

Articles and Bylaws of WestLB AG

(Valid as of December 23, 2010)

I. General Provisions

§ 1 Name, Registered Office and Fiscal Year

- (1) The name of the Company shall be WestLB AG.
- (2) The Company's registered office shall be in Düsseldorf.
- (3) The fiscal year shall be the calendar year.

§ 2 Corporate Purpose

- (1) WestLB AG shall conduct banking transactions of all kinds and complementary transactions, including the acquisition of equity interests.
- (2) WestLB AG shall have the duties of a municipal bank (*Kommunalbank*) and a central institution for the savings banks. As part of the savings banks organisation, its corporate purpose shall also include the development and provision of banking products for savings banks and public-sector customers.
- (3) WestLB AG has branches. It shall be able to open new branches and close existing ones.

§ 3 Notices

The Company's notices shall be given in the *Bundesanzeiger*.

II. Share Capital and Shares

§ 4 Amount and Division of the Share Capital

- (1) The Company's share capital shall be EUR 966,649,007.45 (in words: nine hundred and sixty-six million six hundred and forty-nine thousand and seven euros and forty-five cents). It shall be divided into 14,587,906 Class A shares and 8,107,400 Class B shares. Class A shares grant their holders different rights than Class B shares pursuant to § 18 (5) and (6) of these Articles and Bylaws.
- (2) All shares shall be no-par-value shares and shall be in registered form.
- (3) The form of the share certificates, as well as dividend and renewal coupons, shall be determined by the managing board and approved by the supervisory board. Single share certificates can be issued that embody several shares.

- (4) The contributions to the original equity capital in the amount of EUR 950,500,000, as necessitated by the change in legal form from Westdeutsche Landesbank Girozentrale – Anstalt des öffentlichen Rechts – to WestLB AG pursuant to Article 1 § 8 of the Act on Redefining the Legal Status of Public-Law Banking Institutions in North Rhine-Westphalia, have been paid in full.
- (5) The Company's capital has been conditionally increased pursuant to § 7a of the Financial Market Stabilisation Acceleration Act and § 192 et seq. of the German Stock Corporation Act by up to EUR 966,649,007.45 (in words: nine hundred and sixty-six million six hundred and forty-nine thousand and seven euros and forty-five cents), divided into up to 22,695,306 Class C shares. The sole purpose of the conditional capital increase is to satisfy the conversion rights granted to the Financial Market Stabilisation Fund (FMS) as a silent partner (§ 7a (1) Sentence 1 Financial Market Stabilisation Acceleration Act). The new shares shall be issued at the price per share determined in the authorising resolution adopted by the Company's shareholders' meeting on April 23, 2010. The conditional capital increase shall be executed only to the extent that the Financial Market Stabilisation Fund exercises the conversion rights granted to it as a silent partner. The new shares shall participate in profits as soon as they are issued. The managing board is authorised, subject to the supervisory board's approval, to determine additional details pertaining to the execution of the conversion.
- (6) Resolutions regarding capital increases shall be adopted by a simple majority of the share capital represented, unless a greater majority is prescribed by mandatory law.

III. Managing Board

§ 5 Composition and Rules for Conducting Business

- (1) The managing board shall consist of a minimum of two and a maximum of eight persons. Members of the managing board, as well as the chairman of the managing board, shall be appointed by the supervisory board. The supervisory board can also appoint alternates for the members of the managing board.
- (2) The Company shall be represented by two members of the managing board or by one member of the managing board together with one authorised signatory (*Prokurist*). Alternate members of the managing board shall be equivalent to regular members in this respect.
- (3) Resolutions of the managing board shall be adopted by a majority of votes. In the event of a tie vote, the chairman's vote shall decide.
- (4) The managing board shall establish rules for the conduct of its business. These rules are subject to approval by the supervisory board.

