

ARTICLES OF ASSOCIATION OF MUNICIPALITY FINANCE PLC

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 and performs investment services and investment activities as referred to in the Act on Investment Services.

The company is a public development credit institution as referred to in the prudential regulation of credit institutions.

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 Keva, 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 consent clause applies to all acquisitions by transfer regardless of whether or not the acquisition is against payment or gratuitous. These kinds of acquisitions include e.g. trade, exchange and gift and other equivalent acquisitions such as acquisition through contribution in kind or as part of a merger or demerger.

The company's Board of Directors shall decide whether to grant said consent.

The consent clause must be noted on the share certificates and in the register of shareholders, as well as on any temporary certificates and subscription right certificates.

Article 5 Redemption Clause

If a share of series A or B is transferred to a party 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:

The redemption clause applies to all acquisitions regardless of whether or not the acquisition is against payment or gratuitous. These kinds of acquisitions include acquisitions by transfer (e.g. trade, exchange and gift and other equivalent acquisitions such as acquisition through contribution in kind or as part of a merger or demerger) and also all other acquisitions (e.g. acquisitions that are related to shareholders' restructuring and performed directly pursuant to law).

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 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).

The redemption clause must be noted on the share certificates and in the register of shareholders, as well as on any temporary certificates and subscription right certificates.

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 a credit institution engaging in competitive activities 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 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 11 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 12 Financial Period

The company's financial period is the calendar year.

Article 13 Summons to General Meeting

The summons to a General Meeting shall be delivered in writing by publishing it on the company's website, by sending it to the e-mail or postal addresses as notified by each shareholder to the company or by publishing it in a publication specified by the Board of Directors. The summons to a General Meeting must be delivered at the earliest two months and at the latest one week before the advance registration date stated in the summons to the General Meeting. To be entitled to attend a General Meeting, shareholders must register with the company by the date specified in the summons to the General Meeting, which shall be no earlier than five days before the General Meeting.

Article 14 Annual General Meeting

The Annual General Meeting must be held each year on a date determined by the Board of Directors within a period of six months from the end of the financial period.

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 15 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.