



*Annual general  
meeting of  
Danske Bank A/S  
2016*

ISIN DK0010274414

Danske Bank

*Danske Bank A/S holds its annual general meeting on Thursday, 17 March 2016, at 3.00pm at Tivoli Congress Center, Arni Magnussons Gade 2-4, Copenhagen.*

Doors will open at Tivoli Congress Center at 2.00pm. Coffee and tea will be served until 3.00pm.

**Order admission cards and ballot papers**

To participate in the annual general meeting, you need an admission card. You can order cards at [www.vponline.dk/en/danskebank](http://www.vponline.dk/en/danskebank), or by contacting VP Investor Services A/S on tel. +45 43 58 88 91 or by e-mail to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk). You can also order an admission card for an adviser.

The deadline for ordering admission cards is Monday, 14 March 2016 at midnight.

Admission cards will be sent by post. Danske Bank is not liable for any delays in the post.

**Agenda**

- 1) The Board of Directors' report on the company's activities in 2015
- 2) Submission of Annual Report 2015 for adoption
- 3) Proposal for allocation of profits according to the adopted annual report
- 4) Election of members to the Board of Directors
- 5) Appointment of external auditors
- 6) Proposals by the Board of Directors to amend the Articles of Association
 

Proposal for the

  - a. reduction of Danske Bank's share capital according to article 4.1.
  - b. cancellation of the option of having shares registered as issued to bearer as stated in articles 4.4., 6.3. and 6.7.
  - c. cancellation of the calling of the annual general meeting by announcement in the Danish Business Authority's electronic information system as stated in article 9.1., and
  - d. authorisation of the Board of Directors to make extraordinary dividend payments
- 7) Proposal to renew and extend the Board of Directors' existing authority to acquire own shares
- 8) The Board of Directors' proposal for remuneration of the Board of Directors in 2016

9) The Board of Directors' proposal for remuneration policy

10) Proposals from shareholder Nanna Bonde Ottosen, national chairman of SF Ungdom (youth of the Socialist People's Party), on behalf of six shareholders who together call themselves 'The conscience of the banks'

11) Proposal from shareholder O. Norgaard

12) Any other business

**2) Submission of Annual Report 2015 for adoption**

The Board of Directors proposes that the general meeting adopt the company's Annual Report 2015.

**3) Proposal for allocation of profits according to the adopted annual report**

Danske Bank A/S's net profit for the year is DKK 12,933 million.

The Board of Directors proposes that the net profit for the year be allocated as follows:

Payment of a dividend of DKK 8 per share of DKK 10, corresponding to DKK 8,069 million, or 46% of net profit for the year before goodwill impairments for the Group.

Transfer of DKK 594 million to the "Equity method reserve"

Transfer of DKK 607 million to "Additional tier 1 capital holders"

Transfer of DKK 3,663 million to "Retained earnings"

See also page 164 of Annual Report 2015.

#### 4) Election of members to the Board of Directors

Ole Andersen, Urban Bäckström, Jørn P. Jensen, Rolv Erik Ryssdal, Carol Sergeant and Trond Ø. Westlie all seek and are proposed for re-election to the Board of Directors.

Lars Förberg and Jim Hagemann Snabe do not seek re-election.

The Board of Directors proposes Lars-Erik Brenøe and Hilde Merete Tonne as candidates for membership of the Board of Directors.

The Board of Directors updated its competency profile in 2015 and assessed the competencies of the individual members as well as its combined competencies in view of the updated profile.

The Board of Directors has adopted a procedure for selection and nomination of candidates for the Board as part of its planning for the future composition of the Board.

The Board of Directors' selection and nomination of candidates for the Board is a thorough and transparent process approved by the full Board. When assessing its composition and nominating new candidates, the Board of Directors takes into consideration the need for integration of new talent and diversity in relation to age, international experience and gender, for example.

See appendix 1 for more information about the candidates' competencies, background, directorships and other offices.

The competency profile for the full Board of Directors is available at [danskebank.com](http://danskebank.com), where additional information about the candidates seeking re-election is also available.

#### 5) Appointment of external auditors

The Board of Directors proposes re-appointment of Deloitte Statsautoriseret Revisionspartnerselskab as the company's external auditors.

#### 6) Proposals by the Board of Directors to amend the Articles of Association

##### a. Proposal to reduce Danske Bank's share capital

The Board of Directors proposes to reduce Danske Bank's share capital by DKK 249,071,650 nominally from DKK 10,086,200,000 to DKK 9,837,128,350 by cancelling part of Danske Bank's holding of own shares.

The purpose of the reduction of the share capital is to make distributions to the shareholders. If the proposal is adopted, Danske Bank's holding of own shares will be reduced by 24,907,165 shares of DKK 10 each. Those shares have been bought back under the share buy-back programme that ran from March to November 2015 and totalled DKK 4,999,998,228, which means that, in addition to the nominal amount of the reduction of capital, DKK 4,750,926,578 has been distributed to the shareholders, see section 188(1)(2) of the Danish Companies Act. The reduction of the share capital is thus carried out at a premium, as the price paid is 200.75 (rounded), corresponding to the average price paid per share. The amount of the reduction is transferred from non-distributable capital to free reserves.

Consequently, the Board of Directors proposes that article 4.1. be amended to read as follows, effective from the date of completion of the capital reduction:

*"4.1. The share capital of Danske Bank totals DKK 9,837,128,350. The share capital is fully paid up."*

##### b. Proposal to cancel the option of having shares registered as issued to bearer

The Board of Directors proposes that articles 4.4., 6.3. and 6.7. be amended to the effect that the reference to having shares registered as issued to bearer is deleted. The proposal is based on an amendment of the Danish Companies Act to the effect that new shares can be registered only by name.

