

Articles of Association of Spar Nord Bank A/S

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Name, registered office and objects of the Company

Article 1

(1).

The company's name is Spar Nord Bank A/S ("the Company").
The Company also carries on business under the ancillary names stated in Annex 1 to the Articles of Association.

(2).

The Company's registered office is located in the Municipality of Aalborg.

(3).

The object for which the Company is established is to carry on banking pursuant to section 7(1) and (2) of the Danish Financial Business Act.

(4).

The Company's Register of Shareholders shall be kept by VP Investor Services A/S, CVR no. 30201183.

Capital and shares

Article 2

(1).

The Company's share capital amounts to DKK 1,255,299,180, divided into shares in the denomination of DKK 10. The share capital has been paid up in full.

(2).

The shares are issued to named holders and may, upon the appropriate shareholder's request, be inscribed as such in the inscription system kept by VP Securities A/S and in the Company's Register of Shareholders.

The shares cannot be transferred to bearer. The shares are negotiable instruments. The acquirer of a share cannot exercise rights embodied in the share certificate unless it has been recorded in the name of the person in question in the Register of Shareholders, or unless the acquirer has given substantiated notification in writing to the Company of his acquisition. But this provision shall affect neither the right to dividend and other disbursements nor the right to new shares in the event of an increase of the share capital.

(3).

The shares shall be freely transferable instruments. No shareholder shall be obligated to let the Company or any third party redeem his shares, whether in whole or in part.

Article 3

(1).

The Board of Directors shall be authorized to make a decision to increase the Company's share capital in the period ending on 30 April 2016 by a maximum of nominally DKK 125,529,918 by way of one or more issues. The new shares, which shall be issued to named holders, shall rank pari passu with existing shares. The Company's share capital may be increased by cash contributions.

The increase of the Company's share capital shall be effected with pre-emptive rights for the Company's existing shareholders, and the new shares may be subscribed for at a discount to the market price.

(2).

The new shares subscribed for pursuant to the authorization in Article 3(1) shall be negotiable instruments, shall be issued to named holders and shall rank for dividends and any other rights in

the Company as from such time as is determined by the Board of Directors in its decision regarding the capital increase.

(3).

The Board of Directors shall be authorized to make a decision to increase the Company's share capital in the period ending on 30 April 2016 by a maximum of nominally DKK 125,529,918 by way of one or more issues. The new shares, which shall be issued to named holders, shall rank *pari passu* with existing shares. The Company's share capital may be increased by cash contributions or in any other manner.

The increase of the Company's share capital shall be effected without pre-emptive rights for the Company's existing shareholders. Such increase shall be effected at the prevailing market price.

(4).

The new shares subscribed for pursuant to the authorization in Article 3 (3) shall be negotiable instruments, shall be issued to named holders and shall rank for dividends and any other rights in the Company as from such time as is determined by the Board of Directors in its decision to implement a capital increase.

(5).

Pursuant to the authorizations granted under Article 3(1) and (3), the Board of Directors may increase the Company's share capital by a total maximum of nominally DKK 125,529,918.

Article 3a

(1).

The Board of Directors shall be authorized to increase the Company's share capital in the period ending on 11 August 2014 by a maximum of DKK 1,265,000,000 by way of one or more issues. The new shares, which shall be issued to named holders, shall rank *pari passu* with existing shares.

The increase of the Company's capital shall take place without a pre-emptive right for the Company's existing shareholders, meaning that any new shares will be offered at the prevailing market price, however not less than DKK 10.50 per share of DKK 10. The increase can take place by conversion of debt in the form of hybrid core capital. To the extent that conversion is effected pursuant to Article 3 b, the authorized maximum shall be reduced by a corresponding amount.

(2).

The new shares subscribed for pursuant to the authorization in Article 3 a (1) shall be negotiable instruments, shall be issued to named holders and shall rank for dividends and any other rights in the Company as from such time as is determined by the Board of Directors in the decision regarding the capital increase.

Article 3b

(1).

Pursuant to the authorization adopted at the Company's Annual General Meeting on 29 April 2009, the Company raised a loan in the amount of DKK 1,265,000,000 by way of hybrid core capital on 30 June 2009 without a pre-emptive right for the Bank's existing shareholders, see Danish Act no. 67 of 3 February 2009 regarding contributions to credit institutions, in return for a bond offering at a price of DKK 0.01 per bond. The loan was raised at par.

The terms of the loan were specified in a separate agreement, see the annex to the Articles of Association (Annex 3).

(2).

At the Company's Extraordinary General Meeting on 12 August 2009, a decision was made to the effect that the bonds may be converted into Spar Nord Bank shares at the market price prevailing at the time of conversion, calculated in accordance with the terms of the loan.

(3).

The bond loan will be a subordinated bullet loan with no maturity date according to more specific rules laid down in the Danish Financial Business Act (hybrid core capital). The interest rate payable per annum on the loan will be fixed as the sum of

1) a reference rate by way of the Danish Government's five-year zero-coupon rate on the last trading day before the conclusion of the loan agreement;
2) with addition of 6.375 percentage points;
3) with addition of 0.1 percentage point; and
4) with addition of 0.4 percentage points,
the latter however only during a period ending on 12 August 2014. In addition, the interest rate may be raised in proportion to future dividend payments according to conditions specified in the terms of the loan. The convertible bonds may be redeemed by the Company five years after the loan was raised pursuant to more specific conditions laid down in the terms of the loan. The convertible bonds fall due for redemption in the event of the Company's bankruptcy.

The convertible bonds have been issued as bearer instruments and as dematerialized securities recorded in the inscription system kept by VP Securities A/S. No restrictions apply to the transferability of the convertible bonds.

(4).

If the Company's hybrid core capital amounts to more than 35% of the core capital, including hybrid core capital, see the Danish Financial Business Act, the loan or parts thereof may be converted into shares until 12 August 2014 as stated in the terms of the loan. If the hybrid core capital amounts to more than 50% of the core capital, including hybrid core capital, the loan will be converted into share capital up to the same date, until the hybrid core capital amounts to less than 35% of the core capital, including hybrid core capital.

(5).

In the event of a capital increase, capital reduction, the issuing of warrants, the issuing of new convertible instruments of debt or dissolution, including merger and demerger, before conversion has taken place, the procedure stated in the terms of the loan will be followed.

The highest amount by which the share capital can be increased in connection with a conversion is DKK 1,265,000,000, and the minimum amount will be DKK 50,000,000.

The Board of Directors is authorized to make the alterations to the Articles of Association that are necessary in connection with the conversion.

To the extent that dividend is paid on the Company's shares, see Danish Act no. 1003 of 10 October 2008 regarding financial stability and Danish Act no. 67 of 3 February 2009 regarding governmental capital contributions to credit institutions, the new shares will rank *pari passu* with the Company's other shares as from the registration of the capital increase.

All other rights shall become effective as from the same time. The shares shall be subject to the same rules regarding pre-emptive rights as the existing shares and shall rank *pari passu* with the Bank's other shares with respect to rights, redeemability and transferability.

Article 4

The Board of Directors shall be authorized to permit the Company to receive capital contributions, which may be included when calculating the Company's capital base, subject to observance of the relevant conditions therefor laid down in the legislation from time applicable.

Shareholder regions

Article 5

(1).

The Company's operational area is divided into shareholder regions. The division details appear from Annex 2, which constitutes an integral part of the Articles of Association. A decision to combine shareholder regions shall be made by the shareholders in general meeting pursuant to the provisions on alteration of the Articles of Association laid down in Article 14(2). But a decision to combine shareholder regions can be made by the Company's Board of Directors if the Bank Committees in question so agree.

(2).

In connection with the acquisition of shares through one of the branches of Spar Nord Bank, a shareholder may choose to be registered as a shareholder in any shareholder region. If he does not specify any region, or if the acquisition takes place through another bank, for example, then the shareholder will be registered as belonging to the shareholder region which - according to Annex 2 to the Articles of Association - includes the address or postal code initially reported through VP Securities A/S to the Company as the shareholder's address or business address.

A shareholder can only be registered in one shareholder region, but may request in writing to be transferred to another shareholder region.

(3).

A shareholder with permanent residence or business address abroad is included in the Copenhagen shareholder region, unless the relevant shareholder has chosen another region.

Bank Committees

Article 6

(1).

The shareholders shall elect a Bank Committee in each shareholder region. Such Bank Committee shall have eight members.

Members of a Bank Committee shall be elected for a term of two years at a time, and half of them shall be eligible for re-election each year.

The election shall be held before 15 April, but no later than two weeks before the Annual General Meeting of the Company, and the electoral term shall commence as from the time of election. Retiring members shall be eligible for re-election.

When combining the Company's shareholder regions, all Bank Committee members from the combined shareholder regions shall run for re-election at the next Shareholders' Meeting. The Company's internal auditors draw lots to determine which members of the Bank Committee shall be up for re-election the following year.

(2).

The object of the Bank Committees shall be to promote the activities of Spar Nord Bank in the shareholder region and exercise the voting rights as delegates for the shareholders at the Company's General Meetings.

The more specific rules and regulations governing the function of the Bank Committees appear from the Rules of Procedure for Bank Committees laid down by the Board of Directors.

Article 7

(1).

The following shareholders are eligible to the Bank Committee: shareholders in propria persona who are of age and have full legal capacity, and who can prove that they have been registered prior to 1 January immediately before the relevant Shareholders' Meeting, or who have requested that their shares be registered as belonging to the shareholder region in question, or who still own shares in the Company registered in the relevant shareholder region as of the date when the pertinent Shareholders' Meeting is convened.

The major shareholders mentioned in Article 9(1) and employees in the Company or its subsidiaries cannot be elected to the Bank Committee.

(2).

The shareholders in the region may nominate candidates to the Bank Committee. Proposals for nomination shall reach the Company by 1 January. The list of candidates will be published at the same time as the Shareholders' Meeting is convened.

(3).

A member of a Bank Committee whose shares are no longer registered in the appropriate region, or who is divested of the management of his estate, shall retire from the Bank Committee.

(4).

If a member of a Bank Committee retires during his term of office, a new member shall be elected at the next Shareholders' Meeting.

Shareholders' Meetings

Article 8

(1).

Shareholders in each shareholder region shall be convened for a Shareholders' Meeting to be held before 1 April and no later than three weeks before the Annual General Meeting of the Company. The Shareholders' Meeting can be held over a period of several days. Common Shareholders' Meetings may be held for several shareholder regions.

(2).

Shareholders' Meetings shall be convened with not less than 14 days' notice by an advertisement inserted in one or more of the newspapers published in the region and by notifying the shareholders entitled to vote; see clause (4). Meetings may be convened electronically according to more specific agreement with the shareholder.

The Board of Directors may resolve that shareholders must obtain admission cards in order to attend the Shareholders' Meetings.

(3).

At the Shareholders' Meeting, a report shall be given on the Company's activities, with special emphasis on development in the region. In addition, the election of members of the Bank Committee shall be held. At the same time, the elected members shall be deemed elected as delegates to the Annual General Meeting.

(4).

Shareholders who can prove that they are listed as belonging to the shareholder region in question as of the date when the Shareholders' Meeting is convened are entitled to vote at the Shareholders' Meeting.

The major shareholders mentioned in Article 9(1) shall not be entitled to vote at Shareholders' Meetings.

(5).

Voting for election of members of a Bank Committee can take place at Shareholders' Meetings by letter or by electronic voting. In other respects, voting shall take place according to electoral rules laid down by the Board of Directors.

Major shareholders

Article 9

(1).

A shareholder who owns at least 20,000 shares (a major shareholder) on the cut-off date one week before the General Meeting shall be entitled to exercise his voting rights at the General Meeting.

General Meetings

Article 10

(1).

The shareholders at the General Meeting have supreme authority in all Company affairs within the limits laid down by these Articles of Association.

(2).

General Meetings shall be convened by the Board of Directors sending written notice to the members of the Bank Committees and the shareholders recorded in the Register of Shareholders who have so requested.

In addition, the convening notice shall be announced on the Company's website.

(3).

Annual General Meetings shall be convened no sooner than five weeks nor later than three weeks in advance, and the convening notice shall contain the agenda of the Meeting. If any proposals are to be considered, the adoption of which is subject to a qualified majority, the essentials of such proposal shall moreover be stated in the convening notice.

In the event that statutory provisions so require, the convening notice shall contain the complete text of the proposal and be sent to each shareholder of record.

(4).

The right of shareholders to exercise their voting rights at a General Meeting shall be exercised through the delegates.

But this shall not apply to the shareholders referred to in Article 9 (1).

(5).

Against presentation of an admission card, any shareholder who has been recorded as of the cut-off date one week before the General Meeting or as of that date has requested that his shares be registered in the Register of Shareholders shall be entitled to attend a General Meeting - either in person or represented by a proxy - and to address the Meeting.

(6).

Admission cards are available on request by shareholders comprised by Article 10(5) at the Company's offices or at any other place specified in the convening notice until three days before the General Meeting.

(7).

The instrument of proxy shall be dated and shall be produced upon obtaining an admission card. Instruments of proxy issued to the Company's Board of Directors shall be in writing and dated not more than 12 months before the relevant General Meeting, and may only be issued for one specific General Meeting.

(8).

No later than three weeks before the General Meeting, the following information shall be available at the Company's website, www.sparnord.dk:

1. The convening notice
2. The total number of shares and voting rights as of the date of convening the General Meeting
3. The documents to be produced at the General Meeting, including the audited annual report
4. The agenda and the complete proposals
5. Forms to be used for voting by proxy and by letter.

