

# **Charter of the Remuneration Committee**

Danske Bank A/S

CVR no. 61 12 62 28

## **1 Scope and objective**

- 1.1 This Charter lays down the responsibilities of the Remuneration Committee of Danske Bank A/S.
- 1.2 The Remuneration Committee works as a preparatory committee for the Board of Directors with respect to matters concerning remuneration, with a special focus on the remuneration policy of Danske Bank, the Remuneration report, the structure and governance of incentive programmes and the remuneration of members of the Board of Directors, the Executive Leadership Team, material risk takers, key employees and executives in charge of control functions. Any delegation to the Remuneration Committee shall not amend the authority or responsibility of the Board of Directors.

## **2 Members**

- 2.1 The Remuneration Committee consists of no less than three members of whom one is the Chairman of the Board of Directors and another is an employee-elected member of the Board of Directors. The members of the Remuneration Committee must have collectively appropriate knowledge, expertise and professional experience concerning remuneration policies and practices, risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to Danske Bank' risk and capital profile.
- 2.2 The Chairman of the Remuneration Committee is elected by the Board of Directors from amongst the members of the Remuneration Committee.

## **3 Meetings**

- 3.1 Meetings are held as often as the Chairman of the Remuneration Committee considers necessary, subject to a minimum of three meetings annually. Any member of the Remuneration Committee, the Chief Executive Officer or the Chief People Officer can request a meeting of the Remuneration Committee.
- 3.2 Meetings of the Remuneration Committee shall be held physically at the offices of Danske Bank or at another venue designated by the Chairman of the Remuneration Committee. Meetings of the Remuneration Committee may also be held virtually or as hybrid when considered appropriate, or necessary, by the Chairman of the Remuneration Committee.
- 3.3 Members of the Board of Directors, the Executive Leadership Team, relevant employees of Danske Bank Group and other experts shall participate in meetings of the Remuneration Committee at the request of the Remuneration Committee.
- 3.4 In order to ensure the autonomy and objectivity of the Remuneration Committee, the Remuneration Committee shall hold discussions without the attendance of members of management, cf. the principle set out in section 5.1 of this Charter.

- 3.5 The Company Secretariat shall prepare the agenda under the supervision of the Chairman of the Remuneration Committee and in consultation with the Chief People Officer.
- 3.6 The Remuneration Committee forms a quorum when half of its members are present.
- 3.7 Resolutions by the Remuneration Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Remuneration Committee shall have a casting vote.
- 3.8 The Company Secretariat shall prepare and keep minutes of the business transacted at the meetings of the Remuneration Committee.
- 3.9 The Chairman of the Remuneration Committee shall, as soon as possible, and if practically possible no later than ten working days after a meeting, receive the draft minutes.

#### **4 Tasks of the Remuneration Committee**

- 4.1 The Remuneration Committee must prepare the basis for the Board of Director's decisions on remuneration, including the remuneration policy, the remuneration report and other related decisions that may influence Danske Bank's approach to remuneration.
- 4.2 The Remuneration Committee shall ensure that the remuneration policy and practices as well as incentive programmes support the strategy of Danske Bank and create value for the shareholders by enabling Danske Bank to attract and retain the best-qualified Board members, executives and key employees, within the limits imposed by regulatory requirements and the need to promote sound and effective risk management to manage the long-term interests of Danske Bank, including in relation to its investors and the interest of the general public.
- 4.3 Remuneration
- 4.3.1 The Remuneration Committee monitors, considers, evaluates and, as regards the following items (a) to (f), submits recommendations to the Board of Directors on:
- (a) each component of the remuneration of the Board of Directors;
  - (b) the remuneration of members of the Executive Leadership Team, including:
    - (i) individual fixed pay;

- (ii) where applicable, variable pay, including awards made under the short and long-term incentive programmes;
  - (iii) pension arrangements, if any;
  - (iv) other benefit entitlements (including allowances); and
  - (v) where applicable, severance payments, back-testing and the exercise of claw-back provisions,
- (c) performance agreements for the Executive Leadership Team, including performance criteria, targets and pay-out curves, and evaluation of the ELTs performance against the agreed criteria and targets;
  - (d) the aggregate sum of the annually proposed bonuses and bonus pools for individual programmes, including accrual rates and pay-out ratios;
  - (e) the structure and governance of incentive programmes and changes thereof;
  - (f) pension contributions to former members of the Executive Leadership Team and surviving relatives;
  - (g) the remuneration paid in the preceding year to heads in charge of Group Compliance, Group Risk Management and Group Internal Audit;
  - (h) the remuneration paid in the preceding year to the top 15 high earners below Executive Leadership Team level, any employees earning EUR 1 million or more per financial year and other key employees as defined and designated by the Remuneration Committee from time to time;
  - (i) sign-on bonuses agreed in the preceding 12 months (annual overview);
  - (j) the trend in salaries and bonuses, while always considering Danske Bank's remuneration policy, incentive programmes and the general objectives and principles of the remuneration policy, cf. 4.1.

#### 4.4 Remuneration policy

4.4.1 The Remuneration Committee advises the Board of Directors on the principles, parameters and structure of Danske Bank's remuneration policy, assists the Board of Directors in overseeing adherence to the remuneration policy and, at least once annually, assesses whether the remuneration policy is up-to-date. Where necessary and at least every four years, a proposal for updating the remuneration policy is presented by the Remuneration Committee to the Board of Directors for approval and subsequently to the general meeting for adoption.

