

# ***ARTICLES OF ASSOCIATION***

*of*

***SpareBank 1 SMN***

***Business organisation no. 937 901 003***

*(into effect on 28.03.2023)*

## **CHAPTER 1 Name. Head office location. Object**

### **Article 1-1**

The savings bank's name is SpareBank 1 SMN. The savings bank shall have its registered head office in the municipality of Trondheim.

The object of the savings bank is to carry on activity as a bank and moreover to pursue and participate in activities that the savings bank is entitled to engage in under licences held and legislation in force at any and all times.

## **Chapter 2 Capital**

### **Equity capital**

#### **Article 2-1 Ownerless capital**

The original ownerless capital of the amalgamated savings banks has either been repaid or does not need to be repaid. A complete overview is given in previous articles.

Neither founders nor other parties are entitled to any return from the business beyond such dividends as may be earned on the bank's issued owner capital.

#### **Article 2-2 Equity certificates**

The savings bank's issued owner capital is NOK 2,884,311,800.- divided into 144,215,590 equity certificates of NOK 20 each, fully paid-up.

The savings bank's equity certificates shall be registered in the Norwegian Central Securities Depository.

Owners of equity certificates are entitled to vote once the acquisition has been registered in the Norwegian Central Securities Depository.

### **External capital**

#### **Article 2-3 External capital**

By external capital is meant capital that is not equity capital as this is defined at any and all times in the Financial Institutions Act with associated regulations.

Any resolution or authorisation to raise additional Tier 1 capital, including hybrid capital, or Tier 2 capital, including subordinated debt, or eligible liabilities with priority as stated in the

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Financial Institutions Act section 20-32, first subsection, no. 4, shall be passed by the Supervisory Board by the same majority as that required to amend the Articles of Association.

Any resolution or authorisation to raise other external capital is to be adopted by the Board of Directors.

The savings bank shall, in the contractual terms and conditions employed when raising debt, specify the loan's priority in the event of the bank being wound up and the degree to which the loan may be written down during ongoing operations for the purpose of covering a deficit recognised in the accounts.

**Chapter 3 Supervisory board**

**Article 3-1 Supervisory board**

The savings bank's highest body shall be termed the Supervisory Board.

An ordinary meeting of the Supervisory Board shall be held each year by the end of March.

**Article 3-2 Elections and retirement**

**Elections**

Only persons of full age may be voted onto the Supervisory Board as members and alternates.

The following may not be elected as members or alternates:

- members of the Board of Directors and auditors of the bank
- persons whose estate is subject to bankruptcy proceedings, debt settlement proceedings or private administration
- employees of the savings bank, unless the election is as representative of the employees

Members and alternates are elected for 4 years and may be re-elected.

The Supervisory Board shall establish further instructions for the holding of elections.

Disputes regarding elections shall be settled by the Financial Supervisory Authority of Norway (Finanstilsynet) where this is prescribed by statute or regulations.

**Retirement**

A member of the Supervisory Board shall retire from the Supervisory Board when such member becomes a member of the Board of Directors or auditor of the savings bank, or the member's estate is placed under bankruptcy proceedings, debt settlement proceedings or private administration.

A member of the Supervisory Board who is elected by the customers, by the equity certificate holders, or by the county council shall also retire from the Supervisory Board when such member becomes an employee of the savings bank. Further, a customer-elected member and a member elected by the equity certificate holders shall retire from the Supervisory Board when such member is, respectively, no longer a customer of the savings bank as defined by Article

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3-4 of the Articles of Association or can no longer represent the equity certificate holders as prescribed by Article 3-6 of the Articles of Association.

A member elected by the employees shall retire from the Supervisory Board if such member ceases to be an employee of the bank.

A member who retires from the Supervisory Board shall be replaced by an alternate for the remainder of the election period.

#### **Article 3-3 Composition**

The elected members of the Supervisory Board shall comprise representatives of the holders of equity certificates and moreover in aggregate reflect the savings bank's customer structure and other interest groups as well as its social function.

The Supervisory Board shall have 32 members and 30 alternates.

3 members and 3 alternates shall be elected by the Trøndelag and the Møre and Romsdal county councils in accordance with the distribution shown in article 3-5 below.

