

**Sydbank A/S**

**Articles of Association**

**12 March 2015**

## Contents

1	Name, registered office and objects of the Bank
2	Capital and shares
3	Authorisation to the Board of Directors to increase the share capital
4	Undistributable reserve
5	Management of the Bank
6	The General Meeting
7	Notice Convening Extraordinary General Meetings
8	Agenda for the Annual General Meeting
9	Chairman
10	Votes
11	Local shareholders' meetings
12	The Shareholders' Committee
13	The Shareholders' Committee, meetings and resolutions
14	The Shareholders' Committee, powers
15	Advisory Boards
16	Size and composition of the Board of Directors
17	Constitution, meetings and resolutions of the Board of Directors
18	The Group Executive Management
19	Provisions regulating the power to sign for the Bank
20	Financial year
21	Audit
22	Transitional provision

## Name, registered office and objects of the Bank

### Article 1

(1)

The name of the Bank is Sydbank A/S.

The Bank also conducts business under the following secondary names:

Aktivbanken A/S (Sydbank A/S),  
bankTrelleborg A/S (Sydbank A/S),  
Brande Bank A/S (Sydbank A/S),  
Brædstrup Landbobank A/S (Sydbank A/S),  
Danske Sparekasse A/S (Sydbank A/S),  
Den Nordslesvigske Folkebank Aktieselskab (Sydbank A/S),  
Diba Bank A/S (Sydbank A/S),  
Egnsbank Fyn A/S (Sydbank A/S),  
Esbjerg Bank Aktieselskab (Sydbank A/S),  
Folkebanken for Als og Sundeved Aktieselskab (Sydbank A/S),  
Fredericia Folkebank A/S (Sydbank A/S),  
Fyens Landmandsbank Aktieselskab (Sydbank A/S),  
Fynske Bank af 1872 A/S (Sydbank A/S),  
Global-Banken A/S (Sydbank A/S),  
Graasten Bank Aktieselskab (Sydbank A/S),  
Horsens Bank A/S (Sydbank A/S),  
Horsens Landbobank A/S (Sydbank A/S),  
Horsens Lokalbank A/S (Sydbank A/S),  
Juelsminde Bank A/S (Sydbank A/S),  
Kolding Folkebank A/S (Sydbank A/S),  
Bank-A/S Kolding Laane- og Diskontokasse (Sydbank A/S),  
Købmands- og Håndværkerbanken A/S (Sydbank A/S),  
Lokalbanken i Odense af 1902 A/S (Sydbank A/S),  
Nørre Snede Bank A/S (Sydbank A/S),  
Sjællandske Sparekasse A/S (Sydbank A/S),  
Slagelse Sparekasse A/S (Sydbank A/S),  
Sparbank Danmark A/S (Sydbank A/S),  
Sparbank Trelleborg A/S (Sydbank A/S),  
Sparebank Danmark A/S (Sydbank A/S),  
Sparebank Trelleborg A/S (Sydbank A/S),  
Sparekassen for Slagelse og Omegn A/S (Sydbank A/S),  
Sparekassen Sparøst A/S (Sydbank A/S),  
Sparekassen Sønderjylland A/S (Sydbank A/S),  
SparTrelleborg Bank A/S (Sydbank A/S),  
ST Bank A/S (Sydbank A/S),  
STB Bank A/S (Sydbank A/S),  
Svendborg Bank, Aktieselskab (Sydbank A/S),  
Sydbank Sønderjylland A/S (Sydbank A/S),  
Sydfyns Discontobank A/S (Sydbank A/S),  
Sydleasing Bank A/S (Sydbank A/S),  
Team Banken Horsens A/S (Sydbank A/S),  
TrelleborgBank A/S (Sydbank A/S),  
Tønder Landmandsbank Aktieselskab (Sydbank A/S),  
Tørring Bank A/S (Sydbank A/S),  
Aktieselskabet Varde Bank (Sydbank A/S),

Veile Bank A/S (Sydbank A/S),  
Vejen Folkebank A/S (Sydbank A/S),  
A/S Aarhus Discontobank (Sydbank A/S) og  
Århus Bank A/S (Sydbank A/S).

