

Charter of the Risk Committee

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

1. Scope and objective

- 1.1 This Charter lays down the responsibilities of the Risk Committee of Danske Bank A/S.
- 1.2 The Risk Committee works as a preparatory committee for the Board of Directors with respect to the risk management of Danske Bank covering risks across risk categories, business units, Group and geographies, and thereto-related matters. Any delegation to the Risk Committee shall not amend the authority or responsibility of the Board of Directors.

2. Members

- 2.1 The Risk Committee consists of no less than three members of whom the majority shall be independent. The Risk Committee as a whole shall have the requisite experience, knowledge, qualifications and competencies concerning risk management and control practices, which are individually and collectively required to understand and monitor Danske Bank Group's risks.
- 2.2 The Chairman of the Risk Committee is elected by the Board of Directors from amongst the independent members of the Risk Committee. The Chairman of the Board of Directors or any other committee may not also be Chairman of the Risk Committee. The Chairman of the Risk Committee shall be able to exercise objective judgement.

3. Secretarial tasks and other assistance

- 3.1 The Company Secretariat shall serve as secretariat to the Risk Committee.
- 3.2 To the extent necessary, the Risk Committee may seek assistance from employees of the Danske Bank Group.
- 3.3 The Risk Committee may engage external legal and other expert advisers, as it deems necessary to assist with its tasks. The Risk Committee must avoid engaging the same external advisers as the Executive Leadership Team.

4. Meetings

- 4.1 Frequency, attendance and agenda
 - 4.1.1 Meetings are held as often as the Chairman of the Risk Committee considers necessary subject to a minimum of six meetings annually. Any member of the Risk Committee and the Chief Risk Officer can request a meeting of the Risk Committee.
 - 4.1.2 Meetings of the Risk Committee shall be held physically at the offices of Danske Bank or at another venue designated by the Chairman of the Risk

Committee. Meetings of the Risk Committee may also be held virtually or as hybrid meetings when considered appropriate, or necessary, by the Chairman of the Risk Committee.

- 4.1.3 The Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer and the Chief Audit Executive shall attend meetings of the Risk Committee unless otherwise instructed by the Risk Committee. Other members of the Board of Directors, the Executive Leadership Team and relevant employees of Danske Bank shall participate in meetings of the Risk Committee at the request of the Risk Committee.
- 4.1.4 In order to ensure the autonomy and objectivity of the Risk Committee, the Risk Committee shall hold discussions without the attendance of members of management and the Chief Audit Executive to ensure that the Risk Committee can hold discussions and make assessments without the attendance of the parties who are the subjects of the discussions in accordance with Clause 6.1 of this Charter.
- 4.1.5 The Company Secretariat shall prepare the agenda under the supervision of the Chairman of the Risk Committee.
- 4.1.6 Any member of the Risk Committee shall be entitled to demand that a specific item be included on the agenda.
- 4.2 Quorum and resolutions
 - 4.2.1 The Risk Committee forms a quorum when half of its members are present.
 - 4.2.2 Resolutions by the Risk Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Risk Committee shall have a casting vote.
 - 4.2.3 Resolutions by electronic media shall be made in accordance with the Rules of Procedure of the Board of Directors and the Executive Leadership Team.
- 4.3 Minutes
 - 4.3.1 The Company Secretariat shall prepare and keep minutes of the business transacted at meetings of the Risk Committee.
 - 4.3.2 Copies of the minutes are sent to all members of the Board of Directors, and at the first meeting of the Board of Directors subsequent to the Risk Committee meeting, the Chairman of the Risk Committee shall provide the

Board of Directors with a summary of the business transacted by the Risk Committee since its last meeting.

5. Tasks of the Risk Committee

5.1 Purpose

5.1.1 The purpose of the Risk Committee is to advise the Board of Directors on:

- (a) Danske Bank's risk strategy, risk tolerance statements and risk appetite being the extent and types of risks, which the Board of Directors considers acceptable for Danske Bank keeping in mind current and potential future risks and the operating environment;
- (b) Danske Bank's enterprise risk management;
- (c) Danske Bank's risk culture;
- (d) Danske Bank's position in relation to regulatory risk requirements and best practice in risk matters; and
- (e) The adequacy and effectiveness of Danske Bank's risk management framework, which shall cover principles, policies, guidelines, instructions, methodologies, models, systems, processes, procedures, people skill-sets, controls, and resources.

5.1.2 The Risk Committee shall assist the Board of Directors in overseeing the implementation of the risk strategy and the corresponding limits set.

5.1.3 The Risk Committee shall assist the Board of Directors in overseeing the risk assessments and impact of commercial plans.

5.2 Capital, liquidity and general risk management

5.2.1 The Risk Committee shall monitor, prepare and present recommendations to the Board of Directors on the internal capital adequacy assessment process (the ICAAP) and internal liquidity adequacy assessment process (the ILAAP). As part of this process, the Risk Committee shall:

- (a) monitor and make recommendations to the Board of Directors on the adequacy of the capital resources and liquidity of Danske Bank in particular with respect to the regulatory total capital, which must be sufficient in size, type and composition to match the risk profile of Danske Bank;

- (b) on a continuous basis and at least annually assist the Board of Directors in assessing the solvency needs of Danske Bank together with the Executive Leadership Team;
- (c) Review and make recommendations to the Board of Directors on the annual ICAAP, macroeconomic scenarios for stress testing and ILAAP reports; and
- (d) Review and make recommendations to the Board of Directors on the covered bonds guidelines.