9 members and 9 alternates shall be elected by the customers in accordance with the distribution shown in article 3-4 below.

8 members and 8 alternates shall be elected by and from among the employees in accordance with article 3-7 below.

12 members and 10 alternates shall be elected by the holders of equity certificates in accordance with article 3-6 below.

#### **Article 3-4 The customers' election of members to the Supervisory Board**

The customers of the savings bank shall elect members and alternates to the Supervisory Board. By 'customer' is meant a depositor who holds and has for the past six months held a deposit of at least NOK 2,500 with the bank at the time of election.

Only persons of full age may vote in the election. No-one may cast more than two votes, one on the basis of his own deposit and one as representative of another depositor.

Only persons of full age who are entitled to vote as a personal depositor or as representative of a corporate depositor may be elected as members or alternates to the Supervisory Board by the depositors.

When the election is held, the election committee shall seek to ensure that candidates for election by the depositors are representative for the savings bank's regional catchment areas. The election shall be held in accordance with the instructions in effect at any and all times as established by the Supervisory Board.

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### **Article 3-5 County councils' election of members to the Supervisory Board**

The Trøndelag and the Møre and Romsdal county councils shall elect 3 members and 3 alternates to the Supervisory Board by the end of January. Trøndelag county council shall elect 2 members and 2 alternates, and Møre and Romsdal county council shall elect 1 member and 1 alternate.

### **Article 3-6 Equity certificate holders' election of members to the Supervisory Board**

The equity certificate holders' election of members and alternates to the Supervisory Board shall take place in accordance with Regulations laid down by the Ministry of Finance.

The elections shall moreover be run in accordance with applicable instructions established by the Supervisory Board.

### **Article 3-7 Employees' election of members to the Supervisory Board**

The employees of the savings bank are entitled to vote at elections of the employees' members and alternates to the savings bank's Supervisory Board.

The employees of the savings bank may be elected as members or alternates to the savings bank's Supervisory Board as representative for the employees.

### **Article 3-8 Notice of a meeting of the Supervisory Board**

Notice of a meeting of the Supervisory Board shall be given by the Board of Directors.

The rules of the Public Limited Companies Act governing notice and general meetings apply equally to the extent provided by the Financial Institutions Act.

When documents related to matters to be considered by the Supervisory Board are made available to the members on the savings bank's web pages, the statutory requirement that the documents shall be sent to the members of the Supervisory Board or to others required by law to receive such documents does not apply. The same is true of documents which pursuant to law are to be included in or enclosed with notice of a meeting of the Supervisory Board. A member of the Supervisory Board may none the less request to be sent documents relating to matters to be considered at a meeting of the Supervisory Board.

In the notice it may be required that members who wish to attend the meeting of the Supervisory Board shall inform the savings bank thereof no later than five days ahead of the meeting. Alternates shall be summoned where members are unable to attend.

### **Article 3-9 Meetings and resolutions of the Supervisory Board**

The Supervisory Board shall be presided over by the chair or, in his or her absence, by the meeting's chair, who shall be elected at the meeting.

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Each attending member (or attending alternate) at the Supervisory Board meeting holds one vote.

Members (alternates) shall attend in person. Members may not attend by proxy or with an adviser.

Resolutions of the Supervisory Board shall be adopted by a majority of the votes cast except as otherwise provided by law or by the Articles of Association. In the event of a tied vote, the outcome voted for by the Supervisory Board chair or, in his or her absence, by the deputy chair or, in the absence of both, by the meeting's chair shall be the resolution of the Supervisory Board.

**Article 3-10 Tasks of the Supervisory Board**

At the ordinary meeting of the Supervisory Board the following matters shall be considered:

- approval of the annual accounts and management report, including application of the profit for the year/distribution of dividend
- the Board of Directors' declaration regarding determination of pay and other remuneration to senior employees
- report on good corporate governance
- election of Supervisory Board chair and deputy chair for two years. In special cases, re-election to the office of chair and deputy chair may be for one year when the maximum period for the office under the provisions of Article 7-1 prevents re-election for two years
- election of Board of Directors chair, deputy chair and the other members of the Board of Directors except those members to be elected by the employees
- election of chair, members and alternates to the election committee
- election of auditor
- determination of remuneration to the elected officers and auditor
- other matters which pursuant to law or the Articles of Association belong under the Supervisory Board

**Chapter 4 Board of directors and chief executive officer**

**Article 4-1 Composition of the Board of Directors**

The savings bank's Board of Directors shall have seven to nine members in accordance with the Supervisory Board's decision. The Board of Directors shall have a broad based composition.

