

To the shareholders of SpareBank 1 SR-Bank ASA.

## **NOTICE OF ANNUAL GENERAL MEETING**

Wednesday, 27th April 2016 at 6 p.m.

at SpareBank 1 SR-Bank's premises at Bjergsted Terrasse 1, Stavanger

### **AGENDA**

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| <b>Item 1</b>  | <b>The Chair opens the general meeting.</b>  |
| <b>Item 2</b>  | <b>Presentation of the list of attending shareholders and representatives.</b>   |
| <b>Item 3</b>  | <b>Approval of the notice and agenda.</b>  |
| <b>Item 4</b>  | <b>Election of one person to sign the general meeting protocol along with the Chair of the meeting.</b>                |
| <b>Item 5</b>  | <b>Approval of the Annual Accounts and Annual Report for 2015, including distribution of profit/loss for the year.</b> |
| <b>Item 6</b>  | <b>Corporate Governance in SpareBank 1 SR-Bank ASA</b>   |
| <b>Item 7</b>  | <b>Approval of the auditor's fees.</b>   |
| <b>Item 8</b>  | <b>Declaration from the Board of Directors concerning remuneration of senior employees.</b>                            |
| <b>Item 9</b>  | <b>Amendments to the articles of association.</b>  |
| <b>Item 10</b> | <b>Election of Chair and Member of the Nomination Committee.</b>   |
| <b>Item 11</b> | <b>Amendments to the Nomination Committee's instructions</b>   |
| <b>Item 12</b> | <b>Authority to acquire the bank's own shares, and use the bank's shares as security for borrowing.</b>                |
| <b>Item 13</b> | <b>Authorization to issue hybrid tier 1 securities and subordinated notes.</b>   |

## Registration

Participation at the general meeting, whether in person or by proxy, must be registered by Friday, 22 April 2016 at 16.00.

Registration can be done electronically via VPS Client Services or on the company homepage [www.sr-bank.no](http://www.sr-bank.no).

The registration can also be completed by submitting the enclosed form to:

SpareBank 1 SR-Bank ASA  
c/o SR-Bank Markets Verdipapirservice  
P.O. Box 250, 4066 Stavanger, Norway

or fax + 47 51 52 45 35  
or [verdipapirservice@sr-bank.no](mailto:verdipapirservice@sr-bank.no).

The registration form has been distributed to the shareholders.

Shareholders who are unable to attend can use a proxy. The form for authorising a proxy and instructions for the form have been distributed to the shareholders. The proxy authorisations can be submitted by the deadline in the ways detailed above.

If shares are registered in VPS in the name of a manager, cf. the Public Limited Liability Company Act Section 4-10, and the beneficial shareholder wishes to cast a vote for his/her shares, the beneficial shareholder must transfer the shares to a separate VPS account in the beneficial shareholder's name prior to the annual general meeting.

If the owner in this manner can prove that he/she has a genuine ownership interest in the company, he/she may request voting rights. Decisions on voting rights and proxies will be made by the person opening the meeting.

SpareBank 1 SR-Bank ASA is a limited liability company subject to the Public Limited Companies Act. 255,751,082 shares have been issued in the company. Each share represents one vote in the general meeting; all shares carry identical rights. The company has at the date of this notice a holding of 109,516 own shares that votes may not be cast for. The number of shares with voting rights is thus 255,641, 566.

The general meeting notice and attendant documentation have also been posted on the company homepage, [www.sr-bank.no](http://www.sr-bank.no). Questions may be directed to + 47 915 25 722.

Please note that for technical reasons, voting forms must be collected by 6 p.m. in the meeting venue.

Stavanger, 6 April 2016

The Board of Directors of SpareBank 1 SR-Bank ASA

List of appendixes to the notice:

- Annual Accounts and Annual Report as well as the auditor's report and the Audit Committee's report for the 2015 financial year available at [www.sr-bank.no/InvestorRelations](http://www.sr-bank.no/InvestorRelations).
- Registration form and form for authorising a proxy to the general meeting (also enclosed with this notice)

## INFORMATION ON ITEMS TO BE CONSIDERED

### Item 5      **Approval of the Annual Accounts and Annual Report for 2015, including distribution of profit/loss for the year**