Consequently, the Board of Directors proposes that article 4.4. be amended to read as follows:

*"4.4. Shares are issued as registered shares"*

Consequently, the first sentence of article 6.3. and the first sentence of article 6.7. will read as follows:

*“6.3. The new shares are negotiable instruments and are registered by name.”*

*“6.7. The new shares are negotiable instruments and are registered by name.”*

- c. Proposal to cancel the calling of the annual general meeting by announcement in the Danish Business Authority's electronic information system

The Board of Directors proposes to amend the first sentence of article 9.1. so that calling of the annual general meeting by announcement in the Danish Business Authority's electronic information system is no longer required.

The proposal is a consequence of the amendment concerning bearer shares and is conditional on the proposal in agenda item 6.b being adopted. The Danish Companies Act requires calling of the annual general meeting by announcement in the Danish Business Authority's electronic information system only if the bank's shares are bearer shares. Consequently, the Board of Directors proposes that article 9.1. be amended to read as follows:

*“9.1. A general meeting is called by the Board of Directors at not more than five weeks' and not less than three weeks' notice by announcement on Danske Bank's website (danskebank.com) and in writing to all registered shareholders who have requested such notification. Notice is also given to Danske Bank's employees.”*

- d. Authorisation of the Board of Directors to make extraordinary dividend payments

The Board of Directors proposes to add a new article 13.3. to article 13 containing a general authorisation of the Board of Directors to make extraordinary dividend payments.

The purpose of the authorisation is to increase flexibility and have the possibility in future of making dividend payments more than once a year.

The Board of Directors thus proposes to add a new article 13.3. with the following wording:

*“13.3. The Board of Directors is authorised to make extraordinary dividend payments.”*

7)

#### **Proposal to renew and extend the Board of Directors' existing authority to acquire own shares**

The Board of Directors proposes that the general meeting extend by one year the existing authorisation of the Board, in the period until 1 March 2021, to allow Danske Bank and the Group to acquire own shares by way of ownership or pledge up to an aggregate value of 10% of Danske Bank's share capital at the time of granting of the authority, provided that Danske Bank's holding of own shares does not exceed 10% of Danske Bank's share capital. If shares are acquired for ownership, the purchase price must not diverge from the price quoted on Nasdaq Copenhagen at the time of acquisition by more than 10%.

8)

#### **The Board of Directors' proposal for remuneration to the Board of Directors in 2016**

The Board of Directors proposes that the basic fee be increased by DKK 15,000 from DKK 500,000 to DKK 515,000. In addition, the Board of Directors proposes that the additional fees for the chairmen of the Credit and Risk Committee and the Audit Committee be increased by DKK 40,000 from DKK 50,000 to DKK 90,000.

The fee structure will then be as follows:

Basic fee	DKK 515,000
Chairman's fee	3 x basic fee
Vice chairman's fee	1.5 x basic fee

Board committee fees:

Credit and Risk Committee	DKK 180,000
Audit Committee	DKK 180,000
Remuneration Committee	DKK 120,000
Nomination Committee	DKK 120,000

Committee chairmen, additional fee:

Credit and Risk Committee and Audit Committee	DKK 90,000
Remuneration Committee and Nomination Committee	DKK 50,000

The proposed adjustments result in an increase in the Board of Directors' total compensation of 3%.

In addition to the above fees, the company may pay social duties and similar taxes levied by foreign authorities in relation to the directors' fees. The company may also pay any outlays and travel expenses incurred in connection with a director's discharge of his or her duties as a member of the Board of Directors.

### 9) The Board of Directors' proposed remuneration policy

The Board of Directors proposes a number of changes to the company's remuneration policy, with effect for remuneration earned from 1 January 2016. The proposed changes aim primarily at clarifying and elaborating on the stipulations of the policy and include a number of changes that are merely language-related. In addition, some updates and adjustments have been made. The main changes are described in outline below. Moreover, reference is made to appendix 2, which sets out the updated Remuneration Policy as proposed by the Board of Directors.

Clarification is made in a number of places to comply with future regulation resulting from the European Banking Authority's Guidelines on sound remuneration policies (EBA/GL/2015/22).

The changes proposed by the Board of Directors include the following:

- Clarification of the fact that some Group entities are authorised to implement policies that deviate from the Group policy in order to comply with local legislation and practice
- Clarification of and elaboration on the link between the Group's long-term strategy and incentive structures
- Clarification of and elaboration on control procedures, including procedures relating to staff employed in control functions covered by incentive schemes
- Clarification of and elaboration on pay components that may be included in performance-based pay, and the various KPIs used by the Group for granting performance-based pay
- Changes to the calculation basis for the maximum proportion of performance-based pay of gross remuneration of members of the Executive Board (changed from "yearly gross salary inclusive of pension" to "yearly gross salary exclusive of pension")
- Updating of the section on remuneration of the Board of Directors as a result of the proposal

made under agenda item 8 above (proposal for remuneration of the Board of Directors in 2016).

