

**Articles of Association  
of  
Länsförsäkringar Hypotek AB (publ)  
(Reg. no. 556244-1781)**

Adopted at an extraordinary general meeting held on 18<sup>th</sup> December 2017

**Art. 1 Company name**

The company's name is Länsförsäkringar Hypotek AB (publ).

**Art. 2 Registered office**

The registered office shall be situated in the municipality of Stockholm.

**Art. 3 The company's objects**

The company may engage in such financing business as referred to in Chapter 1, section 4 of the Banking and Financing Business Act (2004:297). That provision states that financing business means a business which includes commercial operations the purpose of which is:

1. to accept repayable sums from the public, directly or via a closely linked undertaking; and
2. to grant loans, provide guarantees for loans or, for financing purposes, to acquire claims or grant rights of use in personal property (leasing).

The company may also engage in financial operations and operations naturally connected therewith pursuant to Chapter 7, section 1 of the Banking and Financing Business Act.

In accordance with the above, the company's objects are:

1. to grant, broker, assign and acquire loans regarding:
  - a) properties intended primarily for residential, office, commercial or other similar purposes;
  - b) properties with any other development, provided such development is financed with the support of state housing loans or other forms of state aid in conjunction with new construction, extensions or conversions;
  - c) such garage buildings as well as facilities for heating, hot water, laundry and similar purposes as are common for several of the properties of the type stated in a) and b) above;
  - d) tenant-owner rights in developments as referred to in a) or b) above; and

- e) agricultural properties;
2. to grant, broker, assign or acquire loans regarding:
  - a) Swedish cooperative associations (*Sw. samfällighetsförening*), the Swedish State, Swedish municipalities, the Central Bank of Sweden, the Swedish Church with registered organisational parts, Swedish banks, credit market companies with operations similar to those which may be conducted by the company, or insurance companies holding a Swedish licence or credit institutions or insurance companies in any of the foreign states within the European Economic Area (EEA) and Switzerland; and
  - b) such legal and natural persons for the obligations of whom institutions stated in a) above are liable;
3. borrowing of funds required for the business operations;
4. participation in the sale of insurance services; and
5. provision of credit information subject to the conditions set forth in the Credit Information Act (1973:1173).

The company may also, on behalf of any third party, manage such loans and collateral as referred to in this section and attend to mortgage registration measures.

In these Articles of Association:

1. "loan" means also building loans and guarantee commitments assumed by the company;
2. "municipality" means also county councils and associations of local authorities;
3. "property" means also site leasehold property and building on leased land; and
4. "tenant-owner right" (*Sw. bostadsrätt*) means also a participating interest in a housing association or share in a housing company where, without any limitation in time, a right of use is granted to an apartment which is inseparably linked to such participating interest or share.

#### **Art. 4 Reporting currency**

The company shall have SEK, Swedish kronor, as its reporting currency and the share capital shall be determined in SEK.

#### **Art. 5 Lending**

Loans may be granted only where there are sound reasons to expect that the borrower will be able to perform the loan obligations. In addition, satisfactory collateral is required primarily in the form of properties or tenant-owner rights.

Notwithstanding the provisions of the preceding paragraph, unsecured loans may be granted to institutions stated in Art. 3, item 2 a) above. In the event any such institution assumes liability for the borrower's obligations, loans may be granted without additional collateral. Unsecured loans may also

be granted where special reasons exist to waive collateral in connection with measures for protection of a claim.

Interest terms and conditions and due dates for loans shall be determined in such a manner that a sound balance may be maintained in accordance with the loan terms and conditions. The board of directors shall establish detailed guidelines therefor.

In the event of loans to consumers, termination shall take place in compliance with the provisions of the Consumer Credit Act (2010:1846). Regarding other loans, where the collateral is no longer deemed satisfactory and the debtor fails to provide adequate additional collateral, the loan shall be called in, in whole or in part, within one year provided such measure proves to be necessary in light of the circumstances.

Upon the application of these articles of association, the assessment value ascribed to the property by the company or another company in the group shall apply as the value of the property. Such an assessment value as regards a property or tenant-owner's right shall be based on an individual valuation of the property. The board of directors shall, in special instructions, determine each year the collateral value within which offered collateral shall be deemed satisfactory.

Buildings which are appurtenant to mortgaged property shall be adequately insured.

## **Art. 6 Borrowing and placement of funds**

In order to raise funds for its business, the company may:

1. issue bonds pursuant to the Secured Bonds Issuance Act (2003:1123);
2. issue other bonds and commercial paper as well as equivalent loan instruments;
3. take up promissory note loans;
4. issue subordinated debentures or other debt instruments which are ranked junior to the company's non-subordinated creditors; and
5. utilise credit facilities.

The company's funds which are not used for lending, as well as liquid funds, may only be placed in:

1. cash balances; and
2. claims, including deposits on account, for which any of the parties stated below is liable as debtor or guarantor:
  - a) the Swedish State or the Central Bank of Sweden;
  - b) foreign states or central banks within the European Economic Area (EEA) and Switzerland;
  - c) Swedish municipalities;
  - d) public pension funds;

- e) Swedish credit institutions, insurance companies holding a Swedish licence or credit institutions or insurance companies in any of the foreign states within the European Economic Area (EEA) and Switzerland; and
- f) any company or institution in Sweden or in any of the foreign states referred to in e) above which issues securities with underlying collateral comprising mortgages over properties in Sweden or loans secured in accordance with Art. 5, second paragraph of these articles of association.

