

AMAGERBANKEN AKTIESELSKAB

CVR-NO. 15773928

ARTICLES OF ASSOCIATION

10 NOVEMBER 2010

**Amagerbanken**  
For dig der vil have en personlig bank



## **Name, registered office and objective**

### **Article 1**

The name of the Bank is Amagerbanken Aktieselskab.

The Bank also operates under the subsidiary names Sundby Bank A/S (Amagerbanken Aktieselskab), Kastrup Bank A/S (Amagerbanken Aktieselskab), Tårnby Bank A/S (Amagerbanken Aktieselskab), Store Magleby Bank A/S (Amagerbanken Aktieselskab), Dragør Bank A/S (Amagerbanken Aktieselskab), Saltholm Bank A/S (Amagerbanken Aktieselskab), Bendix Bank A/S (Amagerbanken Aktieselskab), and Øresundsbanken A/S (Amagerbanken Aktieselskab).

### **Article 2**

The registered office of the Bank lies in the municipality of Copenhagen.

### **Article 3**

The objective of the Bank is to conduct banking business and other operations permitted according to the Danish Financial Business Act.

## **Share capital, etc.**

### **Article 4**

The Bank's share capital amounts to DKK 998,198,520 distributed on shares of DKK 1 or multiple thereof and a maximum of DKK 100.

The Board of Directors shall fix the denomination of the shares within this limit.

The shares are issued through the Danish Securities Centre (VP Securities A/S).

Dividend will be paid with releasing effect to the Bank in compliance with Danish legislation.

The shares are negotiable instruments. No shareholder shall be obliged to submit shares for encashment in whole or in part. There shall be no limitations to the negotiability of the shares. No shares shall carry special rights.

The shares are issued in the name of holder and have to be registered in the Bank's register of shareholders and cannot be transferred to bearer. Registered shares only have administrative rights of any kind towards the Bank.

The Bank's register of shareholders are kept by Computershare A/S, Kongevejen 418, Oeveroed, DK-2840 Holte. They are appointed by the Board as registrars of the register of shareholders on behalf of the Bank.

Transfer of registered shares has to be registered in the Bank in order to have legal effect. The Bank is not responsible for the validity and authenticity of registered transfers.

#### **Article 4a**

At the extraordinary general meeting held on 17 August 2010, it was decided to reduce the Bank's share capital by the nominal amount of DKK 565,645,828 at par from the nominal amount of DKK 665,465,680 to the nominal amount of DKK 99,819,852. It was decided to allocate the amount of the capital reduction of a total of DKK 565,645,828 to a separate fund pursuant to section 188(1)(iii) of the Danish Companies Act (the "Separate Fund"). The Separate Fund must be undistributable, meaning that it can only be used in accordance with the provision of this Article. The Separate Fund may be used to cover losses and is with the reductions following from the covering of any losses to remain a part of the Bank's net capital.

Notwithstanding the above restriction in the use of the Separate Fund, the Bank's shareholders may at a general meeting subject to the majority and quorum requirements for amendment of the Articles of Association under Article 12 of these Articles of Association resolve to allocate in whole or in part the Separate Fund to a separate fund outside this Article 4a or to distribute the Separate Fund to the Bank's shareholders. Such decision to use the Separate Fund for any other purpose than to cover losses may only be adopted at such time when no obligations exist for Amagerbanken towards the Danish State or the Financial Stability Company or towards parties to whom the Danish State or the Financial Stability Company may have assigned its rights in whole or in part under loans granted as hybrid core capital and under any individual government guarantee granted to Amagerbanken under the Danish Act on Financial Stability (lov om finansiel stabilitet) and the Danish Act on Government Capital Injections in Credit Institutions (lov om statsligt kapitalindskud i kreditinstitutter). Any amendment of this Article 4a is subject to the consent of the Danish Ministry of Economic and Business Affairs for as long as Amagerbanken has such obligations under the Act on Government Capital Injections in Credit Institutions and subject to the consent of the Financial Stability Company for as long as Amagerbanken has such obligations under the Act on Financial Stability.

#### **Article 5**

In the period until 21 July 2015 the Board of Directors is authorised to increase the Bank's share capital in one or more stages by up to DKK 1,000,000,000 with or without pre-emption right for the shareholders. New shares issued according to this authorisation may be subscribed against payment in cash or in kind or by conversion of debt. If the shareholders' pre-emption right is excluded, subscription may not take place at a price below the market price of the Bank's shares.

