

Charter of the Audit 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 Audit Committee of Danske Bank.
- 1.2 The Audit Committee works as a preparatory committee for the Board of Directors with respect to accounting and auditing matters, including risk matters relating thereto, and other matters which the Board of Directors may want to have examined by the Audit Committee. Any delegation to the Audit Committee shall not amend the authority or responsibility of the Board of Directors.

2 Constitution and members

- 2.1 The Audit Committee consists of no less than three members of whom the majority shall be independent and at least one member shall have accounting or audit qualifications. The committee as a whole shall have competencies relevant to the financial sector.
- 2.2 The Chairman of the Audit Committee is elected by the Board of Directors among the members of the Audit Committee. The Chairman of the Board of Directors may not be Chairman of the Audit Committee.

3 Meetings

- 3.1 Frequency, participation and agenda
 - 3.1.1 Meetings are held as often as the Chairman of the Audit Committee considers necessary subject to a minimum of four meetings annually. Any member of the Audit Committee, the Chief Audit Executive and/or the external auditor may request a meeting with the Audit Committee if either considers it necessary.
 - 3.1.2 The Audit Committee shall plan participation in the meetings on the basis of the prepared meeting schedule for the purpose of giving the Audit Committee the necessary insight into the bank's organisation and processes, including the extent to which the Chief Financial Officer and executive officers with responsibility for finances, financial reporting and accounting, the Chief Audit Executive and the external auditor are to participate in the meetings. Furthermore, the Audit Committee may invite other specific employees of Danske Bank or experts to participate in the relevant agenda items at meetings if deemed expedient by the Audit Committee.
 - 3.1.3 In order to ensure the autonomy and objectivity of the Audit Committee, the Audit Committee should hold discussions without the participation of members of management or Group Internal Audit and the external auditor, if possible at all meetings, to ensure that the Audit Committee can hold discussions and make assessments without the participation of the parties who are the subject of the discussions. Furthermore, the Audit Committee shall meet with the external auditor and the Chief Audit Executive respectively at least once annually without members of the Executive Board being present.
 - 3.1.4 Under the supervision of the Chairman of the Audit Committee, the Secretary to the Board of Directors shall prepare the agenda in consultation with the Chief Audit Executive and the Chief Financial Officer. The agenda for each committee meeting will generally be distributed to the committee members within one week prior to the meeting. The

Chairman of the Audit Committee may shorten this period of time. At the same time, relevant material is distributed to the members.

3.2 Quorum and resolutions

3.2.1 The Audit Committee forms a quorum when half of its members are present.

3.2.2 Resolutions by the Audit Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Audit Committee shall have a casting vote.

3.2.3 Resolutions by electronic means of communication and approvals shall be made in accordance with Rules of Procedure of the Board of Directors.

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 Audit 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 Audit Committee. Furthermore, at the subsequent Board of Directors meeting, the Chairman of the Audit Committee shall give the Board of Directors a summary of the business transacted by the Audit Committee since the last meeting.

4 Secretarial tasks and other assistance

4.1 The Secretariat of the Board of Directors shall serve as secretariat for the Audit Committee.

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

4.3 The Audit Committee may engage external legal and other expert advisers as it deems necessary to carry out its tasks. The Audit Committee must avoid engaging the same external advisers as the ones who assist the Executive Board.

5 Tasks of the Audit Committee

5.1 Financial reports

5.1.1 The Audit Committee shall inform the Board of Directors of the result of the statutory audit and the financial reporting process and explain how the statutory audit contributed to the integrity of the financial reporting and what the role of the Audit Committee was in that process.

5.1.2 The Audit Committee shall monitor and make recommendations or proposals to the Board of Directors on the financial reports including the financial reporting process. As part hereof, the Audit Committee shall consider:

(a) Accounting principles and practices in the most material areas, including compliance with applicable accounting standards and other legal requirements.

(b) Significant accounting estimates and judgements.

- (c) Material or extraordinary transactions which affect the financial statements, including the level of materiality.
 - (d) Clarity and completeness of the information.
 - (e) Material adjustments as a result of audits, including unadjusted misstatements.
 - (f) Income tax status and related assets and liabilities.
 - (g) Completeness of related parties and transactions with related parties, including transfer pricing.
 - (h) Uncertainties and risks, including in relation to the outlook for the current year.
 - (i) Contingent assets and liabilities.
- 5.1.3 At least once annually, the Audit Committee shall review the accounting principles applied.
- 5.1.4 The Audit Committee shall monitor and present recommendations or proposals to the Board of Directors on the credit impairment procedures and accounting treatments for impairments of Danske Bank. The Audit Committee shall also consider impairment levels generally based on reviews undertaken by the Risk Committee.
- 5.1.5 The Audit Committee shall monitor and present recommendations or proposals as regards the organisation and division of responsibilities of the accounting functions at Danske Bank.
- 5.2 Risk management and internal controls on financial reporting
- 5.2.1 The Audit Committee shall monitor:
- (a) The risks associated with financial reporting and presentation of financial reports;
 - (b) the effectiveness of internal control systems and risk management systems, notably with respect to financial reporting.
- 5.3 Group Internal Audit
- 5.3.1 The Audit Committee shall monitor and assess the internal audit function and processes, and as part hereof:
- (a) Prepare recommendations to the Board of Directors on the appointment or dismissal of the Chief Audit Executive and the Deputy Chief Audit Executive(s), if any.
 - (b) Ensure that terms of reference have been drawn up for Group Internal Audit and approved by the Board of Directors.

