

ARTICLES OF ASSOCIATION OF KUNTARAOHITUS OYJ

Article 1 Company's Business Name and Domicile

The name of the company is Kuntarahoitus Oyj and its domicile is Helsinki. The official name of the company is Kommunfinans Abp in Swedish, Municipality Finance Plc in English and Kommunalfinanzierung AG in German.

Article 2 Company's Line of Business

The company's line of business is to engage in credit institution activities as provided in the Act on Credit Institutions.

The company serves the whole Finnish municipal sector, and particularly the corporations as referred to in Section 1 of the Act on the Municipal Guarantee Board.

In addition, the company provides investment services as referred to in the Investment Services Act.

Article 3 Share Capital

The company's minimum share capital is ten million (10.000.000) euro.

The company has A- and B-shares.

Each A- and B-share has one vote.

Article 4 Consent Clause

Without the company's consent, its share may not be acquired by transfer other than by the Local Government Pensions Institution, the municipalities, joint municipality boards, central municipal organizations, corporations owned completely or on a majority basis by municipalities, and companies owned by such corporations. The company's Board of Directors shall decide whether to grant said consent. This section must be entered on share certificates and in the register of shareholders, on any temporary certificates that may be issued, and on subscription rights certificates.

Article 5 Redemption Clause

If a share of series A or B is transferred to other than a holder of series A shares, who, according to the above consent clause, may not acquire company shares by transfer without the company's consent, the transferee shall so inform the Board of Directors without delay. Shareholders of series A or B who according to the consent clause are entitled to acquire shares without the company's consent then have primary right and those member municipalities of the Municipal Guarantee Board that are not shareholders secondary right to redeem the share on following terms:

Within two weeks of being informed of the transfer, The Board of Directors shall inform shareholders and other parties entitled to redeem shares of the share transfer.

The notification shall state the redemption price and the final date by which a redemption claim must be made. Where applicable, the notifications shall be delivered in the same way as the summons to General Meetings.

The redemption price is whichever is lower of the consideration paid for the share in the acquisition subject to redemption, or the net worth of the share according to the balance sheet in the

company's most recent financial statements, and, if the acquisition is gratuitous, the net worth of the share according to the balance sheet in the company's most recent financial statements.

Shareholders and others entitled to redeem shares shall submit their redemption claim to the company in writing within one month of the Board of Directors being notified of the share transfer.

If several shareholders wish to exercise their redemption right, the shares shall be divided among them by the Board in proportion to their shareholdings. If the shares do not divide out equally, surplus shares shall be distributed among those wishing to redeem them by lot. If no shareholders wish to exercise their redemption right, those member municipalities of the Municipal Guarantee Board that are not company shareholders shall be entitled to redeem the shares in question. If several such parties entitled to redeem shares wish to exercise their redemption right, the shares shall be divided among them equally by the Board or, if the shares do not divide out equally among said parties, in proportion to their population, based on information contained in the Finnish population information system, at the previous year-end. If the shares do not then divide out equally, the surplus shares shall be distributed by lot among those wishing to redeem them.

The Board of Directors shall inform all the parties putting in a redemption claim how many shares they may redeem and what redemption price is payable within a maximum of seven days of the final date for entering a redemption claim.

The redemption price shall be paid to the transferee in cash or by bank-certified cheque within two weeks of the final date for entering a redemption claim.

Disputes concerning redemption right or the amount of the redemption price shall be submitted to arbitrators for settlement as laid down in the Arbitration Act (967/92).

Article 6 Board of Directors of the Company

The company shall have a Board of Directors comprising at least five (5) and at most nine (9) ordinary members. The term of the members of the Board of Directors ends at the closing of the Annual General Meeting following the election. A Board member whose term is ending may be re-elected. An annual or extraordinary General Meeting may elect, for the remainder of the term, a new member to replace a Board member who resigns or becomes permanently prevented from completing the full mandate. The Board shall elect a chairperson and a vice chairperson from among its members for a mandate lasting from the election up to the closing of the Annual General Meeting next following. If both the chairperson and the vice chairperson are prevented from attending a meeting, those present shall elect a member to chair the meeting. If the duties of the chairperson or the vice chairperson end in the middle of the mandate, a new person may be elected to replace them for the remaining mandate. The Board of Directors is convened by the chairperson as often as company business requires. The Board of Directors has a quorum when more than half of its members are present.