(2)

The registered office of the Bank is situated in the municipality of Aabenraa.

(3)

The objects of the Bank are to conduct banking business, including the performance of functions in connection with the transfer of money, credit instruments and securities and any related services.

## Capital and shares

### Article 2

(1)

The share capital of the Bank is DKK 742,499,990 divided into shares in denominations of DKK 10. The share capital is fully paid up.

(2)

The shares shall be registered in the holder's name in the Bank's register of shareholders and registered with VP Securities (VP Securities A/S). The Bank's register of shareholders is maintained by VP Investor Services A/S (VP Services A/S), Weidekampsgade 14, 2300 Copenhagen S.

(3)

The shares cannot be transferred to bearer. The shares are negotiable instruments. The transferee cannot exercise the rights of a shareholder unless he has been registered in the register of shareholders or he has given notice of and proved his acquisition to the Bank requesting registration to be effected. However, this shall neither apply to the right to receive dividends and any other payments nor the right to subscribe for new shares in the event of capital increases.

(4)

The shares are freely negotiable and no shareholder shall be obliged to have his shares redeemed in full or in part.

### Article 3

(1)

The Board of Directors may authorise a share capital increase of up to DKK 432,500,010 in one or more issues. This authorisation shall apply until 1 March 2016. Increases in share

capital pursuant to such authorisation may be effected without any pre-emption rights for the Bank's existing shareholders, if effected by an unrestricted public subscription at market price, by conversion of debt or as consideration for the Bank's acquisition of a going concern or specific capital assets of a value corresponding to the value of shares issued.

(2)

The Board of Directors may authorise a share capital increase of up to DKK 15,000,000 in one or more issues for subscription by employees of the Bank and its subsidiaries. This authorisation shall apply until 1 March 2016. Increases in share capital pursuant to such authorisation may be effected without any pre-emption rights for the Bank's existing shareholders and issued at market price or any lower price determined by the Board of Directors, however not lower than 105.

The Board of Directors is entitled to distribute shares to the employees free of charge within a market value equal to the limit as provided by s. 7 A (1), no 2 of the Danish Tax Assessment Act (or as amended by another provision) per employee per year.

(3)

Share capital increases pursuant to Article 3 (1) and (2) above entail that new shareholders shall have the same pre-emption rights as the existing shareholders in the event of any future capital increases. The shares shall be negotiable instruments, shall be issued in the holder's name and shall carry the right to receive dividends and any other rights from such time to be determined by the Board of Directors, however not later than the financial year following the adoption of the capital increase. The new shares shall in every other respect rank equally with the existing shares.

#### Article 4

(1)

Pursuant to the Danish Financial Business Act etc, an undistributable reserve of DKK 322.8 million has been set up equal to the value as at 1 January 1990 of the assets contributed to Sparekassen Sønderjylland A/S in 1989 less the debt of Sparekassen at the time of the transfer. The undistributable reserve shall be subject to the provisions of the Danish Financial Business Act etc.

(2)

If the Bank is dissolved, this reserve shall be applied to non-profit or charitable purposes according to rules specified to that effect, of the Danish Financial Business Act etc.

#### Management of the Bank

#### Article 5

The Bank is managed by:

1. the General Meeting
2. the Shareholders' Committee
3. the Board of Directors

4. the Group Executive Management.

**The General Meeting**

**Article 6**

(1)

The General Meeting shall be held in Aabenraa and shall be convened by the Board of Directors at a notice of not less than 3 weeks and not more than 5 weeks by announcement in the Danish Gazette and in at least one national daily newspaper as well as in one or several daily newspapers within the Bank's area of operation, and by letter to all the shareholders registered in the register of shareholders who have requested to be notified in this manner.