### 10) Proposals from shareholder Nanna Bonde Ottosen, national chairman of SF Ungdom (youth of the Socialist People's Party), on behalf of six shareholders who together call themselves 'The conscience of the banks'

The following four proposals have been made by Nanna Bonde Ottosen, national chairman of SF Ungdom, on behalf of six shareholders who together call themselves 'The conscience of the banks':

#### 10.1. Danske Bank must stop new investments in non-renewable energy and scale down existing investments.

Proposing shareholder's motivation for the proposal: It is important that Danske Bank assumes responsibility for future generations when it makes investment decisions. Investments in coal, oil and gas are investments in non-renewable energy and hurt our climate and the environment. We find that Danske Bank must take responsibility and stop investing in non-renewable energy.

*The proposal does not have the support of the Board of Directors. Under Danske Bank's Responsibility Policy, available at [danskebank.com](http://danskebank.com), Danske Bank is obliged to take environmental, social and corporate governance factors into consideration in connection with its investment activities. Within the framework of that policy, the objective is to ensure that our customers get the best possible return, and that is the reason why we invest broadly in various geographical areas, sectors, technologies and energy types - including fossil fuels - but also to an increasing degree in renewable energy.*

*The global economy is in a transition phase and the need for renewable energy and more efficient use of energy resources is increasing. Fossil fuels remain a precondition for global growth and welfare, however. Danske Bank is working to develop investment solutions that cater to customers who do not want to invest in fossil fuels, and when we make investment decisions, we generally assess the ability of the businesses in question to handle environmental and climate-related risks. Our Corporate Responsibility 2015 report, available at [danskebank.com](http://danskebank.com), explains our policy for investments in detail (pages 16-17) and our environmental efforts in general (pages 22-23).*

**10.2.**

At the next general meeting, a cap on golden handshakes must be presented for adoption.

Proposing shareholder's motivation for the proposal: Danske Bank should spend its money on good banking operations rather than large severance payments. Therefore, we request that a cap on the amount of severance pay be presented for adoption at the next general meeting.

*The proposal has the support of the Board of Directors. Reference is made to the Board of Directors' proposal for remuneration policy under agenda item 9 above and the enclosed appendix 2, which states that the Board of Directors proposes to maintain the current cap on severance payments of a maximum of up to 24 months' fixed salary. Danske Bank generally has a restrictive approach to severance payments. This is illustrated, for example, by the fact that members of the Executive Board are not entitled to severance pay. The Board of Directors wishes, however, to have some flexibility, for example to be able to conclude agreements in order to meet the claims of terminated employees for compensation in accordance with legislation or collective agreements.*

**10.3.**

Danske Bank must support the introduction of a tax on speculation (FTT tax) at European level.

Proposing shareholder's motivation for the proposal: A tax on trade in equities, bonds, derivatives and other financial instruments of 0.1% will contribute to curbing speculation in the financial sector and help prevent future crises. We therefore think that Danske Bank must lead the way and support the introduction of such a tax.

*The proposal does not have the support of the Board of Directors. We believe that an FTT tax would have an adverse effect on economic growth, for example because it would become more expensive for companies to raise capital and households will see an adverse effect on pension savings and the cost of raising home loans. In addition, a number of prudent initiatives have been taken and new legislation introduced since the financial crisis to ensure that such crises do not occur again. Furthermore, this is a question for the politicians, and Danske Bank will of course comply with legislation in force at any given time.*

**10.4.**

By the next general meeting, Danske Bank must have increased the number of traineeships.

Proposing shareholder's motivation for the proposal: It is currently particularly difficult for many of the young people in vocational education to complete their training as appropriate. Office trainees in particular struggle to find traineeships, and Danske Bank should act responsibly and enable more young people to find traineeships with the bank. The young are our future workforce and must be well trained.

*The proposal does not have the support of the Board of Directors. Danske Bank wants to be an attractive workplace for everyone with the right qualifications. The financial sector is currently undergoing developments that result in increasing demands to and expectations for employees, among other things because of increasing complexity, for example as a result of new legislation and IT developments. This means that the number of office trainees we can take in has fallen and that the Danske Bank Group now offers only a limited number of office traineeships. Against the background of the new requirements for qualifications and a wish to continue to contribute to the development and training of young people in Denmark, we offer summer internships to students and hire trainees and graduates under our development programmes.*

**11)****Proposal from shareholder O. Norgaard**

When nominating candidates for election to the Board of Directors and when hiring and promoting employees to management positions at the bank, only the background, education/training and suitability of the person should be taken into consideration, not gender and age.

*The proposal does not have the support of the Board of Directors. The basis on which the Board of Directors nominates candidates for the Board of Directors is the competency profile for the Board as a whole, which has been adopted by the Board and which is regularly adjusted to fit Danske Bank's situation and plans for the future. In addition, the Board considers it important that it is diverse in terms of competencies, experience, nationality, gender and age, for example. In the Board's experience, all of these criteria are relevant. The same applies at all other management levels at the bank [reference is made to the Diversity and Inclusion Policy adopted by the Board of Directors and available at [danskebank.com](http://danskebank.com)].*

## Other information

### Share capital and voting rights

Danske Bank's nominal share capital totals DKK 10,086,200,000.

Each share of a nominal value of DKK 10 entitles the holder to one vote.

Information about the total number of shares and voting rights at the date of the notice of the general meeting is available at [danskebank.com](http://danskebank.com). The agenda for the general meeting, the complete proposals, Annual Report 2015 and the forms to be used for postal ballots or voting by proxy are also available on the website.