See the 2015 Annual Accounts and Annual Report available at [www.sr-bank.no/Investor Relations](http://www.sr-bank.no/Investor_Relations). Pursuant to the Public Limited Liability Company Act Section 6-37, third paragraph and the company's articles of association Section 4-6, item 6, the Supervisory Board must make its statement to the general meeting concerning approval of:

- The Board of Directors' proposal for financial statements
- The Board of Directors' proposal for the allocation of profits or covering losses

At the meeting of the Supervisory Board on 31 March 2016 it was decided to make the following statement to the general meeting:

"The Supervisory Board of SpareBank 1 SR-Bank ASA has reviewed the company's proposed annual accounts, annual report, auditor's report and the Audit Committee's report. The Supervisory Board has decided to recommend that the AGM approves the Board's proposal for the annual accounts and annual report for 2015, along with its proposal for distribution of profits, including payment of a dividend of NOK 1,50 per share to owners of shares as at 27 April 2016, with payment no earlier than 6 May 2016. The shares in SpareBank 1 SR-Bank ASA will be listed as "ex-dividend" on 28 April 2016".

*Resolution proposal:*

*The AGM approves the Board's proposal for the annual accounts and annual report for 2015, along with its proposal for distribution of profits, including payment of a dividend of NOK 1,50 per share to owners of shares as at 27 April 2016, with payment no earlier than 6 May 2016. The shares in SpareBank 1 SR-Bank ASA will be listed as "ex-dividend" on 28 April 2016.*

### Item 6      **Corporate governance in SpareBank 1 SR-Bank**

Pursuant to section 5-6 of the Public Limited Liability Companies Act, the general meeting shall consider the company's corporate governance statement that is prepared pursuant to section 3-3b of the Accounting Act. The executive management team and board of directors of SpareBank 1 SR-Bank annually review the corporate governance principles and how they are functioning in the group. The annual report's chapter on corporate governance (page 24) describes SpareBank 1 SR-Bank's principles and practices in relation to section 3-3b of the Accounting Act and the Norwegian Code of Practice for Corporate Governance.

*Resolution proposal:*

*The general meeting noted the information provided in the statement on corporate governance principles and practices in SpareBank 1 SR-Bank.*

**Item 7                    Approval of the auditor's fees**

Pursuant to the Public Limited Liability Company Act Section 7-1, second paragraph, the auditor's fees must be approved by the general meeting. The Board's audit committee has reviewed the fee and given its recommendation to the Board. At a Board meeting on 3 March 2016 the Board decided to present the following proposal:

“The Board proposes that the Supervisory Board and general meeting approves the auditor's fees for the audit of SpareBank 1 SR-Bank ASA of NOK 1,824,000 for 2015.”

The Supervisory Board approved the auditor's fee for 2015 at its meeting on 31 March 2016.

*Resolution proposal:*

*The AGM approves the auditor's fees for 2015.*

**Item 8                    Declaration from the Board of Directors concerning remuneration of senior employees**

Pursuant to the Public Limited Liability Company Act Section 6-16a, the Board must prepare a special declaration concerning remuneration of senior employees. Pursuant to the Public Limited Liability Company Act Section 5-6, third paragraph, the declaration must be presented to the AGM. The contents of the declaration are included in note 22 of SpareBank 1 SR-Banks ASA's 2015 financial statements.

The Board's declaration, cf. note 22 of the financial statements, is based on earlier guidelines, and such that the declaration takes into consideration the provisions of the Regulations governing remuneration schemes in financial institutions, investment firms and management companies dated 1 December 2010. The guidelines have two parts;

1. Guidelines for the coming fiscal year (presented for advisory vote).
2. Binding guidelines for shares, subscription rights, options, etc. for the coming fiscal year (presented for approval).

*Resolution proposal:*

*The AGM approves binding guidelines for shares, subscription rights, options etc., for the next fiscal year.*

*The AGM held a referendum on guidelines for pay and other benefits for senior employees for the next fiscal year.*

**Item 9                    Amendments to the articles of association**

The new Act on Financial Undertakings and Financial Groups (which entered into force on 1 January 2016) involves certain changes to the organisational structure of financial undertakings, including the fact that supervisory boards and control committees will no longer be company bodies. Changes to the rules on the composition of boards of directors have also been proposed. The proposed changes necessitate amendments to SpareBank 1 SR-Bank ASA's articles of association. The general meeting previously approved the dissolution of the control committee at its

meeting on 25 April 2015 with effect from the date the new Act on Financial Undertakings and Financial Groups enters into force.

