

Please observe that the Danish version of this document prevails



**REGULATIONS GOVERNING
BRFKREDIT A/S' LOANS AND
BONDS**

as of December 5 2016

These regulations of December 5 2016 replace those of November 18 2014.

Contents	Page
A. Terms of bonds issues	3
A.1. General provisions	3
A.2. Security of bonds	3
A.3. Terms of individual bond series	4
B. Terms of loans	5
B.1. General provisions	5
B.2. Borrowers' liability	6
B.3. Provisions on individual loan series or types of loan	6
B.3.1. Provisions on limitation of joint and several liability	6
B.3.2. Terms or redemption	6
B.3.3. Other special provisions	8
B.4. Provisions on front-end fees, commissions, fees, default interest and other rates	9
C. Administration of BRFkredit's series	10
C.1. Limitation of series	10
C.2. Established series with series reserve funds	10
C.3. Administration	11
D. Force majeure	12

These regulations have been laid down pursuant to article 8(8) of the Articles of Association of BRFkredit a/s (BRFkredit) and comprise the conditions and rights related to BRFkredit's loans and bonds, bond issues and series reserve funds (loan terms, bond terms and series terms). These regulations were approved by BRFkredit's Board of Directors on 20 November 2012.

A. Terms of bond issues

A.1. General provisions

A.1.1. BRFkredit grants loans and issues bonds and other securities to fund the loans in accordance with the guidelines laid down by the Board of Directors within the framework of the Danish mortgage credit legislation and the Articles of Association of BRFkredit. Funds generated through the issue of bonds or other securities may only be used for loans secured by mortgages on real property.

Funds generated through the issuance of covered bonds (in Danish: særligt dækkede obligationer) may be used for the funding of assets eligible according to the legislation in force, (see S. 152c of the Danish Financial Services Act).

A.1.2. The issue of bonds and other securities can be divided into bond series at the discretion of the Board of Directors. Bond series can be divided into tranches, maturity years and interest tranches.

A.1.3. The bonds cannot be called by the owner.

A.1.4. In the context of callable bond series, repayment takes place through drawing (redemption) in tandem with the ordinary repayment of the funded loans. Drawing may also immediately or later take place in connection with prepayments. The redemption price is set when the bond series opens.

A.1.5. In the context of non-callable bond series, repayment takes place through drawing (redemption) in tandem with the ordinary repayment of the funded loans as the loans can only be prepaid against surrender of bonds corresponding to the outstanding loan balance (see A.1.6).

A.1.6. In the context of bond series opened as from 1 July 1990 (index-linked loans as from 2 January 1991), prepayment of loans funded on the basis of

these series may take place in accordance with the terms laid down by BRFkredit without bonds being drawn immediately or surrendered. As regards non-callable bonds, such amounts prepaid do not influence repayment as drawing will take place as if amounts prepaid are still repaid ordinarily.

A.1.7. In connection with full or partial prepayment of loans for which callable bonds have been issued, BRFkredit may purchase and cancel the bonds in question instead of drawing them.

A.1.8. A bond does not carry interest after the payment date at which it falls due for payment.

A.1.9. Any interest amount not withdrawn at the payment date does not carry interest.

A.1.10. Subject to the decision of the Board of Directors, an application may be submitted for listing of a bond series on one or more regulated markets.

A.2. Security of bonds

A.2.1. BRFkredit's total assets, as defined in A.2.2 and A.2.3, serve as security for the bonds and other securities issued by BRFkredit to fund mortgage loans. To this should be added security in the form of guarantees, surety commitments and other types of special security, mortgages on the properties, the joint and several liability of borrowers where such liability has been laid down in the loan terms, and borrowers personal liability.

A.2.2. The terms of a series with a series reserve fund may specify that owners of bonds issued to fund loans granted in the series may only forward their claims against the series in question and series with which it is jointly and severally liable.

A.2.3. In the event that a loan funded by a bond series is granted in a series without a series reserve fund, owners of the bonds in question may only forward their claims against the proportion of BRFkredit's funds that is not placed in series with series reserve funds.