### Postal ballot

Shareholders wishing to vote by postal ballot may vote online at [www.vponline.dk/en/danskebank](http://www.vponline.dk/en/danskebank). At [danskebank.com](http://danskebank.com), you can print out the ballot form and then send it to VP Investor Services A/S, Weidekampsgade 14, DK-2300 Copenhagen S. Votes cast by postal ballot cannot be revoked.

Please note that postal ballots must be received by VP Investor Services A/S no later than Wednesday, 16 March 2016, at 4.00pm.

### Electronic voting

We will be using an electronic voting device - the e-voter - for voting at the general meeting. The e-voter will be handed out at the entrance.

Participants in the general meeting will still receive ballot papers and admission cards from VP Investor Services A/S. Some situations may require voting by ballot paper rather than by e-voter, so remember to bring both your ballot paper and admission card.

### Proxy

All shareholders are entitled to attend the general meeting by proxy and to attend the meeting together with an adviser. The instrument appointing a proxy must be issued in writing and be dated.

If you wish to give a proxy to a third party, you may do so online at [www.vponline.dk/en/danskebank](http://www.vponline.dk/en/danskebank), or by printing out the instrument appointing the proxy at [danskebank.com](http://danskebank.com) and sending it to VP Investor Services A/S, Weidekampsgade 14, DK-2300 Copenhagen S.

If you wish to give a proxy to a third party, remember to order an admission card for him or her no later than Monday, 14 March 2016, or send the instrument appointing the proxy so that it is received by VP Investor Services A/S, Weidekampsgade 14, DK-2300 Copenhagen S, no later than Monday, 14 March 2016.

Danske Bank's Board of Directors encourages shareholders to vote by postal ballot or online rather than issue an instrument of proxy to the Board of Directors or the Chairman of the Board of Directors.

### Adoption of proposals to amend the Articles of Association

Proposals to amend Danske Bank's Articles of Association, items 6.a-6.d, are passed only if adopted by at least two-thirds of the votes cast and by at least two-thirds of the share capital represented at the general meeting and entitled to vote.

Other resolutions may be adopted by simple majority.

### The registration date is Thursday, 10 March 2016

The registration date is one week before the date of the General Meeting. The registration date is therefore Thursday, 10 March 2016, on which date the shareholding and voting rights of each shareholder are calculated on the basis of VP Securities A/S's registrations in Danske Bank's register of shareholders and any notices about shareholdings that Danske Bank and/or VP Investor Services A/S have received for entry into the register of shareholders but have not yet entered in the register. Only shareholders registered on this date or who in the manner stated have given notification of and documented their title are entitled to attend and vote at the general meeting, or vote by postal ballot or appoint a proxy.

Shareholders who want to attend and exercise their rights at the general meeting must also request an admission card no later than Monday, 14 March 2016.

### Questions

Before the general meeting, shareholders may send questions to the Board of Directors about Annual Report 2015, Danske Bank's position in general or about the items on the agenda. Questions must be sent to Danske Bank by e-mail to [shareholder@danskebank.com](mailto:shareholder@danskebank.com) or by post to Danske Bank A/S, Holmens Kanal 2-12, DK-1092 Copenhagen K, for the attention of the Board of Directors Secretariat.

**Parking**

There is a limited number of parking spaces in the car park under Tivoli Congress Center. The entrance to the car park is from Kristian Erslevs Gade. There is a charge for parking. Participants may exchange their parking ticket for a paid ticket at the exit when leaving the general meeting.

There is no refund of charges for parking in car parks other than the one under Tivoli Congress Center.

**Payment of dividends**

If the general meeting approves the Board of Directors' proposal for payment of dividends, dividends are expected to be available in the shareholders' cash accounts on Tuesday, 22 March 2016.

**Webcast**

The general meeting will be webcast live at [danskebank.com](http://danskebank.com).

Annual Report 2015 together with the agenda for the general meeting and the complete wording of the proposals are available to shareholders for inspection at the company's address at Holmens Kanal 2-12, Copenhagen K.

Danske Bank A/S  
22 February 2016  
The Board of Directors

## Appendix 1

*Candidates for the Board of Directors*

**Ole Andersen**  
Chairman



Born on 11 July 1956  
Nationality: Danish  
Gender: Male  
Joined the Board on 23 March 2010 and was appointed Chairman in December 2011  
Most recently re-elected in 2015  
Independent

Chairman of the Remuneration Committee and the Nomination Committee and Member of the Credit and Risk Committee

**Competencies:**

- Professional experience in leading and developing large financial and non-financial international companies
- Setting of corporate strategy, budgets and targets
- Financial and economic expertise
- General risk management experience

**Formal training:**

State Authorised Public Accountant, 1989  
M.Sc. in Business Economics and Auditing, 1988  
Graduate Diploma in Business Administration, 1985

**Directorships and other offices:**

Bang & Olufsen A/S (chairman)  
Chr. Hansen Holding A/S (chairman)  
NASDAQ Nordic Ltd.  
(member of the nomination committee)  
The Danish Committee on Corporate Governance  
(member)  
Copenhagen Business School (adjunct professor)

**Urban Bäckström**  
Member



Born on 25 May 1954  
Nationality: Swedish  
Gender: Male  
Joined the Board on 27 March 2012  
Most recently re-elected in 2015  
Independent

Member of the Credit and Risk Committee and the Nomination Committee

**Competencies:**

- Broad and in-depth experience with economics and finance
- Leading major financial companies and not-for-profit institutions
- Insight into the Swedish business sector and international influence on this
- Experience with and knowledge of sophisticated risk models

**Formal training:**

B.Sc. in Economics, University of Stockholm, 1979

**Directorships and other offices:**

Rederiaktiebolaget AB Gotland and a subsidiary (chairman)  
Lancelot Holding AB and a subsidiary (member of the board of directors)  
Stiftelsen Fritt Näringsliv/Timbro (member of the board of directors)  
Jönköping University (honorary doctor)

**Jørn P. Jensen**  
Member



Born on 2 January 1964  
Nationality: Danish  
Gender: Male  
Joined the Board on 27 March 2012  
Most recently re-elected in 2015  
Independent

Chairman of the Audit Committee

The Board of Directors considers Jørn P. Jensen to be the independent member of the Audit Committee with qualifications in accounting and auditing.

