

# Annex E

## Proposal to Election rules of of Eik Banki P/F

The amended Election Rules have been translated into English from Faroese. In case of any inconsistency between the Faroese Election Rules and the English translation, the Faroese version will be the valid version.

### 1

**1.1** Eik Banki P/F's area of operations shall be divided into the following representative districts: Suðurstreymoy, Norðstreymoy, Eysturoy, Norðoyggjar, Suðuroy, Sandoy and Vágoy.

The representative district of Suðurstreymoy shall also comprise Nólsoy, Hest and Koltur, the representative district of Sandoy shall also comprise Skúvoy and Dímun and the representative district of Vágoy shall also comprise Mykines.

**1.2** A Board of Representatives, consisting of 15 members in Suðurstreymoy, 10 members in Eysturoy and 6 members in each of the districts of Norðoyggjar, Norðstreymoy, Suðuroy, Sandoy and Vágoy, shall be elected by and among the shareholders for each representative district.

**1.3** The members of the Board of Representatives shall also be representatives at the Company's General Meetings.

### 2

**2.1** The Company's shareholders shall be registered as being attached to the representative district in which they request to be registered.

In the event that a shareholder does not make a request to be registered in a specific representative district, the shareholder shall be registered as belonging to the representative district in which, according to the Company's Register of Shareholders, the shareholder resides.

If a shareholder resides outside the representative districts and has not submitted a request to be registered in a specific representative district, the Company shall decide the representative district in which the shareholder in question shall be registered.

### 3

**3.1** Election to the Board of Representatives shall be held every fourth year in the first quarter and shall apply from 1 April following such election.

The time for holding the election shall be fixed by the Board of Directors.

**3.2** The Board of Directors shall convene an election meeting of the shareholders at least four weeks prior to the election. The election meeting shall be convened by publication in Faeroese newspapers, in writing to each shareholder at his latest address as recorded in the Register of Shareholders and by posting in the bank's offices.

**3.3** Nominations shall reach the bank of the representative district not later than three weeks before the election. The list of candidates shall be available in the offices of the representative district not later than one week prior to the election.

### 4

**4.1** Persons eligible for the Board of Representatives shall be Company shareholders of full legal capacity.

**4.2** Candidates shall confirm in writing that they accept election.

**4.3** The election committee shall ensure that the candidates fulfil the conditions for being eligible. The election committee shall consist of three members elected by the Board of Directors.

**4.4** In connection with elections to the Board of Representatives, each representative district shall prepare a list of candidates, stating name, position and address of those eligible and having accepted election.

In the event that the deadline for submitting proposals for candidates has expired and the number of candidates listed is inadequate, the Board of Directors shall add the necessary candidates so as to achieve the number of candidates needed.

**4.5** If a representative district does not nominate more candidates than needed, these candidates shall be elected without a vote.

## 5

**5.1** Shareholders entitled to vote in the election to the Board of Representatives shall be those whose shares are issued in registered form and recorded as such in the Company's Register of Shareholders on 1 January in the same year or who have filed proof of their rights in the shares on 1 January in the same year. Legally incapable shareholders' right to vote shall be exercised by their guardians.

For each share, the shareholders shall have one vote to the Board of Representatives election; but each shareholder shall not have more than 2.5 per cent of the total number of votes to the Board of Representatives election.

The total number of votes to the Board of Representatives election shall be calculated on the basis of the total number of shares at 1 January in the same year, excluding shares represented according to Article 6.6 of the Articles of Association rounded down to the nearest full figure total share.

**5.2** In pursuance of the rules laid down by the Board of Directors, votes may be given by post. Vote by proxy is not allowed.

## 6

**6.1** Each person eligible to vote shall receive an election card to be used at the election. The election shall be held at the bank's offices and at election meetings in the representative districts.

**6.2** The ballot for a representative district shall state the names of all candidates in alphabetical order and the voting procedure.

**6.3** The shareholders shall receive a ballot stating the number of votes. Votes shall be cast by putting a cross next to the name of the candidate the shareholder wants to elect.

**6.4** The ballot shall not be valid if the cross made is unclear or if it is otherwise uncertain next to whom the shareholder has put his cross.

**6.5** Members of the Board of Representatives shall be elected by a relative majority of votes, i.e. according to the number of votes they have received when all valid ballots have been counted. The candidate receiving the highest number of votes is elected first, then, the candidate receiving the second highest number of votes is elected, etc. In the event of an equality of votes, the election is determined by lot.

## 7

**7.1** The election committee shall be responsible for calculating the votes cast under the supervision of the bank's auditor, elected at the General Meeting.

## 8

**8.1** The election shall be entered into a minute book to be signed by the election committee and the auditor, who shall be responsible for the supervision. The result of the election shall be reported to the shareholders.

## 9

**9.1** Any necessary amendments to the election rules shall be adopted by the General Meeting.

The election rules of Eik Banki P/F as latest amended at the Extraordinary General Meeting on 25 January 2008.

## Board of Directors of Eik Banki P/F

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Frithleif Olsen, Chairperson

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Odd A. Bjellvåg, Vice Chairperson

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Gert Langgaard

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Finnbogi Niclasen

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Marian Jacobsen

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Mathea Hilduberg

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Bjartur Nolsøe

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Tórmund A. Joensen

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Rakul Dam

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Rólant Vidtfeldt

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Petur D. W. Hammer