



Articles of Association for Sandnes Sparebank

CH 1. NAME OF COMPANY. REGISTERED OFFICE. OBJECTIVE.

§1-1. Name of company and registered office

Sandnes Sparebank maintain its registered office in the municipality of Sandnes.

Sandnes Sparebank was formed by an amalgamation of the following banks: Sandnes Sparebank, founded December 04, 1875, Høle Sparebank, founded November 02, 1912, affiliated to Sandnes Sparebank on December 31, 1965, and Acta Bank ASA, founded September 10, 2000, of which operations were acquired by Sandnes Sparebank in 2004.

§1-2. Objective

The Savings Bank's objective is to undertake the business and services that it is usual or natural for savings banks to undertake in accordance with the at all times applicable legislation and licenses granted.

CH 2. THE EQUITY CAPITAL OF THE SAVINGS BANK

§2-1 Primary capital

The primary capital of the savings bank was NOK 10,380, and has been repaid.

Neither the founders nor other persons are entitled to dividends from the business, beyond dividends on the savings bank's equity capital.

§2-2 Equity capital

The savings bank is allowed to issue transferrable equity capital certificates. The equity capital certificates shall be registered with the Norwegian Registry of Securities.

The savings bank's equity capital is NOK 230,149,020, made up of 23,014,902 equity capital certificates with a nominal value of NOK 10.

CH 3. BOARD OF TRUSTEES

§3-1 Board of Trustees

The Board of Trustees is the supreme authority of the savings bank.

The Articles of Association as amended by a resolution by the Board of Trustees on 10/16/2017
Office translation

The Board of Trustees shall consist of 40 Trustees and 11 Deputy Trustees.

The Trustees and Deputy Trustees have to attend meetings in person. It is not possible to attend meetings by proxy or assisted by advisors.

§3-2 Composition of the Board of Trustees

10 Trustees and 2 Deputy Trustees are elected by and from the depositors of the savings bank.

5 Trustees and 2 Deputy Trustees are elected by public authorities.

10 Trustees and 3 Deputy Trustees are elected by and from the employees.

15 Trustees and 4 Deputy Trustees are elected by and from the holders of equity capital certificates.

§3-3 Trustee election

Persons of full age and legal capacity may be elected as Trustees.

Trustees and Deputy Trustees are elected for a period of 4 years.

The Board of Trustees will provide further instructions regarding elections.

The authority to provide further instructions regarding elections may be delegated to the Board of Directors.

Election disputes will be settled by the Financial Supervisory Authority of Norway, where this follows from law or regulation.

§3-4 Trustees elected by customers

Savings bank customers of full age and legal capacity, who has had a client relationship with the bank during the past six months, worth at least NOK 2,500 of credit or deposits, are eligible to vote for the Trustees elected by the customers. Each customer relationship is entitled to one vote, unless otherwise provided by law or regulation.

Savings bank customers of full age and legal capacity, who has had a client relationship with the bank during the past six months, worth at least NOK 2,500 of credit or deposits, are eligible to be elected as a Trustee or Deputy Trustee representing the customers.

§3-5 Trustees elected by public authorities

The Council of the Municipality of Sandnes will elect Trustees and Deputy Trustees.

Unless otherwise provided by law or regulation, the Municipal Council is free to elect the candidates it thinks are best suited to represent the community capital and the interests of the local community.

§3-6 Trustees elected by employees

The employees of the savings bank are eligible to vote in the election of the Trustees representing them.

Any employee of the savings bank is eligible for election as Trustee or Deputy Trustee, representing the employees of the savings bank.

§3-7 Trustees representing the holders of equity capital certificates

Holders of equity capital certificates or their representatives, are eligible for election as Trustees representing the equity capital certificates holders. Each equity capital certificate confers one vote.

Any holder of equity capital certificates, or his/her representative, may be elected as a Trustee or Deputy Trustee of the savings bank.

The election of holders of equity capital certificate or their representatives as Trustees shall take place in an election meeting convened each year by the end of the month of March.

The election meeting will decide any disputes regarding voting rights and eligibility. The holders of equity capital certificates may not vote on resolutions regarding their own voting rights or eligibility. In case of a tied vote, the vote of the Chair of the meeting shall prevail.

§3-8 Notice of meetings of the Board of Trustees

The ordinary general meeting of the Board of Trustees shall be convened by the end of March each year.

When the documents that pertain to cases to be considered by the Trustees have been made available to the Trustees on the savings bank's website, the legal requirements of sending the documents to the Trustees, shall not apply. This also applies to documents that are legally required to be included in or attached to the notice of the meeting of the Board of Trustees. However, a Trustee may demand to be sent the documents pertaining to cases to be considered by the Board of Trustees.

Trustees who wish to attend the meeting of the Board of Trustees, shall notify the savings bank as soon as possible, and no later than five days prior to the meeting. Trustees who have not given notice of their participation by this time limit, may lose their right to vote at the meeting. Deputy Trustees are called when Trustees are unable to attend.

The Articles of Association as amended by a resolution by the Board of Trustees on 10/16/2017
Office translation

§3-9 Meetings and resolutions by the Board of Trustees

Each Trustee has one vote.