**Competencies:**

- Broad experience in international business operations and solid understanding of Danish and international financial reporting practices
- Funding of international companies requiring significant investments through debt and equity markets
- Knowledge of cultures and economic/political conditions in Danske Bank's markets
- General risk management experience

**Formal training:**

M.Sc. in Economics and Business Administration, Copenhagen Business School

**Directorships and other offices:**

Carlsberg Byen P/S and six subsidiaries (vice chairman or member of the boards of directors)  
The Danish Committee on Corporate Governance (member)

**Rolv Erik Ryssdal**  
Member



CEO, Schibsted ASA

Born on 7 November 1962  
Nationality: Norwegian  
Gender: Male  
Joined the Board on 18 March 2014  
Most recently re-elected in 2015  
Independent

**Competencies:**

- Extensive consumer business experience, including experience with communication strategies
- In-depth knowledge of digital business models and transformation processes

**Formal training:**

MBA, INSEAD, 1991  
MA in Business and Economics, BI Norwegian Business School, 1987  
Royal Norwegian Naval Academy, 1982

**Directorships and other offices:**

Schibsted Media Group (chairman of the boards of directors of five subsidiaries)  
J.E. Pedersen & Co. (member of the board of directors)

### Carol Sergeant Member



Born on 7 August 1952  
Nationality: British  
Gender: Female  
Joined the Board on 18 March 2013  
Most recently re-elected in 2015  
Independent

Chairman of the Credit and Risk Committee and member of the Audit Committee

#### Competencies:

- Senior management experience from the public and private financial services sectors in the UK
- Broad and in-depth knowledge of credit and risk management and regulatory issues in the UK and Europe
- Significant change management experience

#### Formal training:

MBA, Cass Business School, England, 1979  
Modern Languages, Newnham College, Cambridge University, England, 1974

#### Directorships and other offices:

##### *Private sector directorships:*

Tullet Prebon plc. (member, chairman of the risk committee and member of the audit committee)

##### *Public, charity and academic positions:*

Public Concern at Work (UK whistleblowing charity) (chairman)  
Cass Business School (member of the advisory board)  
British Standards Institute Policy and Strategy Committee (chairman)  
The Lloyds Register Foundation (trustee)  
The Governing Council of the Centre for the Study of Financial Innovation (CSFI) (member)

### Trond Ø. Westlie Vice Chairman



Group Chief Financial Officer and member of the executive board of A.P. Møller-Mærsk A/S

Born on 8 June 1961  
Nationality: Norwegian  
Gender: Male  
Joined the Board on 27 March 2012  
Most recently re-elected in 2015  
Independent

Member of the Audit Committee and the Nomination Committee

#### Competencies:

- Long executive experience in managing overall corporate financial affairs
- Funding of international companies requiring significant investments through debt and equity markets
- Strategic and business development expertise
- Experience in managing substantial international operations
- General risk management experience

#### Formal training:

State Authorised Public Auditor, Norwegian School of Economics, 1987

#### Directorships and other offices:

A.P. Møller - Maersk Group (chairman or member of the boards of directors of 12 subsidiaries)  
Shama AS (chairman)  
VimpelCom Ltd. (member of the board of directors and chairman of the audit committee)

**Lars-Erik Brenøe,**

Executive Vice President, Head of Chairman's Office, A.P. Møller and Chastine Mc-Kinney Møller Foundation

Born on 22 March 1961  
Nationality: Danish  
Gender: Male  
Independent

**Competencies:**

- Broad and in-depth experience with board work and corporate governance
- Financially literate
- Knowledge of relevant legal/regulatory issues
- Knowledge of stakeholder management
- Experience with international business and the markets/regions where Danske Bank is active

**Formal training:**

Executive leadership programme, IMD, 1998  
Attorney-at-law, 1989  
Master's degree in law from University of Copenhagen, 1986

**Directorships and other offices:**

The A.P. Møller and Chastine Mc-Kinney Møller Foundation (member of the board of directors or the executive board of seven affiliated undertakings)  
Aktieselskabet Klema (chairman)  
Bramsløkke Landbrug A/S  
(CEO and member of the board of directors)  
Estemco A/S (member)  
Fonden Lindoe Offshore Renewables Center  
Lindø Industripark A/S (member)  
Maersk Broker A/S (vice chairman, and chairman of four affiliated undertakings)  
The Confederation of Danish Industry  
(member of the council)  
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (The Møller Family Foundation) (member)  
Komiteen for god fondsledelse (vice chairman)

**Former employment:**

A.P. Møller - Maersk Group, 1991-  
Senior Vice President/Vice President/Director, M. M. Møller's Secretariat, 1993-2003  
Legal counsel, Corporate Secretariat, 1992-1993  
Legal counsel, Management Secretariat, 1991-1992  
Dragsted Advokater (now the Bech-Bruun law firm), 1986-1991

