

Annual General Meeting P/F BankNordik 2019

The Annual General Meeting of P/F BankNordik will be held on **Thursday 21 March 2019 at 5 pm GMT**, at the Bank's head office at Oknarvegur 5 in Tórshavn, Faroe Islands.

Agenda

1. The Board of Directors' report on the company's activities in 2018
 2. Submission of Annual Report 2018 for adoption, including the annual accounts with the auditors' report
 3. Proposal for allocation of profit according to the adopted annual report
 4. Election of members to the Board of Directors
 - a. The Board of Directors proposes that the general meeting elects six Board Members to the Board of Directors
 - b. Election of members to the Board of Directors
 5. Appointment of external auditor(s)
 6. Proposal by the Financing Fund of 1992, and proposal by the Board of Directors to amend the Articles of Association
- Proposal for the
- a. Revoking the quorum-requirement in section 9.2. of the Articles of Association
 - b. Reduction of BankNordik's share capital according to article 4.1.
7. The Board of Directors' proposal to renew and extend the existing authority to acquire own shares
 8. The Board of Directors' proposal for remuneration of the Board of Directors in 2019
 9. Any other business

Re Item 1

The Board of Directors' report on the company's activities in 2018

The Board of Directors recommends that the general meeting take note on BankNordik's activities in 2018.

Re Item 2

Submission of Annual Report 2018 for adoption, including the annual accounts with the auditors' report

The Board of Directors proposes that the general meeting adopts the Annual Report 2018 including the annual accounts with the auditors' report.

Re Item 3

Proposal for allocation of profit according to the adopted annual report

The net profit of BankNordik for the year 2018 is DKK 262.1 million.

The Board of Directors proposes that the net profit for the year be allocated as follows:

Payment of dividend of DKK 7 per share of DKK 20, corresponding to DKK 70 million or 26.7% of the net profit for the year.

Transfer of DKK 192.1 million to "Retained earnings"

Please also refer to page 41 of Annual Report 2018.

Re Item 4

Election of members to the Board of Directors

a. According to Article 10 subsection 2 of the Bank's Articles of Association the general meeting shall elect a Board of Directors consisting of 4 (four) to 6 (six) directors to hold office until the next annual general meeting.

At the date of convening the annual general meeting, 6 candidates are nominated to the Board of Directors.

The Board of Directors proposes that the general meeting elects six Board Members to the Board of Directors.

b. Stine Bosse, Barbara P. Vang, Kim Jacobsen, Jógvan Jespersen and John Henrik Holm have accepted nomination for re-election as members of the Board of Directors.

In addition the Board of Directors proposes election of Gunnar Nielsen as member of the Board of Directors.

The Board of Directors proposes re-election of Stine Bosse, Barbara P. Vang, Kim Jacobsen, Jógvan Jespersen and John Henrik Holm, and election of Gunnar Nielsen as members of the Board of Directors.

For a description of the nominated candidates' qualifications, including information about other executive functions held by the proposed candidates, please see appendix 1. Also, a description is available at the Bank's website www.banknordik.com

Re Item 5

Appointment of external auditor(s)

The Board of Directors proposes re-appointment of Januar, løggilt grannskoðanarvirki P/F (authorized audit company), and re-appointment of PricewaterhouseCoopers Denmark Statsautoriseret Revisionspartnerselskab as external auditors.

Re Item 6

Proposal by the Financing Fund of 1992, and proposal by the Board of Directors to amend the Articles of Association

a. Revoking the quorum-requirement in section 9.2 of the Articles of Association

The Financing Fund of 1992 proposes to revoke the quorum requirement in section 9.2. of the Articles of Association when the annual general meeting decides on the Board of Director's proposals marked 6 b.

b. Reduction of BankNordik's share capital according to article 4.1.

The Board of Directors proposes to reduce BankNordik's share capital by DKK 8.000.000 nominally from DKK 200.000.000 to DKK 192.000.000 by cancelling part of BankNordik's holding of own shares.

The reduction of the share capital is legally considered as a distribution to the shareholders as the amount of the capital reduction has been paid out to BankNordik's shareholders as payment for shares acquired by BankNordik. If the proposal is adopted, BankNordik's holdings of own shares will be reduced by 400.000 shares of DKK 20 each. Those shares have been bought back under the BankNordik share buy-back programmes which have been carried out in the periods from 30 May 2016 to 30 December 2016, from 27 February 2018 to 31 May 2018, and from 6 August 2018 to 28 February 2019, for a total purchase price of DKK 39.604.828. This implies that, in addition to the nominal amount of the capital reduction, DKK 31.604.828 has been distributed to the shareholders, see section 188[1] [2] of the Faroese Companies Act. The reduction of the share capital is thus carried out at a premium, as the reduction is effected at a price of 117.19 [rounded], corresponding to the average price paid for the shares.

Consequently, the Board of Directors proposes that article 4.1 of the Articles of Association be amended as follows, effective from the date of completion of the capital reduction:

4.1. The share capital of the Bank is DKK 192 million, divided into shares of DKK 20.

Re Item 7

The Board of Directors' proposal to renew and extend the existing authority to acquire own shares

The Board of Directors proposes that the Board of Directors be authorised in the period until 1 March 2024 to allow BankNordik to acquire own shares by way of ownership or pledge up to an aggregate value of 10% of BankNordik's share capital at the time of granting of the authority, provided that BankNordik's holding of own shares does not exceed 10% of BankNordik's share capital. If shares are acquired for ownership, the purchase price must not diverge from the price quoted on Nasdaq Copenhagen at the time of acquisition by more than 10%.