Two of the directors shall be elected by and from among the employees if the employees so request. Alternates may be elected for representatives of the employees.

The chair and deputy chair of the Board of Directors and the other directors not employed by the savings bank shall be elected by the Supervisory Board. The election of the latter shall be prepared by the election committee in accordance with instructions laid down by the Supervisory Board.

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The members, alternates, chair and deputy chair of the Board of Directors shall be elected for two years and may stand for re-election. In special cases, re-election to the office of chair and deputy chair may be for one year when the maximum period for the office under the provisions of Article 7-1 prevents re-election for two years.

### **Article 4-2 Board of directors' tasks, supervisory responsibility and administrative procedure**

The management of the savings bank belongs under the Board of Directors. The Board of Directors shall ensure that the business is properly organised, which shall include seeing to it that the requirements on the organisation of the savings bank and establishment of proper management and control systems are complied with.

The Board of Directors shall establish plans and budgets for the business of the savings bank. The Board of Directors shall also lay down guidelines for the business, including rules with regard to the confidentiality of information concerning the savings bank and its business.

The Board of Directors shall keep itself informed of the savings bank's financial position and obligations, and see to it that its business, accounts and asset management are subject to satisfactory control.

The Board of Directors shall supervise the day-to-day management and the savings bank's business in general. The Board of Directors shall establish instructions for the day-to-day management, and see to it that the chief executive officer regularly informs the Board of Directors of the savings bank's business, position and profit performance.

The Board of Directors shall initiate such enquiries as it deems necessary for it to discharge its tasks. The Board of Directors shall initiate such enquiries if this is required by one or more of the board members.

The rules of the Public Limited Companies Act governing the Board of Directors' tasks and administrative procedure apply to the extent provided by the Financial Institutions Act.

### **Article 4-3 Audit committee and risk committee**

The bank shall have an audit committee and a risk committee which shall be elected by and from among the members of the Board of Directors.

The committees shall at all times be composed of members who fulfil applicable statutory requirements, and perform the tasks that are assigned to the respective committees.

### **Article 4-4 Authority to represent the bank**

The chair of the Board of Directors or the chief executive officer or two other board members jointly represent the savings bank and bind the bank with their signatures. The Board of Directors may grant authority to sign on behalf of the bank.

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**Article 4-5 Day-to-day management**

The savings bank shall have a chief executive officer.

**Article 4-6 Tasks of the chief executive officer**

The chief executive officer is responsible for the day-to-day management of the savings bank and shall adhere to the policies and the orders issued by the Board of Directors.

The day-to-day management does not include matters which in the light of the bank's circumstances are of an unusual nature or of major significance. The chief executive officer may moreover decide a matter under authority from the Board of Directors in the particular case or where the board's decision cannot be awaited without material inconvenience for the savings bank. The Board of Directors shall be informed of the decision without delay.

The chief executive officer shall ensure that the savings bank has employees who in aggregate have the qualifications and experience needed in order for the activities of the savings bank to be run in a prudent manner, and that sound management and control systems are established. The chief executive officer shall ensure that instructions are laid down specifying the employees' tasks and responsibilities, and rules on reporting and administrative procedure.

The chief executive officer shall ensure that the bank's accounts are in conformity with law and regulations and that asset management and risk management are conducted in a sound manner.

The chief executive officer shall at least on a monthly basis, at a meeting or in writing, provide the Board of Directors with information on the savings bank's activities, position and profit performance.

The provisions of the Public Limited Companies Act concerning the chief executive officer's tasks and handling of matters apply to the extent prescribed by the Financial Institutions Act.

**Chapter 5 Election committee**

**Article 5-1 Election committee**

The savings bank shall have an election committee comprising five members with five alternates who are elected by the Supervisory Board for a two-year term.