Resolutions are passed by the Board of Trustees by simple majority of the votes cast, unless otherwise provided by these Articles of Association. In case of a tied vote, the vote of the Chair of the meeting shall prevail.

The Board of Trustees is quorate when half the Trustees are present.

In case of resolutions calling for a capital increase through a rights issue, there also has to be a majority of the Trustees representing the equity capital certificate holders, voting for the resolution.

§3-10 The responsibilities of the Board of Trustees

In its annual general meeting, the Board of Trustees shall deliberate and decide the following matters:

- Election of the Chairman and Deputy Chairman of the Board of Trustees for 2 years
- Approval of the annual financial statements and the annual report, including allocation of profits / distribution of dividends
- Other matters, that according to law or the Articles of Association, are the responsibility of the Board of Trustees

The Chairman of the Board of Trustees is subject to the rules regarding credit to employees/elected officials.

CH 4. BOARD OF DIRECTORS AND GENERAL MANAGEMENT

§4-1 The composition and responsibilities of the Board of Directors

The Board of Directors consists of 5 to 7 regular Directors elected by the Board of Trustees.

In addition, the employees of the savings bank may, demand representation on the Board of Directors according to the law. Directors to be elected by the employees shall be nominated and elected directly among the permanent employees.

The Chairman and Deputy Chairman of the Board of Directors are elected separately for a period of 2 years.

Directors are elected for a period of 2 years.

The responsibilities of the Board of Directors follow from laws and regulations.

The Board of Directors is quorate when more than half the Directors are present. In case of a tied vote, the vote of the Chairman or the chair of the meeting shall prevail.

§4-2 Managing Director

The savings bank shall have a Managing Director as its general manager. The Managing Director is appointed by the Board of Directors.

The responsibilities of the Managing Director follow from laws, regulations and a separate instruction adopted by the Board of Directors.

CH. 5 NOMINATION COMMITTEE

§5-1 Composition of the Nomination Committee

The Board of Trustees shall elect a Nomination Committee consisting of 4 members and 4 deputy members. The Nomination Committee shall have representatives from all four groups constituting the Board of Trustees. The members are elected for periods of two years at a time. The Chairman is elected first by the Committee. A member that steps down may not be reelected if this will result in his/her continuous term of office will exceed 6 years. In such cases, reelection is only possible after this person has not been a member of the Nominating Committee for at least 1 year.

§5-2 The work of the Nomination Committee

The Nomination Committee shall prepare the election of the Board of Trustees, the Board of Directors and the Nomination Committee, unless otherwise provided by law, regulation or these Articles of Association.

The Nomination Committee shall propose compensation to elected officials and the Auditor.

The Board of Trustees will provide further instructions regarding the Nomination Committee.

CH. 6 ALLOCATION OF PROFITS AND COVERAGE OF LOSSES

§6-1 Ownership fractions

The primary capital of financial enterprises that are not organized as a limited company or public limited company, consists of paid-up capital that is not equity capital (primary capital), subsequent retained earnings, and other capital attributed to the primary capital, including the gift fund and compensation reserves.

The equity capital of financial enterprises that are not organized as a limited company or public limited company, consists of paid-up capital that, according to the Articles of Association, is attributed to equity capital certificates that provide ownership rights in the enterprise, and subsequent retained earnings, including equalization reserves and premium reserves.

§6-2 Application of profits

Annual profits should be allocated pro rata according to ownership shares, between the Bank's primary capital and equity certificate capital. Dividend money may be used for dividend on the equity certificate capital or for gifts for generally beneficial purposes, transferred to the Gift Fund or be transferred to a foundation with generally beneficial purposes, or used for dividend to customers. Customers dividend are based on average loans and average deposits for private and corporate customers throughout the year divided by the number of months that the customer has had deposits and/or loans, upwards limited to NOK 2 000 000.

The profits on the Bank's activities, after deduction of dividends and allocation for gifts, shall be added to the Bank's equity capital.

§6-3 Coverage of loss

Losses according to the income statement for the most recent financial year shall first be sought covered by a pro rata transfer from primary capital, including the gift fund, and the parts of the equity capital exceeding the equity capital stipulated by the Articles of Association, including equalization reserves. Losses not covered in this way, shall be covered pro rata by transfer from premium reserves and compensation reserves. Further losses shall be covered by a reduction of the equity capital stipulated by the Articles of Association, and if necessary, the reduction of other capital.

CH 7. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

§7-1 Amendments to the Articles of Association

The Board of Trustees may adopt amendments of these Articles of Association. A resolution to amend the Articles of Association of the savings bank requires the vote of at least two thirds of the votes cast, and from at least half the Trustees.

CH 8. LIQUIDATION

§ 8-1 Decision to liquidate the savings bank

The Board of Trustees will consider the proposal from the Board of Directors for the liquidation of the savings bank. A resolution of liquidation has to be passed by the same majority as applies to amendments to the Articles of Association.

§8-2 Allocation of the assets of the savings bank in case of liquidation

In case of liquidation of the savings bank, the assets of the savings bank remaining after payment of all obligations and the allocation of the equity capital according to the law, shall be transferred to one or more savings bank foundations.