

Minutes of the Supervisory Board meeting of 28 March 2017

The Supervisory Board of SpareBank 1 Nord-Norge held a meeting on Tuesday 28 March 2017 at 11:00 in the assembly hall in SpareBank 1 Nord-Norge's premises in Tromsø.

The notice of the meeting was dated 7 March 2017 and was forwarded to the members of the Supervisory Board and Board of Directors, as well as the external auditor.

38 members and invited deputy members were present, namely:

Terje Marius Nilsen	Synnøve Søndergaard	Trond Vidar Hansen
Trine Stenvold	Roar Dons	Toril Ringholm
Charlotte Ringkjøb	Tom Rømer Svendsen	Rigmor Berntsen
Kjetil Fjellgaard	Håkon Løbach Willumsen	John-Oskar Nyvoll
Line Mikkelsen	Linn Knudsen	Hans Olav Gjøvik
Rita Myrvang	Kjell Kolbeinsen	Einar Frafjord
Kari Ann Olsen Lind	Erling Dalberg	Anne Kathrine Nygaard
Mona Abelsen	Gry-Janne Rugås	Hans Johan Lorentzen
Kim Daniel Arthur	Elin Wintervold	Ann-Kirsten Larsen
Åshild Strømmesen	Odd Erik Hansen	Vivi Ann Movik
Jørn Vollen	Sissel Ditlefsen	Aud Skaret
Ørjan Rasmussen	Eirik Fosland	Kenneth Normann
Beate Bø Nilsen	Lars Martin Lunde	

The following members of the Board of Directors were present:

Karl Eirik Schjøtt-Pedersen	Ingvild Myhre	Bengt Olsen
Hans-Tore Bjerkaas	Greger Mannsverk	Vivi-Ann Pedersen
Sonja Djønne	Kjersti Terese Stormo	May Britt Nilsen

In addition, the external auditor, Chief Executive Officer and representatives of the bank's administration were present.

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

Elected to sign the minutes jointly with the Supervisory Board's chairman were Elin Wintervold and Terje Nilsen.

The following items were presented for consideration:

Item 1/2017 Annual financial statements for 2016

By way of introduction the Chairman of the Board, Karl Eirik Schjøtt Pedersen, commented on important aspects of the bank's operations in 2016 and the challenges and opportunities the bank currently faces.

CEO Jan-Frode Janson gave a short briefing on a group in development. CFO Rolf Eigil Bygdnes explained the accounts figures in detail. Questions were asked by members of the Supervisory Board and answered by the CEO Jan-Frode Janson and CFO Rolf Eigil Bygdnes.

The external auditor, Trond Larssen, gave an account of the auditor's report.

The meeting's chairman referred to the annual financial statements submitted – which included the income statement, balance sheet, notes and the Board of Directors' report – and gave an account of the recommended resolution.

Resolution:

- 1. The annual report and accounts submitted for 2016 for the parent bank and the group are adopted.*
- 2. The cash dividend for the bank's equity certificates is set at NOK 3.45 per equity certificate for 2016, for a total of NOK 346,373,155.20.*

Dividends will be distributed to the registered equity certificate holders as at 28/03/2017. The bank's equity certificates will be traded ex dividend as at 29/03/2017.

- 3. The bank shall allocate NOK 328,641,547.05 to the dividend equalisation fund.*
- 4. The bank shall allocate NOK 400,769,635.35 as a dividend in the form of an endowment to the bank's community-owned capital.*
- 5. The bank shall allocate NOK 380,327,935.40 to the Savings Bank's Fund.*

Item 2/2017 Auditor's fees for 2016

In a letter to the Supervisory Board dated 6 March 2017, the external auditor requested approval for the ordinary auditor's fees for 2016 of NOK 895,000 excluding VAT.

Resolution: The Supervisory Board approves the external auditor's fees for 2016 of NOK 895,000, excluding VAT.

Item 3/2017 Purchase of or security interest in the bank's own equity certificates

The Supervisory Board's chairman made reference to the proposal sent out concerning the item. Senior Group General Manager Petter Høiseth explained the most important points of the matter.

The Supervisory Board's resolution on giving such authority to the 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 this authority can be exercised.

Resolution:

1. *The Board of Directors is 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 holding of equity certificates that the bank owns and/or has security in created by agreement may not exceed five per cent of the Bank's equity share capital.*
3. *The minimum amount that can be paid for the equity certificates is NOK 12.50 and the maximum is NOK 75. These limits also apply to security created by agreement, so the claim that is to be guaranteed by the security must also lie within those same monetary limits.*
4. *The acquisition of equity certificates shall take place through purchases via the Oslo Stock Exchange and disposals shall take place through sales in same market, or as a private sale to employees and employee representatives in accordance with the current law and regulations.*

Security is pledged through agreements with customers in connection with the granting of credit and any realisation of the security must take place in the securities market via the Oslo Stock Exchange.

5. *This authority will remain valid for 14 months until 28 May 2018 or as long as long as is approved by the Financial Supervisory Authority of Norway.*

Item 4/2017 Statement on the fixing of salaries and other remuneration for executive personnel

The Supervisory Board's chairman made reference to the proposal concerning the item.

Resolution: The Supervisory Board gave its approval to the guidelines concerning pay and other remuneration for executive personnel in SpareBank 1 Nord-Norge.