A.3. Terms of individual bond series

A.3.1. The tranche, maturity year and interest tranche of each bond series constitute a separate repayment group.

A.3.2. In bond series with two annual payment dates and where the bonds are issued to fund loans with four debtor payment dates, the bonds are drawn – except in the event of prepayment – in accordance with the repayments at the loans' corresponding two payment dates per creditor payment date.

A.3.3. The interest rate of the bond is an annual rate of interest. In the event of more than one annual payment date, interest will be payable in equal proportions at each payment date.

A.3.4. Terms for index-linked bonds

A.3.4.1. The value of the bonds in series 87, 90-94, 98, 223.I, 223.IS, 223.W.I. and 223.W.IS is adjusted by indexation according to the change in the net retail price index as stipulated in B.3.3.1.

A.3.4.2. Drawing of bonds in series 92, 223.IS and 223.W.IS is done in parallel with the loan payments as stipulated in B.3.3.2.

A.3.5. Terms of bonds with floating interest rate

A.3.5.1. The interest on bonds in the series 154.B, 154.E, 414.E.OA, 454.B and 454.E can be determined based on one of the following reference rates:

- The 6-month CIBOR rate published by Nasdaq OMX on a daily basis; should Nasdaq OMX discontinue its listing of the said CIBOR rate, the interest will be calculated as stated, although based on a corresponding 6-month money market rate.

A.3.5.2. The interest on bonds in the series 322.E, 422.B, 422.E and 424.E.OA can be determined based on one of the following reference rates:

- The 6-month CIBOR rate published by Nasdaq OMX on a daily basis; should Nasdaq OMX discontinue its listing of the said CIBOR rate, the interest will be calculated as stated, although based on a corresponding 6-month money market rate.

- The 3 or 6-month CITA rate published by Nasdaq OMX on a daily basis; should Nasdaq OMX discontinue its listing of the said CITA rate, the interest will be calculated as stated, although based on a corresponding 3 or 6-month money market rate.

A.3.5.3. The interest on bonds in series 455.E.R OA can be determined based on the following reference rate:

- The 10-year swap rate (average of bid and offer) quoted by BRFbank.

In the event that the Nationalbanken starts listing a 10-year DKK swap rate, the interest will be calculated as mentioned, but on the basis of the Nationalbanken rate. Should the listing of both the said reference rates be discontinued, BRFkredit will calculate the interest on the bonds as stated, but based on a corresponding 10-year DKK swap rate.

A.3.5.4. The interest on bonds in series 412.E.NIB can be determined based on the following reference rate:

- The rate quoted on a daily basis by the Nationalbanken for certificates of deposit; should the Nationalbanken discontinue its listing of the rate for certificates of deposit, the reference rate will instead be determined by BRFkredit based on a comparable rate.

A.3.5.5. The interest on bonds in the series 154.B, 154.E, 414.E.OA, 424.E.OA, 454.B, 454.E and 455.E.R OA can be maximised and/or minimised. Provisions regarding interest rate maximum and/or interest rate minimum will be stated in the final terms of the individual bond series.

A.3.6. The terms for the individual bond series will appear from the published Final Terms and from the BRFkredit bond information material, which is part of these Regulations.

B. Terms of loans

B.1. General provisions

B.1.1. The mortgage loans may be granted in series.

B.1.2. A loan becomes payable if the mortgaged property or a material part thereof changes owners. BRFkredit decides whether assumption of debt in full or in part can take place and lays down the terms of assumption.

B.1.3. A loan also becomes payable in the event of default on the mortgage, etc., according to the provisions of the mortgage.

B.1.4. In the context of loans based on BRFkredit's issue of bonds, the market conventions in force from time to time governing trading in bonds are used for interest calculation, etc. The market conventions are applied analogously to other loans unless the loan document states otherwise. If the market conventions governing trading in bonds are changed during the term of a loan, the new market conventions will apply once they have entered into force.

B.1.5. When the first loan payment on a nominal loan is made, the repayment amount, interest amount and commissions are calculated on a pro rata basis according to the number of days included in the first payment period. When nominal loans are disbursed through a transfer to an account with the Danish Securities Centre, the interest relating to the period from the beginning of the interest period in which disbursement takes place until the date of disbursement is collected.

