

# **Charter of the Nomination 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 Nomination Committee of Danske Bank.

1.2 The Nomination Committee works as a preparatory committee for the Board of Directors with respect to, among other matters, nomination and appointment of candidates to the Board of Directors and the Executive Leadership Team, evaluation of the Board of Directors, the Executive Leadership Team and their individual members, succession planning and diversity. Any delegation to the Nomination Committee shall not amend the authority or responsibility of the Board of Directors.

## **2 Constitution and members**

2.1 The Nomination Committee consists of no less than three members of whom one are the Chairman of the Board of Directors. The Nomination Committee shall be chaired by an independent member as defined in EBA Guidelines on internal Governance.

2.2 The members of the Nomination Committee shall have, individually and collectively, appropriate knowledge, skills and expertise concerning the selection process and suitability requirements.

## **3 Meetings**

3.1 Frequency, participation and agenda

3.1.1 Meetings are held as often as the Chairman of the Nomination Committee considers necessary subject to a minimum of two meetings annually. Any member of the Nomination Committee can request a meeting of the Nomination Committee, if the said member considers it necessary.

3.1.2 Other members of the Board of Directors, the Executive Leadership Team, and relevant employees of Danske Bank shall participate in meetings of the Nomination Committee at the request of the committee.

3.1.3 The Chairman of the Nomination Committee shall prepare the agenda. 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 Nomination 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 Nomination Committee forms a quorum when half of its members including the Chairman of the Nomination Committee are present.

3.2.2 Resolutions by the Nomination Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Nomination 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 Nomination 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 Nomination Committee. If the minutes are not yet available, the Chairman of the Nomination Committee shall give a summary of the business transacted at the Nomination 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 Nomination Committee.

4.2 To the extent necessary the Nomination Committee may seek assistance from employees of Danske Bank.

4.3 The Nomination Committee may engage external legal and other expert advisers as it deems necessary to carry out its tasks. The Nomination Committee shall avoid engaging the same external advisers that assist the Executive Leadership Team.

## 5 Tasks of the Nomination Committee

5.1 Evaluation of the Board of Directors and the Executive Leadership Team

5.1.1 The Nomination Committee regularly assesses the relevant competencies of the Board of Directors, including under the Danish Financial Supervisory Authority's guidelines on the assessment of the knowledge and experience of the board of directors in credit institutions.

The Nomination Committee shall at least annually present a recommendation to the Board of Directors that outlines:

- (a) whether there are areas in which the competencies and knowledge of the Board of Directors and its members should be upgraded;
- (b) whether the Board of Directors is composed in such a way that it can attend to its board responsibilities, including taking care of its overall and strategic tasks;
- (c) whether the Board of Directors has the appropriate size, structure and competencies to meet the requirements of the overall business model and the activities of Danske Bank and ensure a constructive and efficient debate and decision making process;

- (d) whether any member of the Board of Directors is in breach of section 64 of the Danish Financial Business Act due to objective evidence of impairment (OEI) of an exposure to the board member or any company in which he/she is a management or board member;
  - (e) whether the individual board members are fit and proper, including an assessment of whether the members of the Board of Directors are individually suitable; and
  - (f) whether the board members collectively possess adequate knowledge, skills and experience to be able to understand Danske Bank's activities and risks, including an assessment of whether the members of the Board of Directors are collectively suitable.
- 5.1.2 The Nomination Committee describes the qualifications that the members of the Board of Directors must have as a collegial body, states the time that the members must expect to spend performing their duties and assesses the expertise, professional knowledge and experience represented on the Board of Directors.
- 5.1.3 To ensure that the Board of Directors is individually and collectively suitable, cf. Clauses 5.1.1(e) and 5.1.1(f), the Nomination Committee shall assess and re-assess the individual and collective suitability on an ongoing basis, i.e. when material changes to the composition of the Board of Directors occur.
- 5.1.4 The Nomination Committee shall conduct an annual evaluation of the performance and achievements of the Board of Directors as a whole and of the individual members as well as the collaboration with the Executive Leadership Team, and report to the Board of Directors on the outcome of the evaluation. Significant changes deriving from the evaluation shall be disclosed in the annual report or on the website of Danske Bank. External assistance should be obtained at least every third year.
- 5.1.5 The Nomination Committee regularly assesses the composition, professional knowledge and experience of the Executive Leadership Team as well as developments and risks and the performance of its duties and makes recommendations to the Board of Directors on the potential need for changes to the structure and composition of the Executive Leadership Team in light of Danske Bank's strategy.
- 5.1.6 The Nomination Committee shall conduct an annual evaluation of the work, performance and results of the Executive Leadership Team and of the individual members in accordance with the pre-defined criteria and legal requirements, and report to the Board of Directors on the evaluation.
- 5.2 New appointments, re-appointments and replacements
- 5.2.1 The Nomination Committee shall prepare a Suitability Policy.
- 5.2.2 The Nomination Committee shall ensure, that each member of the Board of Directors and the Executive Leadership Team undergo an in-depth assessment prior to their appointment, which will assess (i) their professional standing and repute, (ii) their