IV. Supervisory Board

§ 6 Composition, Term of Office, Resignation from Office

- (1) The supervisory board shall consist of 20 members, 10 of whom shall be elected by the shareholders and 10 of whom shall be elected by the employees in accordance with the provisions of the Codetermination Act of 1976. Members shall be elected for a period of time ending at the close of the shareholders' meeting that ratifies their actions for the fourth fiscal year following the beginning of their term of office, not including the fiscal year in which their term of office begins. At least one member of the supervisory board must satisfy the requirements of § 100 (5) of the German Stock Corporation Act. In addition, the diversity of the supervisory board should be a consideration when selecting members.
- (2) Alternate members can be appointed for the supervisory board members elected by the shareholders. The requirements of § 100 (5) of the German Stock Corporation Act must be observed. Alternate members shall become regular members of the supervisory board, in an order determined during the election, if the shareholder representatives they were chosen to replace leave office before the end of their term. They shall again become alternate members when the shareholders elect a new supervisory board member to replace the member who left office early. The election of alternate members for the employee representatives on the supervisory board shall be governed by the Codetermination Act of 1976.
- (3) Regular members and alternate members of the supervisory board can resign from office by giving written notice to the managing board. If an alternate member replaces a regular member on the supervisory board, his term of office shall terminate at the end of the next shareholders' meeting at which a new supervisory board member is elected by majority of the votes cast, provided, however, that it shall terminate no later than the end of the regular member's term.
- (4) Regular members and alternate members elected by the shareholders can be removed from office early by the shareholders, without indication of the grounds therefor, by a simple majority of the votes cast.

§ 7 Chairman, Deputy Chairman

- (1) Following the shareholders' meeting at which the shareholders elect their representatives on the supervisory board, the supervisory board shall hold a meeting, for which no special notice is required, in order to elect from among its members, in accordance with § 27(1) and (2) of the Codetermination Act of 1976, a chairman and his deputy. The oldest member elected by the shareholders shall preside over this meeting. The deputy shall take the chairman's place each time the chairman is unable to attend.
- (2) If the chairman or his deputy resigns from office before the end of his term, an election to replace him for the remainder of his term shall be held without delay.

§ 8 Notice of Meetings and Adoption of Resolutions

- (1) The chairman shall call supervisory board meetings by giving at least two weeks' written notice, not including the day on which the notice is sent and the day of the meeting. In urgent cases, he can shorten the notice period and give notice orally or by telephone, telegraph, fax or e-mail.
- (2) The notice shall include the items on the agenda, as well as recommendations on resolutions.
- (3) Supervisory board meetings shall be presided over by the chairman. He shall determine the order in which the agenda items will be discussed and the type and order of voting.
- (4) A quorum shall exist at a supervisory board meeting if notice of the meeting was sent to the members' last known address and at least half of the members of which the board is to consist take part in the voting, either in person or by casting a vote in writing. A member shall also be deemed to take part in the voting when he abstains from voting. Resolutions shall be adopted by a simple majority, except as otherwise mandated by law or by these articles and bylaws. Abstentions shall not be counted as votes cast.
- (5) In the event of a tie vote, a group of not less than two supervisory board members who are present at the meeting can request that a new vote be taken on the same subject. Pursuant to § 29(2) of the Codetermination Act, the chairman shall have two votes if this round of voting results in a tie. The deputy chairman shall not be entitled to the second vote. The provisions of § 27, § 31 and § 32 of the Codetermination Act shall not be affected hereby.
- (6) If not all supervisory board members take part in a voting, either personally or by casting a vote in writing, the voting can be postponed if at least two supervisory board members who are present at the meeting so request. If no special meeting of the supervisory board is called, the voting on a postponed item shall take place within the following four weeks. A second postponement at the request of a minority is not permissible.
- (7) The provisions of Paragraph 6 shall not apply if an equal number of shareholder representatives and employee representatives take part in the voting.
- (8) Supervisory board members who are absent can cast their votes in writing by giving them to another member. This also applies to the second vote of the chairman.
- (9) Voting is permissible outside of meetings if all members agree to the type of voting or agree with the recommendation on the resolution.
- (10) Minutes shall be kept of the meetings and resolutions of the supervisory board. They shall be signed by the chairman and a copy shall be circulated among all supervisory board members without delay.
- (11) The chairman and, should the chairman be unable to attend, the deputy chairman are authorised to make all statements that are necessary in order to implement the supervisory board's resolutions.

