

Rules of Procedure of the Board of Directors

Danske Bank A/S

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1 Board constitution and Committee members

- 1.1 As soon as possible after the annual general meeting, a meeting of the Board of Directors shall be held to elect a Chairman and a Vice-Chairman among the members of the Board of Directors. In case of parity of votes, the vote shall be decided by lot.
- 1.2 At the same time, the Board of Directors shall appoint members to the Audit Committee, the Risk Committee, the Nomination Committee and the Remuneration Committee.
- 1.3 If the Chairman of the Board of Directors resigns during a term of election, the Vice-Chairman of the Board of Directors shall take up the position as Chairman until the next annual general meeting. In such case, the Board of Directors shall elect a new Vice-Chairman among the members of the Board of Directors.

2 Meetings of the Board of Directors

- 2.1 Meetings, venue and electronic means of communication
 - 2.1.1 The Board of Directors shall hold at least eight meetings including one strategy meeting a year (according to an annual meeting calendar determined in advance of each calendar year and a work schedule determined in advance of each general meeting cycle). The Chairman shall furthermore convene meetings of the Board of Directors when necessary or when so requested by a member of the Board of Directors, a member of the Executive Board, the Chief Internal Auditor, Danske Bank's external auditor or Danske Bank's head of compliance.
 - 2.1.2 As a general rule, meetings of the Board of Directors shall be held physically, at the offices of Danske Bank or at another venue designated by the Chairman. Meetings of the Board of Directors may be held by conference call if considered appropriate by the Chairman.
 - 2.1.3 Meetings of the Board of Directors may be held in writing and/or by electronic means, if deemed appropriate considering the duties of the Board of Directors and the matters that are subject to discussion and provided Clause 2.4.4 of these Rules of Procedure is complied with. However, any member of the Board of Directors or the Executive Board shall always be entitled to request that an oral discussion takes place.
 - 2.1.4 Electronic means of communication may be used for communication between the members of the Board of Directors and between the members of the Board of Directors and Danske Bank. The Secretary to the Board of Directors shall electronically upload to a safe database on the internet which shall be approved by the Board of Directors, all board material including minutes, documents, memoranda and applications to be dealt with by the Board of Directors or a Committee. The Secretary to the Board of Directors shall maintain a register of all board material, meeting material, all policies and instructions etc. having been dealt with or approved by the Board of Directors or a Committee. The Secretary to the Board of Directors shall give all members of the Board of Directors access to the uploaded board documents, unless special conditions occur or special arrangements have been made. The Secretary to the Board of Directors shall give access to the uploaded Committee documents to members of the relevant Committee and to other members of the Board of Directors if special arrangements have been made. The members of the Board of Directors shall either delete all documents and other material downloaded on a tablet or

other computer or return the tablet or computer to the Secretary to the Board of Directors upon termination of the member in question's position on the Board of Directors.

2.2 Notice, agenda and material

2.2.1 The notice containing the agenda of the meeting of the Board of Directors shall generally be made in writing and sent to or made available on the safe database referred to in Clause 2.1.4 to all members of the Board of Directors with no less than seven calendar days' notice. To the extent possible any material shall be forwarded to the members of the Board of Directors, and to the extent relevant, to the Executive Board, the Chief Internal Auditor and Danske Bank's external auditor, such that the material shall be received five calendar days, including one weekend, before the meeting, unless the material relates to matters requiring expedient decisions in which case the relevant material may be forwarded with a shorter notice.

2.2.2 To the extent practicable and appropriate, the Chairman shall prepare the agenda in consultation with the Group Chief Executive Officer. Any member of the Board of Directors and the Executive Board shall be entitled to demand that specific items be included on the agenda.

2.2.3 The agenda shall include the items agreed in the work schedule of the Board of Directors as amended and updated from time to time. The Chairman must ensure that any agenda item is accompanied by relevant supporting material necessary for the Board of Directors to make an informed decision. Where relevant, such material shall highlight both the strategic and cross functional perspective and/or relevant compliance and risk considerations with the agenda item, any reference to applicable legislation and other relevant governance documentation. The material submitted to the Board of Directors must comply with Danske Bank's "Board of Directors' meetings: Guidelines for pre-read material and presentations" and the accompanying template cover letter.

2.3 Quorum

2.3.1 The Board of Directors forms a quorum when more than half of its members, including the Chairman or the Vice-Chairman, are present. Decisions may not be made unless all members of the Board of Directors, to the extent possible, have had the opportunity to be heard in the matter.

2.4 Resolutions

2.4.1 Resolutions by the Board of Directors shall be passed by simple majority of the votes present at the meeting, unless other requirements are stipulated in applicable law, Danske Bank's Articles of Association or these Rules of Procedure. In case of parity of votes, the Chairman – or in his absence the Vice-Chairman – shall have a casting vote.

