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# Articles of Association for BRFkredit a/s

As of 24 April 2007

**BRFkredit**



# Table of Contents

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NAME AND REGISTERED ADDRESS	Article	1
PURPOSE	Article	2
CAPITAL AND SHARES	Article	3
GENERAL MEETING	Article	4-7
MANAGEMENT	Article	8
THE BOARD REPRESENTATIVES	Article	9
SIGNATURES	Article	10
AUDITORS	Article	11
ACCOUNTS	Article	12-13
AUTHORIZATION	Article	14

## NAME AND REGISTERED ADDRESS

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### Article 1.

- 1.1. The name of the company is BRFkredit a/s.
- 1.2. The registered address of the company is the municipality of Lyngby-Taarbaek, Denmark.

## PURPOSE

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### Article 2.

2. The purpose of the company is to carry out mortgage banking activities and any accessory activities that are permitted in compliance with the mortgage credit legislation in force from time to time.

## CAPITAL AND SHARES

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### Article 3.

- 3.1. The share capital of the company amounts to DKK 306,480,000. The share capital is distributed with DKK 56,480,000 A-shares and DKK 250,000,000 B-shares.
- 3.2. Each share has a nominal value of DKK 100. The board of Directors can decide to issue share certificates covering more than 1 share.
- 3.3. The share capital is fully paid up.
- 3.4. The shares are negotiable.
- 3.5. The shares must be registered to holder.

- 3.6. The registration of holder of a share or the transport to another holder shall only be valid towards the company after the registration or transport has been entered in the register of shareholders of the company. The company shall not be held liable for the authenticity or correctness of the identity of the registered holder.
- 3.7. (1) Each A-share of DKK 100 entails 1 (one) vote.
- (2) Each B-share of DKK 100 entails 10 (ten) vote.
- (3) No shareholder, except for BRFHolding a/s, shall be entitled to vote for a share amount exceeding 10 (ten) per cent of the share capital of the company.
- (4) Except for BRFHolding a/s, no party shall be entitled to vote by proxy for a share amount exceeding 10 (ten) per cent of the share capital of the company.
- 3.8. No shareholder who has come into possession of shares through transfer shall be able to exercise his/her voting rights in relation to the shares in question at a general meeting, unless the shares are registered in the register of the shares or unless the shareholder in question has given notice and documented his/her acquisition of the shares prior to the notice convening the general meeting. However, the shares in question shall be considered represented at the general meeting even if the voting rights may not be exercised, provided that the shares are registered in the register of the shares prior to the general meeting, or provided that the shareholder has given notice and documented his/her acquisition of the shares in question.
- 3.9. No shareholder shall be obliged to have his shares or any part thereof redeemed to him by the company or by any other party.
- 3.10.
- 3.10.1. An increase of the share capital of the company must be passed at the general meeting with a majority corresponding to the majority required to pass amendments to the articles of association and can take place as follows:-
- A) Through parallel increases in the volume of A-shares and B-shares in the proportion existing between the two classes

of shares at the time of the increase, so that existing holders of A-shares have preferential right to subscribe to new A-shares, and existing holders of B-shares to subscribe to new B-shares;

- B) Through the issuing of A-shares alone so that existing holders of A-shares and B-shares have an equal, preferential right to subscribe to the new A-shares in relation to their existing holdings;  
and
- C) The Board of Directors can suggest an issue of both A-shares and B-shares or A-shares alone without a preferential right of subscription for existing shareholders if the issue takes place through the conversion of debt or as payment for the acquisition in full or in part of an existing company or certain assets.

3.10.2. During the period until 26th April, 2010, the Board of Directors can determine the time and conditions for an increase of the share capital by up to DKK 320,000,000 A-shares in one or several issues. In the situation that the increase of the share capital is not put up for public subscription in connection with a listing of the shares on the Copenhagen Stock Exchange or as payment for the acquisition in full or in part of an existing company or certain assets, the existing shareholders shall have a right to proportional subscription to the new A-shares (as specified in 3.10.1.B).

3.11. The general meeting can decide to increase the share capital of the company with the reservation, however, that more than half the voting rights attached to all shares in the company are at all times held by BRFFholding a/s.

3.12. At every increase of the share capital, the new shares shall hold the same rights and obligations as the existing shares in the share class to which the new shares belong. The shares shall entitle the holder to dividend and other rights in the company as from the time specified in the decision to increase the share capital, as specified in 3.10.1., or determined by the Board of Directors in connection with an increase of the capital under 3.10.2.

