

NOTICE

convening the annual
general meeting

2018

Nuuk 20/3



The BANK of Greenland



NOTICE convening the annual general meeting

GrønlandsBANKEN, Aktieselskab (the BANK of Greenland), will hold its annual general meeting on 20 March 2018 at 4pm at the BANK of Greenland's head office in Nuuk, with the following agenda:

1. The Board of Directors' Report on the Bank's activities during the past year.
2. Presentation of the audited Annual Report and auditors' report for approval and notification of discharge of the Board of Directors and Executive Management Board, approval of the remuneration of the Board of Directors and proposal for a decision on the allocation of profit or cover of losses in accordance with the approved Annual Report.
In accordance with Article 16 of the Articles of Association, as from 1 January 2018, the Board of Directors recommends adjustment of the remuneration as follows:
The fixed remuneration for the work of the Board of Directors is set at DKK 125,000, compared with the previous DKK 75,000, whereby the Chairman of the Board of Directors will receive double remuneration (DKK 250,000) as before, and the Vice Chairman will receive one and a half times the remuneration (DKK 187,500). The remuneration for committee work is retained unchanged.
3. Proposal from the Board of Directors concerning the remuneration policy.
As a consequence of more stringent statutory requirements of the Bank's description of the remuneration forms used, the criteria for their allocation, and recipients of various forms of remuneration, the Board of Directors has adopted a more detailed description of the remuneration policy for approval by the general meeting, cf. the Appendix.
4. Proposal from the Board of Directors for authorisation to acquire the Bank's shares.
The Board of Directors proposes that the Bank be authorised during the period up to the next annual general meeting, and within 10% of the share capital, to acquire the Bank's shares at the listed price at the time of acquisition, subject to upward or downward deviation by up to 10%.
No proposals have been received from the shareholders pursuant to Article 7 of the Articles of Association.
5. Election to the Board of Directors:
Pursuant to Article 13 of the Articles of Association, Kristian Frederik Lennert, Frank Olsvig Bagger and Anders Jonas Brøns will resign. The Board of Directors proposes re-election of Kristian Frederik Lennert and Anders Jonas Brøns, and election of Maliina Bitsch Abelsen and Ben Arabo.
A description of the candidates' background, as well as the criteria for recruitment to the Bank's Board of Directors, are stated in the Appendix to item 5 of the agenda.
6. Election of external auditors.
The Board of Directors proposes re-election of Deloitte, Statsautoriseret Revisionspartnerselskab, in accordance with the recommendation of the Audit Committee. The Audit Committee has not been influenced by any third parties and has not been subject to any agreement with a third party which restricts the general meeting's election of specific auditors or firms of accountants.
7. Any other business.

The agenda, the full wordings of the proposals and the audited Annual Report will be available for inspection at the Bank's head office, Imaneq 33, Nuuk, no later than 14 days before the annual general meeting.

Shareholders can obtain admission cards and the agenda from the BANK of Greenland, Nuuk - but no later than Monday, 19 March 2018. The material may also be requested via the Bank's branches.

Attendance of the general meeting is subject to the condition that an admission card has been requested by no later than 19 March 2018.

Please note that only the shareholders whose shares are registered by name in the Bank's share register by no later than prior to the convening of the general meeting, or who within the same deadline have registered and documented their acquisition, will be entitled to vote at the general meeting. The registration deadline does not, however, apply to registered shares acquired by other means than transfer of ownership.

The Bank's nominal share capital is DKK 180,000,000 distributed as denominations of DKK 100. Each share amount of DKK 100 entails one vote at the Bank's annual general meeting.

The BANK of Greenland's printed Annual Report for 2017 and power of attorney for the general meeting can be obtained by written request to the Bank's head office in Nuuk. The Annual Report is also available at www.banken.gl.

Nuuk, 01 March 2018

BOARD OF DIRECTORS



APPENDIX to item 3 of the agenda

Remuneration Policy for the BANK of Greenland

The BANK of Greenland's remuneration policy concerns the Board of Directors, Executive Management Board and employees whose activities have a significant influence on the Bank's risk profile (significant risk takers), as well as other members of the staff of the BANK of Greenland.

The remuneration policy is intended to promote sound and effective risk management at the BANK of Greenland, and to contribute to creating long-term value for the Bank's shareholders. The remuneration policy promotes sound and effective financial management by not creating incentives for excessive risk-taking or promoting short-term, unilateral decisions to the detriment of the long-term requirements and goals of customers and shareholders, as well as the Bank, as these requirements and goals are described in the Bank's business model and strategy. Furthermore, the remuneration policy complies with Section 77 a-d of the Financial Activities Act and Order no. 257 of 14 March 2017 concerning salary policy and remuneration, as well as the CRR Regulation and the Corporate Governance recommendations. In addition, the Bank's remuneration will adhere to the collective agreements in force.

