

CERTIFIED TRANSLATION

State Treaty

**between the Land Niedersachsen (the State of Lower Saxony),
the Land Sachsen-Anhalt (the State of Saxony-Anhalt) and
the Land Mecklenburg-Vorpommern (the State of Mecklenburg-Western Pomerania)
concerning Norddeutsche Landesbank – Girozentrale –**

Whereas the States of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania have agreed to modify the legal status of Norddeutsche Landesbank – Girozentrale -.

Now therefore they hereby conclude the following State Treaty:

§ 1

Legal Form, Registered Offices, Seal

- (1) Norddeutsche Landesbank – Girozentrale – (hereinafter called “the Bank”) is an institution incorporated under public law and with legal capacity to sue and be sued.
- (2) The Bank shall have one or more registered offices. Further details shall be regulated by the Bank’s Statutes.
- (3) The Bank shall bear a seal.

§ 2

Legal Succession

- (1) The Bank is the legal successor by universal succession of Niedersächsische Landesbank -Girozentrale-, Braunschweigische Staatsbank including Braunschweigische Landessparkasse, Hannoversche Landeskreditanstalt and Niedersächsische Wohnungskreditanstalt – Stadtschaft -.
- (2) The Bank is not the legal successor of the former Mitteldeutsche Landesbank - Girozentrale für die Provinz Sachsen, Thüringen und Anhalt – with its registered office in Magdeburg.

§ 3

Owners

- (1) The Bank’s Owners are the States of Lower Saxony and Saxony-Anhalt, the Niedersächsischer Sparkassen- und Giroverband (the Lower Saxony Savings Banks and Giro Association hereinafter referred to as “NSGV”), the Sparkassenbeteiligungsverband Sachsen-Anhalt (the Saxony-Anhalt Savings Banks Holding Association – hereinafter referred to as “SBV”) and the Sparkassenbeteiligungszweckverband Mecklenburg-Vorpommern (Special Purpose Holding Association of the Mecklenburg-Western Pomerania Savings Banks – hereinafter referred to as “SZV”).

(2) The Owners shall support the Bank in the performance of its duties, provided however that the Bank shall have no claim upon the Owners, and that there shall be no other obligation on the Owners to furnish the Bank with funds.

(3) The Owners named in (1) above may, with the consent of the remaining Owners as set out under (1) above, transfer by means of a contract made under public law their rights of ownership in the Bank, including their share in the Bank's capital stock, in whole or in part to a legal entity incorporated under private law or to a partnership in which the sole partner is the Owner concerned or all of whose partners are members of the said Owner or are the said Owner and members of the said Owner ("*Beleihung*" - "vesting"). The said contract made under public law shall determine in particular the amount of the consideration, the time of the transfer of the rights of ownership and the proportion of the capital stock to be transferred. Such transfer of rights of ownership, including that of a share in the Bank's capital stock, shall be without prejudice to the liability of the Owners named in (1) above pursuant to § 7 below. Rights of ownership may only be vested in this way if it is assured that all the rights and obligations associated with ownership will be fulfilled by the legal entity incorporated under private law or the partnership in which the rights of ownership are vested. Notice of the transfer of ownership shall be published in the Ministerial Gazette of the State in which the vesting Owner is domiciled.

§ 4

Objects of the Bank

(1) The Bank shall conduct its business in such a way as to support the States of Lower Saxony and Saxony-Anhalt in the performance of their public duties. In doing so it shall give appropriate expression to its particular role as the *Landesbank* (State bank) of these States.

(2) The Bank shall conduct all types of banking and other business in furtherance of its objects. This may include the issue of mortgage-backed securities, public-debt bonds or other bonds. It may conduct building society business itself or through independent affiliated operations.

(3) The Bank shall act as a central and clearing bank (*Girozentrale*) for savings banks in the States of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania.

(4) The Bank may assume special functions in furtherance of economic or financial policy in the States of Lower Saxony and Saxony-Anhalt.

(5) The Bank may, if requested to undertake public subsidising tasks on behalf of the States of Lower Saxony or Saxony-Anhalt, assume functions in support of the structural, economic and social policies of these States or other public duties, for which purposes it may make use of one or more state development institutions. For the implementation of the tasks mentioned in Sentence 1 hereof, the State Governments of Lower Saxony and Saxony-Anhalt shall each be empowered in respect of their own States to set up by ministerial order within the Bank one or more institutions incorporated under public law with partial legal capacity, and to entrust these institutions with the performance of sovereign tasks in any manner provided for by public law. The arrangements relating to the coverage of the costs and risks of any such institution shall require a resolution of the Owners' Meeting.