Article 11

Extraordinary General Meetings shall be held whenever the holding of such a meeting is requested by either the shareholders in General Meeting, by the Board of Directors or by any one of the auditors. An Extraordinary General Meeting shall also be held for the purpose of transacting specified business when shareholders representing in the aggregate not less than 5% of the Company's total share capital request the holding of such a meeting. Such an Extraordinary General Meeting shall be convened no later than two weeks after the receipt of the appropriate request.

Article 12

(1).

Annual General Meetings shall be held in every year before the end of April.

(2).

The agenda of the Annual General Meeting shall include the following business:

1. Election of the Chairman of the Meeting.
2. The Board of Directors's report regarding the Company's activities during the past year.
3. The presentation of the audited financial statements and the consolidated financial statements, together with a resolution for their adoption.

4. A resolution regarding the application of the profits or the covering of any loss according to the financial statements as adopted.
5. A resolution to empower the Board of Directors to buy treasury shares.
6. Election of members to the Board of Directors.
7. Appointment of auditors.
8. Any proposals from the Board of Directors or shareholders.
9. Any other business.

(3).

Any shareholder shall be entitled to have specific business transacted at the Annual General Meeting if he submits a requisition in writing to the Board of Directors no later than six weeks before the Annual General Meeting in the year in question.

Article 13

(1).

The shareholders at the General Meeting shall elect a Chairman to officiate at the General Meeting and decide all questions regarding the transaction of business, the voting and the result thereof.

(2).

Minutes shall be taken of the proceedings and the decisions made at the General Meeting, such minutes to be signed by the Chairman of the Meeting.

No later than two weeks after the General Meeting, a transcript of the minutes of the General Meeting and of the voting results shall be available at the Company's website, www.sparnord.dk.

Article 14

(1).

All business transacted at the General Meeting shall be decided by a simple, relative majority of votes, unless the Danish legislation or these Articles of Association provide otherwise.

(2).

A resolution to alter the Articles of Association or to dissolve the Company is subject to the proposal being adopted by 2/3 of the votes cast as well as of the voting stock represented at the General Meeting. In calculating the voting stock, shares that are not registered in the name of the holder or shares regarding which a request for registration in the name of the holder has not been made shall not be included.

(3).

Ballot cards with printed information about the number of votes shall be used in the election of members to the Board of Directors. The number of delegates desired to be elected shall be entered on the ballot cards. A ballot card is valid if it does not contain the names of more candidates than the number to be elected at the relevant General Meeting.

Article 15

(1).

Delegates who are also members of the Bank Committees represent the share capital that has been registered as belonging to the relevant shareholder region as of the cut-off date one week before the relevant General Meeting. Each delegate represents equal fractions of the share capital, calculated based on the number of delegates immediately prior to the General Meeting.

(2).

A major shareholder, see Article 9(1), represents the share capital that has been registered as of the cut-off date one week before the General Meeting, or regarding which a request for registration has been made as of the same date.

(3).

In order to be entitled to vote at the General Meeting, a delegate or the major shareholder shall have requested an admission card no later than three days before a General Meeting.

(4).

Voting may be made by proxy.

(5).

A delegate may only issue a proxy to another Bank Committee member from the same region. The instrument of proxy, which shall be dated, is only valid for one General Meeting. No Bank Committee member can represent more than two delegates by proxy.

(6).

It is possible to vote electronically or by letter prior to the General Meeting. The ballot paper to be used for this purpose can be downloaded from the Company's website.

The Board of Directors

Article 16

(1).

The Board of Directors shall be composed of not less than four nor more than six members elected by the shareholders at the General Meeting and members elected by the employees pursuant to section 49 of the Danish Companies Act.

(2).

The members of the Board of Directors shall be elected for a term of two years at a time.

(3).

Members of the Board of Directors shall retire no later than four months after the end of the year in which they attain the age of 70.

(4).

A member of the Board of Directors who is divested of the management of his estate or who no longer complies with the requirements of the Danish Financial Supervisory Authority regarding his aptitude and integrity shall retire from the Board of Directors.

(5).

Any vacancy occurring in the Board of Directors may be filled by the election of a new member at the next General Meeting. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Article 17

(1).

The Board of Directors shall elect a Chairman and a Deputy Chairman from among their number and shall lay down rules of procedure governing the discharge of their duties.

(2).

The members of the Board of Directors shall receive a fee approved by the shareholders at the Annual General Meeting.

The Executive Board

Article 18

The Board of Directors shall appoint an Executive Board composed of from one to five members to be in charge of day-to-day management of company affairs. The terms of employment of the Executive Board shall be laid down in agreement between the Executive Board and the Board of Directors.

Incentive pay

Article 19

General guidelines have been prepared for the Company's incentive pay scheme for members of the Board of Directors and the Executive Board. These guidelines have been adopted by the shareholders at the Company's Annual General Meeting and have been published on the Company's website.

Powers to bind the Company

Article 20

(1).

The members of the Board of Directors and the Executive Board represent the Company in all external affairs.

(2).

The Company shall be bound in legal transactions by the joint signatures of the Chairman or the Deputy Chairman of the Board of Directors and any one member of the Board of Directors, or by the joint signatures of any one member of the Executive Board and any one member of the Board of Directors.

Financial year

Article 21

The Company's financial year shall coincide with the calendar year.

Audit

Article 22

One or two auditors elected by the shareholders in General Meeting shall audit the Company's financial statements. The auditors thus elected shall serve for a term of one year at a time.

Aalborg, 24/4 2013



Torben Fristrup



Jannie Skovsen



Carsten Normann



Frits Dahl Pedersen



Hans Østergaard



Ole Skov



Laila Mortensen



Per Nikolaj Bæk



Gitte H. Sørensen



Kaj Christiansen

ANNEX 1:

The company's name is Spar Nord Bank A/S ("the Company").

The Company also carries on operations under the names of SBN Bank A/S (Spar Nord Bank A/S), Sparbank Nord A/S (Spar Nord Bank A/S), Telefonbanken A/S (Spar Nord Bank A/S), Spar Nordjylland Bank A/S (Spar Nord Bank A/S), Spar Nordjylland Bankaktieselskab, (Spar Nord Bank A/S), Sparekassen Nordjylland A/S (Spar Nord Bank A/S), Spar Nord Bankaktieselskab (Spar Nord Bank A/S), Aars Bank A/S (Spar Nord Bank A/S). Lokalbank Aabybro A/S (Spar Nord Bank A/S), Lokalbank Aalborg A/S (Spar Nord Bank A/S), Lokalbank Aars A/S (Spar Nord Bank A/S), Lokalbank Brønderslev A/S (Spar Nord Bank A/S), Lokalbank Danmark A/S (Spar Nord Bank A/S), Lokalbank Esbjerg A/S (Spar Nord Bank A/S), Lokalbank Fredericia A/S (Spar Nord Bank A/S), Lokalbank Frederikshavn A/S (Spar Nord Bank A/S), Lokalbank Fåborg A/S (Spar Nord Bank A/S), Lokalbank Grenaa A/S (Spar Nord Bank A/S), Lokalbank Haderslev A/S (Spar Nord Bank A/S), Lokalbank Hadsund A/S (Spar Nord Bank A/S), Lokalbank Hasseris A/S (Spar Nord Bank A/S), Lokalbank Herning A/S (Spar Nord Bank A/S), Lokalbank Hirtshals A/S (Spar Nord Bank A/S), Lokalbank Hjallerup A/S (Spar Nord Bank A/S), Lokalbank Hjørring A/S (Spar Nord Bank A/S), Lokalbank Hobro A/S (Spar Nord Bank A/S), Lokalbank Holbæk A/S (Spar Nord Bank A/S), Lokalbank Holstebro A/S (Spar Nord Bank A/S), Lokalbank Horsens A/S (Spar Nord Bank A/S), Lokalbank Kolding A/S (Spar Nord Bank A/S), Lokalbank København A/S (Spar Nord Bank A/S), Lokalbank Køge A/S (Spar Nord Bank A/S), Lokalbank Løgstør A/S (Spar Nord Bank A/S), Lokalbank Nakskov A/S (Spar Nord Bank A/S), Lokalbank Nyborg A/S (Spar Nord Bank A/S), Lokalbank Nykøbing Falster A/S (Spar Nord Bank A/S), Lokalbank Næstved A/S (Spar Nord Bank A/S), Lokalbank Nørresundby A/S (Spar Nord Bank A/S), Lokalbank Odense A/S (Spar Nord Bank A/S), Lokalbank Randers A/S (Spar Nord Bank A/S), Lokalbank Ringsted A/S (Spar Nord Bank A/S), Lokalbank Silkeborg A/S (Spar Nord Bank A/S), Lokalbank Skagen A/S (Spar Nord Bank A/S), Lokalbank Skanderborg A/S (Spar Nord Bank A/S), Lokalbank Skive A/S (Spar Nord Bank A/S), Lokalbank Skjern A/S (Spar Nord Bank A/S), Lokalbank Slagelse A/S (Spar Nord Bank A/S), Lokalbank Støvring A/S (Spar Nord Bank A/S), Lokalbank Svendborg A/S (Spar Nord Bank A/S), Lokalbank Sæby A/S (Spar Nord Bank A/S), Lokalbank Sønderborg A/S (Spar Nord Bank A/S), Lokalbank Terndrup A/S (Spar Nord Bank A/S), Lokalbank Thisted A/S (Spar Nord Bank A/S), Lokalbank Vejgaard A/S (Spar Nord Bank A/S), Lokalbank Vejle A/S (Spar Nord Bank A/S), Lokalbank Viborg A/S (Spar Nord Bank A/S), Lokalbank Østeraa A/S (Spar Nord Bank A/S), Lokalbank Århus A/S (Spar Nord Bank A/S).

Sparbank A/S, Sparbank Vest A/S, Skive Sparekasse A/S, Egnssparekassen i Skive A/S, Nordvestjysk Sparekasse A/S, Breum Sparekasse A/S, Ejsing Sparekasse A/S, Haderup Sparekasse A/S, Hald Sparekasse A/S, Harre og Omegns Sparekasse A/S, Hem Sparekasse A/S, Hjerker Sparekasse A/S, Højslev Sparekasse A/S, Junget-Thorum Sparekasse A/S, Oddense Sparekasse A/S, Rødding Sparekasse A/S, Rønbjerg Sparekasse A/S, Sallingsund Sparekasse A/S, Selde-Åsted Sparekasse A/S, Sjørup Sparekasse A/S, Stoholm Sparekasse A/S.

ANNEX 2:
List of number of shareholder regions – shown by postal codes.

Shareholder region	Postal code numbers allocated
Esbjerg	6240, 6261, 6270, 6280, 6510, 6520, 6534, 6535, 6660, 6670, 6682, 6683, 6690, 6700, 6705, 6710, 6715, 6720, 6731, 6740, 6752, 6753, 6760, 6771, 6780, 6792, 6800, 6818, 6823, 6830, 6840, 6851, 6852, 6853, 6854, 6855, 6857, 6862, 6870
Frederikshavn	9900, 9940, 9970, 9981, 9982
Lillebælt	5464, 5466, 5500, 5580, 5592, 7000, 7007
Helsingør	2970, 2980, 2990, 3000, 3050, 3060, 3070, 3080, 3100, 3120, 3140, 3150, 3230, 3250, 3330, 3480, 3490
Herning	6880, 6893, 6900, 6920, 6933, 6940, 6950, 6960, 6971, 6973, 6980, 6990, 7270, 7280, 7330, 7361, 7362, 7400, 7430, 7540, 7441, 7442, 7451, 7480, 8765, 8766
Hillerød	3200, 3210, 3220, 3300, 3310, 3320, 3360, 3370, 3390, 3400
Hjørring	9760, 9800, 9830, 9850, 9870, 9881
Holbæk	4060, 4070, 4174, 4190, 4270, 4281, 4291, 4293, 4295, 4296, 4300, 4320, 4330, 4340, 4350, 4360, 4370, 4390, 4400, 4420, 4440, 4450, 4460, 4470, 4480, 4490, 4500, 4520, 4532, 4534, 4540, 4550, 4560, 4571, 4572, 4573, 4581, 4583, 4591, 4592, 4593
Holstebro	7490, 7500, 7550, 7560, 7570, 7600, 7620, 7650, 7660, 7673, 7680
Horsens	7130, 8350, 8700, 8723, 8732, 8740, 8751, 8752, 8762, 8763, 8781, 8783
Kolding	6000, 6051, 6052, 6064, 6070, 6091, 6092, 6093, 6094, 6100, 6580, 6600, 6621, 6622, 6630, 6640, 6650
Copenhagen	1000-1999, 2000, 2100, 2200, 2300, 2400, 2450, 2500, 2600, 2605, 2610, 2620, 2625, 2630, 2635, 2640, 2650, 2660, 2665, 2670, 2690, 2700, 2720, 2730, 2740, 2750, 2760, 2765, 2770, 2791, 2800, 2820, 2830, 2840, 2850, 2860, 2870, 2880, 2900, 2920, 2930, 2942, 2950, 2960, 3460, 3500, 3520, 3670, 3700, 3720, 3730, 3740, 3751, 3760, 3770, 3782, 3790, 3900-3992
Køge	2680, 4100, 4140, 4600, 4623, 4632, 4640, 4652, 4653, 4654, 4660, 4671, 4672, 4673, 4681, 4682, 4683, 4690
Mariagerfjord	9500, 9510, 9550, 9560, 9610
Midtvestsyssel	9320, 9330, 9340, 9480, 9700, 9740
Nyborg	5540, 5800, 5853, 5856, 5871
Næstved-Slagelse	4160, 4171, 4173, 4180, 4200, 4220, 4230, 4241, 4242, 4243, 4250, 4261, 4262, 4684, 4700, 4720, 4733, 4735, 4736, 4750, 4760, 4771, 4772, 4773, 4780, 4791, 4792, 4793, 4800, 4840, 4850, 4862, 4863, 4871, 4872, 4873, 4874, 4880, 4891, 4892, 4894, 4895, 4900, 4912, 4913, 4920, 4930, 4941, 4943, 4944, 4951, 4952, 4953, 4960, 4970, 4983, 4990
Nørresundby	9310, 9362, 9370, 9380, 9381, 9382, 9400, 9430
Odense	5000, 5100, 5200, 5210, 5220, 5230, 5240, 5250, 5260, 5270, 5290, 5300, 5320, 5330, 5350, 5370, 5380, 5390, 5400, 5450, 5462, 5463, 5471, 5474, 5485, 5491, 5492, 5550, 5560, 5591, 5600, 5610, 5620, 5631, 5642, 5672, 5683, 5690, 5750, 5772, 5792, 5854, 5863
Randers	8370, 8500, 8581, 8585, 8586, 8860, 8870, 8900, 8920, 8930, 8940, 8950, 8960, 8961, 8963, 8970, 8981, 8983, 8990
Rebild	9230, 9240, 9293, 9520, 9530, 9541, 9574, 9575
Roskilde	3450, 3540, 3550, 3600, 3630, 3650, 3660, 4000, 4030, 4040, 4050, 4130, 4621, 4622
Skagen	9990