4.4.2 The Remuneration policy shall:

- (a) promote sound and efficient risk management; and
- (b) include a thorough description of the components of the remuneration (including pensions and severance guidelines) of members of the Board of Directors, the Executive Leadership Team, material risk takers as defined and identified by the Board of Directors and the heads in charge of control and internal audit functions.

4.5 Remuneration report

4.5.1 The Remuneration Committee advises the Board of Directors on the principles, parameters and structure of Danske Bank's Remuneration report, and shall, on an annual basis, present a proposal for updating the report to the Board of Directors for approval and subsequently to the general meeting for an advisory vote.

4.5.2 The Remuneration report shall:

- (a) include a total overview of the remuneration, including all types of benefits, granted or owing to the individual members of the Board of Directors and Executive Leadership Team, including new and former members within the latest three years, including the key content of any retention agreements or severance agreements;
- (b) include a description of the correlation between the remuneration of the Board of Directors and Executive Leadership Team and the strategy and ambitions of Danske Bank;
- (c) include an overview of severance pay agreements made with any member of the Executive Leadership Team, provided that the aggregate value of the severance pay agreement exceeds an amount equal to such executives' aggregate remuneration in the previous two financial years (including pension). This overview shall include information on the size of the various components of the severance pay agreements as well as the reasons for this;
- (d) as soon as possible after the general meeting be published on the Danske Bank website and remain publicly available for a period of at least 10 years; and
- (e) for the subsequent financial year, shall include an explanation of how the outcome of the vote at the general meeting has been taken into account.

4.6 Disclosures

- 4.6.1 The Remuneration Committee must ensure that information presented to the general meeting, cf. Clauses 4.4.1 and 4.5.1, concerning Danske Bank's remuneration policy and practices as well as disclosures about variable remuneration components is adequate.
- 4.7 Controls
- 4.7.1 The Remuneration Committee shall monitor compliance in practice with the remuneration policy and relevant disclosure rules relating to remuneration. As part hereof, the Remuneration Committee shall see to it that compliance with the remuneration policy at Danske Bank is annually reviewed by Group Internal Audit with findings reported to the Board of Directors.
- 4.7.2 At least once annually, the Remuneration Committee assesses existing incentive programmes to ensure that they continue to promote sound and effective risk management. Any changes to the programmes shall be submitted to the Board of Directors for approval and, where necessary subsequently adopted by the general meeting.
- 4.7.3 The Remuneration Committee shall assess whether Danske Bank's processes and systems relating to remuneration are adequate and take into account the company's risks. As part of the assessment, the Remuneration Committee shall consider reports from the Chief Audit Executive on the audit plan and the outcome of the audit plan in respect of remuneration matters in addition to adherence to the remuneration policy.
- 4.7.4 The Remuneration Committee shall review, consider and on an annual basis endorse for approval by the Board of Directors:
- (a) the criteria for the designation of employees in control functions and employees with a material impact on Danske Bank's risk profile (material risk takers), including risks related to the management of capital and liquidity;
  - (b) changes to the list of material risk takers; and
  - (c) a note to the financial statements on remuneration paid to management and material risk takers.
- 4.7.5 The Remuneration Committee must assess the company's and the business units' net results and ensure that the Executive Leadership Team assesses whether the performance criteria which form the basis for the calculation of variable remuneration to material risk takers continue to be met at the time of disbursement.
- 4.7.6 The Remuneration Committee must review and consider selected evaluations of material risk takers made by the Executive Leadership Team, cf. 4.7.5.

## 4.8 Subsidiaries

- 4.8.1 The Remuneration Committee shall undertake the task as remuneration committee for subsidiaries of Danske Bank provided that for such subsidiary (i) a remuneration committee is required by law or follows from applicable corporate governance recommendations and (ii) the board of directors of the subsidiary has not already appointed a separate remuneration committee.
- 4.8.2 The Remuneration Committee shall on Group level monitor the composition, tasks and general competences of other remuneration committees, if any, within Danske Bank and ensure a constructive dialogue and cooperation. This shall be based on reports sent from subsidiaries to the Remuneration Committee.

## 5 Conflicts of interest

- 5.1 A member of the Remuneration 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.
- 5.2 The Remuneration Committee shall avoid engaging the same external advisers as the Executive Leadership Team on remuneration specific matters where conflict of interests may arise.

## 6 Disclosure

- 6.1 The number of Remuneration Committee meetings held during the year is disclosed on Danske Bank's website, together with the names of the Remuneration Committee members and their attendance at the Remuneration Committee meetings.

## 7 Miscellaneous

- 7.1 This Charter may be amended by a simple majority of the Board of Directors.
- 7.2 The Remuneration 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.
- 7.3 The Remuneration Committee must conduct an assessment of its own effectiveness and competencies against this Charter.
- 7.4 For the avoidance of doubt, the procedural rules set out in the Rules of Procedure of the Board of Directors and the Executive Leadership Team shall apply with the necessary changes.

Approved by the Board of Directors of Danske Bank A/S on 8 December 2023.