Re Item 8

The Board of Directors' proposal for remuneration of the Board of Directors in 2019

The Board of Directors proposes that the remuneration of the Board of Directors for 2019 remains unchanged.

In this respect, the Board of Directors proposes that the general meeting adopts that the remuneration of the Board of Directors is paid in accordance with BankNordik's remuneration policy, adopted by the general meeting in March 2018, based on the following rates:

Base fee:	DKK 200.000
Chairman of the Board:	3 x base fee
Vice-chairman of the Board:	2 x base fee
Other Board Members	1 x base fee

Ordering of admission cards

A shareholder's right to attend and vote at the general meeting shall be determined by the shares held by such shareholder on the record day. The record day is Thursday 14 March, 2019.

Any shareholder who is entitled and wishes to attend the general meeting shall order admission card.

Admission cards are to be ordered through the Bank's website www.banknordik.com, through the Bank's shareholder-portal at www.banknordik.com or by calling the head office at (+298) 330 330.

By registration through the Bank's shareholder-portal an electronic admission card will be sent to the e-mail address registered by the shareholder.

Shareholders are obliged to bring the admission card (electronic or print-out) to the general meeting. Also it is possible to pick up already ordered admission cards at the entrance conditioned on showing valid legitimization certificate.

The deadline for ordering of admission cards is Monday 18 March 2019 at 4 pm (GMT).

When ordering admission card, shareholders must provide proof of their shareholdings. As for shareholders who are not registered by name, admission cards and voting forms are issued upon presentation of a transcript from VP Securities A/S or the account-holding institution (custodian institution), which must not be more than 5 days old, as documentation of the shareholding. Together with the transcript a confirmation must be given in writing, stating that the shares have not been transferred and will not be transferred to others before the record day.

Voting forms will be distributed at the general meeting.

Proxy

Proxy forms are available at the Bank's website www.banknordik.com and at the Bank's head office. Shareholders who are unable to attend the general meeting may grant proxy. Shareholders may submit a proxy to the Bank's Board of Directors to vote on behalf of the shareholder. A written, signed and dated proxy form must be received at the Bank's head office in Oknarvegur 5, P.O. Box 3048, FO-110 Tórshavn, no later than Monday 18 March 2019 at 4 pm (GMT).

Votes by correspondence

Voting by correspondence forms is available on the Bank's website www.banknordik.com. If shareholders wish to vote by correspondence the voting form must be received at the Bank's head office in Oknarvegur 5, P.O. box 3048, FO-110 Tórshavn no later than Wednesday 20 March 2019 at 4. pm (GMT).

Also it is possible to vote by correspondence through the Bank's shareholder-portal at www.banknordik.com no later than Wednesday 20 March 2019 at 4. Pm GMT.

Annual Accounts 2018 and agenda including complete proposals

Audited annual accounts for 2018 with auditor's report and the Annual Report 2018, as well as the agenda including the complete proposals will be available at the Bank's head office and on the Bank's website www.banknordik.com no later than three weeks prior to the general meeting.

Majority requirements, share capital, voting rights and account-holding financial institution

All proposals on the agenda may be adopted by a simple majority of votes, cf. Article 9.2 of the Articles of Association.

The Bank's share capital is DKK 200,000,000 divided into shares of DKK 20. Each share of DKK 20 carries one vote at the general meeting. However, certain voting limitations apply cf. Article 8.3 of the Articles of Association.

The company's Articles of Association contain the following Articles on voting rights:

8.1. A shareholders right to attend a general meeting and vote according to his shares shall be determined by the shares which such shareholder owns at the record date. The record date shall be one week prior to the general meeting.

8.2. Any shareholders who are entitled to attend the general meeting cf. article 8.1, and who wants to attend, shall apply for an admission card and vote not later than three days prior to the holding of the general meeting.

8.3. Each share shall carry one vote. However, no shareholder may, neither in respect of his own shares nor when acting as proxy for other shareholders, cast votes representing more than 10 % (ten per cent) of the total share capital, regardless of the shareholding. Proxy votes given to the board of directors shall be subject to no restrictions. Shareholders in the same group, as defined by applicable law, may not cast votes representing more than 10 % (ten per cent) in aggregate of the total share capital, regardless of the shareholding.

8.4. All shareholders are entitled to attend general meetings in person, accompanied by an advisor, or by proxy, who may vote on their behalf, subject to presentation of a written and dated instrument of proxy issued for a maximum period of one year.

9.2 All business transacted at general meetings shall be decided by a simple majority of votes, unless a qualified majority is required by the Companies Act or by these Articles of Association.

Any resolution to amend these Articles of Association or to wind up the Bank by voluntary liquidation or to adopt a merger shall be subject to no less than 2/3 (two-thirds) of the share capital being represented at the general meeting and the proposed resolution being adopted by 2/3 (two-thirds) of the votes cast and of the voting share capital represented at the general meeting.

9.3 Any proposal to amend or revoke the quorum requirement in Article 9.2 submitted by Finansieringsfonden af 1992 may be adopted by 2/3 of both the votes cast and of share capital represented at the general meeting. For the purpose of voting on such proposal submitted by Finansieringsfonden af 1992, the restrictions on voting rights and voting by proxy in Article 8.3 and the quorum requirements in Article 9.2 shall not apply.

P/F BankNordik has entered into cooperation agreement with VP Securities A/S. The Bank's shareholders may choose P/F BankNordik as the account-holding institution with a view to exercise their financial rights through P/F BankNordik.

P/F BankNordik
The Board of Directors