- (c) Continuously monitor the independence, objectivity and competence of the Chief Audit Executive and the Deputy Chief Audit Executive(s), if any, and the resources and qualifications of Group Internal Audit.
- (d) Ensure that an annual appraisal of the Chief Audit Executive is carried out by the Chairman of the Audit Committee.
- (e) Monitor, that Group Internal Audit's audit activities cover all significant and risky areas of Danske Bank.
- (f) Review reporting on activities, observations and conclusions of the Chief Audit Executive through the Chief Audit Executive's long-form audit report and other reports and materials.
- (g) Review and assess Group Internal Audit's budget for the coming year to evaluate if Group Internal Audit has adequate resources to audit Danske Bank in a way which can be approved by the Board of Directors.
- (h) Present recommendations to the Remuneration Committee and the Board of Directors on the remuneration of the Chief Audit Executive.
- (i) Review information on the audit plan of Group Internal Audit for the coming year prior to approval by the Board of Directors.
- (j) Monitor the Executive Board's follow-up on the addressing of audit observations and receive reports on outstanding observations.
- (k) Commission external independent assessments of the effectiveness of Group Internal Audit and determine the frequency of such assessments.

5.4 External auditor

5.4.1 The Audit Committee shall monitor the external audit, and as part hereof

- (a) Prepare and submit recommendations to the Board of Directors for the appointment of the external auditor of Danske Bank at the annual general meeting, inter alia in accordance with 5.4.2.
- (b) Check and monitor the independence, objectivity and competences of the appointed external auditor with a special focus on non-audit services provided by the external auditor.
- (c) Prepare and submit recommendations to the Board of Directors on the terms of engagement and fees of the external auditor.
- (d) Approve the external auditor's provision of non-audit services after having made an appropriate assessment of threats to the independence of the auditor and the measures implemented by the auditor to prevent this and issue guidelines or policies

for the provision of the tax and advisory services allowed pursuant to the Danish Act on Approved Auditors and Audit Firms.

- (e) Investigate the circumstances of resignation of the external auditor and make recommendations on steps deemed to be required in consequence thereof.
- (f) Review reporting on significant activities, observations and conclusions of the external auditor through the external auditor's long-form audit report and other reports and materials.
- (g) Support an effective and satisfactory coordination and dialogue between the Audit Committee, the external auditor, Group Internal Audit and the Executive Board.
- (h) Review information on the external auditor's audit strategy and plan for the coming year and, in this connection, discuss the auditor's proposed materiality level, the identification of material risks, including benchmark (key figures/ratios) and the auditor's position on the scoping of the group audit.
- (i) Assess the external auditor's staffing and time schedule, procedures to ensure independence and the result of the latest quality check of the audit firm.

5.4.2 If the Audit Committee recommends the appointment of a new external auditor, the Audit Committee shall as part hereof:

- (a) Prepare and be responsible for a selection procedure in accordance with Regulation no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the Auditor Regulation).
- (b) Prepare a recommendation containing at least two proposals for a new external auditor with a reasoned preference for one of them. In its recommendation, the Audit Committee shall state that its recommendation is free from influence by any third parties and that no clause restricting the choice by the general meeting to certain statutory auditors has been imposed.

5.5 Policies

5.5.1 The Audit Committee shall review all policies concerning financial reporting.

5.6 Subsidiary companies

5.6.1 The Audit Committee shall on group level monitor the composition, tasks and general competences of other audit committees within Danske Bank and ensure a constructive dialogue and cooperation with these committees. This work shall be based on reports received by the Audit Committee from the subsidiaries.

5.6.2 Based on an annual report received from the chairman of the audit committee of each subsidiary, the Audit Committee monitors and considers issues materially affecting the Danske Bank Group.

- 5.6.3 The report referred to in Clause 5.6.2 shall include a self-assessment from each audit committee within Danske Bank stating that the committee in question has carried out its duties.

6 Reporting

- 6.1 The Audit Committee reports and makes recommendations to the Board of Directors on the matters set out in this Charter.
- 6.2 The Audit Committee's recommendations are documented in the minutes of the committee meetings and reported to the Board of Directors, cf. Clause 3.3.2.

7 Disclosure

- 7.1 The Charter of the Audit Committee shall be published on the website of Danske Bank.
- 7.2 The most material activities and meeting frequency of the Audit Committee during the year are disclosed on the website of Danske Bank together with the names of the committee members, including the Chairman of the Audit Committee, as is information about which members are independent members and which members hold special qualifications.

8 Amendments

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

9 Applicability to Danske Bank

- 9.1 Where applicable based on the specific content, any reference to "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 29 April 2019.