5.2.2 The Risk Committee shall:

- (a) monitor and make recommendations to the Board of Directors on the overall leverage risk of Danske Bank to ensure that it is adequate; and
- (b) at least annually, review and make recommendations to the Board of Directors on the capital policy, which shall include principles regarding leverage risk.

5.2.3 The Risk Committee shall at least annually review and make recommendations to the Board of Directors on a recovery plan for Danske Bank.

5.2.4 The Risk Committee shall at least annually review and make recommendations to the Board of Directors on an operational resilience framework including business continuity management.

5.2.5 The Risk Committee shall at least annually review and make recommendations to the Board of Directors on the third party risk management policy, relevant material outsourcing agreements and the report on critical or important outsourcing agreements.

5.2.6 The Risk Committee provides the Board of Directors with an overview of the framework for risk management in Danske Bank. This includes continuously overseeing significant developments and maintaining adherence to limits, assessing and at least annually presenting recommendations to the Board of Directors on Danske Bank's risk profile, risk policies and limits for:

- (a) Non-financial risk (including legal and IT/technology risks) excluding compliance and anti-money laundering risk;
- (b) Credit risk;

- (c) Market risk;
 - (d) Liquidity risk; and
 - (e) other material risks, including sustainability risks, reputational risk, associated with Danske Bank's strategy, banking and financial business activities and other operations.
- 5.2.7 The Risk Committee shall at least annually consider and, if relevant, present recommendations to the Board of Directors on:
- (a) the use of internal models, including systems to classify customers and/or relevant models as may be relevant, for the purpose of calculations and estimations required to make statements about the solvency needs of Danske Bank; and
 - (b) The staff resources in terms of both numbers and competencies in risk management control functions with a view to assess if the allocated resources are adequate and sufficient to ensure satisfactory operation of Danske Bank.
- 5.2.8 All material applications to supervisory authorities for the use of internal models shall be considered by the Risk Committee prior to submission of such applications.
- 5.3 Credit risks
- 5.3.1 The Risk Committee shall continuously and at least annually consider and present recommendations to the Board of Directors on total credit exposure of credit portfolios with either significant volume, new or enhanced credit risk as agreed from time to time.
- 5.3.2 The Risk Committee shall on an ongoing basis and at least annually present in the form of a periodic review a recommendation to the Board of Directors on any exposure towards a member of the Board of Directors or the Executive Leadership Team and towards any third party in which one or more members of the Board of Directors or the Executive Leadership Team may have a specific direct or indirect interest e.g. closely related persons.
- 5.3.3 Exposures on the Board of Directors watch-list exceeding DKK 750 million shall be reviewed annually by the Risk Committee.
- 5.3.4 Exposures on the Board of Directors ESG watch-list exceeding DKK 1bn shall be reviewed annually by the Risk Committee.

5.4 Impairment levels

- 5.4.1 The Risk Committee shall continuously review and advise the Audit Committee and the Board of Directors on the credit impairment levels of Danske Bank based on information received from the Executive Leadership Team.

5.5 Material products and services

- 5.5.1 The Risk Committee shall ensure that the products and services offered by Danske Bank, including the pricing of these, are compliant with the business model and risk profile. In case of non-compliance, the Risk Committee shall present a remedy plan to the Board of Directors based on a draft prepared by the Executive Leadership Team.

5.6 Incentive programmes

- 5.6.1 The Risk Committee shall, without prejudice to the tasks of the Remuneration Committee, consider Danske Bank's incentives programmes to ensure that risk, capital, liquidity and the likelihood and timing of earnings are taken into account.

5.7 Subsidiaries

- 5.7.1 The Risk Committee shall undertake the task as risk committee for subsidiaries of Danske Bank provided that for such subsidiary (i) a risk committee is required by law or follows from applicable corporate governance recommendations and (ii) the board of directors of the subsidiary has not already appointed a separate risk committee.
- 5.7.2 Oversight of risks in subsidiaries in the Danske Bank Group is included in the regular risk reporting from the Executive Leadership Team to the Risk Committee (the CRO letter).

6. Conflicts of interest

- 6.1 A member of the Risk Committee may not take part in the consideration of matters in which the member has a material interest, whether directly or indirectly, which may conflict with the interests of Danske Bank.

7. Disclosure

- 7.1 The Risk Committee's Charter shall be published on Danske Bank's website.

7.2 The number of Risk Committee meetings held during the year is disclosed on Danske Bank's website together with the names of the Risk Committee members, their attendance at Risk Committee meetings, special qualifications and independence status.

8. Amendments and evaluation

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

8.2 The Risk Committee must conduct an annual review of its compliance with this Charter as well as the quality and frequency of the information which it receives.

8.3 The Risk Committee must conduct an assessment of its own effectiveness and competencies against this Charter.

Approved by the Board of Directors of Danske Bank A/S on 16 March 2023.