In terms of index-linked loans, only interest and commissions are paid for the number of days covered by the period in the first payment period.

B.1.6. The entire outstanding loan balance is repaid when the last repayment is made. The entire debt outstanding on the underlying bonds is repaid on nominal cash loans disbursed until 31 October 1987 and index-linked cash loans.

The entire cash outstanding loan balance is repaid on nominal cash loans disbursed as from 5 July 1993, while the last payment of interest constitutes the interest payable on and repayment of the debt outstanding on the underlying bonds of the loan less the cash outstanding loan balance. In respect of adjustable rate loans, however, the

payment of interest is the interest on the cash loan.

B.1.7. The final punctual payment date is the last banking day of the month of the due date.

B.1.8. The executive board may decide to issue detailed rules for the loan, i.e. general commercial conditions that can be part of the contract conditions for the loan.

B.2. Borrowers' liability

B.2.1. Borrowers' liability towards BRFkredit or towards the series if the loan is granted in a series with a series reserve fund for the loan is covered by both the mort-gaged property and the borrowers personally. Borrowers are not liable for BRFkredit's obligations.

B.2.2. The terms of a series with a series reserve fund may stipulate that borrowers are jointly and severally liable for other loans in the series in addition to their own loans.

B.2.3. For the borrowers to meet their joint and several liability, BRFkredit may, when deemed necessary by the Board of Directors, demand that they make extraordinary commissions to the series. Refunding of such extraordinary commissions can only take place in so far as the series in question meet the requirements of own funds specified by the authorities and the finances of BRFkredit so allow in the opinion of the Board of Directors.

B.2.4. Joint and several liability will not cease to exist until the accounts for the year in which the loan is fully repaid or prepaid have been adopted by the general meeting and no losses have been ascertained, resulting in the own funds of the series in question being lower than the requirements specified by the authorities (see B.3.1.6, fourth sentence below). However, a receipt may be issued for the termination of joint and several liability on the redemption of a loan if the borrower provides security regarded by the Board of Directors as adequate to cover a claim if applicable.

B.3. Provisions on individual loan series or types of loan

B.3.1. Provisions on limitation of joint and several liability.

B.3.1.1. Borrowers with loans granted by Husejernes Kreditkasse (first-mortgage loans) are only jointly and severally liable for obligations as regards the bonds related to these loans. The loans have been established as a separate series in BRFKredit a/s. The joint and several liability of the individual borrowers is limited to an amount corresponding to two thirds of the original principal.

B.3.1.2. Borrowers of loans granted under ordinary mortgage lending are jointly and severally liable among themselves, but are not jointly and severally liable for other loans. The joint and several liability of the individual borrower has been limited to an amount corresponding to two thirds of the original principal. This comprises loans funded by the bond series 68, 73, 74, 81 and 82.

B.3.1.3. Borrowers of loans granted under special mortgage lending and funded by the bond series 13, 23 and 30 are jointly and severally liable. The liability of the individual borrower has been limited to loans funded by the same series.

B.3.1.4. Borrowers of loans granted as nominal loans, but not adjustable rate loans, under standard mortgage lending (standard loans and basic loans) with joint and several liability are jointly and severally liable among themselves. These loans comprise loans funded by the series 34, 39, 40, 47, 48, 53, 58 and 86 (borrowers are not jointly and severally liable for other loans).

B.3.1.5. Borrowers of loans granted as nominal loans and funded by the bond series under the general term C are jointly and severally liable among themselves. So far, these loans comprise loans funded by the bond series 111.C. Borrowers are not jointly and severally liable for other loans. As from 1 January 2001, BRFKredit may decide to discontinue joint and several liability provided that BRFKredit and the series' reserve fund (see C.2.5 below) meet the requirement of own funds specified by the authorities.

B.3.1.6. Borrowers of loans granted as index-linked loans in the bond series 87, 90-94, 98, 223 I, 223 IS are jointly and severally liable among

themselves, but not jointly and severally liable for other loans.

B.3.1.7. Borrowers of loans granted in any other series are not jointly and severally liable.