Skive	7800, 7830, 7840, 7850, 7860, 7870, 7884
Storkundeområdet	I henhold til Vedtægternes § 5 stk. 2
Svendborg	5700, 5762, 5771, 5874, 5881, 5882, 5883, 5884, 5892, 5900, 5932, 5935, 5953, 5960, 5970, 5985
Sæby	9300, 9352, 9750
Vejgaard	9210, 9220, 9260, 9270, 9280
Vejle	6040, 6200, 6230, 6300, 6310, 6320, 6330, 6340, 6360, 6372, 6392, 6400, 6430, 6440, 6470, 6500, 6541, 6560, 6623, 7080, 7100, 7120, 7140, 7150, 7160, 7171, 7173, 7182, 7183, 7184, 7190, 7200, 7250, 7260, 7300, 7321, 7323, 8721, 8722
Vesthimmerland	7900, 7950, 7960, 7970, 7980, 7990, 9600, 9620, 9631, 9640, 9670, 9681
Viborg	7470, 8800, 8831, 8832, 9632
Aalborg	9000, 9100, 9200
Aabybro	7700, 7730, 7741, 7742, 7752, 7755, 7760, 7770, 7790, 9440, 9460, 9490, 9492, 9493, 9690
Aarhus	8000, 8100, 8200, 8210, 8220, 8230, 8240, 8245, 8250, 8260, 8270, 8300, 8305, 8310, 8320, 8330, 8340, 8355, 8361, 8362, 8380, 8381, 8382, 8400, 8410, 8420, 8444, 8450, 8462, 8464, 8471, 8472, 8520, 8530, 8541, 8543, 8544, 8550, 8560, 8570, 8592, 8600, 8620, 8632, 8641, 8643, 8653, 8654, 8660, 8670, 8680, 8830, 8840, 8850, 8881, 8882, 8883

ANNEX 3:**AGREEMENT ON STATE-FUNDED CAPITAL INJECTION**

BETWEEN Spar Nord Bank A/S
as Borrower

AND The Danish State represented by the Ministry of Economic and Business Affairs
as Lender

Dated: 29 June 2009

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APPENDICES

- Appendix 1: Loan Notes Agreement
- Appendix 2: Calculation of financial ratios

AGREEMENT ON STATE-FUNDED CAPITAL INJECTION

This Agreement on State-Funded Capital Injection, including appendices, (the "Agreement") was made on 29 June 2009 between

- (1) Spar Nord Bank A/S, Central Business Register (CVR) no. 13737584, Skelagervej 15, DK-9000 Aalborg ("Spar Nord Bank"), as borrower, and
- (2) The Danish State represented by the Ministry of Economic and Business Affairs, Slotsholmsgade 10-12, DK-1216 Copenhagen K (the "Danish State"), as lender.

1. **BACKGROUND AND PURPOSE**

- 1.1 **Application.** On 19 May 2009 Spar Nord Bank filed an application, including appendices, (the "Application") under the Act on State-Funded Capital Injections (as defined below) for the Danish State's injection of Hybrid Tier 1 Capital (as defined below) into Spar Nord Bank, and the Danish State has on the date of this Agreement accepted to inject such Hybrid Tier 1 Capital on the terms specified in this Agreement and the Loan Notes Agreement (as defined below).
- 1.2 **Objective.** The purpose of the injection of Hybrid Tier 1 Capital into Spar Nord Bank is to stimulate Spar Nord Bank's supply of credit to healthy undertakings and households by increasing its capital and the solvency and thus enhancing Spar Nord Bank's possibility to offer finance to the real economy according to the Act on State-Funded Capital Injections.

2. **DEFINITIONS**

- 2.1 For the purpose of this Agreement, the terms below shall be defined as follows:

"Act on State-Funded Capital Injections" (*lov om statsligt kapitalindskud*) shall mean Act No. 67 of 3 February 2009 and any executive order issued thereunder, all as amended from time to time.

"Application" shall have the meaning ascribed to it in Clause 1.1.

"Banking Day" shall mean a weekday when banks are generally open for business in Denmark.

"DKK" shall mean Danish kroner.

"Executive Board" shall mean the executive board of Spar Nord Bank from time to time as registered with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*).

"Exit Strategies" shall mean the Danish State's sale, transfer of all rights and obligations or sale, transfer or assignment of all or part of the Notes, including by a Private Placement or in connection with a Stock Exchange Listing and/or any other form of exit strategy including securitisations initiated by the Danish State of the Danish State's interest in the Notes.

"Financial Business Act" (*lov om finansiel virksomhed*) shall mean Consolidated Act No. 897 of 4 September 2008 and any executive order issued thereunder, all as amended from time to time.

"Group" shall mean Spar Nord Bank and its Subsidiaries in accordance with section 5(1)(9) of the Financial Business Act.

"Group Entity" shall mean an entity which is part of the same Group as Spar Nord Bank.

"Hybrid Tier 1 Capital" shall mean loan capital that meets the requirements set out in section 132 of the Financial Business Act.

"Issue Date" shall have the meaning ascribed to it in Clause 4.1.

"Loan" shall have the meaning ascribed to it in Clause 3.1.

"Loan Notes Agreement" shall mean the Terms and Conditions of the Notes as specified in Appendix 1 or as subsequently amended in accordance with this Agreement or the Loan Notes Agreement.

"Notes" shall have the meaning assigned to them in Clause 3.1.

"Party" shall mean Spar Nord Bank or the Danish State.

"Parties" shall mean Spar Nord Bank and the Danish State.

"Private Placement" shall mean the Danish State's sale, transfer or assignment of any or all of the Notes by a private placement to one or more investors.

"Solvency Need" shall mean the individual solvency need as assessed by Spar Nord Bank's Board of Directors and Executive Board in accordance with section 124(4) of the Financial Business Act.

"Solvency Requirement" shall mean the higher of (i) the solvency requirement, see section 124(2) of the Financial Business Act and (ii) an individual solvency requirement determined by the Danish Financial Supervisory Authority, see section 124 (5) of the Financial Business Act.

"Stock Exchange Listing" shall mean the Danish State's sale, transfer or assignment of any or all of the Notes or any other exit in connection with admittance of all or part of the Notes for trading on a regulated market or another market in the European Union, the European Economic Area or in an OECD member country.

"Subsidiary" shall have the meaning ascribed to it in section 5(1)(8) of the Financial Business Act.

"Term of Agreement" shall mean the period from the date of this Agreement until the earlier of the time when (i) all amounts payable under the Loan, including interest and costs, have been repaid in full, cancelled or converted into equity under this Agreement and the Loan Notes Agreement, or (ii) the Danish State has transferred all Notes and has thus ceased to be creditor of all or part of the Loan.

"Tier 1 Capital" shall mean tier 1 capital (*kernekapital*) as defined in section 5(7)(4), of the Financial Business Act.

"Tier 1 Capital Ratio" shall mean Tier 1 Capital as a percentage of risk-weighted assets calculated according to the principles specified in the Danish Financial Supervisory Authority's reporting form for assessment of capital adequacy, CS01, item 4 (*Kernekapital (inkl. hybrid kernekapital) efter fradrag i procent af vægtede poster*).

"VP" shall mean VP Securities A/S, CVR no. 21599336.

- 2.2 For the purpose of this Agreement, all terms defined in the singular shall have the same meaning in the plural and vice-versa. All indefinite nouns shall have the same meaning in the definite form, and all references to paragraphs and appendices shall be references to paragraphs and appendices of this Agreement.

3. **LOAN IN THE FORM OF HYBRID TIER 1 CAPITAL**

3.1 The Loan. Subject to compliance with Clause 5 hereof, the Danish State subscribes for 126,500,000,000 notes (*kapitalbeviser*) (the "Notes") of DKK 0.01 each issued by Spar Nord Bank, corresponding to a total loan of DKK 1,265,000,000 (say Danish kroner one billion two hundred and sixty five million) (collectively the "Loan") on the terms specified in this Agreement and in the Loan Notes Agreement.

3.2 The Act on State-Funded Capital Injections. The Notes constitute Hybrid Tier 1 Capital and are subscribed for by the Danish State under the authority of the Act on State-Funded Capital Injections.

4. **SUBSCRIPTION OF NOTES AND PAYMENT OF THE LOAN**

4.1 Time of payment of the Loan. Subject to compliance with Clause 5 hereof, the proceeds of the Loan shall be credited by the Danish State to Spar Nord Bank's account no. 1745-9 with the Danish Central Bank (*Danmarks Nationalbank*) on 30 June 2009 or on such other Banking Day as agreed in writing between the Danish State and Spar Nord Bank (the "Issue Date").

4.2 Spar Nord Bank's obligations prior to the Issue Date. Spar Nord Bank shall no later than 2 p.m. on the first Banking Day prior to the Issue Date issue the Notes in VP and transfer them to the Danish State's deposit no. (CD-ident 08240): 082400000126726 with the Danish Central Bank (*Danmarks Nationalbank*) and conclude the necessary and customary agreements with VP and Spar Nord Bank as registrar ("kontoførende institut").

4.3 Spar Nord Bank's obligations on the Issue Date. Spar Nord Bank shall on the Issue Date:

- (a) provide a statement, which is acceptable to the Danish State in terms of form and content, made by Spar Nord Bank's Board of Directors to the effect (i) that the Danish State's conditions precedent as set out in Clause 5.1 are met as at the Issue Date, (ii) that the representations and warranties made by Spar Nord Bank as set out in Clause 6 are true, accurate and correct as at the Issue Date, and (iii) that no material adverse changes have occurred in Spar Nord Bank's operations, assets and liabilities and financial position since the filing of the Application other than as disclosed to the Danish State in writing prior to the date of this Agreement;
- (b) provide a certified copy of the resolution by the general meeting of Spar Nord Bank, authorising the Board of Directors to raise Hybrid Tier 1 Capital

with variable dividend coupon charge as provided for in the Act on State-Funded Capital Injections;

- (c) provide a certified copy of the resolution by its Board of Directors approving this Agreement and the Loan Notes Agreement and authorising the Executive Board to execute this Agreement and the Loan Notes Agreement;
- (d) provide a certified copy of Spar Nord Bank's articles of association as at the Issue Date;
- (e) provide a comprehensive report dated as at the Issue Date on Spar Nord Bank from the Commerce and Companies Agency;
- (f) provide a legal opinion dated as at the Issue Date in a form acceptable to the Danish State;
- (g) make members of the Executive Board available for answering confirmatory questions to the satisfaction of the Danish State; and
- (h) take such further actions and/or deliver such additional statements, documents, etc. as are deemed necessary or appropriate by the Danish State.

5. **CONDITIONS PRECEDENT**

5.1 The Danish State's conditions precedent. On the part of the Danish State, the Agreement and the subscription of the Notes are subject to the following conditions precedent:

- (a) Spar Nord Bank complies with the Solvency Requirement and the Solvency Need as at the Issue Date;
- (b) Spar Nord Bank's Tier 1 Capital Ratio is at least 12 per cent after payment of the Loan on the Issue Date,
- (c) Spar Nord Bank's Tier 1 Capital Ratio is above 9 per cent prior to the Issue Date, and the Loan itself will not result in an increase of Spar Nord Bank's Tier 1 Capital Ratio corresponding to more than 3 percentage points compared to the numbers last reported in Spar Nord Bank's quarterly report for Q1 2009 ended 31 March 2009;

- (d) performance of Spar Nord Bank's obligations as set out in Clause 4.2 and 4.3 to the satisfaction of the Danish State; and
- (e) Spar Nord Bank's representations and warranties as set out in Clause 6 are true, accurate and correct as at the date of this Agreement and as at the Issue Date.

