly in another currency, up to a maximum of NOK 2,000 million. This authority applies for a period of three (3) years from the Supervisory Board's decision to grant the authority.

The previous authority granted for the same purpose is no longer valid.

All resolutions were passed unanimously.

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Tone Marie Myklevoll

Trygve Myrvang

Jan-Hugo Sørensen
Supervisory Board Chairman