B.3.1.8. As regards second-mortgage loans with joint and several liability or standard mortgage loans with joint and several liability disbursed before 22 June 1990, the joint and several liability has been limited to an amount corresponding to the original principal of the individual loan.

B.3.1.9. As regards basic loans with joint and several liability disbursed before 22 June 1990, the joint and several liability has been limited to an amount corresponding to two thirds of the original principal of the individual loan.

B.3.1.10. As regards loans with joint and several liability disbursed as from 22 June 1990, the joint and several liability has been limited to an amount corresponding to the original principal of the individual loan.

B.3.1.11. In the event that the loan raised is guaranteed by the central or local government or other security approved by the authorities is provided in addition to the mortgage on the property, the joint and several liability only covers an amount corresponding to the non-guaranteed proportion of the loan principal.

B.3.1.12. The joint and several liability of borrowers is limited to their respective mortgaged properties.

B.3.2. Terms of redemption

B.3.2.1. Callable loans may be prepaid through:

- i) surrender of bonds
- ii) cash redemption
- iii) calling the bonds and subsequent cash redemption of the debt outstanding on the underlying bonds at the redemption price set at the opening of the bond series
- iv) immediate prepayment with compensation interest

re i) Prepayment takes place through surrender to BRFkredit of bonds of the same series, tranche, maturity year and interest tranche as those used to fund the loan. The bond amount to be surrendered is the current debt outstanding on the underlying bonds.

re ii) BRFkredit may offer cash prepayment of the loan at a price calculated by BRFkredit.

re iii) Prepayment takes place by calling the loan in writing to BRFkredit.
The bonds must be called not later than five months and two months, respectively, prior to the expiry of a bond period for loans based on bonds with two and four payment dates, respectively, and the borrower is then entitled and obliged to repay at the redemption price set at the opening of the bond series the debt outstanding on the underlying bonds applicable in the bond payment period in question. BRFkredit must receive the cash redemption amount on or before the last banking day prior to the bond payment period in question.

re iv) Prepayment takes place on the basis of the current debt outstanding on the underlying bonds, where BRFkredit may offer that the loan be called immediately according to iii) against payment of compensation interest by the borrower calculated by BRFkredit as from the date of prepayment to the payment date at which the loan could have been prepaid by observing the notice given under iii).

B.3.2.2. Non-callable loans may only be prepaid by transferring to BRFkredit bonds of the same series/tranche/maturity year and coupon rate as those used to fund the loan. The bond amount to be transferred is the actual outstanding bond loan balance.

B.3.2.3. Adjustable rate loans may only be prepaid in cash at the date of refinancing.

B.3.2.4. Index-linked loans disbursed before 2 January 1991 may not be prepaid in cash although IJ loans in the series 90 must be prepaid as callable loans on change of ownership.

B.3.2.5. BRFkredit may offer cash redemption at a price calculated by BRFkredit (see A.1.6 above) of non-callable nominal loans disbursed as from 1 July 1990 and index-linked loans disbursed as from 2 January 1991.

B.3.2.6. Loans denominated in foreign currencies and granted on the basis of the issue of bonds in the same currency as the loan may be prepaid as stipulated in B.3.2.1-B.3.2.3. and B.3.2.5. However, cash redemption amounts must be paid in the currency of the loan. BRFkredit may decide that payment is to be made to a bank specified by BRFkredit.

Loans denominated in foreign currencies and granted without the issue of bonds in the same currency as the loan may only be prepaid through cash payment of the redemption amount in the currency of the loan.
BRFkredit may decide that payment is to be made to a bank specified by BRFkredit.

When calculating the redemption amount, BRFkredit may charge a premium or interest for the rest of the period running until BRFkredit can repay the funding underlying the loan.

B.3.2.7. Loans disbursed without the issue of related bonds are either non-callable during the life of the loan or can, subject to a proper notice given in accordance with the terms of loan, be redeemed by repaying the cash loan balance. Methods of redemption are part of the terms of each loan.

B.3.2.8. As regards mix-loans, the series and annuity elements can only be reduced simultaneously and proportionately.

