

## SpareBank 1 SR-Bank ASA – Invitation to Annual General Meeting, Thursday, 24 April 2019 at 18:00 in Stavanger.

The shareholders of SpareBank 1 SR-Bank ASA are hereby invited to attend the annual general meeting on Thursday, 24 April at 18:00 in SpareBank 1 SR-Bank's premises in Bjergsted Terrasse 1, Stavanger. The general meeting will be opened by the chair of the board, cf. section 5-12, first paragraph, of the Public Limited Liability Companies Act.

The agenda will be as follows:

- Item 1**            **The chair of the board opens the general meeting.**
- Item 2**            **Approval of the notice and agenda.**
- Item 3**            **Election of one person to sign the general meeting minutes together with the chair of the meeting.**
- Item 4**            **Approval of the annual accounts and annual report for 2018, including distribution of profit/loss for the year**
- Item 5**            **Corporate governance in SpareBank 1 SR-Bank**
- Item 6**            **Approval of the auditor's fees.**
- Item 7**            **Declaration from the board of directors concerning the remuneration of executive personnel.**
- Item 8**            **Elections to the board.**
- Item 9**            **Approval of the remuneration rates.**
- Item 10**           **Instructions for the Nomination Committee**
- Item 11**           **Authority to acquire the bank's own shares, and use the bank's shares as security for borrowing.**
- Item 12**           **Authority to issue hybrid tier 1 securities and subordinated loans.**
- Item 13**           **Authority for the board to increase share capital by issuing new shares**

### **Registration**

Intention to attend the general meeting, whether in person or by proxy, must be registered by Tuesday, 23 April 2019 at 16:00. You can register electronically via VPS Client Services or on the company's website. [www.sr-bank.no](http://www.sr-bank.no). Registration can also be completed by submitting the enclosed form to: SpareBank 1 SR-Bank ASA, c/o Drift Verdipapirtjenester, P.O. Box 250, 4066 Stavanger, Norway or [dvt@sr-bank.no](mailto:dvt@sr-bank.no).

Shareholders unable to attend in person may choose to 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. section 4-10 of the Public Limited Liability Companies Act, 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 Liability 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. Each shareholder is entitled to attend the general meeting and to vote for the number of shares for which they are registered as the shareholder in VPS on 23 April 2019.

As at 27 March 2019, the company holds 235,206 treasury shares without voting rights. Given this, the number of shares with voting rights is 255,515,876. The exact number of shares with voting rights will be announced at the general meeting.

Shareholders have the right to present alternatives to the board of director's proposals under the agenda items the general meeting will consider, provided that the alternative proposal is within the scope of the agenda item listed for discussion.

The following documents for the annual general meeting are available from the company's website, [sr.bank.no/](http://sr.bank.no/):

- 2018 Annual Report.
- Information about matters the meeting will consider.
- Instructions for the Nomination Committee
- Registration form and form for authorising a proxy for the general meeting (also enclosed with this notice).
- Information on the shareholders' right to make decision proposals etc. and right to demand information pursuant to sections 5-11 and 5-15 of the Norwegian Public Limited Liability Companies Act.

Shareholders wishing to receive the annual report in the post must submit their full name and address to:

Email: [seri.berge@sr-bank.no](mailto:seri.berge@sr-bank.no)

For other enquiries please call: +47 91 52 57 22/+47 90 65 21 73.

Please note that for technical reasons, voting forms must be collected by 18:00 in the meeting venue.

Stavanger, 3 April 2019

Dag Mejdell  
Chair of the Board

## INFORMATION ON ITEMS TO BE CONSIDERED

### **Item 4 Approval of the annual accounts and annual report for 2017, including distribution of profit/loss for the year.**

Pursuant to section 5-6 of the Public Limited Liability Companies Act and article 4-3 of the articles of association, the general meeting must approve the annual financial statements and annual accounts, including distribution of the dividend. The board considered the annual financial statements and annual report for 2018 in a board meeting on 7 March 2019 and presents these to the general meeting for their resolution. Please also refer to the annual report for 2018.

#### *Resolution proposal:*

*The general meeting approves the Board's proposal for the annual financial statements and annual report for 2018, along with its proposal for distribution of profits, including payment of a dividend of NOK 4.50 per share to owners of shares as of 24 April 2019, with payment on 3 May 2019. The shares in SpareBank 1 SR-Bank ASA will be listed as ex-dividend on 25 April 2019.*

### **Item 5 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 32) 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 6 Approval of the auditor's fees.**

Pursuant to section 7-1, second paragraph, of the Public Limited Liability Companies Act 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 7 March 2019 the board decided to present the following proposal: "The board proposes that the general meeting approves the auditor's fees for the audit of SpareBank 1 SR-Bank ASA of NOK 3.055 million for 2018."