§ 9 Rights and Duties

- (1) The supervisory board shall oversee the managing board's management of the Company.

The supervisory board's duties shall include, but not be limited to:

- a) making recommendations on resolutions to be voted on by the shareholders,
- b) appointing and removing members of the managing board,
- c) determining the terms and conditions of the employment contracts of managing board members and their other affairs.

(2) The approval of the supervisory board is required in order to:

- a) buy and sell real property, if the amount involved is greater than 0.25% of the Company's liable equity capital, as reported in its most recent annual financial statements,
- b) acquire a more-than-temporary interest in another company, if the amount involved is greater than 0.5% of the Company's liable equity capital, as reported in its most recent annual financial statements,
- c) establish and dissolve branches,
- d) establish and amend the rules for the managing board's conduct of its business.

The supervisory board shall be entitled to decide, at any time, that other kinds of transactions are also subject to its approval.

- (3) The supervisory board shall establish rules for the conduct of its and its committees' business.
- (4) The managing board shall report to the supervisory board on a regular basis, to the extent prescribed by law. The supervisory board can also request reports on all of the Company's affairs, as well as on its legal and financial relationships with affiliated enterprises and on events at affiliated enterprises that could materially affect the Company's position.
- (5) The supervisory board shall have the right, at all times, to inspect the Company's books and papers and to examine the Company's assets.
- (6) Statements to be made on behalf of the supervisory board for it and for its committees shall be made by the chairman or, in the event that the chairman is unable to make them, by the deputy chairman.
- (7) The supervisory board is authorised to make amendments to these articles and bylaws that solely concern the wording.

§ 10 Committees

- (1) As soon as a chairman and his deputy have been elected, the supervisory board shall form a committee whose purpose shall be to perform the duties contemplated in § 31(3) of the Codetermination Act. Said committee shall comprise the chairman, the deputy chairman, as well as that member from among the shareholder representatives and that member from among the employee representatives who earned the majority of votes cast during the elections.
- (2) The supervisory board shall be entitled to form additional committees from among its members and to transfer any of its rights and duties to these

committees, either by indicating as such in its rules for conducting business or by adopting a special resolution.

- (3) The provisions of § 8(3) and (4) shall apply analogously to committees of the supervisory board. If a committee's vote results in a tie and the new vote on the subject also results in a tie, the chairman of the committee shall have two votes. The right of two votes does not apply to recommendations made in accordance with § 31(3) Sentence 1 of the Codetermination Act.

§ 11 Remuneration

- (1) The members of the supervisory board shall receive fair and reasonable remuneration after the end of each fiscal year, in an amount to be decided on by the shareholders.
- (2) The Company shall reimburse the supervisory board members for their out-of-pocket expenses and for the VAT charged on their remuneration, provided the members can and do prepare individual expense reports for them.

§ 12 Advisory Councils

- (1) Advisory councils can be formed in order to provide WestLB AG with expert advice on the conduct of its business and to promote the Company's contacts with industry, the public sector and the savings banks. The members of such advisory councils shall be appointed and removed by the supervisory board.
- (2) The office of chair shall be held by the chairman or deputy chairman of the supervisory board. The supervisory board can establish rules for the conduct of the advisory councils' business.
- (3) Meetings of the advisory councils shall be called at least once a year by the chairman of the supervisory board.
- (4) Members of the advisory councils shall receive remuneration in an amount to be decided on by the managing board and approved by the supervisory board.

§ 12a Guarantors' Committee

- (1) The Company shall have a guarantors' committee. The purpose of the guarantors' committee is to provide information on a regular basis to all guarantors about the development of certain liabilities of WestLB AG which are still subject to their guarantor liability pursuant to § 11(1) of the Act on the Establishment of Landesbank Nordrhein-Westfalen and Transformation of Westdeutsche Landesbank Girozentrale and about any executive or organisational measures in connection therewith which could have a significant impact on the guarantors' risk exposure as well as to structurally ensure a regular dialogue on these issues with the managing board of WestLB AG.
- (2) The members of the guarantors' committee shall be the acting heads of the guarantors, who can be represented at meetings of the guarantors' committee by their full-time representatives. Members of WestLB AG's managing board shall attend the meetings of the guarantors' committee.

