

Sydbank A/S

Articles of Association

14 March 2018

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## **Name, registered office and objects of the Bank**

## Article 1

(1)

The name of the Bank is Sydbank A/S.

(2)

The Bank also conducts business under the secondary names stated in Article 22.

(3)

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

(4)

The objects of the Bank are to conduct banking business as well as other ancillary activities permitted under Danish law.

## Capital and shares

### Article 2

(1)

The share capital of the Bank is DKK 676,709,540 divided into shares in denominations of DKK 10. The share capital is fully paid up.

(2)

The shares are negotiable instruments.

(3)

The shares are freely transferable. No shareholder is obliged to have his shares redeemed in full or in part.

(4)

The shares must be registered in the holder's name in the Bank's register of shareholders and registered with VP Securities (VP Securities A/S). The shares cannot be transferred to bearer.

(5)

The Bank's register of shareholders is maintained by VP Investor Services A/S (VP Services A/S), Weidekampsgade 14, 2300 Copenhagen S, CVR No 30201183.

(6)

No share carries any special rights.

### Article 3

(1)

Until 1 March 2021 the Board of Directors is authorised to increase the share capital by up to DKK 72,240,199 in one or more issues. Increases in share capital pursuant to such authorisation must take place by payment in cash and with pre-emption rights for existing shareholders.

(2)

Until 1 March 2021 the Board of Directors is authorised to increase the share capital by up to DKK 72,240,199 in one or more issues. Increases in share capital pursuant to such authorisation must take place at market price by payment in cash or by conversion of debt and without any pre-emption rights for existing shareholders.

(3)

Shares issued pursuant to the authorisation in Article 3 (1) and (2) are negotiable instruments, must be registered in the holder's name and are in all other respects subject to the same provisions and rights as the existing shares. Increases in share capital pursuant to Article 3 (1) and (2) may not exceed a total of DKK 72,240,199.

#### **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 its debt at the time of the transfer. The undistributable reserve is subject to the provisions of the Danish Financial Business Act etc.

(2)

If the Bank is dissolved, this reserve will be used for 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:

- the general meeting
- the Shareholders' Committee
- the Board of Directors
- the Group Executive Management.

#### **General meetings**

#### **Article 6**

(1)

General meetings are held in Aabenraa and are convened by the Board of Directors at a notice of not less than 3 weeks and not more than 5 weeks via the Bank's website (sydbank.dk) as well as in writing to all shareholders registered in the register of shareholders who have requested to be notified in this manner.

(2)

For a period of 3 consecutive weeks beginning no later than 3 weeks before the general meeting, including the day of the general meeting, the following information must be made available to shareholders on 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

- The agenda and the complete proposals
- Any forms for the purpose of the general meeting, including forms to be used for voting by proxy and by letter.

In the case of the annual general meeting, the audited annual report must also be made available.

### **Article 7**

(1)

Extraordinary general meetings must be held when requested by the general meeting, the Shareholders' Committee, the Board of Directors or one of the Bank's auditors appointed by the general meeting. Furthermore shareholders holding at least 5% of the share capital may request in writing that an extraordinary general meeting be held for the purpose of transacting specific business.

(2)

Extraordinary general meetings for the purpose of transacting specific business must be convened no later than 2 weeks after the decision or request has been made.

### **Article 8**

(1)

The annual general meeting is held every year before the end of April.

(2)

The agenda for the annual general meeting must 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 including the auditors' 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)

Any shareholder is entitled to have specific business transacted at the annual general meeting if a written request to that effect is submitted to the Board of Directors no later than 6 weeks before the general meeting is held.

### **Article 9**

(1)

A chairman appointed by the Board of Directors presides over the general meeting and ensures that it is conducted in a proper and appropriate manner. The chairman has all the necessary powers, including the right to arrange discussions, prepare the issues to be voted on, decide when to close discussions, cut off speakers and, if necessary, remove attendees from the general meeting.

(2)

Any shareholder is entitled to attend the general meeting, state his views and vote in respect of his shares on the basis of the shares held by the shareholder on the date of registration.

(3)

The date of registration is 1 week before the date of the general meeting.

(4)

Notification of a shareholder's participation in a general meeting must be given no later than 3 days before the general meeting is held.

(5)

Shareholders are entitled to attend the general meeting by proxy. The instrument of proxy must be in writing and dated.

(6)

Shareholders may also vote by postal vote.

### **Article 10**

(1)

Each share of DKK 10 carries one vote at the general meeting, however no shareholder is entitled to cast more than 20,000 votes on his own behalf. No one acting as a proxy is entitled to cast more than 20,000 votes.

(2)

Shares which belong to different owners according to their registration in the Bank's register of shareholders or for which notification has been given and documentation has been provided to the Bank are 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 a shareholding or otherwise with a common group or other community of interest.

(3)

All matters are decided by a simple majority of votes unless otherwise provided by law or by the Articles of Association. In case of equality of votes, the motion will not be passed.