Any increase of the share capital according to this authorisation will imply that the Board of Directors fixes the subscription price as well as the time and other terms and conditions of the capital increases, that the new shares must be registered with VP Securities A/S and must convert upon the holder the right to receive dividends as from the time of registration of the capital increase with the Danish Commerce and Companies Agency, that the new shares must be negotiable instruments and be made out in the holders' names and that they must be entered in the Bank's register of shareholders in the name of the holder as well as be non-transferable to bearer, that the shares issued under this authorisation must be subject to the same rules as to redeemability and transferability as the existing shares, that in all other respect, the shares must carry the same rights as, and in all other respects be identical to the Bank's existing shares, and that the pre-emption rights of new shareholders are not subject to any restrictions in future increases.

The Board of Directors is authorised to make the amendments to the Articles of Association entailed by such capital increases.

#### **Article 5a**

- 5a.1 In compliance with decision made at the Bank's extraordinary general meeting on 2 December 2009 the Bank has obtained a loan with a principal of DKK 1,106,000,000 as hybrid core capital pursuant to Danish Act on State-funded Capital Injections in Credit Institutions ("Capital injection "). The capital injection was obtained at a price of 100 and without right for the Bank's shareholders of proportional subscription.
- 5a.2 The capital injection is divided into two tranches of which tranche 1 will amount to DKK 934,895,000 and tranche 2 of DKK 171,105,000. Tranche 1 will be raised against the issuance of capital certificates, which the Bank in certain situations may be under an obligation to convert and have right to demand be converted into shares in the Bank ("Capital Certificates with Voluntary Conversion"). Tranche 2 will be raised against the issuance of capital certificates, which the Bank in certain situations may be entitled to demand be converted into shares in the Bank and which the Bank will also be under an obligation to convert into shares in the Bank in accordance with the Act on State-funded Capital Injections into Credit Institutions ("Capital Certificates with Voluntary and Mandatory Conversion"). Specified requirements for the Bank's agreement of raising of tranche 1 of the capital injection and issuance of Capital Certificates with Voluntary Conversion appear from enclosure 1 which is an integrated part of the Bank's Articles of Association. Specified requirements for the Bank's agreement of raising of tranche 2 of the capital injection and issuance of Capital Certificates with Voluntary and Mandatory Conversion appear from enclosure 2 which is an integrated part of the Bank's articles of association.
- 5a.3 In accordance with enclosures 1 and 2 for the Capital Certificates with Voluntary Conversion as well as the Capital Certificates with Voluntary and Mandatory Conversion applies that they are subordinate bullet loans with no maturity date as specified in the Danish Financial Business Act and related adjustment (hybrid Tier 1 capital) that they carry interest per annum at the day of raising 11.51% p.a. incl. of interest conversion commission and conversion commission in the period until 31 December 2014 at the latest where after the conversion commission of 0.5% p.a. expires and that the interest rate may be increased in the event of future dividend distributions within the specified requirements of loan terms stated in enclosures 1 and 2 respectively that the Capital Certificates at the stated terms in enclosures 1 and 2 are irredeemable by the Bank for an agreed period of time exceeding on 31 December 2014 at the latest that the Capital Certificates matures if (i) the Bank enters into liquidation, (ii) an order of liquidation is made against the Bank or (iii) the Danish Financial Supervisory Authority revokes the Bank's license to carry out banking activities and approves liquidation of the Bank except from liquidation through merger pursuant to section 227 of the Danish Financial Business Act and that the Capital Certificates should be issued as dematerialised securities in VP Securities A/S (The Danish Securities Centre) as restrictions of the Capital

Certificates' negotiability shall not be effective.

