

ATTENTION: International Lodge Delegates
FROM: Ron Stubbings, International President

The International Lodge is the governing authority for Sons of Norway, and you are one of 154 delegates to that governing body for the biennium 2018-2020. As such, I would like to update you on a couple of key developments at Sons of Norway.

Corporate Governance Annual Disclosure (CGAD)

At the 2018 International Convention, Sons of Norway Legal Counsel gave a presentation regarding the Corporate Governance Model Act and Annual Disclosure (CGAD). This topic was also covered during the new delegate orientation. These presentations detailed background on the proposed corporate governance legislation, specific disclosure requirements anticipated and its impact on Sons of Norway. Earlier this year, the proposed legislation was passed into law by the State of Minnesota (Minn. Stat. 60A.1391). The new law requires Sons of Norway to file a lengthy disclosure form detailing the governance structure of the organization.

Many of the governance changes we have tried to implement over the past several years will now come into play, such as an enhanced meeting schedule for the Board and Executive Committee, the Nominating Committee process, and the referendums this past year to increase delegate engagement. These all contribute to a more robust governance process for Sons of Norway.

A few of the required disclosures are as follows:

- Duties of the Board and each of its significant committees and how they are governed
- The number of meetings held by the Board and its significant committees over the past year and information on director attendance
- The rationale for the current Board size and structure
- How the qualifications, expertise and experience of each Board member meet with needs of the insurer
- How the insurer identifies, nominates and elects members to the Board and its committees
- A description of the nomination committee in place to identify and select individuals for consideration
- How the election and re-election processes function.

The filing is due June 1, 2020. Thereafter, the insurance commissioner may require additional information, in writing or by interview, necessary to provide the commissioner with a clear understanding of the insurer's governance framework and practices. Going forward, each year following the initial filing, Sons of Norway is required to file an amended version of the previously filed CGAD form indicating what changes in governance have been made.

The International Board and headquarters staff have completed a preliminary draft of this filing. The draft will be finalized in the coming months.

We encourage you to keep the above points in mind as many of you will play an important role in the nominating process for International Directors and Officers and, ultimately, their election at the 2020 International Convention.

New Headquarters Building

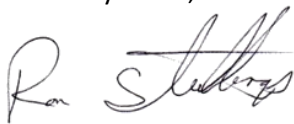
Our new headquarters building on Lake Street in Minneapolis is well on its way to completion and should be finished by March, 2020. The outside of the building is nearly complete and will definitely be enclosed by the time it snows. The inside space is still a concrete shell, but the architectural plans are complete, and the RFPs (requests for proposals) have been sent to the various trades people who will be building out our space.

As can be expected with any new construction, we have had some minor delays and plan changes that we needed to negotiate with the developer, Ryan Companies, but we are still on track to occupy the space this spring. Our employees are excited and are gearing up for the move. The photos below show the architectural renderings, as well as a real time view of the project.



If you have any questions about the material I've shared, please email me at ron.stubbings@sofnboard.com. Or you may call or write CEO Eivind Heiberg at ehuiberg@sofn.com, 612-821-4606.

Fraternally Yours,



Ron Stubbings
International President