**Hilde Merete Tonne**

SVP, Telenor Group

Born on 16 September 1965  
Nationality: Norwegian  
Gender: Female  
Independent

**Competencies:**

- Extensive executive management experience from large international companies
- Significant board experience
- Financially literate
- In-depth knowledge of consumer business, customer needs and transformation leadership
- People and culture expertise
- Strong grasp of IT and digitalisation

**Formal training:**

Diploma thesis, RWTH Aachen University, Germany, 1991  
M.Sc. in Petroleum Technology from the University of science and technology, Trondheim, Norway, 1990

**Directorships and other offices:**

DNV GL Group AS (member of the board of directors and the audit committee)

**Former employment:**

Telenor Group 2007-  
Executive Vice President, Group Industrial Development/Global Operations, Oslo, 2011-2015  
Deputy Head of Asia region, Bangkok, 2010-2011  
Executive Vice President and Head of Communications & CR, 2007-2010  
Norsk Hydro ASA, 2000-2007  
Head of Technology and Research, 2006-2007  
Head of Hydro Oil & Energy Research Centre, Bergen, 2006  
Head of Communications, 2005-2006  
Head of Commercial Strategy, New Energy Strategy, 2003-2004  
Head of Nordic Sales & Marketing, Gas Sourcing & Marketing, 2001-2002  
Head of Business Development, Gas Sourcing Marketing, 2000-2001  
Saga Petroleum 1991-1999  
Head of Strategy & Business Development, Oil & Gas, 1999  
Various management and specialist positions, 1991-1998

## Appendix 2

# Danske Bank Group's Remuneration Policy, March 2016

### Purpose

The remuneration policy of the Danske Bank Group ("the Group") applies to all Group employees. The Board of Directors has adopted the remuneration policy at the recommendation of the Remuneration Committee. The policy is subject to approval at the Annual General Meeting in March 2016, however when approved, the policy shall apply to remuneration earned from 1 January 2016.

Some entities and units within the Group have remuneration policies and guidelines which apply in addition to the Group's remuneration policy. Such entities have the power to implement policies which deviate from the Group policy in order to meet local requirements and practises, e.g. to set lower upper caps for variable remuneration, to extend periods of deferral for variable remuneration, to apply the notional discount rate or to apply access or restrictions regarding the use of instruments. However, if employees in any such entity have significant impact on the Group's risk profile, the Group will ensure that variable remuneration to any such employees fulfils the requirement in this policy and applicable regulation.

The policy and the Group's general incentive structures reflect the Group's objectives for good corporate governance as well as sustained and long-term value creation for shareholders. In addition, it ensures that

- the Group is able to attract, develop and retain high-performing and motivated employees in a competitive international market
- employees are offered a competitive and market aligned remuneration package making fixed salaries a significant remuneration component
- employees feel encouraged to create sustainable results and there is alignment of interests among
  - shareholders
  - Alternative Investment Funds managed by Alternative Investment Fund Managers
  - UCITS managed by management companies
  - customers and
  - employees

The policy and the Group's general incentive structures focus on ensuring sound and effective risk management through

- a stringent governance structure for setting goals and communicating these goals to employees
- alignment with the Group's business strategy, values, key priorities and long-term goals

- alignment with the principle of protection of customers, investors and Alternative Investment Funds managed by Alternative Investment Fund Managers ensuring prevention of conflict of interests
- ensuring that the total bonus pool does not undermine or endanger the Group's capital base by including the policy and incentive structures in the capital and liquidity planning and setting

The policy and the Group's general incentive structures are consistent with the Group's long term strategy including the overall business strategy, the risk strategy and the risk appetite across all types of risk such as credit, market, operational, liquidity, reputational and other risks identified by the Group.

The policy and the Group's general incentive structures further ensure transparency in respect of the Group's reward strategy. As a main rule individual performance agreements are entered into with employees comprised by incentive schemes. On the basis hereof said employees have clear and predetermined KPIs which are set in accordance with the Group's overall strategy and applicable regulation. Further, transparency is ensured by the Group's disclosure of remuneration policies and information on paid remuneration to the authorities, by disclosure of the Annual Report and the yearly Remuneration Report. Finally, internally the Group has published bonus procedures and a remuneration guideline in which the Groups incentive schemes and procedures are described.

### Corporate governance

The Board of Directors has established a Remuneration Committee. The Remuneration Committee works as a preparatory committee for the Board of Directors and prepares the Board with respect to remuneration issues and monitors compliance with the remuneration policy. A description of the composition, tasks and authority of the Remuneration Committee is available in the Charter of the Remuneration Committee at [danskebank.com](http://danskebank.com).

Various control and compliance functions within the Group are involved in the process with regard to the implementation of the policy and incentive structures to ensure that risk, capital and liquidity limits are not exceeded. The Group's Credit and Risk Committee assesses whether the incentive structure is commensurate with the Group's risks, capital and liquidity and evaluates the probability and timing of the remuneration.

On the basis of the recommendation of the Remuneration Committee, the Board of Directors reviews, considers and approves the incentive schemes for the coming year. The aggregate bonus pool which is made up of bonus accrued under said schemes is approved once a year by the Board of Directors based on recommendation of the Remuneration Committee.

The total maximum for performance-based pay for Executive Board members and other material risk takers is 3% of the Group's profit before loan impairment charges in each year.