5.2 Waiver of conditions precedent and termination of the Agreement. The Danish State has the right (but not the obligation) to waive or modify its conditions precedent in whole or in part for the purpose of paying out the Loan. The Agreement shall be terminated if the Danish State's conditions precedent have not been met or waived no later than on the Issue Date, which may, in any event, occur no later than 31 December 2009. The Parties shall not make any claim against each other as a result of termination of this Agreement, unless such termination is attributable to a Party's breach of this Agreement. If the Agreement is terminated, the Parties' obligations under Clauses 10.3 and 12 shall continue in full force and effect.

6. REPRESENTATIONS AND WARRANTIES

6.1 Spar Nord Bank's warranties. Spar Nord Bank represents and warrants to the Danish State as at the date of this Agreement and the Issue Date as follows:

6.1.1 Legislation. The Group complies with applicable law, including the Act on State-Funded Capital Injections and the Financial Business Act.

6.1.2 Correct information. All information, presentations, reports, projections, forecasts, etc. which the Danish State has received from Spar Nord Bank in connection with the Application and the processing thereof, are correct and contain no material errors or omissions and accurately and fully disclose the financial position of Spar Nord Bank and the Group at the time of the Application or at the time they were made or updated, whichever is later, and no material adverse changes have occurred in Spar Nord Bank's and the Group's operations, assets and liabilities and financial position taken as a whole since the filing of the Application other than as disclosed to the Danish State in writing prior to the date of this Agreement. All the financial ratio calculations as set out in Appendix 2 are true and accurate.

6.1.3 No conflict. The conclusion and performance of this Agreement and the Loan Notes Agreement is not contrary to (i) any law, public rule, court decision or any kind of public regulation, (ii) Spar Nord Bank's articles of association and corporate resolutions of Spar Nord Bank or (iii) any material agreement or document to which Spar Nord Bank or its Subsidiaries is a party or which is binding on Spar Nord Bank or its Subsidiaries.

- 6.1.4 **Material adverse events.** Other than as disclosed to the Danish State in writing prior to the date of this Agreement, no material adverse event or material adverse change has occurred in Spar Nord Bank's and the Group's operations, assets and liabilities and financial position taken as a whole since the date of its most recent annual and quarterly report.
- 6.1.5 **Fulfilment of conditions precedent.** Spar Nord Bank meets all requirements that must be met under the Act on State-Funded Capital Injections in order to obtain a loan in the form of Hybrid Tier 1 Capital on the terms specified in this Agreement and in the Loan Notes Agreement. The Danish State's conditions precedent as specified in Clause 5.1 will be met as at the Issue Date.
- 6.1.6 **Annual and Quarterly reports.** The consolidated financial statements included in Spar Nord Bank's annual report for the financial year ended 31 December 2008 and quarterly report for Q1 2009 ended 31 March 2009, give a true and fair view of Spar Nord Bank's and the Group's assets, liabilities, equity and financial position at 31 December 2008 and 31 March 2009 (respectively), and of the results of Spar Nord Bank's and the Group's operations and the consolidated cash flows for the financial year starting on 1 January 2008 and ending on 31 December 2008 and the financial quarter starting on 1 January 2009 and ending on 31 March 2009. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union applied on a consistent basis (except as stated in such financial statements), and the financial statements of the Spar Nord Bank's have been prepared in accordance with the Financial Business Act. Furthermore, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.
- 6.1.7 **No Proceedings.** Other than as disclosed to the Danish State in writing prior to the date of this Agreement and the Issue Date, as applicable, there are no legal or governmental, administrative or other proceedings pending or, to the best of Spar Nord Bank's knowledge, threatened to which Spar Nord Bank or any of its Subsidiaries is a party which would have a material adverse effect on Spar Nord Bank's and the Group's operations, assets and liabilities and financial position taken as a whole.
- 6.1.8 **No default.** Neither Spar Nord Bank nor any of its Subsidiaries is, or with the giving of notice or lapse of time or both would be, (i) in violation of its articles of association or (ii) in default under any loan agreement or other agreement or instrument to which Spar Nord Bank or any of its Subsidiaries is a party except for violations and defaults which, individually or in the aggregate, could not reasonably be expected to result in a material adverse effect.

6.1.9 Approvals. Spar Nord Bank and its Subsidiaries possess all licenses, approvals, and other authorizations necessary to conduct their respective businesses, subject, in each case, to such exceptions as would not have a material adverse effect, and neither Spar Nord Bank nor any of its Subsidiaries has received any written order or notice of proceedings relating to any such license, approval, or other authorization which would have a material adverse effect.

7. **OBLIGATIONS**

7.1 Obligations of Spar Nord Bank. Spar Nord Bank undertakes at the time of the conclusion of this Agreement and during the entire Term of Agreement to fulfil the obligations stipulated in this Clause 7.1 provided that clauses 7.1.1, 7.1.5, 7.1.7, 7.1.8 and 7.1.9 shall continue to apply until the Danish State has disposed of any and all shares in Spar Nord Bank received through conversion of the Notes to share capital in Spar Nord Bank in accordance with the Loan Notes Agreement.

7.1.1 Legislation, etc. Spar Nord Bank undertakes to observe applicable law, including the Act on State-Funded Capital Injections and the Financial Business Act as well as all the terms and conditions stipulated in this Agreement.

7.1.2 Capital reduction and own shares. Spar Nord Bank shall not (i) effect any capital reductions except to cover losses or to write down share capital in accordance with the Loan Notes Agreement or (ii) purchase own shares, including initiating new share buy back programs, if such purchase will constitute a violation of the Act on State-funded Capital Injections. Spar Nord Bank may not sell own shares on terms and conditions that are more burdensome for Spar Nord Bank than market terms unless it is necessary to do so in order to honour Spar Nord Bank's employee stock option programs.

7.1.3 Dividends. Spar Nord Bank shall not distribute dividends prior to 1 October 2010. After 1 October 2010, dividends may only be distributed to the extent that the dividends can be financed by Spar Nord Bank's net profits after taxes, which may be added to the distributable reserves, as generated in the period following 1 October 2010.

7.1.4 Funding of Group Entities. Spar Nord Bank may not use funds to capitalise businesses in violation of the Act on State-Funded Capital Injections. Spar Nord Bank may not make acquisition of shares that would constitute a violation of the Act on State-Funded Capital Injections. All agreements and transactions with Group Entities shall be concluded on arm's length terms.

7.1.5 Restrictions on ownership, voting and negotiability etc.

- a) Spar Nord Bank shall not later than on its first ordinary general meeting after the date of this Agreement pass such resolutions as are required to comply with Section 8(7) of the Act on State-Funded Capital Injections.
 - b) Spar Nord Bank may not in its articles of association introduce restrictions on ownership, voting rights, negotiability, nor may Spar Nord Bank introduce share classes.
- 7.1.6 **Remuneration of the Executive Board.** Spar Nord Bank may not (i) initiate new share option programmes or other similar plans for the Executive Board or prolong or renew existing programmes; (ii) remunerate the members of the Executive Board by variable pay elements, see section 77a(2) of the Financial Business Act, to an extent exceeding 20% of the total basic salary including pension; (iii) issue bonus shares at a favourable price or use similar beneficial schemes for the Executive Board; or (iv) make tax deductions of more than half the Executive Board's salaries, to the extent that such action would constitute a violation of Act on State-funded Capital Injections. Spar Nord Bank shall state the amount at which tax deductions have been made in a note to the annual report.
- 7.1.7 **Notice of a breach of agreement.** Spar Nord Bank shall give written notice to the Danish State as soon as Spar Nord Bank becomes aware (i) that a breach of this Agreement or an anticipatory breach will occur or (ii) that a payment under the Loan Notes Agreement will not be made.
- 7.1.8 **Statement on lending activities.** No later than on 31 March and 30 September of each year, Spar Nord Bank shall present a statement on its lending activities in the immediately preceding period from 1 July to 31 December and 1 January to 30 June respectively to the Danish State in accordance with the Act on State-Funded Capital Injections. The statement on lending activities shall be published as provided by the Act on State-Funded Capital Injections.
- 7.1.9 **Conversion of the Loan.** If all or part of the Loan is converted into share capital in Spar Nord Bank in accordance with the Loan Notes Agreement, Spar Nord Bank shall cooperate with and assist the Danish State if the Danish State wishes to dispose of the shares received in one or more rounds. Clause 11.2 shall apply *mutatis mutandis* to the Danish State's full or partial disposal of shares in Spar Nord Bank received by way of a conversion in accordance with the Loan Notes Agreement.
- 7.1.10 **Announcements and Press Releases.** Spar Nord Bank shall deliver to the Danish State a draft of any company announcement or press release relating to this Agreement, the Loan Notes Agreement or the Notes as soon as possible prior to the disclosure of such press release or announcement. Furthermore, if Spar Nord

Bank intends or has taken a decision to convert any Notes or interest into shares as set out in the Loan Notes Agreement, Spar Nord Bank shall, until such conversion has been given up or completed, as applicable, deliver to the Danish State a draft of any company announcements or press release as soon as possible prior to the disclosure of such press release or announcement.

7.1.11 Corporate Authorisation. Spar Nord Bank shall hold an extraordinary general meeting not later than 12 August 2009 in order to obtain the necessary corporate authorisations required to give full effect to this Agreement and the Loan Notes Agreement. The proposal to obtain the necessary corporate authorisations shall be recommended by Spar Nord Bank's Board of Directors. If the necessary corporate authorisations are not adopted by the extraordinary general meeting, the Parties shall renegotiate the relevant provisions of this Agreement and the Loan Notes Agreement affected by the failure to obtain such corporate authorisations.

7.2 Withholding Tax in the Loan Notes Agreement. As long as the Danish State is the sole noteholder of the Notes, Clause 9.5 of the Loan Notes Agreement shall not apply.

8. **BREACH OF AGREEMENT**

8.1 Breach of Agreement and remedies. In case of Spar Nord Bank's breach or anticipatory breach (*anticiperet misligholdelse*) of its obligations under this Agreement, and if such breach is not remedied on or before the tenth (10th) day after notice of such breach is given by the Danish State to Spar Nord Bank, the Danish State is entitled to exercise any remedies in accordance with Danish law, including to institute legal proceedings to enforce its rights.

8.2 Cure. Spar Nord Bank shall be obliged to enter into discussions with the Danish State regarding possible amendments to the Loan Notes Agreement which may cure any breach or prevent any breach from occurring under the Loan Notes Agreement.

8.3 No cancellation. For the avoidance of doubt, the Danish State's remedies as mentioned in Clause 8.1, may not result in Spar Nord Bank having to pay any amount under the Loan Notes Agreement at an earlier time than when the amount would otherwise have been due and payable under the Loan Notes Agreement.

9. **NOTICES**

9.1 Notices. Any notice to be given under this Agreement and under the Loan Notes Agreement shall be given by post, fax or e-mail (except that a notice or other communication under Section 8 of this Agreement may not be given by fax or e-

mail) to the following addressees or to any other addressee (including e-mail addresses) designated by either Party to the other Party:

a. to Spar Nord Bank:

Spar Nord Bank A/S
Attn: Head of Funding Jan Frølund Poulsen
Skelagervej 15
DK-9000 Aalborg
Tel: +45 96 34 42 09
Fax: +45 96 34 45 76
E-mail: jpo@sparnord.dk

b. to the Danish State:

The Danish State represented by the Ministry of Economic and Business Affairs
Attn: Deputy Permanent Secretary Jens Lundager
Slotsholmsgade 10-12
DK-1216 Copenhagen K
Tel: +45 33 92 33 50
Fax: +45 33 12 37 78
E-mail: jlu@oem.dk

10. **AMENDMENTS, COSTS AND PRECEDENCE**

- 10.1 **The Danish Financial Supervisory Authority.** Any modification or amendment to the Loan Notes Agreement, as agreed between the Parties, which entails that the Notes do not constitute Hybrid Tier 1 Capital shall be subject to the prior written approval of the Danish Financial Supervisory Authority.
- 10.2 **Consent.** Notwithstanding the provisions of this Agreement and the Loan Notes Agreement, the consent of the Danish Financial Supervisory Authority shall not be required under this Agreement and the Loan Notes Agreement, and the Danish Financial Supervisory Authority has no powers vis-à-vis Spar Nord Bank, if Spar Nord Bank is no longer subject to supervision from the Danish Financial Supervisory Authority in accordance with the Financial Business Act.
- 10.3 **Costs.** Spar Nord Bank shall pay:
- (a) an issue fee in the amount of DKK 3,582,000 shall be credited by Spar Nord Bank to the Danish State's account no. 0216-4069055494 with Danske Bank A/S in accordance with the Act on State-Funded Capital Injections;

- (b) all costs and other expenses incurred by the Danish State in connection with Spar Nord Bank's breach of this Agreement or the Loan Notes Agreement;
- (c) all costs and other expenses incurred in connection with a conversion of all or part of the Loan into share capital in accordance with the Loan Notes Agreement, excluding the Danish State's financial, legal and other advisers;
- (d) all costs incurred in connection with amendments to this Agreement and the Loan Notes Agreement initiated by Spar Nord Bank;
- (e) all costs relating to the establishment of a Stock Exchange Listing as well as all costs and expenses incidental to a continued Stock Exchange Listing, including listing fee and fees to agents, agencies etc., provided that the Danish State shall pay its own costs relating to a Stock Exchange Listing, including costs to financial, legal and other advisers, and, subject to prior approval, all Spar Nord Bank's documented, external initial expenses incidental to an establishment of a Stock Exchange Listing, including the costs and expenses of market places, dealers, clearing centres, lawyers, auditors, financial and other advisers; and
- (f) all Spar Nord Bank's costs incurred in connection with Exit Strategies, except as set out in paragraph (e) in relation to a Stock Exchange Listing.