- 5a.4 The Capital Certificates with Voluntary and Mandatory Conversion should be converted to shares in the specified cases pursuant to Act on State-funded Capital Injections and within the specified requirements of the loan terms in enclosure 2 if the Danish Financial Supervisory Authority so order (mandatory conversion). Conversion takes place in accordance with the terms stated in enclosure 2, item 12 and may take place in the period from issuance until the Capital Certificates are redeemed. The conversion price will be fixed as the market value of the Bank's shares immediately after announcement of conversion as calculated by an independent state-authorized public accountant according to rules of enclosure 2, item 12.4. The conversion price must as a minimum be at par.
- 5a.5 The Capital Certificates with Voluntary and Mandatory Conversion and Capital Certificates with Voluntary Conversion (with addition of accrued unpaid coupon as far as a company-law basis is provided) the Bank may for a period until 31 December 2014 at the latest and in accordance with the specified requirements to the loan terms stated in enclosures 1 and 2 respectively require converted into shares of the Bank's hybrid tier 1 rate exceeds 35 (voluntary conversion). The conversion price is fixed as the market value of the Bank's shares immediately after announcement of conversion as calculated by an independent state-authorized public accountant according to rules of enclosures 1 and 2, item 11.7. Pursuant to item 11.11 of enclosure 1 and 2 respectively the Bank is obliged to bring its hybrid tier 1 rate to 35 or under by using its conversion right regarding the Capital Certificates with Voluntary and Mandatory Conversion and the Capital Certificates with Voluntary Conversion if the Bank's initial hybrid tier 1 rate exceeds 50.
- 5a.6 If the Bank's solvency is less than 110% of the solvency requirement (meaning the highest from (i) the solvency requirement of the Danish Financial Business Act and (ii) an individual solvency requirement submitted by the Danish Financial Supervisory Authority pursuant to Danish Financial Business Act) or full or partial payment of coupon, payment of coupon must be effected by issuance of shares or through delivery of existing own shares for owners of Capital Certificates according to rules stated in enclosure 1 and 2 respectively, item 5 (interest conversion). Interest conversion can take place until the Capital Certificates have been redeemed, according to item 8 in enclosure 1 and 2 respectively. To begin with the conversion price will be fixed on the basis of the market price, see further item 5.4 in enclosure 1 and 2 respectively.
- 5a.7 In the event of capital injection, capital reduction, issuance of subscription options, issuance of new convertible bonds and/or instruments of debt or the Bank's liquidation, also in case of merger or demerger of the Bank, before conversion has taken place, approach should be made in accordance with enclosure 1 and 2.

5a.8 New shares issued in connection with a mandatory conversion, cf. article 5a.4 of the Articles of Association or voluntary conversion except for conversion of accrued unpaid coupon, cf. article 5a.5 shall apply that the lowest nominal amount of new shares which can be subscribed at conversion is DKK 1 and the highest nominal amount is DKK 171,105,000 at mandatory conversion and DKK 1,106,000,000 at voluntary conversion that the shares is issued without pre-emption right for existing shareholders that there is no restrictions with respect to the pre-emption rights of such shares in future capital increases that the shares will not be subject to any restrictions as to transferability and that the shares will be issued through a securities centre in denominations of DKK 1 or any multiples thereof and a maximum of DKK 100 that the shares are made out in the holders' names and will be entered in the Bank's register of shareholders in the name of the holder and will carry the same rights as and in all other respects be identical to the Bank's existing shares, will confer upon the holder the right to receive dividends as from the time of registration of the capital increase with the Danish Commerce and Companies Agency, the right to toher rights accruing form such same point in time, and costs incidental to the issuance of new shares, which are to be borne by the Bank, are estimated at DKK 100,000 for each capital increase. The Board of Directors is authorised to make the amendments to the Articles of Association in connection with the conversion.

#### **Article 5b**

In the period until 2 December 2014 the Board of Directors is authorised to increase the Bank's share capital of an amount up to DKK 250,000,000. The increase may be effected through one or more issues. New shares issued according to the authorisation may be subscribed for through cash subscription or through cash conversion of debt at or above market price without pre-emption rights for the shareholders.

Any increase of the share capital according to the authorisation will imply that the Board of Directors fixes the subscription price in accordance with enclosure 1 and enclosure 2 – however, not below par or below market price – as well as the time and other terms and conditions for the capital increases, that the new shares must be registered with VP Securities A/S and must convert upon the holder the right to receive dividends as from the time of registration of the shares with the Danish Commerce and Companies Agency, that the new shares must be non-negotiable instruments and be made out in the holders' names and that they must be entered in the Bank's register of shareholders in the name of the holder as well as be non-transferable to bearer, that the shares issued under this authorisation must be subject to the same rules as to redeemability and transferability as the existing shares, that in all other respect, the shares must carry the same rights as, and in all other respects be identical to, the Bank's existing shares, and that the pre-emption rights of new shareholders are not subject to any restrictions in future increases – except as set up in the authorisation.

The Board of Directors further proposes that it be authorised to make the amendments to the Articles of Association given rise to by such capital increases.

### **Article 5c**

In the period until 21 July 2015 the Board of Directors is authorised to raise loans in one or more stages by up to a total of DKK 1,000,000,000 against issue of convertible debt instruments entitling the holder to subscribe for shares in the Bank. The loans shall be paid in cash to the Bank. The Board of Directors determines the specific terms of the convertible debt instruments to be issued according to this authorisation. If the shareholders' pre-emption right is excluded, conversion may not take place at a price below the market price of the Bank's shares at the time of the issue of the debt instruments.