B.3.2.9. In the event of partial prepayment, the borrower's loan payment is lowered proportionately.

B.3.3. Other special provisions

B.3.3.1. As regards index-linked loans, the book value of the principal and the current outstanding loan balance are adjusted twice a year – on 1 January and 1 July. The adjustment commences when the loan is disbursed. The adjusted value serves as the basis for calculating the loan payment for the following June and December payment periods. The adjustment is made on the basis of the half-yearly percentage change in the net retail price index published by Statistics Denmark. The adjustment on 1 January is made on the basis of the net retail price index of May last and the adjustment on 1 July is made on the basis of the net retail price index of November last.

B.3.3.2. Index-linked loans of the IS type are subject to the special provision that if the half-yearly percentage rise in the net retail price index

exceeds the half-yearly percentage rise in the summary wage index published by Statistics Denmark for May and November last, respectively, the principal for calculation of the net repayment amount will be adjusted by 75% of the half-yearly rise in the summary wage index and otherwise by 75% of the half-yearly rise in the net retail price index. If the wage index falls, the net repayment amount according to this index will be adjusted regardless of the trend in the net retail price index. The net repayment amount is lowered by 100% of the half-yearly percentage fall. If the net retail price index falls and the wage index rises, adjustment does not take place.

Any debt outstanding on the underlying bonds may, on expiry of the loan's maximum term, be called by BRFkredit for redemption at one month's notice.

B.3.3.3. Index-linked loans of the IJ type (agricultural loans) are subject to the special provision that the principal and the outstanding loan balance during the first 15 years of the term of the loan are only adjusted by 70% of the half-yearly percentage rise in the net retail price index if net repayment amounts are paid in pursuance of section 2(b) of the act on index-linked mortgage loans. If the net retail price index falls, the principal and the outstanding loan balance are adjusted by the full amount of the fall.

The same applies in the event that net repayment amounts are paid to agricultural loans in pursuance of section 13(3-5) of the Danish act on refinancing of mortgage loans etc. on agricultural property. If net repayment amounts are paid in pursuance of section 13(4-5) of the above act, however, the principal and outstanding loan balance will be adjusted by 75% and 85%, respectively, of the half-yearly rise in the net retail price index.

B.3.3.4. The interest rate on floating rate loans in Denmark is fixed according to the terms of the bonds issued to fund the loans.

The rate of interest on loans disbursed without the issue of related bonds is determined in the manner described in the terms of each loan.

The interest rate on floating rate loans in England is fixed as a premium on the quoted GBP LIBOR rate.

The interest rate on floating rate loans in Germany is fixed as a premium on the quoted EURIBOR rate.

B.4. Provisions regarding front-end fees, administration margins, fees, penal interest and other charges

B.4.1.1 In connection with the establishing of the loan, BRFkredit can claim a front-end fee and other establishing charges.

B.4.1.2 During the life of the loans, BRFkredit can claim administration margins or interest in addition to the interest payable.

For loans granted without underlying loans, BRFkredit can charge interest.

B.4.1.3 BRFkredit can charge a fee for services carried out on behalf of the borrower.

A fee can be calculated as a fixed amount, a percentage rate or an hourly rate or a combination of the three.

B.4.1.4 In the event of delay in the payment of repayment amounts, amounts under notice and other amounts due, BRFkredit is entitled to charge a penal interest.

B.4.1.5 In connection with transactions in bonds and other securities, BRFkredit is entitled to charge brokerage and extra brokerage fees.

B.4.2 Rates and methods of calculation for the above charges will be stipulated in guidelines determined by the Board of Directors of BRFkredit. Changes must be made in compliance with the guidelines laid down in the general terms of business of BRFkredit in force at all times.

B.4.2.1 The rates applying to new loans appear from the price table and order execution policy for BRFkredit in force at all times.

C. Administration of BRFkredit's series

C.1. Limitation of series

C.1.1. Loans with joint and several liability are granted in series with a series reserve fund. Series with a series reserve fund may also be established for other loans.

C.1.2. For loans where the borrowers have joint and several liability among themselves, only one series has been established even though several bond series have been used for the loans.

