

Charter of the Remuneration Committee

Danske Bank A/S
CVR no. 61 12 62 28

1 Scope and objective

- 1.1 This Charter lays down the obligations and authority of the Remuneration Committee of Danske Bank.
- 1.2 The Remuneration Committee works as a preparatory committee for the Board of Directors with respect to matters concerning remuneration with a special focus on remuneration of members of the Board Directors, the Executive Board and material risk takers of Danske Bank and incentive programmes. Any delegation to the Remuneration Committee shall not amend the authority or responsibility of the Board of Directors.

2 Members

- 2.1 The Remuneration Committee consists of no less than three members of whom one is the Chairman of the Board of Directors and another is an employee elected member of the Board of Directors.
- 2.2 The Chairman of the Board of Directors serves as Chairman of the Remuneration Committee.

3 Meetings

- 3.1 Frequency, participation and agenda
 - 3.1.1 Meetings are held as often as the Chairman of the Remuneration Committee considers necessary subject to a minimum of two meetings annually. Any member of the Remuneration Committee can request a meeting of the Remuneration Committee, if the said member considers it necessary.
 - 3.1.2 Other members of the Board of Directors, the Executive Board, and relevant employees of Danske Bank shall participate in meetings of the Remuneration Committee at the request of the committee.
 - 3.1.3 The Chairman of the Remuneration Committee shall prepare the agenda in consultation with the Group Chief Executive Officer. The agenda for each committee meeting will be issued to the committee members within reasonable time, which may be shortened by the Chairman of the Remuneration Committee from time to time, prior to that meeting. At the same time relevant material is distributed to the members.
- 3.2 Quorum and resolutions
 - 3.2.1 The Remuneration Committee forms a quorum when half of its members including the Chairman of the Remuneration Committee are present.
 - 3.2.2 Resolutions by the Remuneration Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Remuneration Committee shall have a casting vote.
- 3.3 Minutes
 - 3.3.1 The Secretary to the Board of Directors prepares and keeps minutes of the businesses transacted at meetings of the Remuneration Committee.

- 3.3.2 Copies of the minutes are sent to all members of the Board of Directors and, if practically possible, considered at the first meeting of the Board of Directors subsequent to the meeting of the Remuneration Committee. If the minutes are not yet available, the Chairman of the Remuneration Committee shall give a summary of the business transacted at the Remuneration Committee meeting and the minutes shall be submitted to the Board of Directors for information at the following meeting of the Board of Directors.

4 Secretarial tasks and other assistance

- 4.1 The Secretariat of the Board of Directors acts as secretariat for the Remuneration Committee.
- 4.2 To the extent necessary the Remuneration Committee may seek assistance from employees of Danske Bank.
- 4.3 The Remuneration Committee may engage external legal and other expert advisors as it deems necessary to carry out its tasks. The Remuneration Committee shall avoid engaging the same external advisers that assist the Executive Board.

5 Tasks of the Remuneration Committee

- 5.1 The Remuneration Committee shall ensure that the remuneration policy and practices as well as incentive programmes support the strategy of Danske Bank and create value for the shareholders by enabling Danske Bank to attract and retain the best qualified directors, executives and key employees, within the limits imposed by regulatory requirements and the need to promote a sound and effective risk management.
- 5.2 Remuneration
- 5.2.1 The Remuneration Committee monitors, considers and, as regards the following items (a) to (d), submits recommendations to the Board of Directors on:
- (a) Director's fees, including fees for committee memberships,
 - (b) remuneration of members of the Executive Board,
 - (c) performance agreements of members of the Executive Board,
 - (d) the aggregate sum of the annually proposed bonus and bonus pools for individual programmes,
 - (e) performance agreements of level 2 executives,
 - (f) the remuneration of executives in charge of control and internal audit functions, including the head of the compliance function and the Chief Internal Auditor,
 - (g) the remuneration of the top 15 high earners below Executive Board level and key employees as set out by the Remuneration Committee from time to time, and
 - (h) sign-on bonuses agreed in the preceding 12 months (annual overview),

while always considering the remuneration policy, share-based incentive programmes of Danske Bank and the general objectives and principles of the remuneration policy, cf. Clause 5.1.

