

Minutes of meeting of the Board of Trustees

Sandnes Sparebank

Meeting of the Board of Trustees, Thursday March 28th 2019, 7:00 PM

Agenda

- 1. Information about the business by CEO Trine Stangeland**
 - 2. Annual Report for 2018**
 - Directors' Report
 - Annual Accounts (profit and loss statement, balance sheet and notes to the accounts) for Sandnes Sparebank and the Group
 - Auditor's report
 - Distribution of profits, incl. customer dividend
 - 3. Gift Fund distribution 2018**
 - 4. Remuneration for internal auditor 2018**
 - 5. Remuneration for representatives 2019**
 - 6. Authorization to the Board of Directors to repurchase Equity Capital Certificates**
 - 7. Authorization to the Board of Directors to Issue Equity Capital Certificates**
 - 8. Authorization to the Board of Directors for Tier 1 and Tier 2 capital**
 - 9. Authorization to the Board of Directors for allotment of gifts from the Gift Fund**
 - 10. Election of Board members and members of the sub-committees of the Board of Trustees**
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Notice of the meeting with the agenda was sent by letter on February 22th 2019.

The Chairman of the Board of Trustees, Ørjan Gjerde, welcomed everybody and chaired the meeting.

There were 39 trustees present entitled to vote, and 2 trustees present not entitled to vote.

There were no comments to the agenda or the notice of the meeting.

In addition to the Chairman of the Board of Trustees, Ørjan Gjerde, Signe J. Nijkamp and Bjørn Eknes were elected to sign the minutes of the meeting.

1. INFORMATION ABOUT THE BUSINESS

Harald Espedal, the Chairman of the Board of Directors, opened the meeting with perspectives from the Board of Directors.

Trine Karin Stangeland, CEO, gave a brief presentation of the performance of Sandnes Sparebank in 2018, as well as the strategy going forward.

2. ANNUAL REPORT FOR 2018

- **Directors' Report**
The Chairman of the Board of Trustees, Ørjan Gjerde, reviewed the Directors' Report.
- **Annual Accounts (profit and loss statement, balance sheet and notes) for Sandnes Sparebank and the Group.**
The Chairman of the Board of Trustees reviewed the financial statements, general accounting principles, cash flow statement and notes to the accounts for Sandnes Sparebank and the Group for 2018.
- **Auditor's report**
The Chairman of the Board of Trustees presented the Auditor's report for 2018.
- **Distribution of profits, incl. customer dividend**
The Chairman of the Board of Trustees presented the proposed distribution of profits.

Proposal: The Board of Trustees approved the annual report for 2018.

The annual report was unanimously approved.

The Board of Trustees unanimously approved the 2018 financial statement for Sandnes Sparebank in accordance with the proposal from the Board of Directors, with the following allocation of profits:

The Board proposes the following allocation	Amount (NOK million)
Distribution	207,8
Dividend to ECC-holders	119,7
Equalisation fund	16,5
Primary capital fund	8,7
Gift fund/Customer dividend	63,0
Holder of hybrid T1-instruments	1,2
From fund of unrealized P/L	-1,3
Total proposed profits for distribution	207,8

The date for disbursement of dividends on equity capital certificates will be April 10th, 2019.

3. Gift Fund distribution 2018

The Chairman of the Board of Trustees presented item 1 of the Managing Director's report.

Proposal: The Board of Trustees approves the Gift Fund distribution 2018.

The proposal was unanimously adopted.

4. Remuneration for internal auditor 2018

The Chairman of the Board of Trustees presented the internal auditor's remuneration for 2018.

Proposal: The Board of Trustees approves the remuneration for internal auditor 2018.

The proposal was unanimously adopted.

5. Remuneration for representatives 2019

The Chairman of the Nomination Committee, Dag Halvorsen, held an orientation of the Directors' fees, fees for Board committees, to Trustees, the Nomination Committee and the Gift Fund Committee. It was proposed that the fees paid to elected officials should increase by 10 %, apart from the Chairman of the Nomination Committee that will increase from NOK 15 000 to NOK 25 000.