(6) Until such time as may be otherwise determined by the Owners' Meeting, the Bank may continue the operations of the Landesförderinstitut Mecklenburg-Vorpommern (State Development Institution of the State of Mecklenburg-Western Pomerania) under market conditions.

§ 5

Management Principles

The Bank's business shall be conducted in accordance with good commercial practice whilst paying due regard to the interests of the economy as a whole.

§ 6

Capital Stock

(1) The amount of the capital stock and the proportions held by each of the Owners shall be determined by the Owners' Meeting. Further details shall be regulated by the Bank's Statutes.

(2) Any Owner shall be entitled, with the consent of the other Owners, in whole or in part to assign its holding of the Bank's capital stock or of any rights deriving therefrom to a company existing within the area of jurisdiction or operation of the Owners in which it holds an interest, or may establish such holding there. This shall be without prejudice to the liability of the Owners pursuant to § 7 (2) and (3) below.

(3) The contracting parties undertake to seek to ensure that all Owners participate in any increases in the equity capital pro rata to their holdings of capital stock.

(4) Should any individual Owner not consider itself to be in a position to participate pro rata in any increase in the capital stock resolved by the Owners' Meeting, the remaining Owners may require that an increase in the capital stock should nevertheless be effected by themselves, with a consequent change in the proportions of the holdings of capital stock.

§ 7

Liability

(1) The Bank shall be liable for its obligations to the entire extent of its assets.

(2) Subject to the provisions of (3) below, the liability of the Owners shall be limited to the amount of capital provided for in the Statutes.

(3) The Bank's Owners as of July 18th 2005 shall be liable to meet all liabilities of the Bank existing at that point in time. For such liabilities as were entered into up to and including July 18th 2001, this shall apply without limit of time; for liabilities entered into thereafter and up to and including July 18th 2005 only to the extent that their term does not extend beyond December 31st 2015. The Owners shall meet their obligations arising out of Guarantors' Liability toward the creditors of liabilities entered into up to and including July 18th 2005 immediately upon having properly established in writing at the due dates of such liabilities that the creditors of such liabilities cannot be satisfied out of the Bank's assets. Liabilities of the Bank arising out of any Guarantors' Liability of its own or any similar acceptance of liability or out of liability imposed by its membership as guarantor of a savings banks association shall be deemed to have been entered into and to be due within the meaning of sentences 1 to 3 above at the same point in time as the obligation secured by such liability. The Owners shall be jointly and severally liable; as between each other, their liability shall be in proportion to their holdings of capital stock.

(4) The State of Mecklenburg–Western Pomerania shall bear liability to meet the Bank's liabilities as set out under (3) above *mutatis mutandis*.

§ 8

Governing Bodies and their Responsibilities

(1) The Bank's governing bodies shall be the Board of Management, the Supervisory Board and the Owners' Meeting.

(2) The Board of Management shall conduct the Bank's business on its own responsibility. It shall represent the Bank both in and out of court.

(3) The Supervisory Board shall advise the Board of Management and supervise its conduct of the Bank's business.

(4) The Owners shall exercise their rights with regard to the Bank through the Owners' Meeting. The Owner's Meeting shall adopt the Bank's Statutes.

(5) Further details, in particular the composition and powers of the Bank's Governing Bodies and their committees, shall be regulated by the Bank's Statutes.

§ 9

Rights and Duties of Members of the Governing Bank

(1) In exercising their functions, the Members of the Bank's Governing Bodies shall use their best endeavours to support the Bank. They shall be under an obligation of secrecy. The Owners' representatives on the Supervisory Board and in the Owners' Meeting shall be exempted from this obligation of secrecy in respect of any reports that they are required to make to the Owners they represent, on condition that the recipient of such reports is himself or herself under an obligation of secrecy. This shall not apply to any confidential information or secrets of the Bank, such as operating and business secrets, knowledge of which is of no significance for the purposes of such reports.

(2) The Members of the Board of Management shall conduct the business of the Bank with the due diligence of conscientious managers. Members of the Board of Management who breach their obligations shall be jointly and severally liable to indemnify the Bank for any loss or damage so caused. No such breach of obligation shall be deemed to have been committed if the Member of the Board of Management concerned was entitled to assume, without gross negligence, that in taking an entrepreneurial decision he or she was acting in the best interests of the Bank on the basis of appropriate information.

(3) Sub-section (2) above shall apply also *mutatis mutandis* to the duty of due diligence and the responsibility of Members of the Supervisory Board. The Members of the Supervisory Board shall not be bound by any orders or directives.