Board of Directors

No variable remuneration elements are paid to the Board of Directors as salaries, shares, options or pension contributions. The members of the Board of Directors receive a fixed fee, and the Chairman of the Board of Directors receives a double fee and the Vice Chairman receives 1 ½ fee. The fee for each member of the Board of Directors is stated in the Annual Report.

Executive Management Board

The Executive Director will receive the contractually agreed fixed salary and pension, annual holiday trip, free car, telephone and Internet. The Executive Director will not receive any variable remuneration elements of any kind during his employment. The Executive Director's pension contribution comprises a fixed percentage at 18% of the fixed salary, in addition to a defined-benefit severance/pension scheme, as described below. The total pension contributions paid out and allocated are specified in the Annual Report.

The Board of Directors has established an agreement with the Executive Director concerning a defined-benefit severance/pension scheme, which will be released and paid out when he leaves the company. Earning and granting of the right to a defined-benefit severance/pension scheme will be conditional on the Executive Director's continued employment at certain fixed times, and will be based on the Bank's overall performance compared to banks of an equivalent size, measured in terms of working capital. The defined-benefit severance/pension scheme will consist of 50% shares and 50% cash payment, and may constitute an amount equivalent to 0-24 months' salary.

Significant risk takers

The management of the Bank's compliance and the management of the Bank's control functions are designated as significant risk takers, which entails that the Bank's Deputy Managing Director and Chief Accountant are significant risk takers.

Employees whose activities have a significant impact on the Bank's risk profile (significant risk takers) will not receive any variable remuneration elements in the form of shares, options or pension contributions.

Significant risk takers may, however, as variable remuneration receive payment of a cash bonus of maximum DKK 100,000 per year. The criteria for allocation is an assessment of performance during the year, a particularly large work burden, a particularly satisfactory contribution, and a particular managerial contribution. Cash bonus to significant risk takers will not be awarded on the basis of any measurable achievement of, for example, sales or operational results, and is not dependent on results.

No separate agreement has been established with the significant risks takers concerning severance pay, but the notice of termination is extended by two months from either party. Pensions to significant risk takers lie within the framework of the collective agreement.

Other employees

Discretionary bonus

The BANK of Greenland may grant a discretionary bonus on the basis of an overall assessment and this bonus may not exceed DKK 100,000. Overall for the Bank, discretionary bonus may be granted for up to 2% of the Bank's total payroll. The criteria for allocation is an assessment of performance during the year, a particularly large work burden, a particularly satisfactory contribution, and a particular managerial contribution, and the bonus is not awarded on the basis of any measurable achievement of, for example, sales or operational results, and is not dependent on results. Employees with control functions are paid to deliver the best results within their specific roles, and so that the discretionary bonus does not compromise the employees's objectiveness and independence. The discretionary bonus is awarded on the basis of a "four eyes principle" whereby the immediate manager and the Executive Management Board recommend and approved the allocated bonus.

Collective bonus scheme

For all other employees of the BANK of Greenland, a collective incentive scheme has been established, with payment based on the fulfilment of a number of general targets within the following categories: Employees, Society, Processes, Customers and Finance. The background to the collective scheme is to unite the Bank's employees in a joint effort to achieve the Bank's long-term goals. Under the scheme, a maximum of up to 4% of the Bank's total payroll may be paid out, and no more than DKK 20,000 to each employee. For 2017, the payment was DKK 13,500 to each employee. The scheme is reviewed once a year.

Furthermore, the Bank's remuneration of employees who advise on and provide or grant credit facilities against mortgages or other equivalent collateral security in real property is determined so as not to encourage risk-taking that exceeds the Bank's risk profile. Furthermore, the remuneration is independent of the number or proportion of applications granted for mortgage credit, or other types of sales targets.

Remuneration Committee

The BANK of Greenland has appointed a Remuneration Committee which comprises the Chairman and Vice Chairman of the Board of Directors and a member of the Board of Directors elected by the employees. The Remuneration Committee annually reviews and assesses the remuneration of the Board of Directors and the Executive Management Board, including on the basis of the scope of work and comparable banks' remuneration. The Remuneration Committee ensures that the remuneration of significant risk takers is in accordance with the remuneration policy. On the basis of statutory requirements, the complexity of the business model and the Bank's development, the need to designate other significant risk takers is assessed. The Remuneration Committee will control the allocation of variable remuneration, including that no other type of variable remuneration is paid than is positively stated in the remuneration policy. The Remuneration Committee must also ensure that the Bank's form of remuneration cannot entail a conflict of interest for the Bank and the individual employee. The most significant bonuses awarded, including bonus to significant risk takers, are submitted to the Remuneration Committee.