Item 5/2017 SpareBank 1 Nord-Norge's society dividend

Senior Group General Manager Petter Høiseth gave a presentation on SpareBank 1 Nord-Norge's society dividend.

Questions were asked by members of the Supervisory Board and answered by Senior Group General Manager Petter Høiseth.

Resolution: The Supervisory Board took the presentation into consideration.

Item 6/2017 Election of employee representatives

The Nomination Committee's recommendation of 7 March 2017 was distributed to the representatives.

Elected as count takers were Kari Ann Olsen Lind (I), Synnøve Søndergaard (F), Erling Dalberg (E) and Hans Johan Lorentzen (A).

The Supervisory Board's chairman gave the floor to the chairman of the Supervisory Board's Nomination Committee, Charlotte Ringkjøb, who gave an account of the Nomination Committee's recommendations and work. All of the elections were reviewed point by point. The outcome of the elections was as follows:

I = Members elected from the bank's depositors
E = Members elected from the bank's ECC holders
F = Members elected from the county councils
A = Members elected from the bank's employees

			Financial years
I	Supervisory Board		
Chairman	Roar Dons, Tromsø	(E) re-elected	2017/18
II	The Supervisory Board's Nomination Committee		
Members	Sissel Ditlefsen, Tromsø	(E) new	2017/18
	Einar Frafjord, Tromsø	(A) re-elected	2017/18
Substitute	Trond Mohn, Bergen	(E) re-elected	2017/18
Members	Elin Wintervold, Tromsø	(E) new	2017
	Anne Kathrine Nygaard, Mo i Rana	(A) new	2017/18

III Board of Directors

Chairman	Karl Eirik Schjøtt-Pedersen, Hosle	re-elected	2017/18
Deputy Chairman	Hans-Tore Bjerkaas, Tromsø	re-elected	2017/18
Members	Vivi Ann Pedersen, Tromsø	(A) re-elected	2017/18
	Kjetil Berntsen, Tromsø	(A) new	2017/18
Deputy Members	May Britt Nilsen, Sørkjosen	(A) re-elected	2017/18
	Cecilie Bjølgerud Wirkola, Tromsø	(A) new	2017/18
	Daniel Nyhagen, Tromsø	(A) new	2017/18
	Leif Gunnar Kristiansen, Tromsø	(A) new	2017/18

Resolution: The Supervisory Board passed the resolution in accordance with the Nomination Committee's recommendations.

Item 7/2017 Fees and remuneration for employee representatives

The Supervisory Board's chairman made reference to the proposal concerning the item and the chairman of the Nomination Committee gave an account of the latter's proposal. The fee levels were last changed in 2015. The Nomination Committee proposes the following remuneration for the employee representatives of SpareBank 1 Nord-Norge:

Supervisory Board

Chairman	NOK 72,500 per year + NOK 4,100 per meeting
Deputy Chairman	NOK 4,100 when chairing the meeting + NOK 4,100 per meeting
Members/deputy members	NOK 4,100 per meeting

The Supervisory Board's Nomination Committee

Chairman	NOK 36,000 per year + NOK 4,500 per meeting
Members/deputy members	NOK 4,500 per meeting

Board of Directors

Chairman	NOK 472,500 per year
Deputy Chairman	NOK 262,500 per year
Members	NOK 210,000 per year
Deputy members	NOK 11,500 per meeting

Audit committee

Chairman	NOK 47,000 per year
Member	NOK 37,000 per year

Risk Committee

Chairman	NOK 47,000 per year
Member	NOK 37,000 per year

Remuneration Committee

Chairman	NOK 12,600 per year
Member	NOK 10,500 per year

Other remunerations

- Ad hoc committees among the members of the Supervisory Board are normally remunerated at a rate of NOK 3,000 per meeting.

Reimbursement of travel expenses

- Travel expenses are reimbursed in accordance with the applicable guidelines at any given time.

Other

- Compensation for loss of earnings or payment for deputy for the self-employed are covered by up to NOK 2.300, - per day. Actual loss of earnings must be documented through paycheck showing wage deductions / through invoice for the hiring of help for self-employed.

Resolution: The Nomination Committee's recommendations concerning remuneration rates and payments dated 20 January 2017 are adopted as the remuneration rates and payments for SpareBank 1 Nord-Norge's elected officers with effect from 1 January 2017.

Item 8/2017 New financial institutions regulation - Amendments to the Articles of Association and instructions for the Supervisory Board's Nomination Committee

The Supervisory Board's chairman made reference to the proposal concerning the item. Senior Group General Manager Petter Høiseth explained the most important points of the matter.

Questions were asked by members of the Supervisory Board and answered by Senior Group General Manager Petter Høiseth.

Resolution: The Supervisory Board adopted the submitted articles of association and instructions for the Supervisory Board's Nomination Committee.

Item 9/2017 Authorisation to take out subordinated loans and to issue hybrid tier 1 capital

The Supervisory Board's chairman made reference to the proposal for this item. CFO Rolf Egil Bygdnes explained the main points of the matter.

Questions were asked by members of the Supervisory Board and answered by CFO Rolf Egil Bygdnes.

Resolution:

Authority to issue hybrid tier 1 capital

The Supervisory Board grants the 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 authority may be further delegated.

Authority to raise subordinated loan capital

The Supervisory Board grants the 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 authority may be further delegated.

All of the resolutions were passed unanimously.

* * *

Elin Wintervold

Terje Nilsen

Roar Dons
Chairman of the Supervisory Board