(2)

No later than 3 weeks prior to any General Meeting, the following documents shall be made available at the Bank's website: the notice convening the General Meeting, the total number of shares and voting rights as at the date of the notice, the documents to be submitted to the General Meeting as well as the agenda, the complete resolutions to be proposed at the General Meeting and any forms for the purpose of the General Meeting. In the case of the Annual General Meeting, the audited annual report shall also be made available.

**Article 7**

(1)

An Extraordinary General Meeting shall be convened when so decided by the General Meeting, at the request of the Shareholders' Committee, the Board of Directors or one of the Bank's auditors appointed by the Annual General Meeting, or for the transaction of any particular business at the request of shareholders owning at least 5% of the share capital. The Extraordinary General Meeting shall be convened not later than 14 days after the request has been made.

**Article 8**

(1)

The Annual General Meeting shall be held each year before the end of April.

(2)

The agenda for the Annual General Meeting shall include the following:

1. Report of the Board of Directors on the Bank's activities for the year ended.
2. Submission of the audited annual report for adoption.
3. Motion for the allocation of profit or cover of loss according to the adopted annual report.
4. Election of members to the Shareholders' Committee.
5. Appointment of auditors.
6. Motions, if any, submitted by the Board of Directors or shareholders.
7. Any other business.

(3)

Proposals submitted by shareholders for discussion at the Annual General Meeting shall be placed on the agenda if they have been received in writing no later than 6 weeks before the General Meeting.

#### Article 9

(1)

A chairman appointed by the Board of Directors shall preside over the General Meeting and shall decide on all matters relating to the manner in which business shall be transacted and voting procedures etc, including matters stated in Article 10 (2) below.

(2)

Any shareholder shall be entitled to attend the General Meeting and to vote in respect of the shares of the shareholder with respect to the shares held by the shareholder on the date of registration. Notification of the participation of the shareholder in the General Meeting shall be given not later than 3 days prior to the General Meeting. The shareholder shall be entitled to attend the General Meeting by proxy. The instrument of proxy shall be in writing and dated. An instrument of proxy to the company management may not be given for a period exceeding 12 months and shall moreover be given in respect of a specific General Meeting where the agenda has been communicated in advance. A shareholder may moreover vote by postal vote.

#### Article 10

(1)

Each share of DKK 10 shall carry one vote at the General Meeting, however no shareholder shall be entitled to cast more than 5,000 votes on his own behalf. No one acting as a proxy shall be entitled to cast more than 5,000 votes.

(2)

Shares belonging to different owners according to their registration in the Bank's register of shareholders shall be considered to belong to one shareholder, provided always that such special connection exists between the owners that the exercise of the voting right of the shares must be deemed to be determined by the same interest group, including such cases where the owners are associated by way of shareholding or otherwise with a common group or other community of interest.

(3)

All matters shall be decided by a simple majority of votes unless otherwise provided by law or by these Articles of Association. In case of equality of votes, the motion in question shall lapse.

(4)

Resolutions to amend the Articles of Association and the dissolution of the Bank or its merger with other companies shall only be adopted if at least two-thirds of the voting share capital is represented at the General Meeting and the resolution is carried by two-thirds of

votes cast and of the voting share capital represented at the General Meeting, but see Article 10 (5) below. If two-thirds of the voting share capital is not represented at the General Meeting and the resolution has been carried by two-thirds of both the votes cast and of the voting share capital represented at the General Meeting, the resolution can be adopted at a new General Meeting by the majority of votes cast as prescribed above irrespective of the proportion of voting share capital represented. Such a new General Meeting shall be convened at the usual notice within 14 days after the first General Meeting.

(5)

Resolutions submitted by the Shareholders' Committee or the Board of Directors as mentioned in Article 10 (4) above may however be finally adopted at a single General Meeting by two-thirds of both the votes cast and of the voting share capital represented at the General Meeting.