10.4 **Precedence.** In case of any conflicting term between this Agreement and the Loan Notes Agreement on the one hand and the Act on State-Funded Capital Injections or the Financial Business Act on the other hand, the Act on State-Funded Capital Injections and the Financial Business Act, respectively, shall prevail. With regard to the Loan Notes Agreement, the preceding sentence shall, however, only apply as long as the Danish State owns all the Notes. In case of any conflicting term between the Loan Notes Agreement on the one hand and this Agreement (without the Loan Notes Agreement), this Agreement shall prevail between the Danish State and Spar Nord Bank.

11. **ASSIGNMENT OF RIGHTS AND OBLIGATIONS**

11.1 **Assignment by Spar Nord Bank.** Spar Nord Bank may not assign any of its rights and/or obligations under this Agreement.

11.2 **Assignment by the Danish State.** The Danish State may, without the consent of Spar Nord Bank, assign all or any part of its rights and obligations (combined or

individually) under this Agreement and may sell, transfer and assign any or all of the Notes in one or more rounds, including by way of Exit Strategies. Spar Nord Bank shall cooperate with and assist the Danish State if the Danish State wishes to implement Exit Strategies. Where the Danish State submits a written request to Spar Nord Bank for an Exit Strategy, Spar Nord Bank shall take the following action in accordance with the Danish State's directions:

- a) prepare and approve and provide assistance in connection with preparation of prospectus(es) in Danish and/or English, with a base prospectus and final terms, if relevant, in accordance with the applicable rules;
- b) prepare and approve and provide assistance in connection with preparation of an information memorandum in Danish and/or English, describing Spar Nord Bank, the Group and the Notes in such detail as the Danish State may reasonably request;
- c) apply for approval of prospectus(es) by competent authorities and answer any comments and use best efforts to seek to accommodate any requests made by such competent authorities;
- d) comply with all market disclosure requirements and similar requirements in force from time to time at the relevant Stock Exchange, if any;
- e) enter into any agreements that may be necessary or appropriate in connection with an Exit Strategy, including dealer agreements (programme agreements), agency agreements (issue and paying agency agreements), deeds of covenants, trust deeds, special issuer agreements and other usual agreements with dealers, operators of the relevant market or markets, clearing centres, and others;
- f) accept any modifications and amendments to this Agreement and the Loan Notes Agreement affecting the Notes or any part thereof that may, in the Danish State's opinion, be necessary or appropriate for the purpose of an Exit Strategy, including the making of necessary adjustments (including, where necessary, the deletion of the relevant provisions) should noteholder(s) be required to subscribe for shares in exchange for coupon and should such subscription requirement be impracticable in light of the preferred Exit Strategy of the Danish State as well as a change of the governing law of the Loan Notes Agreement to English law; provided that (i) provisions needed in order to qualify the Loan and the Notes as Hybrid Tier 1 Capital and regarding the registration of the Notes in VP shall always be governed by Danish law and (ii) such modifications and amendments to this Agreement and the Loan Notes Agreement affecting the Notes or any part thereof shall be agreed with Spar Nord Bank until the Issuer's Conversion Option Period (as defined in the

Loan Notes Agreement) has lapsed;

- g) make the senior management of Spar Nord Bank available for investor presentations and investor meetings;
- h) to the extent possible facilitate that Spar Nord Bank has a credit rating from no less than two of the rating agencies Fitch, Moody's and Standard & Poor's or another recognised rating agency approved by the Danish State and assist in connection with obtaining ratings of the Notes or of any securities issued by another entity in connection with an Exit Strategy, however, to the extent ratings are applied for by another entity than Spar Nord Bank such application will be the overall responsibility of the management of such entity;
- i) undertake the same obligations and provide the same warranties to the buyers of Notes as Spar Nord Bank has given to the Danish State under this Agreement, however, only to the extent such obligations and warranties would be in conformity with market practice on subscription or purchase of Hybrid Tier 1 Capital;
- j) issue such company announcement as may be necessary to clear the Danish State of inside information immediately prior to an exit; and
- k) take any other action and/or enter into and execute any other agreements, declarations, documents etc. that the Danish State may consider necessary or appropriate for the purpose of an Exit Strategy.

11.3 **Information and consultation before Exit Strategy.** Without restricting the Danish State's right to pursue any Exit Strategy, cf. Section 11.2, the Danish State will, (i) upon request from Spar Nord Bank, in good faith consider possible exit strategies presented by Spar Nord Bank and, (ii) inform Spar Nord Bank prior to any decision concerning an Exit Strategy, and, if so requested by Spar Nord Bank, in good faith enter into joint consideration of possible alternative exit strategies, provided that any such exit strategies under (i)-(ii) should be in accordance with the purpose and intentions of this Agreement, and be in the financial interest of the Danish State.

12. **GOVERNING LAW AND JURISDICTION**

12.1 **Governing law and jurisdiction.** This Agreement shall be governed by Danish law. Any dispute arising out of or in connection with this Agreement shall be brought before the Copenhagen City Court. Each Party is, however, entitled to request that the case be sent for trial in the Danish Eastern High Court.

Spar Nord Bank A/S:

[sgd]

Name: Lasse Nyby
Title: Chief Executive Officer

[sgd]

Name: John Lundsgaard
Title: Executive Officer

The Danish State represented by the Minister of Economic and Business Affairs:

[sgd]

Lene Espersen

Countersigned in respect of the Minister of Economic and Business Affairs:

[sgd]

Michael Dithmer
Permanent Secretary

Appendix 1

Loan Notes Agreement

[Attached as a separate document]

Appendix 2

Calculation of financial ratios

[Attached as a separate document]

TERMS AND CONDITIONS OF THE NOTES

SUMMARY OF TERMS:

Issuer: Spar Nord Bank A/S

Total issue: DKK 1,265,000,000

Issue Date: 30 June 2009

Annual Yield: 9.425 per cent p.a.

ACPE Conversion Fee: 0.100 per cent p.a.

Issuer's Conversion Option Fee: 0.400 per cent p.a.

Conversion: Conversion Option and Obligation

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Appendix 1	List of the Issuer's Hybrid Tier 1 Capital
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TERMS AND CONDITIONS OF THE NOTES

1. DEFINITIONS

1.1 For the purpose of these Conditions, the terms below shall be defined as follows:

"ACPE Announcement Date" shall have the meaning ascribed to it in Clause 5.5.

"ACPE Conversion Date" shall have the meaning ascribed to it in Clause 5.1.

"ACPE Conversion Fee" shall mean a fee of 0.100 per cent p.a.

"ACPE Notice" shall have the meaning ascribed to it in Clause 5.5.

"ACPE Reference Price" shall have the meaning ascribed to it in Clause 5.4.

"ACPE Shares" shall have the meaning ascribed to it in Clause 5.1.

"Actual/Actual (ICMA)" shall mean (a) where the relevant period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the period divided by the product of (A) the actual number of days in such Interest Period and (B) the number of Interest Periods in any year; and (b) where the period is longer than the Interest Period, the sum of (i) the actual number of days in the period falling in the Interest Period in which it begins divided by the product of (A) the actual number of days in such Interest Period and (B) the number of Interest Periods in any year; and (ii) the actual number of days in the period falling in the next Interest Period divided by the product of (A) the actual number of days in such Interest Period and (B) the number of Interest Periods in any year.

"Alternative Coupon Payment Event" shall have the meaning ascribed to it in Clause 5.1.

"Annual Fixed Coupon Amount" shall mean the Fixed Coupon Amount accrued on the Notes in a period starting on 1 May of any year and ending on 30 April of the following year.

"Annual Yield" shall mean an effective rate of 9.425 per cent per annum.

"Available Free Reserves" means the amount of free reserves (consisting of the retained profit brought forward from prior fiscal years, the retained profit for the most recent fiscal year and other reserves available for distribution of dividends) as disclosed in the Issuer's most recent audited annual financial accounts approved by the general meeting of shareholders of the Issuer as reduced by any payments on the Notes or any subordinated loan capital of the Issuer ranking *pari passu* with the Notes made since the date of such accounts by reference to free reserves disclosed therein.

"Banking Day" shall mean a weekday when banks are generally open for business in Denmark.

"Capital Requirement" shall mean the higher of the Solvency Requirement and the minimum capital requirement, see section 127 of the Danish Financial Business Act.

"Conditions" shall mean these Terms and Conditions of the Notes.

"Conversion Announcement Date" shall have the meaning ascribed to it in Clause 11.12.

"Conversion Date" shall mean the date on which Notes are converted into New Shares by registration of the resulting capital increase with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*).

"Corporate Action" shall mean distribution of dividend and any other distribution of cash or assets to shareholders of the Issuer, increase or decrease of share capital, issue of warrants on the Shares, options on the Shares, convertible bonds or other convertible instruments or other rights to subscribe or purchase Shares, split or consolidation of Shares, merger, demerger and any other corporate action involving the capital structure.

"Coupon" shall mean the Fixed Coupon Amount plus the Variable Dividend Coupon Charge.

"Danish Financial Business Act" shall mean Consolidated Act No. 897 of 4 September 2008 and any executive order issued thereunder, all as amended from time to time.

"Danish Act on State-Funded Capital Injections" shall mean Act No. 67 of 3 February 2009 and any executive order issued thereunder, all as amended from time to time.

"Denomination" shall mean DKK 0.01.

"Dividend Declared" shall mean the sum of (a) any dividend declared by the general meeting or the board of directors of the Issuer and distributed by the Issuer and (b) any dividend declared by the general meeting or the board of directors of the Issuer but scheduled to be distributed by the Issuer after the relevant VD Calculation Date, in the 12-month period preceding the relevant VD Calculation Date or, with regard to the first payment of Variable Dividend Coupon Charge, since 1 October 2010, in DKK or, if in another currency, the DKK equivalent of such dividend calculated on the date the dividend was declared.

"DKK" shall mean Danish kroner.

"Early Redemption Amount" shall equal the product of the following formula:

$$\text{Denomination} + \sum \text{CF}_{n\text{Ex}} \times (1 + \text{Effective Annual Yield})^{(\text{Tr} - \text{T}^n)} - \sum \text{CF}_n \times (1 + \text{Effective Annual Yield})^{(\text{Tr} - \text{T}^n)} + \text{Accrued Interest}$$

Where

Accrued Interest = Fixed Coupon accrued on a Note from the latest Fixed Coupon Payment Date until T^r

T^r = the Redemption Date

T^0 = the Issue Date

T^n = the date of relevant CF_n or $\text{CF}_{n\text{Ex}}$

$\text{CF}_{n\text{Ex}}$ = Fixed Coupon Amounts the Noteholder would have expected to receive since the Issue Date on a Note assuming all Fixed Coupon Amounts had been paid in full on each Fixed Coupon Payment Date with $\text{CF}_{1\text{Ex}}$ being the first such payment, $\text{CF}_{2\text{Ex}}$ being the second and so forth.

CF_n = Actual payments of Coupon which have been received since the Issue Date on a Note with CF_1 being the first such payment, CF_2 being the second and so forth.

Periods between dates (such as $T^r - T^0$ or $T^r - T^n$) expressed in the formula above shall be calculated based on Actual/Actual (ICMA).

"Effective Annual Yield" means the sum of the Annual Yield, ACPE Conversion Fee and Issuer's Conversion Option Fee (if applicable).

"Fixed Coupon" means a nominal rate corresponding to the Effective Annual Yield when paying the Fixed Coupon Amount in semi-annual instalments. The Fixed Coupon is 9.690248 per cent p.a. in the Issuer's Conversion Option Period and 9.212810 per cent p.a. thereafter.

"Fixed Coupon Amount" shall have the meaning ascribed to it in Clause 4.1.

"Fixed Coupon Payment Date" means 1 May or 1 November of any year.

"Group" shall have the meaning ascribed to it in section 5(1)(9) of the Danish Financial Business Act.

"Hybrid Tier 1 Capital" shall mean subordinated loan capital that meets the requirements in section 132 of the Danish Financial Business Act.

"Hybrid Tier 1 Capital Ratio" shall mean the Issuer's Hybrid Tier 1 Capital at any time relative to the Issuer's Tier 1 Capital (as calculated in accordance with Section 129(2) of the Danish Financial Business Act) at any time.

"Initial Hybrid Tier 1 Capital Ratio" shall mean the Issuer's Initial Hybrid Tier 1 Capital relative to the Issuer's Tier 1 Capital (as calculated in accordance with Section 129(2) of the Danish Financial Business Act) at any time.

"Initial Hybrid Tier 1 Capital" shall mean the Issuer's Hybrid Tier 1 Capital on the Issue Date (immediately post issue of the Notes) as subsequently redeemed or otherwise decreased unless replaced by new Hybrid Tier 1 Capital; provided, however, that the amount of the Issuer's Hybrid Tier 1 Capital for the purpose of calculating the Issuer's Initial Hybrid Tier 1 Capital cannot exceed the amount of the Issuer's Hybrid Tier 1 Capital on the Issue Date using prevailing currency rates (immediately post issue of the Notes). Issuer's Initial Hybrid Tier 1 Capital shall for all calculation purposes be determined using prevailing currency rates as of the relevant date for the calculation of the Initial Hybrid Tier 1 Capital. A list of the Issuer's Hybrid Tier 1 Capital in place at the Issue Date is attached as [Appendix 1](#).