Adoption and annual review of the remuneration policy

The Remuneration Committee annually reviews the remuneration policy and submits amendments to the current remuneration policy for approval by the Board of Directors.

The Board of Directors will also review the remuneration policy once a year in order to match the remuneration policy to the Bank's development.

Any changes to the remuneration policy which have been adopted by the Board of Directors are submitted for approval by the general meeting.

Compliance with the remuneration policy and control of this compliance

The Board of Directors of the BANK of Greenland is responsible for the execution of the remuneration policy.

The Board of Directors of the BANK of Greenland will lay down guidelines for control of compliance with the remuneration policy, including to ensure control of compliance with the remuneration policy at least once a year. The result is reported to the Board of Directors.

08 February 2018

Remuneration Committee

Gunnar í Liðá
Chairman

Kristian Lennert
Vice Chairman

Yvonne Kyed
Member of the Board of Directors



APPENDIX to item 5 of the agenda

Members of the BANK of Greenland's Board of Directors are in principle recruited on the basis of a wish for the members to collectively represent broad-based financial and accounting knowledge, business experience and in-depth insights into Greenland's economic and social conditions. New members of the Board of Directors are recruited on the basis of these criteria and not a formal process.

The following candidates are proposed for re-election at the annual general meeting on 20 March 2018:

Kristian Frederik Lennert, aged 61, resident in Nuuk.

Managing Director of: Ejendomsselskabet Issortarfik ApS
INUPLAN A/S

Kristian Lennert holds an MSc in structural engineering and has been employed by INUPLAN A/S since 1984, and since 2002 as managing director of the company. Kristian Lennert also has experience from membership of the Boards of Directors of Greenlandic companies and during his career has gained insights into Greenland's economic and social conditions, especially in the building and construction area. Elected to the BANK of Greenland's Board of Directors for the first time in 2003.

Anders Jonas Brøns, aged 68, resident in Nuuk.

Managing Director of: Polar Seafood Greenland A/S

Member of the Boards of Directors of: Minikka A/S (Chairman)
Polar Raajat A/S (Chairman)
Polar Seafood Denmark A/S
Imartuneq Trawl A/S (Chairman)
Qalut Vónin A/S
Sigguk A/S (Chairman)
Uiloq Trawl A/S (Chairman)
Qajaq Trawl A/S (Chairman)
Polar Pelagic A/S (Chairman)
Grønlands Skibs- & Entreprenørværksted ApS (Chairman)
Polar Wine ApS (Chairman)
IKKA ApS

Anders Brøns is commercially trained and since 1984 has worked primarily in Greenland's deep-sea fishing business as managing director of the Polar Seafood Group since 1984 and as a member of the fishing industry's organisations since 1977. Elected to the BANK of Greenland's Board of Directors for the first time in 1997.

The following candidate is proposed for election:

Maliina Bitsch Abelsen, aged 42, resident in Nuuk.

