

[Translation]

**Articles of Association  
of  
P/F BankNordik**

**Article 1.0 Name**

1.1 The name of the Bank is “Partafelagið BankNordik”.

1.2 The Bank also carries on business under the following secondary names:

Norðoya Banki, Sjóvinnubankin, Føroya Banki, Føroya Bank, Foroya Banki, Foroya Bank, BankNordic, Nordik Bank, Nordic Bank, Nordik Banki, Nordic Banki, Pensjón Nordik, Pension Nordik, Trygd Nordik, Invest Nordik, NordikInvest, Nordik Íløgur and Amagerbanken.

**Article 2.0 Registered office**

2.1 The registered office of the Bank is situated in the municipality of Tórshavn.

**Article 3.0 Objects**

3.1 The objects of the Bank are to carry out banking business and other activities under the Financial Business Act (lov om finansiel virksomhed).

**Article 4.0 Capital**

4.1 The share capital of the Bank is DKK 200 million, divided into shares of DKK 20.

**Article 5.0 Shares**

5.1 The shares of the Bank shall be bearer shares, but may be registered in the names of the holders in the Bank’s register of shareholders.

5.2. No transfer or sale of shares registered in the names of the holders shall be enforceable against the Bank, unless it has been registered in the Bank’s register of shareholders. The Bank shall not be liable for the correctness or validity of such transfer or sale.

5.3 The shares shall be negotiable instruments.

5.4 No shares shall carry any special rights.

5.5 The shares shall be subject to no sale or transfer restrictions.

## **Article 6.0 General meetings – powers, venue and notice**

- 6.1 The general meeting has the supreme authority of the Bank, subject to statute and these Articles of Association.
- 6.2 General meetings shall be held in Tórshavn. The annual general meeting shall be held within 3 (three) months of the financial year-end.
- 6.3 Extraordinary general meetings shall be held pursuant to resolution by a general meeting, pursuant to decision by the board of directors of the auditor(s), or upon written request to the board of directors from shareholders holding no less than 5% of the share capital specifying the issue(s) to be considered. Extraordinary general meetings shall be convened within 14 (fourteen) days of receipt of a request to such effect.
- 6.4 The Board of Directors shall convene general meetings with a notice of no more than 5 (five) weeks and no less than 3 (three) weeks. The notice to convene general meetings will be published on the Bank's website, and through the information system of the Faroese Registration Authority. Furthermore the notice to convene general meeting upon request will be sent in writing to all shareholders registered in the Bank's register of shareholders.
- 6.5 The notice of the general meeting shall include the agenda of the meeting and the main contents of any proposal requiring a qualified majority of votes to be adopted.

## **Article 7.0 General meetings – agenda**

- 7.1 Any shareholders shall be entitled to have a specific subject considered by the Company in Annual General Meeting. The Company shall receive proposals to this effect not later than six weeks prior to the General Meeting. If the Company receives the proposal later than six weeks prior to the General Meeting, the Board of Directors may decide, however, that the proposal has been submitted in time for the subject to be considered on the general meeting anyway.
- 7.2 No later than three weeks prior to the General Meeting up until and including the day of the General Meeting, a copy of the notice convening the Meeting with agenda, the complete proposals the documents to be presented at the General Meeting, information about voting and capital structure at the time of convening the Meeting as well as forms for issue of proxy and voting by correspondence shall be available at the Company's website.

The annual report shall be sent to all registered shareholders upon request.

- 7.3 The annual general meeting shall have the following agenda:
1. Report of the board of directors on the activities of the Bank during the past year.
  2. Presentation and adoption of the Annual Report – and consolidated financial statements, if applicable – with the auditors' report, and presentation of the annual review.
  3. Resolution on the distribution of profits or losses as recorded in the Annual Report as adopted.
  4. Election of directors
  5. Election of auditor/auditors
  6. Any other business.

**Article 8.0 General meetings – admission cards and voting rights**

- 8.1 A shareholders right to attend a general meeting and vote according to his shares shall be determined by the shares which such shareholder owns at the record date. The record date shall be one week prior to the general meeting.
- 8.2 Any shareholders who are entitled to attend the general meeting cf. article 8.1, and who wants to attend, shall apply for an admission card and vote not later than three days prior to the holding of the general meeting.
- 8.3 Each share shall carry one vote. However, no shareholder may, neither in respect of his own shares nor when acting as proxy for other shareholders, cast votes representing more than 10 % (ten per cent) of the total share capital, regardless of the shareholding. Proxy votes given to the board of directors shall be subject to no restrictions. Shareholders in the same group, as defined by applicable law, may not cast votes representing more than 10 % (ten per cent) in aggregate of the total share capital, regardless of the shareholding.
- 8.4 All shareholders are entitled to attend general meetings in person, accompanied by an advisor, or by proxy, who may vote on their behalf, subject to presentation of a written and dated instrument of proxy issued for a maximum period of one year.
- 8.5 The media shall have access to general meetings.