The enclosed proposed amendments to the articles of association have been formulated in line with the proposed rules in the Act on Financial Undertakings and Financial Groups. In those areas where the Act on Financial Undertakings and Financial Groups does not stipulate special provisions, the amendments to the articles of association are based on the provisions of the Public Limited Liability Companies Act.

The proposed amendments primarily relate to organisational structure and more specifically those parts of the articles of association that govern the board of directors and supervisory board.

Of particular importance are the proposals to reduce the number of board members and dissolve the supervisory board, without it being proposed that a corporate assembly be established. Amendments to the provisions in the articles of association that delegate competence to make decisions or other tasks to the supervisory board are also proposed. The authority this currently has is delegated to other bodies such as the general meeting and board of directors. For example, it is proposed that the general meeting should elect the board members with the exception of the members that are elected by the employees. It is proposed that all references to the supervisory board be removed.

The articles of association of SpareBank 1 SR-Bank stipulate that bank committees can be set up in the municipalities in which the bank operates. It is proposed that the scheme be continued, but that the committees change their name to customer committees.

Some minor changes in the language are also proposed.

Since it is proposed that a number of provisions in the articles of association being annulled, there is, finally, a need to change the numbers of most of the provisions. It is therefore proposed that the numbering be updated in line with the amendments.

The board of directors proposes that the amendments to the articles of association shall apply from the date the amendments are approved by the Financial Supervisory Authority of Norway. It is proposed that amendments that relate to the supervisory board and nomination committee should apply from 10 June 2016. The supervisory board will hold its final meeting on 9 June 2016 in which the election of board members will take place. From and including the next ordinary election in 2017, the general meeting will be responsible for electing the board of directors and its members.

A copy of the articles of association with the amendments incorporated are enclosed. Current articles of association is available on [www.sr-bank.no/Investor Relations](http://www.sr-bank.no/Investor_Relations).

*Resolution proposal:*

*The general meeting adopted the proposed amendments to the articles of association. The amendments shall come into effect from the date the Financial Supervisory Authority of Norway has approved the amendments, although it should*

*be noted that it is proposed that the amendments concerning the supervisory board and nomination committee should apply from 10 June 2016.*

## Item 10

### **Election of chair and member of the Nomination Committee**

The bank's Articles of Association (assuming a positive decision on item 8) stipulate that the Nomination Committee comprises up to five members that are elected by the general meeting for a period of 2 years. Sparebankstiftelsen SR-Bank must also be represented on the Nomination Committee.

The Nomination Committee, which consists of Per Sekse, Hilde Lekven, Helge Baastad and Thomas Fjelldal Gaarder, unanimously proposes:

Chairman:

Per Sekse, Sandnes, (re-election)

Members:

Helge Leiro Baastad, Oslo (re-election)

Tom Tvedt, Randaberg, (new)

Kristian Eidesvik, Bømlo (new)

Kirsti Tønnesen, Stavanger (new)

To ensure continuity in its work, the Nomination Committee proposes Per Sekse as Chairman of the Nomination Committee. Per Sekse has not been involved in the Nomination Committee's discussions of this matter. Sekse was elected as Chairman for the first time in 2014.

Tom Tvedt and Helge Leiro Baastad represent the bank's two largest owners, Sparebankstiftelsen SR-Bank and Gjensidige Forsikring ASA respectively. Pursuant to the bank's Articles of Association, Sparebankstiftelsen SR-Bank must be represented on the Nomination Committee. Kristian Eidesvik is former chairman of SpareBank 1 SR-Bank ASA and is thus very familiar with the group. He also has a broad business network as a result of many years of experience. Kirsti Tønnesen is the chief executive of waste management company Westco AS, which in turn is a major local shareholder in SpareBank 1 SR-Bank ASA.