5.3 Remuneration policy

5.3.1 The Remuneration Committee shall present a remuneration policy for Danske Bank to the Board of Directors. The remuneration policy shall:

- (a) Reflect the requirements of the Financial Business Act, the rules and guidelines established by the Danish Financial Supervisory Authority and the requirements of EU Regulations, and
- (b) include a thorough description of the components of the remuneration, including pensions and severance guidelines, of members of the Board of Directors and the Executive Board, material risk takers as defined and identified by the Board of Directors and the executives in charge of control and internal audit functions.

5.3.2 The Remuneration Committee shall review the remuneration policy of Danske Bank at least once annually, with a purpose to assess if changes are required. Any changes to the remuneration policy shall be submitted to the Board of Directors for approval and subsequently adopted by the general meeting.

5.3.3 The Remuneration Committee shall, on the basis of information received from the Executive Board, review and consider the criteria for designation of employees with a material impact on Danske Bank's risk profile (material risk takers), and each year consider and make recommendations to the Board of Directors on whether the list of material risk takers needs to be updated.

5.3.4 The Remuneration Committee shall monitor compliance with the remuneration policy and relevant disclosure rules relating to remuneration. As part hereof the Remuneration Committee shall see to that compliance within with the remuneration policy within Danske Bank is annually inspected and report to the Board of Directors on the outcome hereof.

5.4 Share-based incentive programmes

5.4.1 The Remuneration Committee shall monitor, consider and make recommendations to the Board of Directors on share-based incentive programmes of Danske Bank and ensure that potential programmes are always in accordance with the remuneration policy of Danske Bank.

5.4.2 At least once annually, the Remuneration Committee shall review the share-based incentive programmes, if any, in order to assess if changes are required. Any changes to the programmes shall be submitted to the Board of Directors for approval and subsequently adopted by the general meeting.

- 5.5 **Subsidiary companies**
- 5.5.1 The Remuneration Committee shall undertake the task as remuneration committee for subsidiaries of Danske Bank provided that for such subsidiary (i) a remuneration committee is required by law or follows from applicable corporate governance recommendations and (ii) the board of the subsidiary has not already appointed a separate remuneration committee.
- 5.5.2 The Remuneration Committee shall on group level monitor the composition, tasks and general competences of other remuneration committees, if any, within Danske Bank and ensure a constructive dialogue and cooperation. This shall be based on reports received from subsidiaries to the Remuneration Committee.
- 6 Reporting**
- 6.1 The Remuneration Committee reports and makes recommendations to the Board of Directors on the matters set out in this Charter.
- 6.2 The Remuneration Committee's recommendations are documented in the minutes of the committee meeting, alternatively in summaries, and reported to the Board of Directors, cf. Clause 3.3.2.
- 6.3 The Remuneration Committee annually presents a remuneration report to the Board of Directors (to be published on the website of Danske Bank) that provides an overview of the remuneration in Danske Bank in the preceding year in accordance with applicable rules and regulations.
- 7 Disclosure**
- 7.1 The activities and meeting frequency of the Remuneration Committee during the year are disclosed in the annual report and on the website of Danske Bank together with the names of the committee members.
- 8 Amendments**
- 8.1 This Charter may at all times be amended by a simple majority of the Board of Directors.
- 8.2 The Remuneration Committee must conduct an annual review of its performances and of this Charter with the purpose of assessing, if the Charter is adequate and compliant. Any amendments of the Charter are subject to approval by the Board of Directors
- 9 Applicability to Danske Bank**
- 9.1 Where applicable based on the specific content, a reference to the "Danske Bank" shall be construed as referring to and including all companies in the Danske Bank group, and otherwise to Danske Bank A/S.

Approved by the Board of Directors of Danske Bank A/S on 1 September 2016.