**Article 9.0 General meetings – chairman, resolutions and minutes**

- 9.1 Proceedings at general meetings shall be presided over by a chairman elected by the board of directors to decide all matters relating to the transaction of business, voting and its outcome.
- 9.2 All business transacted at general meetings shall be decided by a simple majority of votes, unless a qualified majority is required by the Companies Act or by these Articles of Association.
- Any resolution to amend these Articles of Association or to wind up the Bank by voluntary liquidation or to adopt a merger shall be subject to no less than 2/3 (two-thirds) of the share capital being represented at the general meeting and the proposed resolution being adopted by 2/3 (two-thirds) of the votes cast and of the voting share capital represented at the general meeting.
- 9.3 Any proposal to amend or revoke the quorum requirement in Article 9.2 submitted by Finansieringsfonden af 1992 may be adopted by 2/3 (two-thirds) of both the votes cast and of the share capital represented at the general meeting. For the purpose of voting on such proposal submitted by Finansieringsfonden af 1992, the restrictions on voting rights and voting by proxy in Article 8.3 and the quorum requirement in Article 9.2 shall not apply.
- 9.4 Minutes of the proceedings at general meetings shall be entered in a minute book to be signed by the chairman of the meeting.

**Article 10.0 Board of directors**

- 10.1 The members of the board of directors shall be elected by the general meeting, except those members who are elected pursuant to the statutory provisions on employee representation on the board of directors.
- 10.2 The general meeting shall elect a board of directors consisting of 4 (four) to 6 (six) directors to hold office until the next annual general meeting. Directors are eligible for re-election, but no candidate for election or re-election may have reached the age of 70.
- 10.3 After the annual general meeting, the board of directors shall constitute itself and shall elect a chairman and a vice-chairman. In the event of an equality of votes, the result shall be decided by lot.
- 10.4 The chairman or, if the chairman is absent, the vice-chairman shall convene the meetings of the board of directors. Meetings shall be convened when deemed necessary by the chairman or, if the chairman is absent, the vice-chairman, or upon request from a director, a member of the executive management board, or the auditor(s).
- 10.5 The board of directors forms a quorum when more than half of the directors are present, including at least half of the directors elected by the general meeting. All business transacted by the board of directors shall be decided by a simple majority of votes. In the event of an equality of votes, the chairman or, if the chairman is absent, the vice-chairman, shall have a casting vote.
- 10.6 Minutes of the proceedings at board meetings shall be entered in a minute book to be signed by the directors.
- 10.7 The board of directors shall adopt rules of procedures governing the performance of its duties.

**Article 11.0 Executive management board**

- 11.1 The board of directors shall appoint an executive management board consisting of 1 (one) to 3 (three) members to be in charge of the day-to-day management of the activities of the Bank.
- 11.2 If more than one executive officer is appointed, one of them shall be appointed chief executive officer.
- 11.3 General guidelines regarding incentive pay for board of directors and management board have been stipulated. These guidelines have been adopted by the general meeting and published on the Bank's website.

**Article 12.0 Power to bind the Bank**

- 12.1 The Bank shall be bound by the joint signature of all directors, by the joint signatures of the chairman and vice chairman of the board of directors, or by the joint signatures of the chairman or the vice chairman of the board of directors together with a member of the executive management board or a member of the board of directors.
- 12.2 The Board of Directors is entitled to submit authorities to bind the company and to assign distinct power of attorneys.

**Article 13.0 Financial year**

- 13.1 The financial year shall be the calendar year.
- 13.2 The Annual Report shall give a true and fair view of the assets and liabilities of the Bank, its financial position and results.
- 13.3 With a simple majority of votes the general meeting is authorized to decide, that the Bank's annual report can be produced and presented in English.

**Article 14.0 Auditing**

- 14.1 The Annual Report of the Bank shall be audited in accordance with current legislation by one or more auditors elected by the annual general meeting for one year.

These Articles of Association, which were adopted by the general meeting of P/F BankNordik on 28 September 1999, was last amended by the general meeting on 30 March 2016.