Further information about the candidates (no. of shares held in brackets):

**Per Sekse**, born 1956, Sandnes, lawyer with own practice, Advokatfirma Sekse & Co. AS. Chair of the nomination committee since 2014. (1,625)

**Helge Leiro Baastad**, born 1960, Oslo, chief executive of Gjensidige Forsikring ASA. He sits on the boards of Finance Norway and Young Entrepreneurship. Member of the nomination committee since 2012. (26,808,416)

**Kirsti Tønnesen**, born 1967, Stavanger, chief executive of Westco AS. Holds a number of board positions in companies in the Westco system in her capacity as chief executive. (1,577,534)

**Tom Tvedt**, born 1968, Randaberg. Mayor of Randaberg from 1999 to 2007 and county mayor of Rogaland from 2007 to 2011. He is the president of the Norwegian Olympic and Paralympic Committee and Confederation of Sports and chair of the board of Sparebankstiftelsen SR-Bank. (72,419,305)

**Kristian Eidesvik**, born 1945. Eidesvik has built up his own companies, including Wilson AS and Caiano AS, in property and shipping. Chair of the board of SpareBank 1

SR-Bank from 2006-2013. Holds a number of board positions in his own companies. (91,982)

The Nomination Committee becomes active from the time the Supervisory Board is dissolved, i.e. from 10 June 2016, cf. decision on item 8.

*Resolution proposal:*

*The AGM adopts the Nomination Committee's proposal for election of Chairman and 4 members to the Nomination Committee for a two year period up to the 2018 AGM.*

## **Item 11**

### **Amendments to the nomination committee's instructions**

A new Act on Financial Undertakings and Financial Groups necessitates certain changes to organisational structure, ref. item 8. The board of directors therefore proposes amendments to the instructions that follow from this. The nomination committee's duties relating to recommendations concerning the election of the supervisory board and control committee shall be struck out. In addition to this, it is proposed that other references to the supervisory board be removed.

The proposal for the nomination committee's instruction is enclosed.

*Resolution proposal:*

*The general meeting approved the proposed amendments to the nomination committee's instructions.*

## **Item 12**

### **Authority to acquire the bank's own shares, and use the bank's shares as security for borrowing**

Public limited companies may only buy back or charge on shares issued by the company under the authority of the Annual General Meeting, cf. the Public Limited Liability Company Act Sections 9-4 and 9-5. According to the Group's remuneration scheme, variable remuneration to employees is paid half in cash and half in shares issued by SpareBank 1 SR-Bank ASA. In connection with this, the company must acquire its own shares. The company also has the opportunity to charge on customers' VPS accounts as collateral for loans. As such VPS accounts may include shares in SpareBank 1 SR-Bank ASA, it may in such cases be appropriate to charge own shares. The Board is currently authorized to acquire and charge own shares, and this is an extension of the existing authorization.

The board proposes that the AGM adopts the following resolution:

- *The Board is authorized to acquire the bank's own shares, and to pledge them as security for borrowing, to a total value of NOK 490,000,000 within the limits laid down by the law and regulations.*
- *All previous authorities granted to the Board to acquire the bank's shares or pledge them as security for borrowing were rescinded.*
- *The total holding of shares the bank owns and/or has pledged by agreement cannot exceed 10% of the bank's share capital.*

- *The minimum amount which can be paid for the shares is NOK 1, and the maximum amount is NOK 150. This framework also applies to shares pledged by agreement, so that the liability pledged must fall within the limit.*
- *Acquisition of shares shall be executed by purchases on the securities market via the Oslo Stock Exchange, and sales will be made on the same market, possibly as targeted sales to employees within the applicable laws and regulations. Shares acquired shall also be usable for the provision of bonuses to employees.*
- *If the bank's own shares are to be sold, the authority also extends to the purchase of new shares to replace those sold, as long as the total shareholding of the bank's own shares does not exceed NOK 490,000,000.*
- *The authority applies for 12 months from adoption by the AGM.*

### **Item 13**

#### **Authority to issue hybrid tier 1 securities and subordinated notes**

The Board has previously been authorized to take out hybrid tier 1 securities and subordinated notes. Such authorization is used in connection with the refinancing of debt and/or to strengthen the bank's capital if market or regulatory requirements should necessitate this. The issuing of hybrid tier 1 securities and subordinated notes does not involve any dilution of the owners. The Board proposes that the General Meeting adopts the following resolution;

*The General Meeting grants the Board authorization to issue hybrid Tier 1 securities and raise subordinated loan capital, together or individually, distributed as follows:*

*Hybrid Tier 1 securities: NOK 3,000,000,000 or the corresponding in currency.*

*Perpetual subordinated notes: NOK 3,000,000,000 or the corresponding in currency.*

*Non-perpetual subordinated notes: NOK 3,000,000,000 or the corresponding in currency.*

*All previous authorities given to the board for taking out Hybrid Tier 1 securities and subordinated notes were withdrawn.*

*The authority applies for 18 months from adoption by the AGM.*