(6)

When calculating the voting share capital, shares which are not registered in the holder's name shall not be included.

## Local shareholders' meetings

### Article 11

Shareholders' meetings can be held in towns within the Bank's natural area of operation as determined by the Board of Directors. Motions cannot be submitted at shareholders' meetings.

## The Shareholders' Committee

### Article 12

(1)

The Bank's Shareholders' Committee shall be elected by the General Meeting and shall consist of a number of shareholders to be determined by the General Meeting on the recommendation of the Board of Directors and the Shareholders' Committee, however not less than 60 and not more than 80.

(2)

The composition of the Shareholders' Committee shall be geographically representative of the regional division of the Bank. A number of members for each region shall be elected to the Shareholders' Committee. The number shall be determined by the General Meeting on the recommendation of the Board of Directors. The distribution aims to reflect the relative composition of shareholders as well as the Bank's historical and business structure.



(3)

Personal shareholders of the Bank who meet the statutory requirements regarding suitability and integrity of members of a bank's board of directors and who at the time of election have not yet attained the age of 70 shall be eligible for election to the Shareholders' Committee. A candidate for the Shareholders' Committee may at the same General Meeting only offer himself as a candidate for one region.

(4)

Shareholders' Committee members shall be elected for a term of 3 years at a time. Members shall be eligible for re-election. When a member of the Shareholders' Committee attains the age of 70, he shall vacate office at the next Annual General Meeting.

(5)

If the number of Shareholders' Committee members is reduced to less than 60 by vacancy, the Shareholders' Committee may add to its number for the remainder of the election period. In cases other than vacancy, the Shareholders' Committee may add to its number during a year if, on the recommendation of the Board of Directors, the Shareholders' Committee deems it necessary. Where a Shareholders' Committee member has been elected in one of these ways, such election shall be approved at the next Annual General Meeting.

(6)

Each year the Shareholders' Committee shall elect from among its number a chairman and a vice-chairman.

### Article 13

(1)

The Shareholders' Committee shall hold an ordinary meeting at least twice a year, and otherwise when the chairman or the Board of Directors deems it necessary or when requested by one-fourth of the members.

(2)

The Shareholders' Committee shall be convened by the chairman at a written notice of not less than 8 days. The Shareholders' Committee shall form a quorum when at least half of the members are present.

(3)

Business transacted shall be adopted by a simple majority of votes. In case of equality of votes, the chairman holds the casting vote.

(4)

The Bank's Board of Directors and Group Executive Management shall be entitled to attend and address Shareholders' Committee meetings.

#### Article 14

(1)

At ordinary Shareholders' Committee meetings, the Chairman of the Board of Directors shall submit a report on the Bank's activities.

(2)

The Shareholders' Committee shall be obliged to work for the prosperity of the Bank, to represent the Bank to the best of its ability and to assist the Board of Directors and the Group Executive Management.

(3)

The Shareholders' Committee shall elect the members of the Board of Directors and fix their remuneration.

#### Article 15

After consultation with the Shareholders' Committee, the Bank's Board of Directors may establish Advisory Boards without any authority to make decisions. Rules of procedure prepared by the Board of Directors shall determine the working conditions and activities of Advisory Boards. Advisory Board members who are not members of the Shareholders' Committee shall receive an annual remuneration as determined by the Board of Directors.

#### The Board of Directors

#### Article 16

(1)

The Board of Directors shall consist of between 6 and 10 members to be elected by and from among Shareholders' Committee members. In exceptional cases Board members may be elected from outside the Shareholders' Committee, in particular with a view to ensuring specific qualifications within the Board of Directors. Board members elected from outside the Shareholders' Committee shall meet the statutory requirements regarding suitability and integrity of members of a bank's board of directors and shall not yet have attained the age of 70 at the time of election. Furthermore the Board of Directors shall have any additional members as prescribed by law.