"Interest Period" means each period beginning on (and including) the Issue Date or any Fixed Coupon Payment Date and ending on (but excluding) the next Fixed Coupon Payment Date.

"Issue Date" shall mean 30 June 2009.

"Issuer" shall mean Spar Nord Bank A/S, Central Business Register (CVR) no. 13737584, Skelagervej 15, 9000 Aalborg, Denmark.

"Issuer's Conversion Option" shall have the meaning ascribed to it in Clause 11.1.

"Issuer's Conversion Option Fee" shall mean a fee of 0.400 per cent p.a. payable for the duration of the Issuer's Conversion Option Period.

"Issuer's Conversion Option Period" shall have the meaning ascribed to it in Clause 11.1.

"Loan above Market Capitalisation" shall mean the Outstanding Principal Amount divided by the Market Capitalisation.

"Market Capitalisation" shall mean DKK 2,813,159,000 adjusted for any net cash proceeds from the subscription of new Shares in the Issuer made since the Issue Date.

"New Shares" shall have the meaning ascribed to it in Clause 11.4.

"Note" and "Notes" shall have the meaning ascribed to such terms in Clause 2.1.

"Noteholder" shall mean any person registered as holder of Note(s) evidenced as such by book entry in the records of VP.

"Notice of Conversion" shall have the meaning ascribed to it in Clause 11.12.

"Number of Notes" shall mean the number of Notes outstanding at any given time.

"Optional Redemption Date" shall mean 30 May 2014.

"Original Number of Notes" means 126,500,000,000 Notes of DKK 0.01 each.

"Outstanding Principal Amount" shall mean the product of the Number of Notes multiplied by the Denomination.

"Price Sensitive Information" shall mean information about (i) the Issuer, including the Issuer's and the Issuer's Group's business, assets, liabilities, condition (financial or otherwise), results and operations, (ii) the Shares, or (iii) market conditions relating to the Shares, which information ((i)-(iii)), alone or in combination with other information, has or would reasonably be expected to have, alone or in the aggregate, an influence on the price of the Shares or which a rational investor would reasonably be expected to take into consideration when assessing the value of the Shares, provided, however, that information about the mere intention to and the mere decision to exercise the Issuer's Conversion Option shall not constitute Price Sensitive Information for the purposes of these Conditions, but that, for the avoidance of doubt, any matter (including the incurrence of a loss) giving rise to the exercise of the Issuer's Conversion Option may be deemed Price Sensitive Information. The Issuer is in possession of Price Sensitive Information if any member of the board of directors, any executive officer or any other key employee is in possession of such Price Sensitive Information.

"Redemption Date" means the date on which a Note(s) is/are redeemed in accordance with Clause 8.

"Reference Price" shall have the meaning ascribed to it in Clause 11.6.

"Settlement Date" shall mean the date on which (as the case may be) Notes or Coupon are converted into New Shares or ACPE Shares in the register of VP and New Shares or ACPE Shares (as the case may be) are deposited on VP accounts of the Noteholder(s) against deletion of the Notes converted or cancelling of Coupon.

"Shares" shall mean shares issued by the Issuer.

"Solvency Requirement" shall mean the higher of (i) the solvency requirement, see section 124(2) of the Financial Business Act and (ii) an individual solvency requirement determined by the Danish Financial Supervisory Authority, see section 124(5) of the Danish Financial Business Act.

"Stock Exchange" shall mean Nasdaq OMX Copenhagen A/S, Central Business Register (CVR) no. 19042677, or another regulated market within the European Union or the European Economic Area.

"Subordinated Loan Capital" shall mean capital that meets the requirements in section 136 of the Danish Financial Business Act and any other loan capital designated as subordinated to all other non-subordinated loan capital.

"Taxes" shall mean all existing and future Danish direct and indirect taxes, duties, charges, withholdings, etc. and all types of restrictions or conditions resulting in taxes in Denmark.

"Term of the Loan" shall mean the period from the Issue Date until the time when all amounts due under the Notes, including Coupon and costs, are fully repaid or no longer due.

"Tier 1 Capital" shall mean tier 1 capital (*kernekapital*) as defined in section 5(7)(4) of the Danish Financial Business Act.

"Tier 1 Capital Ratio" shall mean Tier 1 Capital as a percentage of risk-weighted assets calculated according to the principles specified in the Danish Financial Supervisory Authority's reporting form for assessment of capital adequacy, CS01, item 4 (*Kernekapital (inkl. hybrid kernekapital) efter fradrag i procent af vægtede poster*).

"Trading Day" means a day where the Stock Exchange is open for trading.

"Variable Dividend Coupon Charge" shall have the meaning ascribed to it in Clause 4.3.

"VD Calculation Date" shall have the meaning ascribed to it in Clause 4.4.

"Volume Weighted Average Price" shall mean in respect of the Shares the volume-weighted average price published by or derived from the price displayed under the heading "Bloomberg VWAP" on Bloomberg page SPNO DC <equity> VAP (or any successor page) in respect of the period from 9 a.m. CET on the first day of the relevant calculation period to 5 p.m. CET on the last day of the relevant calculation period.

"VP" shall mean VP Securities A/S, Central Business Register (CVR) no. 21599336.

- 1.2 For the purpose of these Conditions, all terms defined in the singular shall have the same meaning in the plural and vice-versa. All indefinite nouns shall have the same

meaning in the definite form, and all references to Clauses and appendices shall be references to clauses and appendices of these Conditions.

2. **FORM, DENOMINATION AND TITLE**

2.1 The Notes. The Issuer shall issue 126,500,000,000 notes (*kapitalbeviser*) (each a "Note" and collectively the "Notes") of nominally DKK 0.01 each, in total DKK 1,265,000,000 under these Conditions.

2.2 Registration in VP. The Notes shall be in dematerialised form and issued through VP. Title to the Notes will pass by registration in the VP register between the direct or indirect account holders at VP in accordance with the rules and procedures of VP from time to time. The Noteholder will be the person evidenced as such by a book entry in the records of the VP register. Where a nominee is so evidenced, it shall be treated by the Issuer as the Noteholder of the relevant Note. The person or nominee evidenced as a Noteholder shall be treated as such for the purposes of payment of principal or Coupon on such Note.

2.3 Negotiability. The Notes shall be freely transferable.

3. **STATUS**

3.1 Ranking. The Notes shall constitute Hybrid Tier 1 Capital of the Issuer. The Notes shall rank *pari passu* with any other Hybrid Tier 1 Capital of the Issuer and with any capital instruments expressed to rank *pari passu* with Hybrid Tier 1 Capital of the Issuer. The Notes shall rank senior to the Issuer's share capital and debt expressed to be subordinate to Hybrid Tier 1 Capital, including in relation to the right to receive periodic payments and the right to receive dividend in case of the Issuer's bankruptcy or liquidation.

3.2 Subordination. The Notes shall be subordinate to all non-subordinated debt of the Issuer and all debt ranking as Subordinated Loan Capital of the Issuer.

4. **INTEREST PROVISIONS**

4.1 Fixed Coupon Amount. The Issuer shall pay the Fixed Coupon on the Notes ("Fixed Coupon Amount") semi-annually on each of the Fixed Coupon Payment Dates, the first time on 1 November 2009.

4.2 Calculation of Fixed Coupon. The Fixed Coupon Amount shall be calculated based on Actual/Actual (ICMA) by multiplying the Fixed Coupon by the Outstanding Principal Amount.

- 4.3 Variable Dividend Coupon Charge. In addition to the Fixed Coupon Amount, the Issuer shall pay a variable dividend coupon charge on the Notes ("Variable Dividend Coupon Charge") calculated as the higher of:
- (i) DKK 0, and
 - (ii) (Dividend Declared x 1.25 x Loan above Market Capitalisation) – Annual Fixed Coupon Amount.
- 4.4 Calculation of the Variable Dividend Coupon Charge. The Variable Dividend Coupon Charge shall be calculated five Banking Days prior to 1 May of every year ("VD Calculation Date"). In the event that the Issuer shall declare a dividend at a later date in April of that year such date shall be deemed to be the VD Calculation Date. The Variable Dividend Coupon Charge shall become payable on 1 May of every year, the first time being 1 May 2012 on the basis of the period starting on 1 October 2010 and ending on the VD Calculation Date in 2012.
5. **ALTERNATIVE COUPON PAYMENT**
- 5.1 Alternative Coupon Payment Event. If, following the making of any Coupon payment or part thereof the Issuer would have a solvency (*solvens*) of less than 110% of the Solvency Requirement ("Alternative Coupon Payment Event") on any Fixed Coupon Payment Date the payment of the relevant Coupon or part thereof shall be settled by way of issue of new Shares or delivery of existing own Shares ("ACPE Shares") to the Noteholder(s) pro rata with their holding of Notes on the relevant Fixed Coupon Payment Date or such later date as may be required in accordance with Clause 11.6.2 ("ACPE Conversion Date"). The Coupon shall be converted into ACPE Shares on the ACPE Conversion Date by registration of the resulting capital increase with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*).
- 5.2 Pari Passu Shares. The ACPE Shares shall carry the same rights as the Issuer's existing Shares on the ACPE Conversion Date and shall be listed on the Stock Exchange. The ACPE Shares shall be negotiable instruments and shall be freely transferable. The ACPE Shares shall carry dividend as from the time of registration with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*) as the Issuer's Shares on the ACPE Conversion Date.
- 5.3 Implementation of issue of ACPE Shares. The issue of ACPE Shares shall be implemented by way of an issue of ACPE Shares pro rata to the Noteholder(s)' holding of Notes on all accounts with VP in accordance with the from time to time standard procedures of VP. In exchange for the valid issue of ACPE Shares the

Noteholder(s) will after the ACPE Conversion Date cease to have any claim in respect of the Coupon converted into ACPE Shares. The Noteholder(s) shall be obliged to subscribe for the ACPE Shares if and to the extent required under applicable law.

- 5.4 Number of ACPE Shares. The Coupon to be converted due to an Alternative Coupon Payment Event shall be converted into a number of ACPE Shares in accordance with the following formula:

ACPE Shares = Coupon (on all of the Notes) to be converted at the ACPE Conversion Date divided by the ACPE Reference Price.

"ACPE Reference Price" is defined as the price calculated in accordance with Clause 11.6.2 and 11.6.3 (if applicable). Clause 11.5, 11.7, 11.9, 11.10, 11.13 and 11.14 shall apply *mutatis mutandis* with regard to an Alternative Coupon Payment Event and the issue of the ACPE Shares.

- 5.5 Notice of Alternative Coupon Payment Event. In the event of an Alternative Coupon Payment Event as set out in Clause 5.1 the Issuer shall give a notice (the "ACPE Notice") to the Noteholder(s) and the public to this effect, in accordance with the rules of VP, the rules of the Stock Exchange and applicable law, no less than 3 Trading Days and no more than 5 Trading Days prior to the ACPE Conversion Date subject always to the application of Clause 11.6.2 (the "ACPE Announcement Date"). The ACPE Notice shall be unconditional and irrevocable and shall be in the form attached as Appendix 2. The ACPE Notice shall be given prior to the opening of the Stock Exchange on the ACPE Announcement Date. No later than on the ACPE Conversion Date and prior to conversion of the Coupon, the Issuer shall give a notice to the Noteholder(s) and the public of the ACPE Reference Price in accordance with the rules of VP, the rules of the Stock Exchange and applicable law.

6. **COUPON CANCELLATION**

- 6.1 Non-payment of Coupon (cancellation event). In the event that the Issuer on any Fixed Coupon Payment Date:

- (i) Does not have Available Free Reserves; or
- (ii) Does not satisfy the Capital Requirement;

the Coupon shall be cancelled and shall not fall due.

The Danish Financial Supervisory Authority may require that a Coupon be cancelled and not fall due, when the Danish Financial Supervisory Authority in its sole discretion assesses that the Issuer does not satisfy the Capital Requirement before or following the payment of such Coupon, or assesses that the payment of the Coupon would have an adverse effect on the Issuer's financial position which would result in the Issuer being unlikely to meet its Capital Requirement.

6.2 Non-payment of Coupon (reduction event). Subject to Clause 6.1, if the Coupon payable on the Notes on any Fixed Coupon Payment Date either:

- (i) Exceeds the amount of Available Free Reserves; or
- (ii) The Issuer prior to or following payment of such Coupon will not satisfy the Capital Requirement;

the Coupon on the Notes on the relevant date will be reduced to an amount equal to with regard to (i) the Available Free Reserves or with regard to (ii) the greatest amount following the payment of which the Issuer will continue to satisfy the Capital Requirement.

In the event that less than the full payment of a Coupon is to be made, the amount to be paid on any Note shall represent a pro rata share of the full amount available for payment calculated by reference to the Denomination as a proportion of the sum of the Outstanding Principal Amount and the total outstanding principal amount of any *pari passu* ranking capital instruments.

6.3 Cancellation of non-paid Coupon. Any Coupon payment which has not been made (in whole or in part) with reference to Clause 6.1 and 6.2 shall be cancelled and no request for payment may subsequently be made.