To the extent required in order to balance interest rate risks or currency risks which arise in the company's operations or otherwise to facilitate the company's borrowing, the company may acquire or issue derivative instruments on the money market, capital market and currency market both in Sweden and internationally. The company may also, for the same purpose, purchase or sell currencies or other financial instruments.

#### **Art. 7 Acquisition of property for the business**

The company may acquire:

1. shares or participating interest in undertakings which exclusively have the task of conducting such operations as referred to in Art. 3 or of constituting an element in the organisation of the operations, or of satisfying common interests of credit institutions;
2. equipment which is acquired for the business or for property which the company owns or premises which the company otherwise holds; and
3. real property, site leasehold rights and tenant-owner rights in order to provide housing for any employee of the company.

#### **Art. 8 Acquisition of property for protection of claims**

In order to protect claims the company may:

1. at public auction or on an exchange or authorised marketplace or any other regulated market or at a foreclosure sale, purchase property on which execution has been levied or which constitutes collateral for the claim; and
2. as payment for the claim, take over property which constitutes collateral for the claim, shares or participating interests or other property, where there is reason to believe that the company would otherwise incur a loss.

In exchange for property which is purchased or taken over pursuant to the preceding paragraph, the company may acquire shares in an undertaking which is formed for the management of property or for the continuation of the business operations conducted with such undertaking.

The property which the company has acquired pursuant to this section shall be sold when such sale may suitably take place in light of the market conditions. However, the property must be sold not later than the time when such sale may take place without the company incurring a loss.

#### **Art.9 Share capital and number of shares**

The company's share capital shall be not less than SEK 150,000,000 and not more than SEK 600,000,000.

There shall be not less than 40,000 shares and not more than 160,000 shares.

#### **Art. 10 Board of Directors - composition**

The company's board of directors shall comprise not less than five and not more than ten members, with not more than three deputy members. Members and deputy members shall be appointed on the annual general meeting for the period up to the end of the annual general meeting held during the second financial year following that at which the members and deputy members were appointed.

#### **Art. 11 Board of directors - quorum**

The board of directors is quorate when more than one half of all the board members are present.

#### **Art. 12 Board of directors - delegation of decision-making authority**

The board of directors may authorise the president or another officer of the company or Länsförsäkringar Bank AB (publ) to take decisions, alone or together with another person, on matters concerning borrowing and lending which are not of significance as a matter of principal or otherwise of major importance for the company. Such authorisation shall be granted for periods of one year each time in instructions adopted specifically by the board of directors.

#### **Art. 13 Instructions to the president**

The board of directors of the company shall, for periods of one year each time, issue special instructions containing regulations regarding the powers that shall vest in the president.

#### **Art. 14 Authorised signatories**

The company's name shall be signed by not less than two persons jointly. The board of directors may authorise board members, deputy board members, the president or any other person to represent the company and sign its name.

#### **Art. 15 Financial year**

The company's financial year shall be the calendar year.

#### **Art. 16 Auditors**

The annual general meeting shall appoint 1 - 3 auditors and 0 - 3 deputy auditors, for the period ending at the conclusion of the Annual General Meeting held during the fourth financial year following their

appointment, to review the company's annual report and accounts, as well as the management by the Board of Directors and the managing director. The auditors and deputy auditors must be authorised public accountants.

#### **Art. 17 General meetings - notice**

Notice to attend annual general meetings as well as extraordinary general meetings at which the matter of alterations of the articles of association will be addressed shall be given not earlier than six weeks and not later than four weeks prior to the meeting. Notice to attend other extraordinary general meetings shall be given not earlier than six weeks and not later than two weeks prior to the meeting.

Notice to attend general meetings shall be given through a public announcement in *Post och Inrikes Tidningar* (the Swedish Official Gazette) and in *Svenska Dagbladet*.

#### **Art. 18 Annual general meeting - business**

The annual general meeting shall be held each year within six months of the expiry of the financial year.

The following business shall be addressed at the annual general meeting:

1. appointment of the chairman of the meeting;
2. preparation and approval of the voting register;
3. appointment of one or two persons to attest the minutes;
4. determination of whether the meeting has been duly convened;
5. approval of the agenda;
6. presentation of the annual report and auditor's report and, where appropriate, consolidated financial statements and auditor's report for the group;
7. resolutions regarding
  - a) adoption of the income statement and balance sheet and, where appropriate, the consolidated income statement and consolidated balance sheet;
  - b) appropriation of the company's profits or losses in accordance with the adopted balance sheet; and
  - c) discharge from liability for the members of the board of directors and the president;
8. determination of fees for the board of directors and auditors;
9. appointment of the board of directors and auditors as well as deputies; and
10. other business incumbent on the meeting in accordance with the Swedish Companies Act or the articles of association.

**Art. 19 General meetings - voting rights**

At the general meeting, each person entitled to vote shall be entitled to vote the full number of shares owned and/or represented by him.

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