(4) Sub-sections (1) to (3) above shall apply also to deputies of Members of the Supervisory Board and to members of committees who are not Members of the Supervisory Board.

§ 10

State Supervision

(1) The Bank shall be subject to legal supervision by the State of Lower Saxony. The supervisory function shall be exercised by the Ministry of Finance of the State of Lower Saxony, in consultation with the Ministry of Finance of the State of Saxony-Anhalt.

(2) The Supervisor Authority shall ensure that the Bank performs its duties in accordance with law. It shall exercise the powers provided for in Sec. 44 of the German Banking Act (*Gesetz über das Kreditwesen*) in the version of September 9th 1998 (Federal Legislative Gazette 1, p. 2276), as last amended by Article 3 of the Act of July 16th 2007 (Federal Legislative Gazette 1, p. 1330).

(3) In the event of rights of ownership being vested in another entity pursuant to § 3 (3) above, the supervisory authority named in (1) above shall also exercise supervision over the entity in which rights of ownership are vested.

§ 11

Auditing by the Public Audit Offices

The Public Audit Offices (*Landesrechnungshöfe*) of the States of Lower Saxony and Saxony-Anhalt shall be entitled to scrutinize the Bank's management of its budgetary and economic affairs. They shall conduct any such scrutiny in consultation with each other.

§ 12

Applicable Law

(1) With regard to employees' representation, the Bank shall be subject to the legal provisions from time to time applicable in the State of Lower Saxony.

(2) The Bank shall be subject to the data protection regulations from time to time applicable to public sector banks in Lower Saxony. Compliance with regulations shall be monitored by the responsible Supervisory Authority in Lower Saxony in consultation with the competent supervisory body in Saxony-Anhalt.

§ 13

Braunschweigische Landessparkasse

(1) The Bank shall continue to operate Braunschweigische Landessparkasse within its area of operations as an institution incorporated under public law with partial legal capacity and its registered office in Brunswick.

(2) Braunschweigische Landessparkasse shall be a Savings Bank (*Sparkasse*) operating under public law. It shall have the tasks of strengthening competition for its area of operations on the basis of market requirements and the needs of business competition and of ensuring the appropriate and adequate provision of monetary services and credit facilities for all sectors of the population and in particular for small and medium-sized enterprises, throughout its geographical area.

(3) Braunschweigische Landessparkasse may enter into legal transactions, sue and be sued under its own name; in both legal and business transactions it shall indicate by a suffix to its name that it forms part of the Bank.

(4) The foregoing shall be without prejudice to the Bank's ownership of the assets assigned to Braunschweigische Landessparkasse or to the liabilities entered into by the Bank through Braunschweigische Landessparkasse. Rights and obligations arising in future out of legal transactions entered into in the name of Braunschweigische Landessparkasse shall be rights and obligations of the Bank.

(5) Braunschweigische Landessparkasse shall have a Board of Management and a Board of Governors (*Verwaltungsrat*). The establishment of additional bodies and details of the composition, tasks and powers of the governing and additional bodies may be determined in Statutes of Braunschweigische Landessparkasse to be adopted by the Owners' Meeting of the Bank. The Board of Management shall conduct the affairs of Braunschweigische Landessparkasse and shall represent it both in and out of court. The Board of Governors shall advise the Board of Management and shall undertake such tasks as are assigned to it in the Statutes of Braunschweigische Landessparkasse. This shall be without prejudice to the overall responsibility of Governing Bodies of the Bank pursuant to the provisions of the German Banking Act (*Gesetz über das Kreditwesen*) as from time to time amended or to the rights of the Bank's Governing Bodies to be given information and to exercise control.

(6) No later than the June 30th of each year the Bank shall pay to the district authorities (*Landkreise*) and single-tier municipalities (*kreisfreie Städte*) within the area of operations of the Landessparkasse a sum in respect of each of their inhabitants living within the area of operations of the Landessparkasse which is equivalent to the average sum per inhabitant that the local authorities operating savings banks in Lower Saxony have received in distributed surpluses in the preceding business year.

(7) The Bank may with the consent of the State Government of the State of Lower Saxony transfer Braunschweigische Landessparkasse in part or in whole to municipal authorities. Any proceeds from any such transfer shall accrue to the Bank. Should municipal savings banks be established within the area of operations of Braunschweigische Landessparkasse, payments under (6) above shall cease three years after their establishment.

§ 14

LBS Norddeutsche Landessparkasse Berlin-Hannover

The States of Saxony-Anhalt and Mecklenburg-Western Pomerania, the SBV and the SZV shall not hold any interest in the assets accruing to the Bank in its capacity as owner of LBS Norddeutsche Landesbausparkasse Berlin-Hannover, nor in the special reserve constituted on the occasion of the hiving-off of the former LBS Norddeutsche Landesbausparkasse.