C.1.3. A series reserve fund must always meet the requirement for own funds, stipulated for loans in the series and other assets. Guarantees, etc., related to loans are taken into consideration to the extent that these reduce the requirement for the amount of own funds.

C.1.4. The Board of Directors may decide to transfer funds to a series unless the transfer means that BRFkredit, as a whole, will in such case not meet the own funds requirement.

C.1.5. In the event that the own funds of a series exceed the minimum requirement under C.1.3 above, the Board of Directors may decide to transfer the surplus to BRFkredit's other reserves.

C.2. Established series with series reserve funds

C.2.1. A series with a series reserve fund has been established for loans granted by the Husejernes Kreditkasse i København (First-mortgage loans).

C.2.2. A series with a series reserve fund has been established for loans granted as other first-mortgage loans

C.2.3. Separate series with series reserve funds have been established for loans granted as second-mortgage loans in each of the series 13 and 23.

C.2.4. A series with a series reserve fund has been established for loans granted as nominal loans with joint and several liability, but not as adjustable rate loans, under standard mortgage lending (with joint and several liability).

C.2.5. A series with a series reserve fund has been established for loans granted as nominal loans and funded by bond series under the general term C. In the event that a decision is made to discontinue borrowers' joint and several liability (see B.3.1.5., fourth sentence), the series will be dissolved and its assets and liabilities transferred to the part of BRFkredit that is not divided into series with series reserve funds (BRFkredit's General Capital Centre).

C.2.6. A series with a series reserve fund has been established for loans granted as indexed loans in the series 87, 90-94, 98, 223 I and 223 IS.

C.2.7. A series with a series reserve fund has been established for loans funded by bond series under the general term B.

C.2.8. A series with a series reserve fund has been established for loans funded by bonds series under the general term E.

C.3. Administration

C.3.1. The funds of the series are booked separately from BRFkredit's other reserves.

C.3.2. The funds of the series and BRFkredit's other reserves are managed jointly, and the individual series and BRFkredit's other reserves, respectively, only receive a proportionate return on joint funds.

C.3.3. The Board of Directors lays down guidelines for the types of asset in which the funds of the series can be placed.

C.3.4. Separate accounts are prepared for each series.

C.3.5. The income of a series is made up of interest etc. on mortgages, front-end fees, commissions, fees and similar income as well as returns on the series' assets and off-balance-sheet items. The expenses of a series are made up of interest etc. on bonds and other securities, administrative expenses, etc., expenses for raising and paying interest on subordinated capital, losses and provisions on probable losses on the series' assets and off-balance-sheet items as well as the proportion of BRFkredit's tax.

D. Force majeure

BRFkredit shall be held liable in damages in the event that due to errors or omissions BRFkredit meets agreed obligations too late or in a defective manner. However, even in areas where stricter liability rules apply, BRFkredit shall not be held liable in damages for losses caused by:

- Break-down in/lack of access to IT systems or damage to data in such systems, which is attributable to the below mentioned events, irrespective of whether it is BRFkredit itself or an external supplier, who is responsible for the operation of the systems;
- Failure in BRFkredit's power supply or telecommunications, statutory intervention or administrative acts, natural disasters, war, riots, public unrest, sabotage, terror or vandalism (including computer viruses and hacking);
- Strike, lockout, boycott or blockade, irrespective of whether the conflict is aimed at or initiated by BRFkredit itself or BRFkredit's organisation, and irrespective of the reason behind the conflict. This provision shall also apply when the conflict in question affects only parts of BRFkredit;
- Other circumstances beyond BRFkredit's control.

BRFkredit's exemption from liability shall not apply in the event that:

- BRFkredit ought to have anticipated the situation, which underlies the loss in question when the agreement was made, or ought to have avoided or overcome the reason behind the loss;
- Danish legislation in all circumstances holds BRFkredit liable in the situation underlying the loss.

Number. 400044 11.13

*BRFkredit, Klampenborgvej 205, 2800 Kgs. Lyngby
Tel. +45 45 93 45 93, Fax +45 45 93 45 22, www.brf.dk, brfkredit@brf.dk*