- 3.13. There shall be no limitation in the negotiability of the shares.
- 3.14. Apart from the regulations regarding voting rights (cf. Articles 3.7., 3.8., and 7.1.), and pre-subscription rights (Article 3.10.), no shares shall have any preferential rights.
- 3.15. The annual dividend is sent to the shareholders to the address entered in the share register. Any dividend payments which cannot be sent due to defective information in the share register, or dividend payments which have not been collected on the basis of information in the share register within a period of five years from the declaration of the dividend at the general meeting of the company, shall fall to the company.
- 3.16. Lost shares, rights certificates, part certificates, coupons and counterfoils can be cancelled at the expense of the registered holder without a judgment according to the regulations of the legislation in force at the time in question.

## GENERAL MEETING

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### Article 4.

- 4.1. General meetings are held at the registered address or at another address within the area of metropolitan Copenhagen.
- 4.2. The ordinary general meeting is held each year within a period of four months after the end of the accounting year.
- 4.3. Extraordinary general meetings are held when the Board of Directors, an auditor or a general meeting considers this appropriate. An extraordinary general meeting to be held in order to discuss a particular, specified topic or proposal must be called with a notice of not more than two weeks if this is required in writing by shareholders who own one tenth of either the A-share capital or the B-share capital or the entire share capital.
- 4.4. The Board of Directors shall call general meetings in writing to all shareholders listed in the share register. This calling shall be given with a notice of not more than 4 weeks and not less than 1 week. The letter shall state the agenda of the meeting, and if proposed amendments to the articles of association are to be discussed at the meeting, the letter shall contain the main points of the proposed amendments.
- 4.5. Not later than 1 week before the general meeting shall the agenda and complete wording of proposals and - for the ordinary general meeting - the audited annual report together with the consolidated accounts, if any, be made available for inspection by the shareholders at the company's office.
- 4.6. Any shareholder shall be entitled to have an item discussed at the general meeting if he presents the item in question in writing to the Board of Directors at such a time that the item or proposal can be listed on the agenda of the general meeting.
- 4.7. Items or proposals presented by shareholders for the agenda of the ordinary general meeting will be listed in the agenda if they are submitted in writing to the Board of Directors not later than two months after the end of the accounting year.

#### Article 5.

5. At the ordinary general meeting, the audited annual report together with any consolidated accounts shall be presented and the following action taken:-
- a) Report on the activities of the company;
  - b) Presentation for adoption of the annual report;
  - c) Proposals for the application of profits or covering of deficits according to the adopted annual report;
  - d) The appointment of members to the Board of Directors;
  - e) The appointment of auditors;
  - f) The appointment of a Board of Representatives.

#### Article 6.

6. A chairman appointed by the Board of Directors shall chair the general meeting and settle all questions as to procedure, casting of votes and the result of such votes.

#### Article 7.

- 7.1. Any shareholder shall be entitled to participate in the general meeting when, not less than 3 days before the meeting, he has collected an admittance card from the company, showing the number of votes to which he is entitled (cf. Articles 3.7. and 3.8.).
- 7.2. The general meeting can only decide on proposals listed in the agenda.
- 7.3. Matters discussed at the general meeting shall be settled through simple majority, unless the Danish Companies Act or these present articles of association prescribe special rules regarding representation and majority,

- 7.4. To adopt amendments to the articles of association or the voluntary dissolution of the company or amendments to the articles of association regarding the merging of the company with another company, a majority in favour of the proposals in question consisting of two thirds of both the votes cast and of the voting shares represented at the general meeting is required.

If a proposal has not been presented or approved by the Board of Directors, it is further required that not less than two thirds of all possible votes corresponding to the entire share capital are represented at the general meeting.

Unless a sufficient number of votes to decide on a proposal of the said nature is present at the general meeting, the Board of Directors can within a period of four weeks call another general meeting where the proposal shall be considered adopted if two thirds of both the votes cast and the voting shares represented at the general meeting regardless of the number of shares represented are in favour of the proposal. Proxies given for the first general meeting must also be valid for the second general meeting, unless otherwise stated in the instrument of proxy.

- 7.5. The proceedings shall be entered in the minutes which must be signed by the chairman and all members present of the Board of Directors.

## MANAGEMENT

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### Article 8.

- 8.1. The general meeting shall appoint not less than five and not more than seven members of the Board of Directors. Members of the Board of Directors appointed by the general meeting shall resign at the annual general meeting but can be re-appointed; however, no person of more than 70 years of age can be appointed to the Board of Directors.