As a consequence of this authorisation the Board of Directors is authorised in the period until 21 July 2015 to increase the Bank's share capital in one or more stages by up to DKK 1,000,000,000 with or without pre-emption right for the shareholders by conversion of the convertible debt instruments, which are issued in accordance with the authorisation above. Article 5(2) and (3) shall apply to the Board of Directors' decisions to increase the share capital and to the new shares issued in this connection.

### **General meeting**

#### **Article 6**

The ordinary general meeting is held each year within the end of March.

Extraordinary general meeting is held on decision by the Board of Directors, the general meeting or at the request of auditor or shareholders at least holding 5% of the share capital. Shareholders' request should include specification of items to be transacted at the general meeting.

General meetings – ordinary as well as extraordinary – are held in Copenhagen or in Amager and are to be convened by the Board of Directors at least 5 weeks and at the latest 3 weeks before the general meeting by announcement in the or those national newspapers chosen by the Board and by publication at the Bank's website, [www.amagerbanken.dk](http://www.amagerbanken.dk).

The announcement must include agenda for the general meeting. If proposals of amendments of Articles of Association are to be transacted at the General Meeting, the most significant or complete contents of the proposal should be stated in the notice.

3 weeks at the latest before the General Meeting, inclusive of the day of holding of the meeting, the following information should be available for the shareholders at the Bank's website, [www.amagerbanken.dk](http://www.amagerbanken.dk) and sent to each registered shareholder having requested this.

- The notice
- Total number of shares and voting rights at the date of the notice
- Documents to be submitted at the general meeting, including the latest audited annual report with regard to the ordinary general meeting
- Agenda and complete proposals
- Forms to be used at voting by power of attorney and by written voting

### **Article 7**

A shareholder's right to participate and vote at the general meeting is prescribed in relation to number of shares held by the shareholder at the registration date, which is 1 week before the holding of the general meeting. Participation in the general meeting also depends on shareholder's request for admission card for the general meeting in question 3 days at the latest before the holding of the general meeting.

Admission card is issued to the person who according to the register of shareholders is registered as shareholder at the registration date. For shareholders not registered by name in the register of shareholders, a custody statement from VP Securities A/S or custodian institution documenting the shareholder's holding per the registration date is required to issue admission card.

The voting right may be exercised by proxy, who needs not be shareholder, conditional on the proxy in question to prove his/her right to participate in the general meeting by presenting a written, dated power of attorney in compliance with legislation. In those cases where a proposal should be transacted at two general meetings, the power of attorney to meet at the first general meeting is also valid for the other general meeting, if it has not been specifically revoked.

A shareholder or proxy may meet with an adviser, when notice has been given in advance as informed above.

The press has access to the general meetings.

### **Article 8**

Each share amount of DKK 1 gives one vote when the shares are registered in the company's register of shareholders.

### **Article 9**

The agenda for the ordinary general meeting shall include the following:

1. The Board of Directors' report of the Bank's activities in the past year.
2. Submission of the Annual Report including Group accounts for adoption as well as a decision on the allocation of profits or the cover of losses in accordance with the adopted report.
3. Election of the chairman of the Board of Directors, election of the vice chairman of the Board of Directors and election of any other members to the Board of Directors.
4. Election of one or two auditors.
5. Proposals from shareholders or the Board of Directors, if any.



Proposals from shareholders to be presented for transaction at the ordinary general meeting should be made in writing and presented to the Board of Directors 6 weeks before the general meeting at the latest. The Board of Directors decides if a proposal received later than this, has been presented in good enough time to be included to the agenda.

#### **Article 10**

The general meeting shall be conducted by a chairman of the meeting elected by the Board of Directors.

#### **Article 11**

General matters shall be decided by simple majority and the general meeting will be capable of reaching a decision regardless of the number of persons attending.

In the event of a tied vote the proposal shall lapse. In the event of a tied vote in the case of election, the election shall be decided by the drawing of lots.

#### **Article 12**

Decisions on amendment of the Articles of Association or on the voluntary dissolution of the company shall only be valid, if at least half of the share capital is represented at the General Meeting, and the proposal is adopted by at least 2/3 of both the votes cast and by the share capital with voting entitlement represented at the general meeting.

Should a sufficient share amount not be represented, but the proposal yet have achieved 2/3 of both the votes cast and of the share capital with voting entitlement represented at the general meeting, and having been submitted by the Board of Directors, The Board of Directors shall within 14 days convene a new general meeting at which the proposal may be adopted without consideration of the size of the share capital represented, when 2/3 of both the votes cast and the share capital represented at the general meeting are in favour of the proposal.

Should a proposal for amendment of the Articles of Association be adopted by the Board of Directors it may, however, be finally adopted at a single general meeting with a majority of 2/3 of both the votes cast and of the share capital with voting entitlement represented at the general meeting, without consideration of the size of the share capital represented.