Proposal: The Board of Trustees approves the remuneration for representatives 2019.

The proposal was unanimously adopted.

6. Authorization to the Board of Directors to repurchase Equity Capital Certificates

Deputy CEO/CFO, Tomas Nordbø Middelthon, held an orientation on the item.

Proposal: The Board of Trustees authorizes the Board of Directors to acquire and establish pledge on its own equity certificates in accordance with the Act on Financial Institution and Finance Group on the following grounds:

1. The Bank can in one or several transactions acquire own equity certificates
2. Total face value of won equity certificates cannot exceed 10% of the Bank's total issued equity certificates
3. Acquisition or sale shall be done on Oslo Børs or other regulated market. The authorization can be utilized in conjunction with the Banks incentive or savings scheme.
4. The Bank can buy SADG with a total face value of MNOK 23.015 (corresponding to 2,314,900 SADG). The lowest purchase price is NOK 1 and highest NOK 150 per certificate.
5. The Bank is to be treated as an insider in the transaction.
6. The authorization can be utilized from that point in time when it:
 - a. Is approved by the Norwegian FSA (Finanstilsynet), and
 - b. Is registered in the Business Enterprise Registry

7. The authorization can be utilized until ordinary meeting of Board of Trustees in 2020, but no later than 18 months from today.

The proposal was unanimously adopted.

7. Authorization to the Board of Directors to Issue Equity Capital Certificates

Deputy CEO/CFO, Tomas Nordbø Middelthon, held an orientation on the item.

Proposal: The Board of Trustees authorizes the Board of Directors to increase the bank's share capital. The Board of Trustees gives the Board of Directors authorization to increase the bank's capital by up to NOK 230.000.000 (MNOK 230) by issuance of new equity capital certificates in one or more transactions.

1. The power of attorney is only valid for an increase in capital of up to NOK 230,000,000 (MNOK 230).
2. The power of attorney is limited to maximum 2,301,490 equity capital certificates with a nominal face value of NOK 10, in total NOK 23,014,900.
3. The Board of Directors has the power to determine the final subscription price and the number of equity capital certificates to be issued.
4. The Board of Directors determines changes in the Articles of Association when the power of attorney is utilized.
5. The power of attorney is valid for 2 years.
6. The power of attorney is contingent on approval from Finanstilsynet, and shall be registered in the Register of Business Enterprises.
7. The capital increase may be carried out in a manner, and within a time period, deemed appropriate by the Board of Directors.
8. The power of attorney gives the right to deviate from the pre-emptive rights of equity certificate holders to new equity certificates pursuant to section 10-10 (3) of Finansforetaksloven.
9. According to Aksjeloven section 10-2, the settlement of equity capital contributions cannot be made with assets other than money, and the authorization does not include the right to incur specific duties on the Bank.
10. The power of attorney does not include capital increases in connection with a merger.

The proposal was unanimously adopted.

8. Authorization to the Board of Directors to issue Tier 1 and Tier 2 capital

Deputy CEO/CFO, Tomas Nordbø Middelthon, presented the item.

Proposal: The Board of Trustees authorizes the Board of Directors to raise subordinated capital up to NOK 800.000.000.

The proposal was unanimously adopted.

9. Authorization to the Board of Directors for allotment of gifts from the Gift Fund

The Chairman of the Board of Trustees presented the item.

Proposal: The Board of Trustees approves the authorization to the Board of Directors for allotment of gifts from the Gift Fund.

The authorization was unanimously adopted.

10. Election of Board members and members of the sub-committees of the Board of Trustees

The Chairman of the Nomination Committee, Dag Halvorsen, gave an orientation of the committee's recommendation with respect to Directors and sub-committees of the Board of Trustees.

Proposal: The Board of Trustees approves the Nomination Committees recommendation of Board members and members of the sub-committees of the Board of Trustees.

The recommendation of the Nomination Committee was unanimously adopted.

Sandnes, 3/28/2019

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