- 8.2. The members of the Board of Directors shall from among themselves appoint a chairman and a deputy chairman who shall take over the position of chairman in the event of the appointed chairman's absence.
- 8.3. The Board of Directors shall have a quorum when more than half its members, including the chairman and the deputy chairman, are present. Matters discussed by the Board of Directors shall be settled by simple majority. In the case of a tie vote, the vote of the chairman shall be decisive. The Board of Directors shall lay down its own procedure regarding the fulfilment of its obligations.
- 8.4. Minutes shall be kept of the proceedings at the meetings of the Board of Directors, and all members shall sign these minutes.
- 8.5. The members of the Board of Directors shall receive a fee, the size of which shall be specified in the annual report for the year in question.
- 8.6. The Board of Directors shall appoint a Board of Management consisting of not less than 2 members, one of whom shall be appointed managing director.
- 8.7. The Board of Directors shall be able to confer joint procuration.
- 8.8. In a special Set of Regulations, the Board of Directors shall specify the rules and conditions applying at all times to
  - (1) bonds, mortgage credit bonds, and other securities which have been or will be issued by the company, including rules regarding general terms, division into series, security of bonds, and terms for the individual series;
  - (2) lending activities financed through the issuing of bonds, mortgage credit bonds, and other securities, including rules regarding general terms, the liability of borrowers, including the joint and several liability of borrowers, the establishment of series reserve funds, repayment and prepayment terms, the extent and nature of commissions, contributions, fees, penal interest, rates, duties, etc.; and
  - (3) the administration of existing series reserve funds.
- 8.9. Under S. 109.a of Danish Companies Act, the Board of Directors is authorised to make a decision to distribute extraordinary dividend. 11

# THE BOARD OF REPRESENTATIVES

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## Article 9.

- 9.1. The Board of Representatives, which forms a permanent representation of the borrowers of and investors in the securities issued by the company, shall have between 30 and 65 members.
- 9.2. The members of the Board of Representatives shall be appointed at the general meeting upon nomination by the Board of Directors.
- 9.3. The members of the Board of Representatives shall be appointed among major borrowers or groups of borrowers, including major corporate customers and non-profit housing associations, aiming at an appropriate geographical distribution, and among investors in the securities issued by the company.
- 9.4. The Board of Representatives shall appoint a chairman and a deputy chairman for a period of 3 years; however, at the 1991 election the chairman will be appointed for 3 years, and the deputy chairman for 2 years. The term of office shall begin at the time of appointment and shall end at the beginning of the first meeting of the Board of Representatives following the expiry of the term in question. The other members of the Board of Representatives shall resign at the annual general meeting, but may be re-appointed; however, no person over 70 shall be appointed to the Board of Representatives.
- 9.5. In the event of simultaneous vacancy during the appointment period for both chairman and deputy chairman, the Board of Representatives shall appoint a new chairman and deputy chairman for the remaining part of the period of appointment.
- 9.6. The Board of Representatives shall supervise the administration by the Board of Directors and the Board of Management of the company's affairs and shall function as a consultative organ for the management.
- 9.7. The Board of Representatives shall lay down a procedure governing its actions.

- 9.8. The members of the Board of Representatives can receive an annual fee, the size of which is specified in the annual report for the year in question.

## SIGNATURES

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### Article 10.

10. The chairman or deputy chairman of the Board of Directors jointly with one member of the Board of Management or two members of the Board of Directors, or two members of the Board of Management jointly shall sign for the company.

## AUDITORS

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### Article 11.

- 11.1. The accounts shall be audited by one state-authorized, public accountant.
- 11.2. The auditors shall be appointed, in due consideration of the rules laid down in the Danish Financial Services Act, by the ordinary general meeting for the period up till the end of the next ordinary general meeting.
- 11.3. The auditors shall audit the annual report and any consolidated accounts in compliance with generally accepted auditing principles.

## ACCOUNTS

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### Article 12.

12. The accounting year of the company shall cover the period from 1st January to 31st December.

### Article 13.

13. The annual report and any consolidated accounts shall be presented in a clear manner in compliance with the legislation, and must provide a correct picture of the assets and liabilities, financial position, and results of the group or company, respectively.

## AUTHORIZATION

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### Article 14.

14. The Board of Directors shall be authorized to make such amendments to the articles of association of the company, which may be required by Erhvervs- og Selskabsstyrelsen (The Danish Commerce and Companies Agency).

Adopted at the general meeting on 14<sup>th</sup> May, 1990, with subsequent amendments dated 23<sup>rd</sup> October 1990, 8<sup>th</sup> March 1991, 15<sup>th</sup> April 1991, 27<sup>th</sup> April 1994, 25<sup>th</sup> April 1996, 26<sup>th</sup> April 2005 and 24<sup>th</sup> April 2007.

Members of the Board of Directors:

Oluf Engell  
*Chairman*

Kurt Bligaard Pedersen  
*Deputy Chairman*

Troels Behr  
Laila Busted  
Jan Frederiksen  
Kristian May  
Lars Munch  
Aksel Nissen  
Thomas Sandelius