6.4 Accrual of Coupon. Accrual of Coupon will cease with effect from in respect of Clause 6.1(i) or 6.2(i) the date of approval by the general meeting of shareholders of the Issuer of the relevant annual audited accounts disclosing that the Issuer does not have sufficient Available Free Reserves or in respect of Clause 6.1(ii) or 6.2(ii) the date on which the Issuer fails to satisfy the Capital Requirement. Where Coupon has ceased to accrue accrual of Coupon will recommence in respect of Clause 6.1(i) or 6.2(i) from the date of the general meeting of shareholders' approval of audited annual accounts disclosing that the Issuer has Available Free Reserves or in respect of Clause 6.1(ii) or 6.2(ii) the date on which the Issuer next satisfies the Capital Requirement.

6.5 Notice. The Issuer shall give notice to the Noteholder(s) as soon as possible following the occurrence of an event implying that non-payment, in whole or in part, of Coupon under this Clause 6 may arise.

7. **REDUCTION OF PRINCIPAL AND UNPAID COUPON**

7.1 Reduction of Outstanding Principal and Coupon. The Issuer may in accordance with section 132 of the Danish Financial Business Act, by a resolution passed at a general meeting of its shareholders duly convened in accordance with Danish law and the Issuer's Articles of Association, resolve to reduce and cancel (in whole or in part) the Notes, any due but unpaid Coupon and any Coupon accrued on the Notes since the last Fixed Coupon Payment Date or VD Calculation Date, on a pro rata basis with any *pari passu* ranking capital instruments outstanding, upon the occurrence of all of the following circumstances:

- (a) The equity capital of the Issuer has been lost;
- (b) A general meeting of the shareholders of the Issuer has effectively resolved in accordance with Danish law and the Issuer's Articles of Association to reduce the share capital of the Issuer to zero; and
- (c) Following the resolution referred to in (b) above either: (A) sufficient new share and/or other capital of the Issuer is subscribed or contributed so as to enable the Issuer, following any such reduction and cancellation of the Notes, to comply with the Capital Requirement, or (B) the Issuer discontinues its business without a loss to its non-subordinated creditors.

7.2 Prior Approvals and Notice. The amount of any reduction pursuant to Clause 7.1 shall be subject to the prior approval of the Issuer's elected external auditors and the Danish Financial Supervisory Authority. The Issuer shall give notice to the Noteholder(s) of the reduction and cancellation immediately following the passing of the resolution, cf. Clause 7.1 above.

7.3 Effect. The Notes to be reduced and cancelled pursuant to Clause 7.1 shall be selected in accordance with the from time to time standard procedures of VP and will take effect on the date specified in the resolution approving any such reduction and cancellation. The Noteholder(s) will thereafter cease to have any claim in respect of any Notes to be reduced and cancelled. To the extent that only part of the Notes has been reduced and cancelled, Coupon will continue to accrue in accordance with the terms hereof on the remaining Notes.

8. REDEMPTION OF NOTES

8.1 No maturity. The Notes are perpetual and shall not fall due, neither in whole nor in part, at any fixed date. No demand may be made for redemption, in whole or in part, of the Notes, unless expressly specified in these Conditions.

8.2 Non-redemption. The Notes shall be non-callable until the Optional Redemption Date.

8.3 Redemption at the option of the Issuer. The Issuer may, subject to the written consent of the Danish Financial Supervisory Authority, redeem all or part of the Notes, with the addition of accrued and due but unpaid Coupon, on or after the Optional Redemption Date. If the Notes are redeemed before the first day of the sixth year from the Issue Date, redemption shall, however, be subject to the following conditions being met on the Redemption Date:

- (a) The Issuer's Tier 1 Capital Ratio shall be at least 12 per cent following such redemption; or
- (b) The total sum of the Denomination of the Notes to be redeemed has been replaced by other Tier 1 Capital of at least the same quality as the Notes.

8.4 Redemption price in the fifth year from the Issue Date. The Issuer may redeem all or part of the Notes, with the addition of any accrued and due but unpaid Coupon, on or after the Optional Redemption Date but prior to the first day of the sixth year from the Issue Date, at a price per Note which is the higher of:

- (a) The Denomination; or
- (b) The Early Redemption Amount;

plus

- (i) In respect of (a) above, Fixed Coupon accrued on the Denomination from the latest Fixed Coupon Payment Date until the Redemption Date; plus
- (ii) In respect of both (a) and (b) above, Variable Dividend Coupon Charge accrued from the latest VD Calculation Date until the Redemption Date.

8.5 Redemption price in the sixth year from the Issue Date. The Issuer may redeem all or part of the Notes, with the addition of any accrued and due but unpaid Coupon on the Denomination, on or after the first day of the sixth year from the Issue Date

but prior to the first day of the seventh year from the Issue Date, at a price per Note of:

- (a) 105 per cent of the Denomination; plus
- (b) In the event of a cancellation pursuant to Clause 6.3 has occurred at any time since the Issue Date up and until the Redemption Date, 5 per cent of the Denomination; plus
- (c) Fixed Coupon accrued on the Denomination from the latest Fixed Coupon Payment Date until the Redemption Date; plus
- (d) Variable Dividend Coupon Charge accrued on the Denomination from the latest VD Calculation Date until the Redemption Date.

8.6 Redemption price in or after the seventh year from Issue Date. The Issuer may redeem all or part of the Notes, with the addition of any accrued and due but unpaid Coupon on the Denomination, on or after the first day of the seventh year from the Issue Date, at a price per Note of:

- (a) 110 per cent of the Denomination; plus
- (b) Fixed Coupon accrued on the Denomination from the latest Fixed Coupon Payment Date until the Redemption Date; plus
- (c) Variable Dividend Coupon Charge accrued on the Denomination from the latest VD Calculation Date until the Redemption Date.

8.7 Partial redemption. The Issuer may only redeem the Notes in part subject to the following conditions:

- (a) The Issuer may redeem the Notes by no more than three redemption calls before the Notes are redeemed in full (with the addition of accrued and due but unpaid Coupon).
- (b) Any partial redemption shall comprise at least 20 per cent of the Original Number of Notes per call.
- (c) At least 30 per cent of the Original Number of Notes shall remain outstanding following a partial redemption.

- (d) The Notes to be redeemed shall be selected in accordance with the from time to time standard procedures of VP.
- (e) Any redemption shall be subject to the prior written consent of the Danish Financial Supervisory Authority.

8.8 Redemption (capital and tax event). Notwithstanding Clause 8.2 and 8.7, if on or after the first day of the fourth year from the Issue Date the Notes (a) due to statutory amendments no longer fully can be included in the Issuer's Hybrid Tier 1 Capital or (b) if the Issuer no longer will be entitled to deduct Coupon (in whole or in part) for tax purposes, the Issuer may, subject to the prior written consent of the Danish Financial Supervisory Authority, redeem such part of the Notes, with the addition of any accrued and due but unpaid Coupon, which (as the case may be) fail to qualify as Hybrid Tier 1 Capital or for which Coupon no longer can be deducted for tax purposes. The price payable in respect of such redemption shall be the price determined in accordance with Clauses 8.4 to 8.6, Clause 8.4 applying as from the first day of the fourth year from the Issue Date.

8.9 Notice. The Issuer shall give notice to the Noteholder(s) of its intent to exercise its rights under this Clause 8 no later than 15 days and no more than 60 days before redemption may take place.

9. **PAYMENTS**

9.1 Currency. All payments under these Conditions shall be made in DKK.

9.2 Time. Payments of the Fixed Coupon shall be made semi-annually on each of the Fixed Coupon Payment Dates of each year. Payments of the Variable Dividend Coupon Charge shall be made annually on 1 May of each year starting on 1 May 2012. Any payment by the Issuer under these Conditions shall be made not later than on the due date of the relevant payment through VP, and shall be available to the Noteholder(s) on such date.

9.3 Principal and Coupon. Payments of principal and Coupon in respect of Notes shall be made to the Noteholder(s) shown in the relevant records of VP in accordance with and subject to the rules and regulations from time to time governing VP and as set out in Clause 2.2.

9.4 Non-Banking Day. If a Fixed Coupon Payment Date falls on a day which is not a Banking Day, payment of Coupon shall be postponed to the following Banking Day without the Noteholder(s) being entitled to any further interest or other payment in respect of any such delay.

- 9.5 **No withholding.** All the Issuer's payments under these Conditions shall be made without any right of set-off and without any right to deduct Taxes. If the Issuer pays an amount from which Taxes are to be deducted, such amount shall be increased to ensure that the Noteholder(s) receive a net amount corresponding to the amount they would have received had such Taxes not been deducted.
- 9.6 **Expenses.** The Issuer shall pay all expenses incurred by the Noteholder(s) in connection with any breach of these Conditions.
10. **OBLIGATIONS OF THE ISSUER**
- 10.1 **Obligations of the Issuer.** The Issuer shall fulfil all obligations stipulated in this Clause 10 as from the Issue Date and throughout the Term of the Loan; provided, however, that Clauses 10.1.2, 10.1.5, 10.1.6 and 10.1.7 shall terminate upon the expiry of the Issuer's Conversion Option Period.
- 10.1.1 **Capital reductions and own Shares.** The Issuer shall not (i) effect any capital reductions except to cover losses or to carry out reductions pursuant to Clause 7.1, or (ii) purchase own Shares, including initiating new share buy back programs, if such purchase will constitute a violation of the Act on State-funded Capital Injections. The Issuer may not sell own Shares on terms and conditions that are more burdensome for the Issuer than market terms unless it is necessary to do so in order to honour the Issuer's employee stock option programs.
- 10.1.2 **Issue of share options etc.** The Issuer may not issue share options, warrants, convertible debt instruments or similar instruments on terms that are less favourable to the Issuer than market terms, unless such issue is part of a general employee scheme.
- 10.1.3 **Dividends and redemption of subordinated debt.** The Issuer may not at any time pay dividend, repay or buy back any debt that is subordinated to the Notes or purports to rank *pari passu* with the Notes or other Hybrid Tier 1 Capital where (i) any Coupon that is past due remains unpaid or (ii), if relevant, Coupon has not been paid in full on two consecutive Fixed Coupon Payment Dates following an Alternative Coupon Payment Event or the date on which a cancellation of Coupon, see Clause 6, has occurred. Notwithstanding the aforementioned, the Issuer may purchase debt that is subordinated to the Notes or purports to rank *pari passu* with the Notes or other Hybrid Tier 1 Capital to its trading portfolio (*handelsbeholdning*) in order to meet purchase orders from the Issuer's customers in respect of the Issuer operating as a "market maker".

- 10.1.4 **Liquidation.** The shareholders of the Issuer may not approve any resolution to liquidate the Issuer unless where such liquidation is required by law.
- 10.1.5 **Merger and demerger.** The Issuer may not enter into a (i) merger agreement (*fusionsplan*), and the shareholders of the Issuer may not approve such merger agreement, if the valuers declare pursuant to section 134(c) of the Danish Companies Act (*aktieselskabsloven*) that the consideration paid for the Shares is not fair and reasonable, or (ii) demerger agreement (*spaltningsplan*) if such agreement may have a material adverse effect on the Danish State's interests.
- 10.1.6 **Delisting.** The Issuer may not request for a delisting of the Shares from the Stock Exchange.
- 10.1.7 **Other.** The Issuer may not carry out any transaction or take any other action which would imply that in the event of a conversion of Coupon or Notes pursuant to Clause 5 or 11 the economic value of the ACPE Shares or the New Shares to be received following the determination of the ACPE Reference Price or Reference Price is less than the value of such ACPE Shares or New Shares (respectively) had such transaction or action not been executed or carried out.
- 11. ISSUER'S CONVERSION OPTION AND OBLIGATION**
- 11.1 **Issuer's Conversion Option.** For a period of up to and not including the first day of the sixth year from the Issue Date (the "Issuer's Conversion Option Period"), the Issuer may at its discretion and at any time require that Notes be converted at the Denomination of the Notes, with the addition of any accrued and due but unpaid Coupon on the Denomination, in individual tranches of 20 per cent of the Original Number of Notes into New Shares of the Issuer, if the Issuer's Hybrid Tier 1 Capital Ratio exceeds 35 per cent (the "Issuer's Conversion Option").
- 11.2 **Tranches.** The Issuer's Conversion Option may only be exercised in individual tranches of 20 per cent of the Original Number of Notes at a time, unless a conversion of more than one tranche of 20 per cent is necessary to bring the Issuer's Hybrid Tier 1 Capital Ratio (including with the effect of the conversion) to a level at or below 35 per cent, in which case the Issuer may exercise the Issuer's Conversion Option in two or more tranches of 20 per cent of the Original Number of Notes as is necessary to bring the Issuer's Hybrid Tier 1 Capital Ratio (including with the effect of the conversion) to a level at or below 35 per cent.
- 11.3 **Implementation of Conversion.** The Issuer's Conversion Option shall be implemented by way of a proportionate reduction and cancellation of the holding of Notes on all accounts with VP in accordance with the from time to time procedures

of VP. In exchange for a valid issue of New Shares, the Noteholder(s) will after the Settlement Date cease to have any claim in respect of any Notes converted. To the extent only part of the Notes has been converted, Coupon will continue to accrue in accordance with the terms hereof on the Denomination of the remaining outstanding Notes. The Noteholder(s) shall be obliged to subscribe for the New Shares in the form and manner and to the extent required under applicable law.