2.4.2 The Chairman and the Board of Directors may resolve that a matter requires further deliberation before a resolution is adopted on such matter.

2.4.3 Resolutions by the Board of Directors may, if required, be adopted by ballot or by voting carried out in a reliable manner.

2.4.4 Resolutions may be adopted through a special, safe forum on the internet or another electronic media or device which has been pre-approved by the Board of Directors for such purpose. The use of the internet or other electronic media or device shall generally require the resolutions or agenda items to be (i) straightforward and routine matters which do not require a new decision of principle by the Board of Directors or impose material risks on Danske Bank, (ii) matters extensively discussed by the Board of Directors in a physical meeting in the recent past without significant developments, or (iii) urgent matters which cannot be postponed without detrimental effects for Danske Bank. The following presents a non-exhaustive list of items that are considered suitable for the adoption of written and/or electronic resolutions of the Board of Directors:

- Annual and interim reports if a draft has been discussed at a meeting of the Board of Directors,
- Urgent credit applications as described in the Credit Risk Instruction of Danske Bank,
- Permissions to the members of the Executive Board to participate in the management or operation of other business undertakings as board members, and
- Annual renewals or approvals of policies, guidelines, instructions and similar documents, where no material changes to the document in question are proposed to be adopted.

2.4.5 Resolutions made pursuant to Clause 2.4.4 shall be recorded in the minute book.

2.5 Participation

2.5.1 The Board of Directors shall not pass a resolution without all members of the Board of Directors, to the extent practically possible, having had an opportunity to participate in the transaction of the matter.

2.5.2 Members of the Executive Board shall participate in meetings of the Board of Directors unless the Board of Directors in each case decides otherwise.

2.5.3 Danske Bank's external auditor and the Chief Internal Auditor shall be entitled to participate in meetings of the Board of Directors where matters relevant to the auditing or the financial reporting of Danske Bank are considered. At the request of any member of the Board of Directors, Danske Bank's external auditor and the Chief Internal Auditor shall participate in meetings of the Board of Directors.

2.5.4 If a member of the Board of Directors elected by the employees is unable to attend meetings of the Board of Directors, the alternate for that member shall be called. The alternate will, however, not be called to attend meetings of the Board of Directors if the member in question is only considered to be temporarily unable to attend meetings, which will be considered to be the case if the cause of absence is expected to cover no more than two meetings of the Board of Directors.

- 2.6 Minutes
- 2.6.1 The Secretary to the Board of Directors shall prepare and keep minutes of the businesses transacted at meetings of the Board of Directors and at Committee meetings. The minute books shall be kept by the Secretary to the Board of Directors, but each member of the Board of Directors, each member of the Executive Board, the Chief Internal Auditor and/or an external auditor shall have access to the minute books upon request, see Clause 2.6.1. Any reference in this Clause 2.6 to the minutes to be kept of meetings of the Board of Directors shall apply equally to Committee meetings with those modifications which are necessary (e.g. the Committees cannot adopt resolutions on matters required to be resolved on by the Board of Directors).
- 2.6.2 Minutes of the meetings of the Board of Directors shall (as a minimum) state:
- (i) Names of the participants and absentees, date and place and information on whether any member of the Board of Directors excused herself/himself from any agenda item due to a conflict of interest, see Clause 5.12 of these rules of procedure and relevant, applicable law,
 - (ii) the agenda, a reasonably detailed summary of the discussions and the resolutions passed for each item on the agenda, including a description of any material risk assessments, any potential compliance issues, and key assumptions on which the resolutions were passed,
 - (iii) a description of the credit applications and annual review of credit that were discussed at the meeting and whether they fell within the scope of Section 78 of the Financial Business Act, were approved/rejected, were presented for reconsideration or for confirmation, and were decided upon in writing and/or by use of electronic means, and that the relevant member of the Board of Directors or the Executive Board were not present during this discussion.
- 2.6.3 Pending issues list
The Board of Directors shall record actions agreed at meetings in form of a pending issues list, to ensure diligent follow-up.
- 2.6.4 Each member of the Board of Directors shall as soon as possible after a meeting of the Board of Directors receive the draft minutes. The minute book shall be signed at the following meeting of the Board of Directors by all members of the Board of Directors that were present at the board meeting. Members of the Board of Directors that were absent from the board meeting shall read the minutes and endorse them as "read".
- 2.6.5 The minute book shall be adequately structured including that it is made clear when the minutes of the board meeting are final. The Chairman, or in the absence of the Chairman any other member of the Board of Directors, shall write his or her initials on every page of the minute book. The pages of the minute book shall be numbered consecutively.
- 2.6.6 A member of the Board of Directors, a member of the Executive Board, the Chief Internal Auditor or an external auditor who does not agree with a resolution passed by the Board of

Directors shall be entitled to have his/her view and objections entered into the minute book.