(4)

Resolutions to amend the Articles of Association, to dissolve the Bank and/or to merge the Bank with other companies will only be adopted if at least two-thirds of the voting share capital is represented at the general meeting.

The resolution must moreover be carried by at least two-thirds of the votes cast at the general meeting and by at least two-thirds of the share capital represented at the general meeting, but see Article 10 (5) below.

If at least two-thirds of the voting share capital is not represented at the general meeting but the resolution is carried by at least two-thirds of the votes cast at the general meeting and at least two-thirds of the 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 must 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) may however be finally adopted at a single general meeting by at least two-thirds of the votes cast at the general meeting and at least two-thirds of the share capital represented at the general meeting.

(6)

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

## **Local shareholders' meetings**

### **Article 11**

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

## **Shareholders' Committee**

### **Article 12**

(1)

The Bank's Shareholders' Committee is elected by the general meeting.

(2)

The Shareholders' Committee consists of not less than 60 and not more than 80 members. The composition of the Shareholders' Committee must be geographically representative of the Bank's regions and reflect the Bank's historical roots. On the recommendation of the Board of Directors the general meeting determines the total number of Shareholders' Committee members and their distribution by region.

(3)

Personal shareholders of the Bank who meet the statutory requirements regarding suitability and integrity of members of a bank's board of directors are eligible for election to the Shareholders' Committee. A candidate for the Shareholders' Committee may offer himself as a candidate in a region where he resides or has business interests. A candidate may at the same general meeting only offer himself as a candidate for one region.

(4)

Shareholders' Committee members are elected for a term of 3 years. Members are eligible for re-election.

(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 must be approved at the next annual general meeting.

### **Article 13**

(1)

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

(2)

The Shareholders' Committee holds 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. The Shareholders' Committee is convened by the chairman at a notice of not less than 8 days.

(3)

The Shareholders' Committee forms a quorum when at least half of its members are present.

(4)

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

(5)

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

#### **Article 14**

(1)

At ordinary Shareholders' Committee meetings, the chairman of the Board of Directors submits a report on the Bank's activities.

(2)

The Shareholders' Committee is obliged to work for the prosperity of the Bank as well as 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 elects the members of the Board of Directors and determines their remuneration.

(4)

On the recommendation of the Board of Directors, the Shareholders' Committee determines the remuneration of the members of the Shareholders' Committee.

#### **Advisory boards**

#### **Article 15**

In consultation with the Shareholders' Committee, the Bank's Board of Directors may establish advisory boards without any decision-making powers. The rules of procedure regarding the activities of the advisory boards are determined by the Board of Directors. Advisory board members who are not members of the Shareholders' Committee receive an annual remuneration as determined by the Board of Directors.

#### **Board of Directors**



## Article 16

(1)

The Board of Directors consists of between 6 and 10 members to be elected by and from among Shareholders' Committee members. In exceptional cases the Shareholders' Committee may elect Board members from outside the Shareholders' Committee, in particular with a view to ensuring specific competences within the Board of Directors. Board members elected from outside the Shareholders' Committee must meet the statutory requirements regarding suitability and integrity of members of a bank's board of directors. Furthermore the Board of Directors consists of any members as prescribed by law.

(2)

Employees of the Bank and its subsidiaries can only be elected to the Board of Directors in accordance with Part 8 of the Danish Companies Act on employee representation.

(3)

Board members elected by the Shareholders' Committee are elected for a term of 3 years. Members are eligible for re-election.

(4)

No member may serve on the Board of Directors for more than 12 years.

(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 must as soon as possible add to the number of Board members to at least 6.

## Article 17

(1)

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

(2)

The Board of Directors must establish board committees as required by law and may moreover establish other board committees as deemed necessary by the Board of Directors.

(3)

Board meetings are 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.

(4)

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

(5)

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

## **Group Executive Management**

### **Article 18**

(1)

The Group Executive Management consists of up to 5 members.

(2)

The Group Executive Management performs the day-to-day management of the Bank and must 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 must 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, credit facilities, guarantees and any other obligations without the prior involvement of the Board of Directors.

(4)

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

(5)

Sydbank's remuneration policy sets out overall guidelines for the Bank's incentive-based remuneration of members of the Group Executive Management. The remuneration policy has been approved by the general meeting and has been published on the Bank's website.

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

### **Article 19**

(1)

The Bank is bound by

- the joint signatures of all members of the Board of Directors
- 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 is the calendar year.

## Article 21

The Bank's annual report is 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 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) and  
Århus Bank A/S (Sydbank A/S).

\* \* \*

These Articles of Association were adopted by the annual general meeting on 14 March 2018 and upheld by the Board of Directors on 14 March 2018.

Aabenraa, 14 March 2018

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

Torben H. Nielsen  
Chairman

John Lesbo  
Vice-Chairman

Lars Mikkjelgaard-Jensen

Janne Moltke-Leth

Jacob Chr. Nielsen

Frank Møller Nielsen

Susanne Schou

Carsten Andersen

Kim Holmer

Jarl Oxlund

Jørn Krogh Sørensen