

**To the bondholders in:**

<b>ISIN:</b> NO0010592900	FIX KLP Kommunekreditt AS Covered Bonds Bond 2010/2020 (Extendable to 15 <sup>th</sup> December 2021)
NO0010662307	FRN KLP Kommunekreditt AS Covered Bonds Bond 2012/2017 (Extendable to 12 <sup>th</sup> November 2018)
NO0010663180	FRN KLP Kommunekreditt AS Covered Bonds Bond 2012/2016 (Extendable to 16 <sup>th</sup> November 2017)
NO0010675952	FIX KLP Kommunekreditt AS Covered Bonds Bond 2013/2017 (Extendable to 22 <sup>nd</sup> May 2018)
NO0010675978	FRN KLP Kommunekreditt AS Covered Bonds Bond 2013/2018 (Extendable to 15 <sup>th</sup> May 2019)
NO0010716780	FRN KLP Kommunekreditt AS Covered Bonds Bond 2014/2018 (Extendable to 10 <sup>th</sup> December 2019)
NO0010719974	FRN KLP Kommunekreditt AS Covered Bonds Bond 2014/2019 (Extendable to 20 <sup>th</sup> December 2020)

Oslo, 17<sup>th</sup> June 2016

**Summons of Bondholder Meeting**

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issues (the "**Bonds**" or the "**Bond Issues**") issued by KLP Kommunekreditt AS as issuer (the "**Company**" or the "**Issuer**").

*The information in this summons regarding the Issuer and market conditions is provided by the Issuer and the Bond Trustee expressly disclaims all liability whatsoever related to such information.*

In 2010 the Issuer established an EMTN-programme for issuance of Covered Bonds, documented by the Terms and Conditions for the VPS Covered Bonds (the "**Terms and Conditions**"), with the accompanying Norwegian VPS Trustee Agreement (the "**Agreement**"). The programme is rated by Moody's and Fitch. The Issuer has mainly issued covered bonds in the Norwegian market where the market standard in regards to ratings is less severe than first presumed. In the Issuers experience the market does not differentiate programmes with one rating as opposed to those with two or more ratings in regards to issue premiums. As the Issuer going forward plans to issue covered bonds mainly in the Norwegian market the Issuer wishes to reduce the number of ratings to one. This will be done by terminating the rating contract with Fitch when this expires at the 31<sup>st</sup> of August 2016. The termination of the contract with Fitch is solely related to lower cost for the Issuer.

By terminating Fitch' rating of the Issuer and Bonds, the cover pool overcollateralization required by the rating agencies will also be reduced. In the Terms and Conditions the Issuer is committed to an overcollateralization of 116 per cent due to the Fitch requirement in 2010. The Issuer aims to reduce the overcollateralization to the higher of (1) the highest percentage of overcollateralization required by Norwegian law and (2) the lower of the percentage of overcollateralization required by Moody's and 116 per cent. The Issuer will, at any time, in addition to actual requirements in Norwegian law, comply with Moody's requirements for overcollateralization up to an overcollateralization of 116 per cent. If Moody's requirements exceed 116 per cent, the Issuer will not be obliged to comply with such

requirement. The Issuer proposes to amend the Terms and Conditions accordingly. The amended Terms and Conditions is enclosed to the Agreement.

The proposal is dependent upon adoption by Bondholders in all of the Bonds.

If the proposed amendments is approved by the Bondholders, the Issuer will offer a one-time compensation fee in accordance with the table below. The one-time compensation will be disbursed to Bondholders registered as such in the VPS register at end of business the day prior to the Bondholders Meeting. The date of disbursement will be 15<sup>th</sup> July 2016.

<b>COMPENSATION MATRIX - KLP Kommunekreditt</b>				
<b>ISIN</b>	<b>Ticker</b>	<b>Maturity Date</b>	<b>Face Value</b>	<b>Compensation</b>
NO0010663180	KLPKK11	15.11.2016	1 000 000	0,0018 %
NO0010675952	KLPKK12	19.05.2017	1 000 000	0,0043 %
NO0010662307	KLPKK10	10.11.2017	1 000 000	0,0067 %
NO0010675978	KLPKK13	15.05.2018	1 000 000	0,0093 %
NO0010716780	KLPKK15	10.12.2018	1 000 000	0,0130 %
NO0010719974	KLPKK16	20.12.2019	1 000 000	0,0180 %
NO0010592900	KLPKK05	15.12.2020	500 000	0,0230 %

For further information, please contact

- The Issuer, CEO Christopher Steen, Phone: +47 952 24 953, e-mail [Christopher.Steen@klp.no](mailto:Christopher.Steen@klp.no), or
- The arranger DNB BANK ASA, DNB Markets, by Morten Fornes, phone + 47 24 16 90 18

The Issuer has requested the Bond Trustee to summon a Bondholders' meeting to consider the approval of the proposed amendments.

The request is put forward to the Bondholders without further evaluation or recommendations from the Bond Trustee. The Bondholders must independently evaluate whether the proposed amendments are acceptable.

#### **Summons to Bondholders' Meeting:**

Bondholders are hereby summoned to a Bondholders' Meeting:

**Time:** 1<sup>st</sup> July 2016 at 10:00 am  
**Place:** The premises of Nordic Trustees,  
Haakon VII's gate 1, 0161 Oslo, 6th floor.

#### **Agenda:**

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of proposal:

**It is proposed that the Bondholders' meeting resolve the following:**

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- (1) The Bondholders' Meeting approves that the Issuer as of September 1<sup>st</sup> 2016 no longer uphold the rating contract with Fitch. The Bondholders recognise that this implies that the Issuer is no longer rated by Fitch and that the issued Bonds will lose their Fitch rating. The Bond Trustee is authorized and instructed to make the necessary amendments to the Terms and Conditions on behalf of the Bondholders, which are to be enclosed to the Agreement.
  - (2) The Bondholders approves that the Issuer will no longer uphold an overcollateralization in the cover pool of 116 per cent, but will reduce this to the higher of [(1) the highest percentage of overcollateralization required by Norwegian law and (2) the lower of the percentage of overcollateralization required by Moody's and 116 per cent]. The Bond Trustee is authorized and instructed to make the necessary amendments to the Terms and Conditions on behalf of the Bondholders, which are to be enclosed to the Agreement.

To approve the above resolution, Bondholders representing at least 1/2 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the Bondholders' meeting. (If the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the Bonds, (ii) the aggregate nominal amount of the Bonds and (iii) the account number in VPS on which the Bonds are registered.)

The individual Bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the Bondholders' Meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail ([www.mail@trustee.no](mailto:www.mail@trustee.no)) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Med vennlig hilsen  
**Nordic Trustee ASA**

Karianne E. Bruland

Enclosed: Bondholder's Form