

Minutes of the Supervisory Board meeting of 22 March 2018

The Supervisory Board of SpareBank 1 Nord-Norge held a meeting on Thursday 22 March 2018 at 11:00 at Clarion Hotel The Edge in Tromsø.

The notice of the meeting was dated 1 March 2018 and was forwarded to the members of the Supervisory Board and Board of Directors, as well as the external auditor.

33 members and invited deputy members were present, namely:

Charlotte Ringkjøb	Roar Dons	Frøydis Rørtveit Stensvik
Kim Daniel Arthur	Håkon Løbach Willumsen	Irina S. Møllersen
Mona Abelsen	Linn Knudsen	Kjetil Ask Olsen
Rita Myrvang	Kjell Kolbeinsen	Ann Kirsten Larsen
Marit Hætta Øverli	Elin Wintervold	Chris Magne Martinsen
Johanne Marie Olausen	Odd Erik Hansen	Ole Jørgen Ørjavik
Bjørn Ronald Olsen	Marie M. Fangel	Hans Olav Gjøvik
Kjetil Fjellgaard	Rigmor S. Berntsen	Tor Magne Oppheim
Lisa Friborg	Birger Dahl	Eivind Bergmo
Kari Lene Olsen	John-Oskar Nyvoll	Dag Inge Lund
Trond Mohn	Arvinn Eikeland Gadgil	Svein Borhaug

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 Djønnne	Kjersti Terese Stormo	Kjetil Berntsen

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 Håkon Løbach Willumsen and Mona Abelsen.

The following items were presented for consideration:

Item 1/2018 Annual financial statements for 2017

By way of introduction the Chairman of the Board, Karl Eirik Schjøtt Pedersen, commented on important aspects of the bank's operations in 2017 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, CRO Liv Ulriksen 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 proposed annual accounts and the proposed annual report for 2017 for the Parent Bank and for the Group are approved.

2. The cash dividend for 2017 per equity certificate (EC) shall be NOK 4.00, totalling NOK 401,592,064.00

Dividend will be paid to registered EC-holders as at 22 March 2018. The ECs will be quoted ex-dividend 23 March 2018.

The cash dividend will be paid out 10 April 2018

3. NOK 264,162,083.02 is set aside for the Dividend Equalisation Fund.

4. NOK 464,654,838.50 is set aside as dividend to the Bank's community owned capital.

5. NOK 305,643,963.19 is set aside for the Savings Bank's Fund.

Item 2/2018 Auditor's fees for 2017

In a letter to the Supervisory Board dated 16 February 2018, the external auditor requested approval for the ordinary auditor's fees for 2017 of NOK 925,000 excluding VAT.

Resolution: The Supervisory Board approves the external auditor's fees for 2017 of NOK 925,000, excluding VAT.

Item 3/2018 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. COS 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 85. 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 22 May 2019 or as long as long as is approved by the Financial Supervisory Authority of Norway.*

Item 4/2018 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 5/2018 Authorisation to raise or buy back subordinated loan capital and issue hybrid Tier 1 capital, as well as authorisation to issue new Tier 3 capital

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

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

Resolution: *Authorisation to issue hybrid Tier 1 capital*

The Supervisory Board grants the Board of Directors 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. The authorised amount relates to the net borrowing after any buy back of outstanding hybrid Tier 1 capital. Furthermore, this authorisation is valid for a period of three (3) years from the Supervisory Board's decision to issue the authorisation. The authority can be delegated to others.

Authorisation to raise subordinated loan capital

The Supervisory Board grants the Board of Directors 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. The authorised amount relates to the net borrowing after any buy back of outstanding loans. Furthermore, this authorisation is valid for a period of three (3) years from the Supervisory Board's decision to issue the authorisation. The authority can be delegated to others.

Authorisation to issue Tier 3 capital

The Supervisory Board grants the Board of Directors authority to raise Tier 3 capital and negotiate the associated conditions, in Norwegian kroner or correspondingly in another currency, up to a maximum of NOK 10,000 million. This authorisation is valid for a period of three (3) years from the Supervisory Board's decision to issue the authorisation. The authority can be delegated to others.

Authorisation to buy back hybrid Tier 1 capital, subordinated loans and Tier 3 capital

The Supervisory Board grants the Board of Directors authority to buy back hybrid Tier 1 capital, subordinated loans and Tier 3 capital. The authorisation is contingent on the dispositions taking place within the regulatory minimum requirements, taking into account the Group's capital targets, and the prior approval of the Financial Supervisory Authority of Norway. Furthermore, this authorisation is valid for a period of three (3) years from the Supervisory Board's decision to issue the authorisation. The authority can be delegated to others.

Item 6/2018 Election of employee representatives

The Nomination Committee's recommendation of 1 March 2018 was distributed to the representatives.

Elected as count takers were Rita Myrvang (I), Kari Lene Olsen (F), Kjell Kolbeinsen (E) and Hans Olav Gjølvik (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		
Deputy Chairman	Kari Ann Olsen Lind, Stokmarknes	(I) re-elected	2018/19
II	The Supervisory Board's Nomination Committee		
Chairman	Charlotte Ringkjøb, Bodø	(I) re-elected	2018/19
Members	Synnøve Søndergaard, Tromsø	(F) re-elected	2018/19
	Kjell Kolbeinsen, Tromsø	(E) re-elected	2018/19
	Svein Borhaug, Finnsnes	(A) new	2018
Substitute	Rita Myrvang, Rossfjordstraumen	(I) re-elected	2018/19
Members	Elin Wintervold, Tromsø	(E) re-elected	2018/19
	Kurt Jenssen, Tengelfjord	(F) re-elected	2018/19
	Ann Kirsten Larsen, Tromsdalen	(A) new	2018
III	Board of Directors		
Members	Daglig leder Sonja Djønne, Mo i Rana	re-elected	2018/19
	Greger Mannsverk, Kirkenes	re-elected	2018/19
	Ingvild Ragna Myhre, Oslo	re-elected	2018/19
	Kjersti Terese Stormo, Bodø	re-elected	2018/19
	Bengt Olsen, Bodø	re-elected	2018/19

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

Item 7/2018 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 2017. Ordinarily changes have been proposed every second year, and the Nomination Committee has therefore chosen not to adjust the fees this year.

Resolution: The existing fees and remunerations apply until further notice as fees and remunerations for the bank's representatives.

Item 8/2018 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. COS Petter Høiseth explained the most important points of the matter.

Resolution: The Supervisory Board adopted the submitted articles of association.

Item 9/2018 SpareBank 1 Nord-Norge's society dividend

COS 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 Chairman of the Board Karl Eirik Schjøtt-Pedersen and COS Petter Høiseth.

Resolution: The Supervisory Board took the presentation into consideration.

All of the resolutions were passed unanimously.

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Håkon Løbach Willumsen

Mona Abelsen

Roar Dons
Chairman of the Supervisory Board