#### *Resolution proposal:*

*The general meeting approves the auditor's fees for 2018.*

### **Item 7 Declaration from the board of directors concerning the remuneration of executive personnel.**

Pursuant to section 6-16a of the Public Limited Liability Companies Act, the board must prepare a special declaration concerning remuneration of senior employees. Pursuant to section 5-6, third paragraph, of Public Limited Liability Companies Act, the declaration must be presented to the general meeting. The contents of the declaration are included in note 22 of SpareBank 1 SR-Banks ASA's 2018 financial statements. The board's declaration, cf. note 22 of the financial statements, is based on earlier guidelines. 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 general meeting approves binding guidelines for shares, subscription rights, options etc., for the next fiscal year.*

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

#### **Item 8 Elections to the board**

The general meeting shall, pursuant to section 6-3 of the Public Limited Liability Companies Act and article 3-1 of the articles of association, elect the board's members, except for the members elected by the employees. The election shall take place based on the recommendations of the nomination committee, which has consisted of Per Sekse (chair), Kirsti Tønnessen, Tore Heggheim, Gunn-Jane Håland og Torbjørn Gjelstad. The board currently has the following shareholder-elected members:

	(elected until)
Dag Mejdell (Chairman)	(2020)
Birthe Cecilie Lepsøe	(2020)
Therese Log Bergjord	(2020)
Kate Henriksen	(2019)
Tor Dahle	(2019)
Jan Skogseth	(2019)

The nomination committee has reviewed the board's self-assessment and has met with the Chair of the Board and the CEO. The nomination committee has also met with the board members who are up for election in 2019. The nomination committee works continuously to identify skills and experience that will be able to strengthen the Board as a whole with the aim of ensuring that the bank has a highly competent and broadly composed Board with committed members who have the necessary capacity to perform tasks in the bank's best interest. It is the opinion of the nomination committee that the current Board works well and that the current composition is appropriate for facing the Group's challenges.

On this basis, it proposes the re-election of Kate Henriksen, Tor Dahle and Jan Skogseth as board members. A presentation of the Board is enclosed.

#### *Resolution proposal:*

*The general meeting re-elected Kate Henriksen, Tor Dahle and Jan Skogseth as board members with a term of up to two years.*

#### **Item 9 Approval of the remuneration rates.**

Pursuant to article 4-3 of the company's articles of association, the general meeting shall determine the remuneration of the officers of the company. The nomination committee has reviewed and assessed the remuneration rates and compared these with the levels of corresponding remuneration in a broad selection of comparable companies. Based on this, the nomination committee presents the following proposal:

The nomination committee wishes to improve the chair of the board's terms and conditions and proposes that the chair's remuneration shall be raised from NOK 550,000 to NOK 600,000 per annum. The remuneration of other board members shall be adjusted from NOK 250,000 to NOK 275,000 per annum.

The nomination committee wishes to improve the chair of the nomination committee terms and conditions and proposes that the chair's remuneration shall be raised from NOK 45,000 to NOK 60,000 per annum and from NOK 3,500 per meeting to NOK 6,00 per meeting.

The nomination committee wishes to improve the members of the nomination committee terms and conditions and proposes that the remuneration shall be raised from NOK 3,500 per meeting to NOK 5,000 per meeting and NOK 15,000 per annum.

#### *Resolution proposal:*

*The general meeting approves the nomination committee's proposal concerning remuneration rates for the board and the nomination committee.*

## **Item 10 Instructions for the Nomination Committee**

The European Banking Authority (EBA) prepares recommendations for assessing best practices for business management and in 2017 it published updated guidelines for internal governance and control (GL 11 Guidelines on Internal Governance), formerly GL44. The EBA takes a holistic approach in its guidelines to governance and control in financial companies. The Nomination Committee proposes to amend the instructions for the Nomination Committee based on GL 11's recommendations.

*Resolution proposal:*

*The general meeting approved the instructions for the Nomination Committee.*

## **Item 11 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. section 9-4 and 9-5 of the Public Limited Liability Companies Act. 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. Furthermore, a separate share saving program has been established for employees where employees are invited to save a fixed amount per month to buy shares in the bank. 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 authorised to acquire and charge own shares, and this is an extension of the existing authorisation.

*The board proposes that the general meeting adopts the following resolution:*

- *The board is authorised 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.*
- *The shares shall be acquired 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 treasury shares are sold, the authority also extends to the purchase of new shares to replace those sold, as long as the total shareholding of treasury shares does not exceed NOK 490,000,000.*
- *The authority applies for 12 months from adoption by the general meeting.*
- *The authorization may be delegated.*

## **Item 12 Authority to issue hybrid tier 1 securities and subordinated notes**

The board has previously been authorised to take out hybrid tier 1 securities and subordinated notes. Such authorisation 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 authorisation 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 equivalent amount in a foreign currency.*

*Perpetual subordinated loans: NOK 3,000,000,000 or the equivalent amount in a foreign currency.*

*Dated subordinated loans: NOK 3,000,000,000 or the equivalent amount in a foreign currency.*

*All previous authorities given to the board for taking out hybrid tier 1 securities and subordinated loans were*

*withdrawn. The authority applies for 18 months from adoption by the general meeting. The authorization may be delegated.*

**Item 13 Authority for the board to increase share capital by issuing new shares**

The board proposes that the general meeting authorises the board to increase the company's share capital by up to 10%, or up to NOK 639,377,700, by issuing up to 25,575,108 shares, ref. section 10-14 of the Public Limited Liability Companies Act.