The Group has established effective control procedures in order to ensure that payment of variable remuneration is conducted in accordance with guidelines set by the Board of Directors, if any, applicable incentive structures and applicable regulation. The practices and procedures with regard hereto are clear, well-documented and transparent, and the procedures are subject to at least one independent review annually by internal audit.

### Remuneration components

At the annual performance and appraisal interview, the individual employees and managers evaluate and document performance in the past year and set new goals. Decisions on adjustment, if any, of the employee's fixed salary or on annual performance-based pay are made on the basis of this appraisal.

The five remuneration components are:

- fixed remuneration
- short term and long term performance-based remuneration (variable salary)
- pension schemes, where applicable
- other benefits in kind
- severance payment, where applicable

The *fixed remuneration* is determined on the basis of the role and position of the individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. Fixed salary is mainly payable in cash but can in specific cases partly be payable in shares or other instruments as required by relevant legislation.

The *performance-based remuneration* motivates and rewards high performers who significantly contribute to sustainable results, perform according to set expectations for the individual in question, strengthen

long-term customer relations, and generate income and shareholder value/value to the Alternative Investment Funds.

The Board of Directors has determined a maximum percentage of performance-based remuneration relative to the fixed remuneration in order to ensure an appropriate balance between fixed and variable pay. This percentage varies according to the type of position held by the employee and the business unit in which the employee is employed and local requirements. The maximum limit on variable remuneration remains at 200 per cent of fixed salary inclusive of pension. This level of variable remuneration will, in practice, only apply to a small minority of employees and will only be offered to enable the Group to match market terms. The limit is reduced in jurisdictions where a lower maximum cap is required by applicable legislation. Most employees are not covered by incentive schemes or they are covered by incentive schemes which set the upper limit for variable pay to 25 per cent, whereas certain employees and senior management could be comprised by a variable pay limit of up to 50 or 100 per cent of the fixed salary potentially inclusive of pension.

Performance based remuneration may be disbursed as cash bonus, shares, share based instruments, including conditional shares and other generally approved instruments, all on the basis of applicable local legislation. Where relevant and applicable, the Board of Directors has determined certain minimum thresholds according to which bonuses exceeding the thresholds shall be split into cash/shares or other adequate financial instruments and how the split is between cash/shares or other adequate financial instruments. In accordance with the proportionality principle set forth in applicable regulation, the thresholds and the split vary within different business units and positions and are set according to the employees' impact on the specific risk profile, market practice within the business unit in question and in order to offer competitive remuneration packages, however, always ensuring alignment of the interests of the employees, the Group, the customers and the shareholders, Alternative Investment Funds and/or UCITS managed by management companies.

*Pension schemes* guarantee employees a basic cover in the event of critical illness or death and pension payments upon retirement. In general, employees are covered by mandatory defined contribution plans with a pension insurance company. The pension contributions

of employees subject to collective bargaining agreements are regulated by the collective agreement. Further, pension schemes will be construed and offered to employees in accordance with local practises and regulation.

*Other benefits* are awarded on the basis of individual employment contracts and local market practice. As a main rule the Group has set guidelines in order to align benefits/routine packages offered to employees in various employment levels within the Group.

*Severance payments* are payable in accordance with relevant local legislation and applicable collective agreements. The overall policy and agreements on severance pay are determined by Group HR and relevant control functions. Severance pay will constitute an appropriate compensation for early termination, will be decided upon consideration of the individual's responsibility and decision making powers and it will be taken into account that it must not constitute a reward for failure. Under specific individual agreements, certain key employees are entitled to a maximum of up to 12 months' salary while certain managers (below Executive Board level) are entitled to a maximum of up to 24 months' salary. For the avoidance of doubt and subject to applicable legislation and collective bargaining agreements, no severance payment agreed from 1 January 2015 onwards may include any variable remuneration, pension or other benefits.

#### **Performance-based remuneration**

Performance-based remuneration is awarded in a manner which promotes sound risk management, include ex-post risk adjustments and does not induce excessive risk-taking, i.e. if the performance-based remuneration exceeds the minimum threshold determined by the Board of Directors by granting performance-based pay split in shares (or other instruments as required by relevant legislation) and cash, part of which will be deferred in accordance with national legislation. Further, the default accrual period for short term performance based remuneration is one year. For a limited number of employees the accrual period is two years.

Non-disbursed performance-based components are subject to back testing (as a minimum for employees identified as material risk takers). Back testing criteria are determined by Group HR in accordance with applicable law.

Concerning all employees, disbursed as well as non-disbursed components are subject to claw back if granted on the basis of data which has subsequently proven to be manifestly misstated or inaccurate. Further, performance-based pay is awarded by ensuring:

- an appropriate balance between fixed and performance-based components
- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible
- that no hedging of deferred shares takes place for employees who are identified as material risk takers
- that material risk takers cannot dispose of the share based instruments for an appropriate period of time after transfer of the instruments to the risk-taker

Performance-based pay is granted to reflect the Group's financial results, the result of the business unit (or the Alternative Investment Fund Managers/ Management Companies) in which the employee is employed and the individual employee's performance. As a minimum this applies to material risk takers. Further, both financial and non-financial factors shall be taken into consideration when determining the individual's bonus, i.e. compliance with the Group's core values, internal guidelines and procedures, including customer and investor related guidelines. A discretionary assessment is always made to ensure that other factors - including factors which are not directly measurable - are considered.