### **Electronic communication**

#### **Article 13**

The Board of Directors may choose that all communication from the Bank to each shareholder, including the notice convening general meetings and the complete proposals, agenda, admission card, power of attorney and voting forms, annual reports as well as interim reports are solely made electronically, including by e-mail. Public notice of convening general meetings will still take place through announcement in a national newspaper.

General announcements will be available for the shareholders at the Bank's website, [www.amagerbanken.dk](http://www.amagerbanken.dk) unless otherwise advised in the company law. The Bank may at any time communicate with each shareholder by ordinary mail as a supplement or alternative to electronic communication.

The Bank is liable to request an electronic address from registered shareholders to which announcements, etc. can be sent. Each shareholder is responsible to secure that the Bank at any time is in possession of the correct electronic address.

At the Bank's website, [www.amagerbanken.dk](http://www.amagerbanken.dk) the shareholders can find further information of the requirements for the systems used and of the procedure in connection with electronic communication.

## **The Board of Directors**

### **Article 14**

The members of the Board of Directors are elected by the general meeting except those members who are elected in accordance with Danish legislation of representation of employees in the Board of Directors.

The part of the Board of Directors elected by the general meeting, elected for a term of 1 year, consists of at least 4 members and at most 10 members. Re-election may take place. No person attained at an age of 70 years at the time of the general meeting is eligible for the Board of Directors.

### **Article 15**

The general meeting shall elect the chairman and the vice chairman of the Board of Directors in pursuance of Article 9 of the Articles of Association.

The Board of Directors shall be convened by the chairman or the vice chairman in the absence of the former.

The Board of Directors together with the Executive Board shall be responsible for management of the Bank's activities in accordance with the Danish Companies Act and the Financial Business Act.

The Board of Directors shall, after consultation with the Executive Board, stipulate the more detailed rules for the Bank's business procedures.

The Board of Directors shall draw up written instructions on the Bank's most essential fields of activities and determine the division of work between the Board of Directors and the Executive Board.

The Board of Directors shall appoint and dismiss the Executive Board and the head of the internal audit department and shall determine their salary and pension terms, etc.

#### **Article 16**

The Board of Directors shall itself determine its order of business.

#### **The Executive Board**

#### **Article 17**

The Executive Board shall consist of 1-4 members.

#### **Article 18**

The Executive Board shall together with the Board of Directors conduct the management of the Bank's affairs. The Board of Managers shall be responsible for the day-to-day management according to the guidelines and instructions given by the Board of Directors.

The Executive Board shall be present at meetings of the Board of Directors and shall take part in negotiations unless matters concerning a particular member of the Executive Board are under consideration. Members of the Executive Board hold no voting rights.

The Executive Board shall appoint and dismiss the Bank's staff and shall determine their salary and pension terms, etc.

#### **Article 19**

On the ordinary general meeting on 31 March 2008 the general meeting adopted the general guidelines prepared for incentive pay by the Bank to the Board of Directors and the Executive Board pursuant to section 139 of the Danish Companies Act. The guidelines have been published on the Bank's web-site, [www.amagerbanken.dk](http://www.amagerbanken.dk).

#### **Provisions concerning the power to bind the company**

#### **Article 20**

The Bank is bound by the signatures of:

- The entire Board of Directors, or
- The chairman together with a member of the Executive Board, or
- Two members of the Executive Board jointly.

The Board of Directors may grant powers of procuration.

#### **Audit**

#### **Article 21**

The general meeting shall elect one or two auditors for one year at a time. At least one of the auditors shall be state-authorized public accountant.

## **Annual accounts**

### **Article 22**

The Bank's financial year is the calendar year.

### **Article 23**

Within the end of February the Executive Board must draw up and endorse the Annual Report including Group accounts and submit them for adoption by the Board of Directors.

The Annual Report including Group accounts adopted and endorsed by the Board of Directors, and endorsed by the auditors, shall be submitted for adoption by the general meeting.

### **Article 24**

The general meeting shall on the recommendation by the Board of Directors decide on the allocation of that part of the year's result, with the addition of transferred amounts, not to be used to cover a possible deficit from previous years and statutory allocations to the reserves.

## **Enclosures:**

Enclosure 1: Terms and conditions of the Capital Certificates (with voluntary conversion)

Enclosure 2: Terms and conditions of the Capital Certificates (with voluntary and mandatory conversion)

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The above Articles of Association were adopted at the extraordinary General Meeting held on 10 November 2010.

The Board of Directors of Amagerbanken Aktieselskab