Commercial Director, CCO, of: Air Greenland A/S

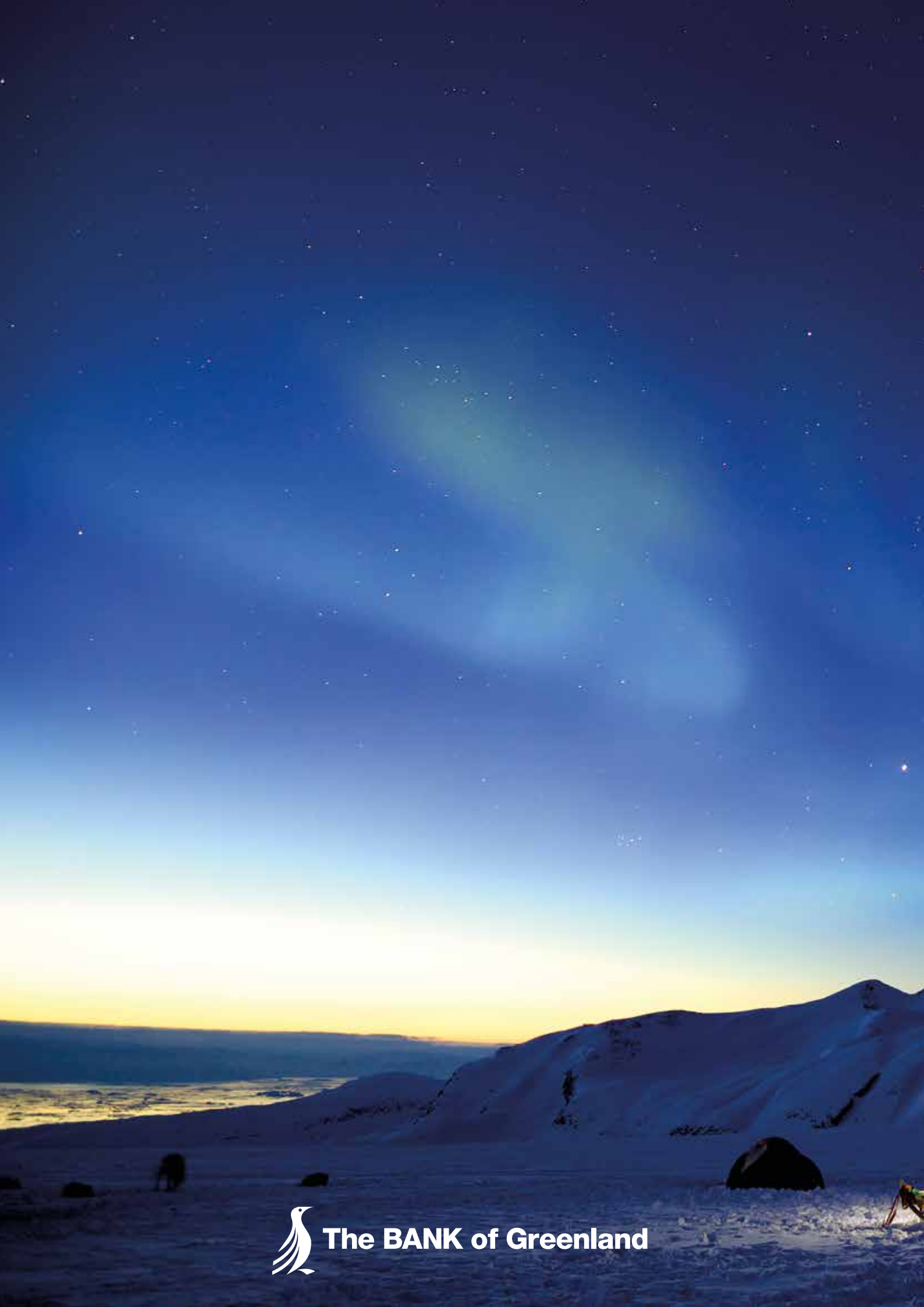
Member of the Boards of Directors of: Nuup Bussii A/S (Chairman)
Grønlands Rejsebureau A/S
UN Board of Indigenous Peoples Partnership Programme

Maliina Abelsen holds a cand. scient. soc. degree and a masters in Policy and Applied Social Research. Since 2016 she has been Commercial Director of Air Greenland with responsibility for commercial development, sales and marketing. From 2014 to 2016 Maliina Abelsen was Director of the 2016 Arctic Winter Games. From 2015 to 2017 Maliina Abelsen was Vice Chair of the Board of Directors of Tele Greenland A/S. Maliina Abelsen was a member of Inatsisartut (the Greenland Parliament) from 2009 to 2014 and held posts in Naalakkersuisut (the Greenland Government), most recently as Naalakkersuisoq (Minister) for Finances from 2011 to 2013. Maliina Abelsen has previously worked at the UN Human Rights Commission in Geneva and the Foreign Affairs Directorate in Nuuk.

Ben Arabo, aged 44, resident in Tórshavn.

Director, CEO, of: Betri Holding A/S

Ben Arabo is CEO of Betri Holding A/S, which is the largest financial Group on the Faroe Islands, with approximately 300 employees. The Betri Group has banking, insurance, pension and investment activities. Ben Arabo holds an MSc(Econ) in foreign trade, and has management experience from listed companies within natural resources extraction. Ben Arabo has particular experience from the commercial aspects of oil and gas extraction, including sale and purchase of assets, licensing rounds and leadership of negotiations in Europe, Asia, North Africa and the Middle East. Ben Arabo is resident on the Faroe Islands and has previously lived in Denmark, the UK and Indonesia. Ben Arabo has Board experience from the IT sector, the postal sector and the banking sector.



The BANK of Greenland