Performance-based remuneration must be based on an assessment of the Group's results and a number of KPIs reflecting the Group's key strategic priorities. Dependant on the field of employment, the Group sets and uses an appropriate balance of absolute, relative, internal and external KPIs. E.g. the KPIs cover the following quantitative and qualitative criteria:

- return on equity
- cost/income ratio and other cost related measures
- customer satisfaction, compliance with regulation and/or internal business procedures
- observance of the Group's core values and delivery on the Essence of Danske Bank Group
- expected loss or similar risk measures

**Sign-on fixed pay, stay-on and guaranteed bonus**

Sign-on fixed pay as well as stay-on and guaranteed variable pay are granted only in exceptional cases, and will be assessed by the head of the business unit in question and Group HR. The mentioned components will only be used to attract or retain highly specialized individuals. Such pay may not exceed one year's gross salary inclusive of pension, benefits and fixed supplements. Sign-on fixed pay can be paid in cash or in a split between cash/shares and will according to applicable legislation as a main rule be conditional upon the employee not resigning within a given period of time after the pay.

Any sign-on pay to material risk takers will be agreed in connection with the employment of the material risk taker and will not be granted for longer than one year.

Sign-on, stay-on or guaranteed variable pay will be subject to and will be paid in accordance with the relevant applicable legislation.

**Material risk takers and control functions**

The remuneration of material risk takers and employees in control functions is subject to specific conditions laid down in applicable national legislation, EU rules and relevant guidelines.

Once a year, subject to the policy of conducting an annual assessment process, on a consolidated, sub-consolidated and individual institution basis the Board of Directors designates employees in control functions and employees who are material risk takers.

In accordance with the regulations applicable, the designation of material risk takers is made subject to internal criteria set by the Board of Directors and regulatory qualitative and quantitative criteria. Members of the Executive Board and the Board of Directors are appointed material risk takers on a continuous basis.

To the extent control functions are comprised by incentive schemes, the Group ensures that control functions are remunerated for delivering their best performance in the specific role and that the variable remuneration does not compromise employees' objectivity and independence.

**Remuneration comprised by other special regulation**

Special legislation regulates the Alternative Investment Fund Managers within the Group. Performance based remuneration to any such employees is created in order to ensure compliance with regulation within this area.

Under some conditions incentives in the form of carried interest payable from such Alternative Investment Funds to the Alternative Investment Fund Managers, hereunder Danske Private Equity, are exempted from this Remuneration Policy and will be paid in accordance with applicable legislation.

The assessment of performance of Alternative Investment Fund Managers is set in a multi-year framework appropriate to the lifecycle of the Alternative Investment Funds managed by the Alternative Investment Fund Manager in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the life circle of the Alternative Investment Funds it manages. Further, their investment risks are also taken into consideration.

Some functions within the Group are comprised by other special regulations, and performance agreements covering employees in such functions are construed in accordance with applicable mandatory law.

**Remuneration of the Executive Board**

The remuneration of the Executive Board is intended to ensure the Group's continued ability to attract and retain the most qualified Executive Board members. In connection with the annual assessment of the remuneration of the Executive Board, developments in market practice are assessed.

The Remuneration Committee makes recommendations on adjustments of the remuneration of the Executive Board members to the Board of Directors. The remuneration of the Executive Board may consist of fixed salary and supplements, fixed salary payable in shares, short term and long term incentive programmes and pension schemes. Subject to individual agreement, members of the Executive Board

are also entitled to a company car, phone and other fixed benefits. The members of the Executive Board are not entitled to severance pay.

The performance of Executive Board members is assessed once a year based on written performance agreements in accordance with the above described criteria containing both financial and non-financial KPIs. The yearly performance based remuneration to members of the Executive Board cannot exceed the limit of 50 per cent of the yearly gross salary exclusive of pension, however, subject to applicable legislation.

The Annual Report specifies the Executive Board remuneration. For further information on remuneration of the Executive Board please refer to [danskebank.com](http://danskebank.com).

#### Remuneration of the Board of Directors

Members of the Board of Directors of the Group receive a fixed fee. Board members are not covered by incentive programmes and do not receive performance-based remuneration. The fees below are set at a level that is market aligned and reflects the qualifications and competencies required in view of the Group's size and complexity, the responsibilities and the time the Board members are expected to allocate to discharge their obligations as Board members. No pension contributions are payable on Board members' fees.

The fee of the individual Board member is specified in the annual report.

#### Remuneration of the Board of Directors

Basic fee	DKK 515,000
Chairman's fee	3 x basic fee
Vice chairman's fee	1.5 x basic fee

#### Board committee fees

Credit and Risk Committee	DKK 180,000
Audit Committee	DKK 180,000
Remuneration Committee	DKK 120,000
Nomination Committee	DKK 120,000

#### Committee chairmen, additional fee

Credit and Risk Committee and Audit Committee	DKK 90,000
Remuneration Committee and Nomination Committee	DKK 50,000

In addition to the above fees, the Bank may pay social duties and similar taxes levied by foreign authorities in relation to the directors' fees. The Bank may also pay any outlays and travel expenses incurred in connection with a director's discharge of his or her duties as a member of the Board of Directors.

Based on the recommendation of the Remuneration Committee, the Board of Directors submits proposals for remuneration of the members of the Board of Directors to the Annual General Meeting for approval.

#### Miscellaneous

To the extent legally acceptable under applicable law, the Board of Directors may deviate from this policy in individual cases, if justified by extraordinary and exceptional circumstances.

Once a year on [danskebank.com](http://danskebank.com), the Group discloses information on the Group's remuneration practices and the remuneration of the Executive Board and other material risk takers.

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