- 11.4 **Number of New Shares.** The Notes to be converted pursuant to the Issuer's Conversion Option shall be converted into a number of new Shares ("New Shares") in accordance with the following formula:

New Shares = The sum total of the Denomination of all of the Notes to be converted with the addition of any accrued and due but unpaid Coupon on such Notes divided by the Reference Price.

- 11.5 **Rounding.** If the Denomination of the Notes which are converted does not correspond to a whole number of New Shares in respect of any account with VP, the number of New Shares shall be rounded downwards to the nearest whole number. No fractions of New Shares will be delivered on conversion. Any balance on the Notes which may thus not be converted into New Shares, shall be paid in cash at par value of the Notes in connection with the conversion in accordance with the from time to time standard procedures of VP.

- 11.6 **Reference Price.** The reference price ("Reference Price") expressed in DKK per Share shall be calculated as set out in Clauses 11.6.1 - 11.6.3:

- 11.6.1 **No Price Sensitive Information.** If the Issuer (i) is not in possession of Price Sensitive Information on the Conversion Announcement Date, (ii) has not been in possession of Price Sensitive Information within the last 5 consecutive Trading Days (and any other day within that period) prior to the Conversion Announcement Date, and (iii) do not believe or foresee, after having made due enquiry into the business, assets, liabilities, condition (financial or otherwise), results, and operations of the Issuer and the Issuer's Group, that it will become in possession of Price Sensitive Information within the first 10 consecutive Trading Days (and any other day within that period) after the Conversion Announcement Date, the Reference Price shall be calculated in accordance with the following formula:

The Volume Weighted Average Price of the Shares calculated over a period of three (3) consecutive Trading Days before the Conversion Announcement Date (excluding the Conversion Announcement Date) minus 5 per cent.

- 11.6.2 Price Sensitive Information. If Clause 11.6.1 does not apply, the Reference Price shall be calculated in accordance with the following formula (subject to Clause 11.6.3):

The average of (i) the Volume Weighted Average Price of the Shares calculated over a period of three (3) consecutive Trading Days before the Conversion Announcement Date (excluding the Conversion Announcement Date) and (ii) the Volume Weighted Average Price of the Shares calculated over a period starting on and including the Conversion Announcement Date and the two (2) consecutive Trading Days after the Conversion Announcement Date.

For the avoidance of doubt, in the event that the Issuer is in possession of Price Sensitive Information, such Price Sensitive Information shall be disclosed to the public in accordance with applicable law no later than on the Conversion Announcement Date. If the Issuer believes or foresees, after having made due enquiry into the business, assets, liabilities, condition (financial or otherwise), results, and operations of the Issuer and the Issuer's Group, that it will become in possession of Price Sensitive Information within the next 10 consecutive Trading Days, the Conversion Announcement shall be made no earlier than on the date of disclosure of such Price Sensitive Information.

- 11.6.3 Expert. If (i) the Shares are not actually traded on the Stock Exchange on any Trading Day within the last three (3) consecutive Trading Days prior to the Conversion Announcement Date (excluding the Conversion Announcement Date) or, if Clause 11.6.2 applies, the Shares are not actually traded on the Stock Exchange on the Conversion Announcement Date or on any Trading Day within the first two (2) Trading Days after the Conversion Announcement Date or (ii) the Danish State requests this in writing no later than 2 Trading Days after the expiry of the relevant period for calculating the Reference Price as set out in (i) above, the Reference Price shall, after consultation with the Issuer and the Danish State, be fixed by an independent investment bank of repute, appointed by the Danish State after agreeing with the Issuer, whose written opinion shall be conclusive and binding on the Issuer and the Danish State, save to the extent of manifest error. If the Reference Price is to be determined by an investment bank, the conversion of the relevant Notes shall notwithstanding Clause 11.12 take place as soon as possible after the investment bank has informed the Issuer and the Noteholder(s) of the Reference Price. The Issuer shall bear all costs to the investment bank. This provision shall cease to apply as and when the Danish State no longer is a Noteholder.

- 11.7 Delivery. The New Shares shall be delivered on the Settlement Date in dematerialised form through VP to the account of the Noteholder(s) in which the Notes converted were kept and otherwise in accordance with the from time to time standard procedures of VP.
- 11.8 Pari Passu Shares. The New Shares shall carry the same rights as the Issuer's existing Shares on the Conversion Date and shall be listed on the Stock Exchange. The New Shares shall be negotiable instruments and shall be freely transferable. The New Shares shall carry the same right to dividend as from the time of registration with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*) as the Issuer's Shares on the Conversion Date.
- 11.9 Conditions. The Issuer's Conversion Option can only be exercised (including pursuant to Clause 11.11) and a Notice of Conversion can only be delivered if each and every of the following conditions are met:
- (a) the Issuer has obtained the necessary corporate authorisation by a general meeting of the Issuer to issue the New Shares to the Noteholder(s) in exchange for Notes as set out in this Clause 11;
 - (b) the Issuer has on or before the Conversion Date presented a legal opinion from the Issuer's external legal counsel to the Noteholder(s) in a form and with a content satisfactory to the Danish State confirming that the Issuer has the necessary corporate authorisation to issue the New Shares as set out in this Clause 11, and that the New Shares are duly authorised and will be validly issued and, when issued, will rank pari passu with the Issuer's Shares on the Conversion Date;
 - (c) the Issuer's articles of association contain no restrictions on negotiability, ownership, voting rights, etc.;
 - (d) the Issuer has not entered into liquidation or suspended payments and no petition for bankruptcy has been filed against the Issuer; and
 - (e) no Corporate Action which may have an influence on the price of the Shares is pending or announced within the period of 5 consecutive Trading Days before and 10 consecutive Trading Days after the Conversion Announcement Date, or, if the Reference Price is determined in accordance with Clause 11.6.3, within the period relevant for the investment bank's determination of the Reference Price.

- 11.10 No adjustment. The Reference Price shall not be subject to adjustment as a result of the Issuer's increase or decrease of share capital, issuance of warrants on the Shares or convertible instruments, merger or demerger.
- 11.11 Issuer's conversion obligation. If the Issuer's Initial Hybrid Tier 1 Capital Ratio exceeds 50 per cent, the Issuer is obliged to exercise the Issuer's Conversion Option in individual tranches of 20 per cent of the Original Number of Notes to the extent (and only to the extent) necessary to bring the Issuer's Initial Hybrid Tier 1 Capital Ratio (including with the effect of the conversion) to a level at or below 35 per cent.
- 11.12 Exercise of Issuer's Conversion Option. If the Issuer wishes or is obliged to exercise the Issuer's Conversion Option as set out in Clauses 11.1 and 11.11, respectively, the Issuer shall give a notice ("Notice of Conversion") to the Noteholder(s) and the public to this effect, in accordance with the rules of VP, the rules of the Stock Exchange and applicable law, no less than 3 Trading Days and no more than 5 Trading Days prior to the Conversion Date ("Conversion Announcement Date"). The Notice of Conversion shall be unconditional and irrevocable and shall be in the form attached as Appendix 3. The Notice of Conversion shall be given prior to the opening of the Stock Exchange on the Conversion Announcement Date. No later than on the Conversion Date and prior to conversion of the relevant Notes, the Issuer shall give a notice to the Noteholder(s) and the public of the Reference Price in accordance with the rules of VP, the rules of the Stock Exchange and applicable law.
- 11.13 Tax. The Issuer shall pay any and all Taxes of the Noteholder(s) arising on exercise of the Issuer's Conversion Option.
- 11.14 Costs. The Issuer shall bear any and all costs to VP and the Noteholder(s)' depositaries arising on exercise of the Issuer's Conversion Option.

12. **BREACH OF CONDITIONS**

- 12.1 Breach of Conditions and Remedies. In case of Issuer's breach or anticipatory breach (*anticiperet misligholdelse*) of its obligations under these Conditions, each Noteholder is entitled to exercise any remedies in accordance with Danish law, including to institute legal proceedings to enforce its rights. For the avoidance of doubt, the remedies of the Noteholder(s) may not result in the Issuer having to pay any amount under these Conditions at an earlier time than when the amount would otherwise have been due and payable hereunder, except as set out in Clause 12.2.

12.2 Cessation of Business. It shall (without limitation) be considered a breach of these Conditions if (a) Issuer has entered into liquidation, (b) a bankruptcy order is issued against the Issuer, or (c) the Issuer's authorisation as a credit institution is cancelled and the Danish Financial Supervisory Authority has approved a winding-up of the Issuer through other means than liquidation, bankruptcy or merger in accordance with Section 227 of the Financial Business Act. If an event as set out in this Clause occurs in respect of the Issuer, any Noteholder(s) may notify the Issuer that the Notes are due and payable at the amounts set out in Clauses 8.4 to 8.6 (Clause 8.4 applying as from the first day of the fourth year from the Issue Date) or, if the Notes were to become payable before the first day of the fourth year, at par value.

13. **AMENDMENTS AND NO CONSENT**

13.1 Amendments. Any amendment to these Conditions which entails that the Notes do not constitute Hybrid Tier 1 Capital shall be subject to the prior written approval of the Danish Financial Supervisory Authority.

13.2 No Consent. Notwithstanding the provisions of these Conditions, the consent of the Danish Financial Supervisory Authority shall not be required under these Conditions, and the Danish Financial Supervisory Authority has no powers vis-à-vis the Issuer, if the Issuer no longer is subject to supervision from the Danish Financial Supervisory Authority in accordance with the Danish Financial Business Act.

14. **GOVERNING LAW AND JURISDICTION**

14.1 Governing law and jurisdiction. These Conditions shall be governed by Danish law. Any dispute arising out of or in connection with these Conditions shall be brought before the Copenhagen City Court. The Issuer or any Noteholder may, however, request that the case be sent for trial in the Danish Eastern High Court.

Date: 29 June 2009

The Issuer,
Spar Nord Bank A/S:

Name: Lasse Nyby
Title: Chief Executive Officer

Name: John Lundsgaard
Title: Executive Officer

[List of the Issuer's Hybrid Tier 1 Capital]

Appendix 1

[Form of Notice of Alternative Coupon Payment Event]
[Issuer's Letterhead]

To the Noteholders and
Nasdaq OMX Copenhagen A/S

[date]

Share settlement of coupon payable on notes under Spar Nord Bank's DKK 1,265,000,000 notes programme in accordance with the Danish Act on State-Funded Capital Injections (the "Programme")

We refer to the Programme. Terms used in this notice have the same meaning as used in the Programme.

We hereby give notice in accordance with the Programme of an Alternative Coupon Payment Event in respect of Coupon payable on [date] with a total amount of DKK [amount] which will be converted into shares of Spar Nord Bank A/S ("Spar Nord Bank").

The Coupon payable will be converted into shares of Spar Nord Bank in accordance with the Programme and based on a conversion price of the average of (i) DKK [amount], corresponding to the volume weighted average price of Spar Nord Bank's shares calculated over the three trading days prior to today, and (ii) the volume weighted average price of Spar Nord Bank's shares calculated over the next three trading days (including today). Spar Nord Bank will on [date] announce the final price at which the notes are converted into new shares and the resulting amount of new shares to be issued.

[Description of matters giving rise to settlement in shares.]

[Timetable for issuing, delivering and listing new shares.]

The new shares will in every respect carry the same rights as Spar Nord Bank's existing shares from the time of registration of the new shares with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*). The new shares will also carry the same right to dividend as the existing shares. The new shares will be negotiable instruments and will be freely transferable.

[Information on Danish State as major shareholder if a relevant limit is exceeded]

Spar Nord Bank A/S

[Form of Notice]
[Issuer's Letterhead]

To the Noteholders and
Nasdaq OMX Copenhagen A/S

[date]

Conversion of notes under Spar Nord Bank's DKK 1,265,000,000 notes programme in accordance with the Danish Act on State-Funded Capital Injections (the "Programme")

We refer to the Programme. Terms used in this notice have the same meaning as used in the Programme.

We hereby give notice in accordance with the Programme that Spar Nord Bank A/S ("Spar Nord Bank") [exercises the Issuer's Conversion Option]/[is obliged to require conversion] on [insert Conversion Date] of notes with a total nominal value of DKK [amount] into shares of Spar Nord Bank under the Programme.

The notes will be converted into shares of Spar Nord Bank in accordance with the Programme and based on a conversion price of [[DKK [amount], corresponding to the volume weighted average price of Spar Nord Bank's shares calculated over the three trading days prior to this announcement minus 5 per cent. Consequently, Spar Nord Bank will issue [] shares of nominal value DKK 10 each to the holders of converted notes (subject to any applicable rounding).] [representing the average of (i) DKK [amount], corresponding to the volume weighted average price of Spar Nord Bank's shares calculated over the three trading days prior to today, and (ii) the volume weighted average price of Spar Nord Bank's shares over the next three trading days (including today). Spar Nord Bank will on [date] announce the final price at which the notes are converted into new shares and the resulting amount of new shares to be issued]].

[Description of matters giving rise to conversion and the effect the conversion will have on the Issuer's Hybrid Tier 1 Capital Ratio and solvency ratio.]

[Timetable for issuing, delivering and listing new shares.]

The new shares will in every respect carry the same rights as Spar Nord Bank's existing shares from the time of registration of the new shares with the Danish Commerce and Companies Agency (*Erhvervs- og Selskabsstyrelsen*). The new shares will also carry the same right to dividend as the existing shares. The new shares will be negotiable instruments and will be freely transferable.

[Information on Danish State as major shareholder if a relevant limit is exceeded]

Spar Nord Bank A/S