- (3) The guarantors' committee shall hold a meeting presided over by its oldest member at which to elect a chairman of the guarantors' committee and, if desired, a deputy chairman to serve for a maximum of four fiscal years of WestLB AG, not including the fiscal year in which the term of office begins. If a deputy chairman is elected, he shall take the chairman's place in all cases in which the chairman is unable to attend. If the chairman or his deputy leaves office before the end of his term, an election shall be held immediately to choose a replacement to serve for the remainder of his respective term.
- (4) The chairman of the guarantors' committee shall call a meeting of the guarantors' committee at least twice per WestLB AG fiscal year. The chairman of the guarantors' committee is also required to call a meeting if two or more members of the guarantors' committee or the managing board of WestLB AG request a meeting. The managing board of WestLB AG shall report to the chairman of the guarantors' committee immediately about any and all material events which pertain to the committee's area of responsibility as defined in paragraph 1 above.
- (5) In order for the guarantors' committee to be provided with information by WestLB AG, its members and their full-time representatives must agree to be bound by a confidentiality obligation which corresponds in scope to that of the members of WestLB AG's supervisory board.
- (6) The guarantors' committee shall establish rules of conduct for its business. These rules are subject to approval by the managing board of WestLB AG.
- (7) The responsibilities imposed on WestLB AG's governing bodies by statute shall not be affected hereby.

V. Shareholders' Meetings

§ 13 Annual Shareholders' Meeting

The annual shareholders' meeting shall be held within the first eight months of each fiscal year. Special shareholders' meetings can be called as often as appears necessary, given the interests of the Company. The shareholders shall resolve on all matters entrusted to them by law or by these articles and bylaws.

§ 14 Place and Notice of Shareholders' Meetings

- (1) Shareholders' meetings shall be called by the managing board and held at the Company's registered office.
- (2) Notice of a meeting must be given at least one month prior to the meeting, not including the day on which the notice is given and the day of the meeting.

§ 15 Chairman of the Shareholders' Meetings

Shareholders' meetings shall be presided over by the chairman of the supervisory board or, if the chairman is unable to attend, by the deputy chairman. If the deputy chairman is unable to attend, the meeting shall be

presided over by a chair elected under the guidance of the oldest shareholder representative present at the meeting.

§ 16 Voting Rights

- (1) Every share entitles its owner to one vote at shareholders' meetings.
- (2) Voting rights can be exercised by written proxy.

§ 17 Adoption of Shareholders' Resolutions

- (1) A quorum shall exist at shareholders' meetings if more than half of the Company's share capital is represented. If this is not the case, a new meeting with the same agenda shall be called without delay. A quorum shall exist at this second meeting regardless. This consequence shall be pointed out in the invitation to the second meeting.
- (2) Resolutions shall be adopted by a simple majority of the votes cast, and to the extent that the law provides for a majority of capital, by a simple majority of the share capital represented, unless the law or these articles and bylaws provide for a larger majority.
- (3) Capital reductions, dissolution, transformation of the Company, the transfer of Company assets and intercompany agreements within the meaning of § 291 et seq. of the Stock Corporation Act of September 6, 1965 (BGBI. I 1965, 1089), as amended from time to time, shall require at least a three-fourths' majority of the share capital represented.

VI. Annual Financial Statements and Distribution of Profits

§ 18 Annual Financial Statements, Distribution of Profits

- (1) The managing board is responsible for preparing the annual financial statements and the management report for the previous fiscal year within the first three months of the new fiscal year and for submitting these to the supervisory board without delay. The supervisory board is responsible for contracting the auditor to audit the financial statements. When submitting the annual financial statements and the management report to the supervisory board, the managing board shall also submit the proposal it would like to make to the shareholders for the distribution of profits.
- (2) Except as otherwise provided by these Articles and Bylaws, the shareholders shall resolve on the distribution of profits.
- (3) If the managing board and the supervisory board adopt the annual financial statements, they can transfer up to 50% of the Company's net profit for the year to other profit reserves. The net profit for the year shall be reduced ahead of time by the amounts that are to be transferred to the statutory reserves and by the amount of any loss carryforward.