(2)

Employees of the Bank and its subsidiaries can only be elected to the Board of Directors pursuant to Part 8 of the Danish Companies Act.

(3)

Board members elected by the Shareholders' Committee shall be elected for a term of 3 years at a time. Members shall be eligible for re-election. When a member of the Board of Directors attains the age of 70, he shall vacate office no later than at the next Annual General Meeting.

(4)

No member may serve on the Board of Directors for more than 12 years. The Shareholders' Committee may in exceptional cases grant an exemption from the 12-year limit, in particular with a view to ensuring specific qualifications or experience within the Board of Directors.

(5)

No one holding an honorary office or position in a competing bank can be a member of the Bank's Board of Directors. The same applies to persons who have been divested of the right of managing their own estate.

(6)

If the number of members of the Board of Directors is reduced to less than 6 by vacancy, the Shareholders' Committee shall add to the number of Board members as soon as possible in order to increase the number of members to at least 6.

#### **Article 17**

(1)

The Board of Directors shall elect from its own number a chairman and a vice-chairman and through rules of procedure establish detailed rules relating to the performance of its duties.

(2)

Board meetings shall be held as often as it is deemed necessary by the Chairman or when requested by a member of the Board of Directors or the Group Executive Management or by one of the Bank's auditors.

(3)

The Board of Directors shall form a quorum when more than half of its members are present. The business transacted shall be adopted by a simple majority of votes. In case of equality of votes, the Chairman holds the casting vote.

(4)

Minutes shall be kept of business transacted at Board meetings and signed by all Directors present at the meeting.

#### **The Group Executive Management**

#### **Article 18**

(1)

The Group Executive Management shall consist of up to 5 members.

(2)

The Group Executive Management shall perform the day-to-day management of the Bank and shall thus follow the guidelines and instructions given by the Board of Directors.

(3)

In accordance with the Danish Financial Business Act etc, the Board of Directors shall stipulate written guidelines for the Bank's most important areas of activity, determining the distribution of responsibility between the Board of Directors and the Group Executive Management and determining the extent to which the Group Executive Management may grant loans, credits, guarantees and any other obligations without prior participation of the Board of Directors.

(4)

The Group Executive Management shall participate in Board meetings unless the Board of Directors decides otherwise in each individual case. The Group Executive Management shall exercise no voting right.

## **Provisions regulating the power to sign for the Bank**

### **Article 19**

(1)

The Bank shall be bound by

the joint signatures of all members of the Board of Directors or  
the joint signatures of one member of the Board of Directors and one  
member of the Group Executive Management or  
the joint signatures of two members of the Group Executive Management.

(2)

The Board of Directors may grant joint power of procuration and special agency.

## **Annual report and audit**

### **Article 20**

The Bank's financial year shall be the calendar year.

### **Article 21**

The Bank's annual report shall be audited in accordance with current legislation by one or more auditors to be appointed by the General Meeting for one year at a time.

### **Article 22**

The amendments adopted by the General Meeting on 14 March 2013 concerning terms of office in Article 12 (4) and Article 16 (3) shall apply to all already elected members of the

Shareholders' Committee and the Board of Directors, always provided that a shortening of the term of office shall not take effect before the Bank's Annual General Meeting in 2014. The adopted amendment to Article 16 (4) concerning the limitation on the term of Board members shall not take effect with respect to already elected Board members until their term of office ends.

\* \* \*

These Articles of Association were adopted by the Annual General Meeting held on 12 March 2015 and upheld by the Board of Directors on 12 March 2015.

Aabenraa, 12 March 2015

**The Board of Directors of Sydbank A/S**

Torben H. Nielsen  
Chairman

Peder Damgaard  
Vice-Chairman

Svend Erik Busk

Alex Slot Hansen

Erik Bank Lauridsen

Lars Mikkjelgaard-Jensen

Frank Møller Nielsen

Jacob Chr. Nielsen

Jarl Oxlund

Bo Normann Rasmussen

Margrethe Weber