§ 15¹

Equalization Payments

(1) In respect of its holding the Bank the NSGV paid to the State of Lower Saxony an equalization payment of €51,129,188.12 (originally DM 100 million). The State of Lower Saxony has made this sum available to the Bank as a special capital contribution.

¹ Rescinded by the State Treaty between the States of Lower Saxony, Saxony-Anhalt and Mecklenburg-Western Pomerania to amend the State Treaty concerning Norddeutsche Landesbank - Girozentrale - of July 12, 2011 (Lower Saxony Legislative Gazette no. 21/2011, p. 291).

(2) In consideration of the assets of *Hannoversche Landeskreditanstalt* and *Niedersächsische Wohnungskreditanstalt – Stadtschaft* - , contributed by the State of Lower Saxony, the Bank is indebted to the State of Lower Saxony in respect of a loan in the amount of €37,579,953.27 (originally DM 73,500,000). This loan may be discharged in whole or in part by capital payments or converted into a special capital contribution of the State of Lower Saxony.

(3) Other details, in particular the payment of interest on the sums referred to in (1) and (2) above, shall be determined by the Ministry of Finance of the State of Lower Saxony.

§ 16

Non-Exclusivity Clause, Change of Legal Form

(1) Pursuant to a resolution of the Owners' Meeting the Bank may

1. accept other banks incorporated under public law, including such as are domiciled in other states of Germany, as co-Owners who may also take a share in the Bank's capital stock, or itself participate as co-Owner in such institutions.
2. unite with other banks incorporated under public law, including such as are domiciled in other states of Germany, by means of a merger agreement (*Fusionsvertrag*) providing for amalgamation, absorption or the formation of a new entity, in each case resulting in universal succession; in the case of merger by absorption the Bank may be either the absorbing (*aufnehmendes Institut*) or the transferor institution (*übertragendes Institut*).

(2) The Owners' Meeting may, with the consent of the Supervisory Authority, resolve to change the Bank's legal form into that of a public limited company (*Aktiengesellschaft*) or any other legal form.

(3) The Articles of Association of such public limited company shall be adopted by the Owners' Meeting. Notarisation shall not be required.

(4) Should the Bank be converted into a public limited company, the Owners as set out in § 3 (1) and (3) above shall be deemed to be the promoters of the company. They shall subscribe the company's capital stock.

§ 17

Exemption from Charges

Any legal transactions that are required in consequence of a change in the ownership situation shall be exempt from duties and charges, insofar as the power to order such exemption exists under state law. The same shall also apply to fees for the notarization and certification of documents.

§ 18

Statutes

Further particulars of the Bank's legal status shall be governed by its Statutes.

§ 19

Transitional Arrangement

The Statutes may provide that in the case of any change in the size or composition of the Bank's Supervisory Board, the Supervisory Board and its committees are to be reconstituted. Furthermore, the Statutes may provide that the Supervisory Board existing at the time when such a change in the Statutes becomes effective shall continue to exercise its functions for a transitional period until the new Supervisory Board has been constituted.

§ 20

Effective Date

(1) This State Treaty shall come into force on January 1st 2008, provided that by that date all Certificates of Ratification have been deposited at the State Chancellery of the State of Lower Saxony, or otherwise when the last Certificate of Ratification has been deposited at the State Chancellery of the State of Lower Saxony.

(2) Upon this Treaty coming into force pursuant to (1) above, the State Treaty between the State of Lower Saxony, the State of Saxony-Anhalt and the State of Mecklenburg-Western Pomerania concerning Norddeutsche Landesbank – Girozentrale – of March 16th/23rd/24th 2005 (Lower Saxony Legislative Gazette p. 164; Legislative Gazette of Saxony-Anhalt p. 338; Legislative Gazette of Mecklenburg-Western Pomerania p. 268) shall cease to be operative.

Hannover, August 22nd 2007

For the State of Lower Saxony
For the Prime Minister

The Minister of Finance
Hartmut Möllring

Magdeburg, August 22nd 2007

For the State of Saxony-Anhalt
For the Prime Minister

The Minister of Finance
Jens Bullerjahn

Schwerin, August 22nd 2007

For the State of Mecklenburg-Western Pomerania
For the Prime Minister

The Minister of Finance
Sigrid Keler



This is to certify the correctness and completeness of the translation overleaf from the German language.

Grassel, 26. JAN. 2012



Keith J. Lester B.A.