

# ***Articles of Association for Sparebanken Vest Boligkreditt AS*** *following the share capital increase adopted by the General Meeting on 7 November 2018*

## **Chapter I Company name. Object. Registered office**

### **Article 1**

*Sparebanken Vest Boligkreditt AS (the Company) was founded on 22 May 2008.*

*The object of the Company is:*

- a) to grant or acquire residential mortgages, commercial mortgages, loans secured by a mortgage on registered real capital assets or public loans, and*
- b) to finance lending activity, mainly through the issue of covered bonds.*

*The funds lent shall be procured as provided for in Article 11.*

*The Company's registered office is in Bergen.*

## **Chapter II Share capital**

### **Article 2**

*The company's share capital is NOK 4,650,000,000 divided between 4,650,000 shares at NOK 1,000 each, fully paid-up.*

## **Chapter III General meeting**

### **Article 3**

*The annual general meeting shall be held by the end of March every year and is convened by the Board of Directors.*

*An extraordinary general meeting shall be held when requested by the Board of Directors, the Company's auditor or shareholders representing at least one-tenth of the share capital.*

*Annual and extraordinary general meetings shall be convened with a period of notice of at least seven days.*

*The notice of meeting shall be communicated by letter to all shareholders whose address is known. The notice shall state the time and location of the meeting.*

### **Article 4**

*The following matters shall be considered and decided at the annual general meeting:*

- 1. approval of the annual report and accounts*
- 2. allocation of profit or coverage of loss for the year in accordance with the adopted balance sheet, and the distribution of dividend*
- 3. election of members and deputy members to the Board of Directors*
- 4. determination of remuneration to the Company's elected officers and auditor*

5. *any other business that, by law or pursuant to these Articles of Association, is the business of the General Meeting*

*Resolutions or authorisations by the General Meeting to raise subordinated loan capital or issue subordinated bonds are subject to the same rules for a qualified majority as apply to amendments to the Articles of Association. Resolutions or authorisations to raise other loan capital are made by the Board of Directors or in accordance with a delegation decision made by the Board of Directors.*

*Subordinated loan capital shall be raised with an average term of at least five years.*

*Subordinated loan capital shall be used to cover the Company's obligations.*

*When subordinated loan capital is raised, it shall be clearly stated in the terms and conditions whether the capital is to be used to cover the Company's obligations in the same way as such capital raised previously, at the same time or in future.*

#### **Chapter IV Board of Directors**

##### **Article 5**

*The Company's Board of Directors shall consist of no less than three and no more than eight members elected by the General Meeting for a period of two years and with the number of deputy members and for such a period as determined by the General Meeting. At least one-fourth of the members of the Board shall be independent of the financial services group Sparebanken Vest.*

*Board members and deputy members can be re-elected.*

*The chair and deputy chair are elected by the General Meeting.*

##### **Article 6**

*The chair of the board shall ensure that the Board meets at least once per quarter, and otherwise as often as warranted by the activities of the Company or when requested by a board member.*

##### **Article 7**

*The Board of Directors manages the Company's activities.*

*It is thus incumbent upon the Board to:*

1. *make decisions relating to the raising of loans,*
2. *extend credit and furnish guarantees, and determine the terms and conditions thereof,*
3. *determine how company funds that have not been lent are to be invested,*
4. *grant power of procuration or special authorisation, and*
5. *appoint the managing director.*

*In other respects, the Board's duties and responsibilities follow from laws and regulations.*

*The chair of the board or the managing director alone or two members of the Board jointly may sign for the Company.*

## **Chapter V Managing director**

### **Article 8**

*The Company shall have a managing director.*

*The managing director is responsible for the day-to-day management of the Company in accordance with laws and regulations and the rules of procedure adopted by the Board of Directors.*

## **Chapter VI Audit**

### **Article 9**

*The Company shall have the same state authorised public accountant as Sparebanken Vest.*

## **Chapter VII The Company's activities**

### **Article 10**

*The Company shall at all times have sufficient capital adequacy to meet the minimum capital adequacy requirements that follow from laws or regulations issued by the King.*

### **Article 11**

*The Company shall procure funding from:*

- 1. credit institutions regulated by law*
- 2. other Norwegian lenders*
- 3. foreign lenders*

*Funding shall normally be raised through the issue of covered bonds or through liquidity loans or other ordinary financing methods.*

*The Board can decide that the cover pool that has a preferential right under Chapter 11 (Equity capital instrument) subsection II (Covered bonds) of the Financial Institutions Act shall have a higher value than the value of the bonds that have a preferential right to the cover pool in question.*

### **Article 12**

*Loans are taken over or issued by the Company following an overall assessment of the security provided and taking account of the borrower's debt-servicing ability and credit rating. The Board, or the managing director by authorisation of the Board, sets the terms and conditions of the interest rate and loan, and all loans shall be secured in accordance with the laws and regulations that apply to this type of credit undertaking.*

*The Board shall adopt appropriate risk strategies and issue guidelines concerning the use of hedging instruments.*

## **Chapter VIII Annual financial statements**

### **Article 13**

*Annual financial statements shall be submitted for each calendar year.*