Matters are settled by majority decision. If the votes fall even, the chairperson has the casting vote. Minutes shall be kept of meetings and signed by the chairperson, at least one Board member and the Secretary to the meeting.

Article 7 Managing Director

The company shall have a Managing Director and a Deputy Managing Director which are appointed by the Board of Directors.

The Managing Director and the Deputy Managing Director shall deal with day-to-day administration of the company, following the instructions and orders from the Board. The Board decides on the remuneration of the Managing Director and the Deputy Managing Director.

Article 8 Belonging to Another Company's Management

Members of the Board of Directors, the Managing Director and the Deputy Managing Director and company officers may not belong to the management of another credit institution or another company engaging in competitive activities. The Managing Director, the Deputy Managing Director and company officers may only belong to another company's management with permission from the Board of Directors of Kuntarahoitus Oyj. Members of the Board of Directors must inform the Board of their belonging to the management of other companies.

Article 9 Disqualification

Board members, the Managing Director and the Deputy Managing Director may not be involved in dealing with any matter relating to agreements between them and the company. Similarly, they may not be involved in dealing with any matter relating to an agreement between the company and a third party if they can be expected to gain any substantial benefit thereby that may conflict with the company's interests or, if the matter concerns a company, act as a member of that company's Board, its Managing Director or its Deputy Managing Director. What is stated here concerning an agreement applies equally to legal process or other exercise of right of action.

Article 10 Division of Duties

The Board of Directors shall decide on the division of duties between the Managing Director and the members of the Board and on their right to represent the credit institution.

Article 11 Places of Business

The company's places of business are subject to supervision by the Board of Directors. Operating policies approved by the Board specify how these units shall be managed and give more details about their supervision.

Article 12 Representation of the Company

The company is represented by the members of the Board of Directors, the Managing Director and the Managing Director's Deputy in that position, and person or persons so authorized by the Board, always two together.

Article 13 Auditor

The company has one (1) auditor. The auditor shall be an auditing Corporation as defined in the Auditing Act. The auditor's term ends at the closing of the Annual General Meeting next following its election.

Article 14 Financial Period

The company's financial period is the calendar year. Each year, the financial statements for the previous year shall be finished by the end of February. The financial statements shall be given to the auditor at least a month before the Annual General Meeting.

The auditor shall submit its audit report to the Board of Directors at least two weeks before the Annual General Meeting. The Board shall provide the Annual General Meeting with a written

statement concerning any comments made by the auditor together with its annual report.

Article 15 Summons to General Meeting

The summons to a General Meeting must be delivered to shareholders in writing by dispatching a letter to the address each shareholder has notified in the share register or by publishing it in a publication specified by a General Meeting. The service of summons must take place at the earliest two months and at the latest one week before the advance registration date stated in the summons to the General Meeting. In order to be allowed to attend a General Meeting, a shareholder must register with the company by the final date stated in the summons to the meeting, which cannot be earlier than five days before the meeting.

Article 16 Annual General Meeting

The Annual General Meeting shall be held each year by the end of April, on a date determined by the Board of Directors.

The meeting shall:

present:

1. the financial statements, including an income statement, balance sheet and annual report;
2. the audit report;

decide:

3. on approval of the income statement and balance sheet;
4. on any measures prompted by the profit or loss reported in the approved balance sheet;
5. on granting discharge from liability to the members of the Board of Directors, the Managing Director and the Deputy Managing Director;
6. on the fees to be paid to the auditor and if necessary the members of the Board of Directors;

elect:

7. members of the Board of Directors, if necessary;
8. the auditor;

deal with:

9. any other business mentioned in the summons to the meeting.

Article 17 Conversion of Share Type

On request of the company, all such B- shares whose holder may without consent of the Board of Directors acquire the company's shares are to be converted into A- shares.

The Board has the right to decide on the Conversion and on more detailed procedures in the process of converting the share types.