

 betri banki

# Articles of Association

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### 1. The company's name, registered office, and object

1.1 The Company's name is Betri Banki P/F. The Company also carries on business under the secondary names Eik Banki, Eik Banki Føroya, Eikibanki, Eik Bank, Eik Bank International and Føroya Sparikassi.

1.2 The Company's registered office is in Tórshavn municipality.

1.3 The objective for which the Company is established is to conduct financial institution's activities, securities trading and other activities authorised by the financial activity's legislation.

### 2. The Company's share capital and shares

2.1 The Company's share capital is DKK 100 million divided into shares of DKK 1 each or multiples thereof.

2.2 The shares must be allocated to the name of the owner and registered in the Company's Register of Shareholders.

2.3 The shares are non-negotiable documents.

2.4 No share shall be issued unless requested by one or more shareholders who owns one tenth of the share capital.

### 3. General meetings

3.1 The Company's General Meetings are held in the local municipality of the Company's registered office.

3.2 The Board of Directors shall convene General Meetings no earlier than 4 weeks and no later than 2 weeks prior to the General Meeting. The Board of Directors convenes on the Company's homepage.

3.3 The notice convening the General Meeting shall include the agenda of the General Meeting.

3.4 The Annual General Meeting shall be held each year in time to file the audited and adopted Annual Report to the Danish Financial Supervisory Authority, so the Danish Financial Supervisory Authority receives the Annual Report no later than 4 months after the end of the financial year.

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

- a) the report of the Board of Directors on the activities of the Company from the past year
- b) approval of the Annual Report
- c) resolution to distribute the net profit or cover the net loss in accordance with the approved Annual Report
- d) election of members of the Board of Directors
- e) election of auditors
- f) any other business.

3.6 The General Meeting shall be presided over by a chairman appointed by the Board of Directors.

3.7 Each share amount of DKK 1 entitles the holder to one vote on the General Meeting.

3.8 All resolutions put to vote at the General Meeting shall be decided by a simple majority of votes unless the Faroese Companies Act prescribes special rules on representation and majority.

3.9 The press has access to the Company's General Meetings.

3.10 Minutes of the proceedings at the General Meeting shall be entered in a minute book, which will be signed by the Chairman of the General Meeting. No later than 2 weeks after the General Meeting, a certified copy of the minute book shall be accessible to the shareholders at the Company's office.

#### **4. Board of Directors**

4.1 The Company is managed by a Board of Directors composed by no less than three and no more than six members elected by the General Meeting for a term of two years.

4.2 Members of the Board of Directors resign 1 and 2, 2 and 2, 2 and 3 or 3 and 3 members respectively according to the size of the Board of Directors each year.

4.3 The Board of Directors shall pass its resolutions by a simple majority of votes. In the event of an equality of votes, the vote of the Chairman is the casting vote.

4.4 In rules of procedure the Board of Directors establishes more specific rules regarding the discharge of its activities. The rules of procedure shall always be in accordance with the Faroese Companies Act.

#### **5. Board of management**

5.1 The Board of Directors appoints a Board of Management composed of 1-3 members to oversee the day-to-day management of the Company.

5.2. The Board of Directors ensures that written guidelines are made for the Company's key business areas, specifying the distribution of work between the Board of Directors and the Board of Management.

#### **6. Power to bind the Company**

6.1 The Company is bound by the joint signatures of all members of the Board of Directors, by the joint signatures of the Chairman and the Deputy Chairman of the Board of Directors or by the joint signatures of the Chairman or Deputy Chairman of the Board of Directors and one member of the Board of Management or one member of the Board of Directors.

6.2 The Board of Directors may grant powers of procuration.

#### **7. Auditors**

7.1 The Company's Annual Report shall be audited by at least one State Authorised Public Accountant elected by the General Meeting for a term of one year.

7.2 If one of the Company's auditors resign, the Board of Directors shall, no later than 8 days after the Company's notification about the resignation, convene an Extraordinary General Meeting to elect a new auditor.

#### **8. Financial year**

8.1 The Company's financial year coincides with the calendar year.

8.2 The Company's initial accounting reference period runs from the establishing of the Company to the 31st of December 2011.

#### **9.1 Indemnity**

9.1 The Board of Directors is authorised to bind the Company, effective from the establishing of the Company, to indemnify members of the Board of Management in respect of:

(i) any compensation claim made against a member of the Board of Management, resulting from the discharge of his/her duties as a member of the Board of Management unless it is a claim according to Faroese law brought before the Court of Faroe Islands,

(ii) legal costs, etc. in connection with lawsuits.

**9.2 The Board of Directors is authorised to renounce the Company to make:**

(i) recourse claim in respect of compensation amounts and legal costs, etc. covered by the indemnity paid by the Company to a third party in indemnity and legal costs, etc.,

(ii) compensation claims for loss exceeding the insurance cover for a member of the Board of Management, provided that the member of the Board of Management has acted with ordinary negligence only.

Thus adopted at the Company's statutory General Meeting on the 12th of October 2010 and as amended at the Extraordinary General Meetings on the 6th January 2011, the 18th of March 2011, the 6th of April 2011, the 21st of July 2011, the Annual General Meeting on the 29th of March 2012, the Annual General Meeting on the 13th of March 2013, the Extraordinary General Meeting on the 21st of March 2017 and the Annual General Meeting on the 14th and April 2023.