In the opinion of the board, it would be appropriate for it to be able to raise capital should there be a need to secure an optimal capital structure and it is therefore asking the general meeting for authority to increase the company's share capital. When increasing share capital, it is a condition that Sparebankstiftelsen SR-Bank's ownership interest in the company must not fall below 25% due to an increase in share capital.

*The board proposes that the general meeting adopts the following resolution:*

- *The board is hereby granted authority to increase the company's share capital, via one or more resolutions, by up to NOK 639,377.700 by issuing a maximum of 25,575,108 shares, each with a nominal value of NOK 25, ref. section 10-14 of the Public Limited Liability Companies Act.*
- *The subscription process and other terms and conditions, including who is eligible to subscribe to the new shares, minimum and maximum subscriptions, payment dates for the new shares, and the date from when the new shares confer shareholder rights, shall be determined by the board.*
- *The board shall be able to decide that shareholders' preferential rights pursuant to section 10-4 of the Public Limited Liability Companies Act shall be waived. The authority does not include increasing share capital in return for deposits in assets other than money or the right to assume special obligations on behalf of the company, ref. section 10-2 of the Public Limited Liability Companies Act, and nor does it include decisions concerning mergers, ref. section 13-5 of the Public Limited Liability Companies Act.*
- *The board shall amend the company's articles of association to reflect the capital expansion and the change in the number of shares.*
- *The authority shall apply until the next ordinary general meeting.*

BOARD OF SPAREBANK 1 SR-BANK ASA

Dag Mejdell (1957) was the CEO of Posten Norge AS from 2006 until 2016. He is a former President and CEO of Dyno Nobel ASA and Dyno AS. Mejdell trained as a business economist at the Norwegian School of Economics

in Bergen. Chair of the Board of SpareBank 1 SR-Bank ASA since June 2016. Chair of the Boards of Norsk Hydro ASA, NSB AS, Visolit Finco AS and International Post Corporation CV. Deputy chair of the Board of SAS AB.

Birthe Cecilie Lepsøe (1971) is a partner in Vest Corporate Advisors. She was previously the finance manager in Grieg Shipping Group, Bergen, and also has many years of experience from DnB's shipping division. Lepsøe trained as a business economist BI Norwegian Business School. Board member of SpareBank 1 SR-Bank ASA since June 2008. Board member of Smedvig Eiendom AS, Smedvig Capital AS, Smedvig AS, Inventura Group AS and Belships ASA. Chair of the Board of Askøy Kommunale Eiendomsselskap AS.

Kate Henriksen (1960) is the CEO of Miles Bergen AS. She was formerly the divisional director, retail market, at Sparebanken Vest. Henriksen studied Business Administration at the Norwegian School of Economics and Business Administration. She has also studied information technology and automation at Bergen College of Engineering. Board member of SpareBank 1 SR-Bank ASA since June 2015. Board Member of Miles Bergen AS.

Tor Dahle (1952) is the general manager at Sparebankstiftelsen SR-Bank. He has experience from various management positions at SpareBank 1 SR-Bank ASA, including as CFO and more recently as Managing Director at SR-Investering AS. Dahle trained as a business economist at the Norwegian School of Economics. Board member of SpareBank 1 SR-Bank ASA since June 2013. Chair of the Board of EM Software Partners AS and the Norwegian Savings Banks Association.

Jan Skogseth (1955) was the CEO of Aibel AS from 2008 until 2016. He has 35 years of experience from the oil, gas and renewables industries, from oil companies and from oil industry supplies, nationally and internationally. He trained at the South Dakota School of Mines & Technology. Board member at SpareBank 1 SR-Bank ASA since April 2017. Board member at Scatec Solar ASA, PSW Technology AS and Gassco AS.

Therese Log Bergjord (1965) is CEO of Skretting Group. Former Nordic Managing Director of Compass Group, Director of ESS Support Services AS, Norwegian and Global Sales Director in Skretting, and CFO and Commercial Director in Pan Fish ASA. She is graduated at the University of Stavanger - finance/economics, marketing and entrepreneurship. Member of the Board of SpareBank 1 SR-Bank ASA since April 2017.

*These invitation have been drafted in Norwegian language with an unofficial English translation. In case of discrepancy between the Norwegian and English version, the Norwegian version shall prevail.*