professional knowledge, skills and experience, (iii) their personal qualities such as honesty, integrity and independence, and (iv) whether they are able to commit sufficient time to perform their duties. The suitability assessment shall be carried out in accordance with the provisions and procedures for suitability and diversity as laid down in the Suitability Policy.

5.2.3 The Nomination Committee leads the process for appointment of new board members and the re-appointment of existing board members by the general meeting. As part hereof the Nomination Committee:

- a) annually proposes a competency profile and competency map for the Board of Directors as a whole;
- b) proposes an action plan for the future composition of the Board of Directors;
- c) prepares one or more position specifications setting out key selection criteria and the time commitment required for the role; and
- d) identifies and recommends nomination of candidates to the Board of Directors and replacement of members of the Board of Directors to the Board of Directors, while considering among others:
  - (i) The competency profile adopted by Board of Directors;
  - (ii) the action plan for the future composition of the Board of Directors adopted by the Board of Directors;
  - (iii) the position specifications approved by the Board of Directors;
  - (iv) potential proposals presented by relevant persons, including shareholders and members of the Board of Directors; and
  - (v) the balance of the Board of Directors, including the need for changes and diversity in relation among other things to international experience, gender and age.

5.2.4 The Nomination Committee identifies and recommends candidates for the position of Group Chief Executive Officer. The Nomination Committee furthermore recommends candidates to the Executive Leadership Team based on a plan, which shall be prepared and executed in consultation with the Group Chief Executive Officer. The Nomination Committee shall in this regard consider among others:

- (a) The skills, knowledge and experience required; and
- (b) the balance of the Executive Leadership Team, including the need for changes and diversity in relation among other things to international experience, gender and age.

- 5.3 Succession planning
  - 5.3.1 The Nomination Committee shall procure that policies and plans are in place with regard to succession planning for the Executive Leadership Team, including the key role of the Group Chief Executive Officer, and others at the top executive level/level 2 executives. The Nomination Committee shall in this respect also consider the size of the Executive Leadership Team and of the portfolios.
  - 5.3.2 The Nomination Committee shall as part of the succession planning process make recommendations to the Board of Directors on succession planning and talent management over a longer term in order to achieve and maintain an appropriate balance of skills, knowledge, experience and diversity in the Executive Leadership Team.
- 5.4 Diversity and training
  - 5.4.1 The Nomination Committee shall prepare a diversity policy.
  - 5.4.2 The Nomination Committee shall set targets for the proportion of the underrepresented gender on the Board of Directors. The diversity policy referred to in Clause 5.4.1 shall include policy statements on how to achieve such targets.
  - 5.4.3 The Nomination Committee shall propose initiatives with respect to relevant training of the Board of Directors.
- 5.5 Decision making in the Board of Directors
  - 5.5.1 The Nomination Committee shall periodically ensure that the Board of Directors' decision-making is not dominated by any one individual or small group of individuals in a manner that is detrimental to the interests of the institution as a whole.
- 5.6 Subsidiary companies
  - 5.6.1 The Nomination Committee shall undertake the task as nomination committee for subsidiaries of Danske Bank provided that for such subsidiary (i) a nomination 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 nomination committee.
  - 5.6.2 The Nomination Committee shall on group level monitor the composition, tasks and general competences of other nomination committees, if any, within Danske Bank and ensure a constructive dialogue and cooperation. This shall be based on reports received from subsidiaries to the Nomination Committee.
- 6 Reporting**
  - 6.1 The Nomination Committee reports and makes recommendations to the Board of Directors on the matters set out in this Charter.

6.2 The Nomination 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.

## **7 Disclosure**

7.1 The Charter of the Nomination Committee shall be published on the website of Danske Bank.

7.2 The most material activities and meeting frequency of the Nomination Committee during the year are disclosed on the website of Danske Bank together with the names of the committee members, including who is the appointed Chairman, and information about which members are independent.

## **8 Amendments**

8.1 This Charter may at all times be amended by a simple majority of the Board of Directors.

8.2 The Nomination 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 30 October 2019.