- (4) If the shareholders adopt the annual financial statements, one-fifth of the Company's net profit for the year must be transferred to other profit reserves, until such time as these other profit reserves total the Company's share capital. The profit for the year shall be reduced ahead of time by the amounts that are to be transferred to the statutory reserves and by the amount of any loss carried forward.
- (5) The Class B shares shall receive a priority dividend of EUR 2.26 per share (Class B supplementary dividend) from annual profit after payment of the Class C supplementary dividend on Class C shares. If the profit for a fiscal year is insufficient to distribute the Class B supplementary dividend upfront in whole, the existing insufficient profit shall be distributed completely to Class B shareholders. The shortfall shall not be made up for in subsequent years. The shareholders' meeting shall decide on the use of any profit remaining after the supplementary dividend has been distributed to Class C and Class B shareholders. Any profit that is to be distributed pursuant to such a resolution of the shareholders' meeting shall be used to pay a dividend to Class A shareholders and to pay an additional dividend to Class B and Class C shareholders in proportion to their ownership of the company's share capital.
- (6) The provisions of Paragraph 5 shall apply for a twelve-year period, beginning with the fiscal year that begins on January 1, 2005 and ending with the fiscal year that begins on January 1, 2016. After the end of the shareholders' meeting that decides on the use of profit for the fiscal year beginning on January 10, 2016, the two classes of shares (Class A and Class B) shall be discontinued, with the result that all shares shall have equal rights as of that time. The supervisory board is authorized to amend the articles and bylaws after the end of the shareholders' meeting referred to in sentence 2 to reflect the discontinuation of two classes of shares and their dividend rights.
- (7) Prior to all other classes of shares, the Class C shares shall receive a regular dividend from annual profit equal to 10% of the theoretical par value of each share and, in addition, a preferred dividend equal to the proceeds of any sale of divisions and/or subsidiaries of WestLB; for purposes of this provision, the term "proceeds" shall mean the proceeds earned by WestLB, including any components granted as consideration for the sale, less the sold assets' book value at the time of the sale and less WestLB AG's actual tax burden on the capital gain (Class C supplementary dividend). The preferred dividend is limited to the nominal amount of the silent contribution made by the Financial Market Stabilisation Fund to WestLB's capital on the basis of the agreement dated December 12, 2009 concerning the silent participation (Doc. No. 2697/2009 of Dr. Dirk Ittner, Notary, in Düsseldorf) without any adjustment downward due to loss absorption, plus outstanding interest payments, less any repayments on the silent contribution made by WestLB AG to the Financial Market Stabilisation Fund, and less any amounts which the Financial Market Stabilisation Fund has already received as a preferred dividend. The regular dividend and preferred dividend shall not be offset against each other. If the profit for a fiscal year is insufficient to distribute the Class C supplementary dividend in whole, the existing insufficient profit shall be distributed completely to Class C shareholders. The shortfall shall not be made up for in subsequent years.
- (8) In the event of a liquidation of WestLB AG, WestLB AG's assets are first to be distributed to Class C shareholders, who shall receive a percentage share up

to the amount of their ownership of WestLB AG's share capital. The assets of WestLB AG remaining after this distribution to Class C shareholders shall be distributed among the remaining shareholders of WestLB in proportion to their ownership of WestLB AG's share capital.

§ 19 Place of Jurisdiction

Place of jurisdiction for all disputes arising between the Company and its shareholders and among the shareholders themselves because of their relationship to the Company or to each other shall be the Company's registered office.

§ 20 Formation Expenses

The costs involved in changing the Company's corporate form into that of a stock corporation shall be borne by the Company as formation expenses, up to the amount of EUR 600,000.