The election committee shall reflect the composition of the Supervisory Board and be composed as follows:

- Two members with two alternates shall be elected from among the members elected by the representatives of the equity certificate holders
- One member with one alternate shall be elected from among the members elected by the representatives of the customers

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- One member with one alternate shall be elected from among the members elected by the representatives of the county councils
- One member with one alternate shall be elected from among the members elected by the representatives of the employees

The Supervisory Board shall establish further instructions for the holding of the elections.

### **Article 5-2 Elections committee's tasks**

The election committee shall prepare the customers' and the equity certificate holders' election of members to the Supervisory Board.

The election committee shall also prepare the election of:

- the chair and deputy chair of the Supervisory Board
- the chair, deputy chair and other members of the Board of Directors
- the chair, members and alternates to the election committee as dealt with in this chapter

The directors with alternates to be elected from among the employees shall be nominated solely by the employee representatives on the election committee.

The election committee shall give grounds for its nominations.

The election committee shall propose fees for members of the respective bodies.

## **Chapter 6 Application of net profit and coverage of deficit**

### **Article 6-1 Net profit**

The profit for the year on the savings bank's operations shall be determined and applied in accordance with the provisions of the Financial Institutions Act. The portion of the net profit that is assigned to the ownerless capital can be devoted to donations to non-profit causes or be transferred to a fund for such donations (gift fund) or transferred to a foundation for non-profit causes.

### **Article 6-2 Deficit**

A deficit shown by the profit and loss account shall be covered in accordance with the provisions of the Financial Institutions Act.

## **Chapter 7 Period of service for elected officers**

### **Article 7-1**

No elected member or chair of the Supervisory Board or the Board of Directors may hold office for a continuous period of more than 12 years or, exceptionally, for a period of up to 14 years if particular factors so warrant. These offices shall never be held for a total period of

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more than 20 years. A person who is unable to complete his or her period of service due to the provision of the two preceding sentences may not be elected or re-elected to any of the said offices.

**Chapter 8 Articles of Association**

**Article 8-1 Amendment of articles**

A resolution to amend the savings bank's Articles of Association requires the backing of at least two-thirds of the votes of the Supervisory Board. An amendment requiring approval by a public authority cannot enter into force until approval has been given.

**Chapter 9 Winding up**

**Article 9-1 Winding up resolution**

The Board of Directors shall present to the Supervisory Board for decision a winding up plan for the savings bank. A resolution to wind up the savings bank shall be adopted by the Supervisory Board by the same majority as that needed to amend the Articles of Association except as otherwise provided by law.

**Article 9-2 Distribution of capital**

Upon winding up of the savings bank, funds remaining after all debts are paid shall be transferred to one or more savings bank foundations.

**Chapter 10 Special proprietary rights of equity certificate holders**

**Article 10-1 Special proprietary rights of the holders of equity certificates**

In the following matters the backing of at least two-thirds of the votes cast by members elected by the equity certificate holders is required in addition to the backing of at least two-thirds of the votes cast by members of the Supervisory Board.

- (a) Increase of equity certificate capital
- (b) Decrease of equity certificate capital
- (c) Issuance of subscription rights
- (d) Loans conferring the right to demand issuance of equity certificates
- (e) Resolution to convert the savings bank
- (f) Resolution to merge or demerge the savings bank

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**Chapter 11 Entry into force**

These Articles of Association enter into force on 26 November 2020 subject to approval under the Financial Institutions Act with associated regulations. From the same date previous Articles of Association shall be revoked, last approved by Finanstilsynet on 1 January 2016.

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These Articles of Association were approved by the Supervisory Board on 30 April 1992, with subsequent amendments of 13 January 1994, 21 October 1994, 24 November 1994, 25 April 1995, 21 November 1995, 9 November 1996, 3 July 2000, 20 June 2001, 19 December 2001, 20 June 2002, 20 November 2002, 17 March 2004, 16 March 2005, 31 October 2005, 21 March 2007, 13 March 2008, 26 November 2008, 26 March 2009, 24 November 2009, 9 April 2010, 25 May 2011, 6 March 2012, 13 September 2012, 21 November 2013, 26 March 2014, 18 November 2015, 1 January 2016, 28 March 2017, 21 November 2017 and 26 November 2020, 28 March 2023.

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Knut Solberg / Supervisory Board chair