- 2.6.7 The minute books shall only be accessible by the members of the Board of Directors, the members of the Executive Board, the Chief Internal Auditor, the external auditor and the Danish Financial Supervisory Authority. The members of the Board of Directors shall at all times have access to the minute books as uploaded on the safe database referred to in Clause 2.1.4.

3 Language

- 3.1 The language spoken at the meetings of the Board of Directors and used in documents and correspondence in relation to the meetings of the Board of Directors shall be English.

4 Chairman and Vice-Chairman

- 4.1 The Chairman shall organise, convene and chair the meetings of the Board of Directors. The tasks and duties of the Chairman shall in addition to the specific tasks and duties set out in these Rules of Procedure include the following:

- Ensure that the Board of Directors works efficiently,
- Create the best possible working conditions for the members of the Board of Directors, collectively and individually,
- Ensure that the members of the Board of Directors become acquainted with and improve their knowledge of Danske Bank to the extent needed and expected for the members to perform their duties,
- Ensure that the expertise and skills of each member of the Board of Directors are used in the best possible manner to the benefit of Danske Bank,
- Promote good and constructive relations among the members of the Board of Directors and between the members of the Board of Directors and the members of the Executive Board,
- Promote efficient communication to and with the shareholders of Danske Bank, and
- Upon request from a member of the Board of Directors, provide information on any matter or issue of relevance or importance to Danske Bank.

- 4.2 The Vice-Chairman shall act as chairman in the absence of the Chairman.

- 4.3 The Board of Directors shall appoint a Secretary to the Board of Directors to assist the Chairman and the Board of Directors in carrying out their tasks and duties. The tasks, duties and responsibilities of the Secretary to the Board of Directors shall be set out in terms of reference and terms of employment for the Secretary to the Board of Directors

issued by the Board of Directors. In relation to these tasks, a colleague in the Board of Directors' Secretariat may assist the Secretary to the Board of Directors when necessary.

- 4.4 The Board of Directors shall ensure an appropriate division of tasks among the Chairman, the Vice-Chairman, the other members of the Board of Directors, the Executive Board and the members of the Executive Board.
- 4.5 Any special tasks for Danske Bank, including temporary involvement in the day-to-day management, shall only in exceptional cases be undertaken by the Chairman. Such special tasks shall be confined to a limited period of time and be subject to (a) the prior approval of the Board of Directors and (b) measures ensuring that the Board of Directors retains the overall management and control. Any such agreement with the Chairman including the expected duration shall be disclosed in a company announcement.
- 4.6 The Chairman and the Vice-Chairman may request one or more of the other members of the Board of Directors to assist them with specific tasks, which may for example include the preparation of presentations on important matters or matters of principle for submission to the Board of Directors.

5 Tasks of the Board of Directors

5.1 Business plan

5.1.1 The Board of Directors shall adopt an overall business model, risk profile and strategy plan, including financial targets for Danske Bank's activities on the basis of a proposal prepared by the Executive Board. The plan covering a period as determined by the Board of Directors shall contain:

- (i) The overall business model for Danske Bank,
- (ii) The overall risk profile and risk appetite of Danske Bank,
- (iii) Strategic and financial targets, including capital targets,
- (iv) Strategy implementation plan, and
- (v) Financial forecast for a relevant period.

5.1.2 The Board of Directors shall on a continuous basis and at least once every year, in connection with the annual strategy meeting on the basis of a proposal prepared by the Executive Board, arrange that the overall business model and the risk profile and the strategy, business model and action plans are revised and updated by the Board of Directors with a view to sustain value creation in Danske Bank and ensure that the necessary competencies and financial resources are available in order for Danske Bank to achieve its strategic goals. The Board of Directors shall continuously review Danske Bank's corporate, business and functional strategies and the Executive Board shall submit any material changes pertaining thereto to the Board of Directors for approval.

5.1.3 The Board of Directors shall determine the vision, strategic core, customer promise and core values (the Essence of Danske Bank) based on recommendations from the Executive

Board. The Board of Directors shall monitor that embedding of values, conduct, and behaviours consistent herewith remains a sustained priority.

- 5.1.4 The Executive Board shall submit to the Board of Directors for its prior approval the establishment of any new entity in Danske Bank (including subsidiary, branch, representative office or other) contemplated to be set up (i) in a new jurisdiction where Danske Bank has no activity at the time of the establishment, or (ii) in a jurisdiction where Danske Bank already has some activity if the establishment (a) constitutes a new activity for Danske Bank, (b) represents a significant expansion of existing activities for Danske Bank, or (c) entails additional material risks for Danske Bank.
- 5.2 Capital resources and liquidity
 - 5.2.1 The Board of Directors shall ensure that the capital resources and liquidity including the liquidity coverage ratio(s) of Danske Bank are adequate at all times. Hence, the Board of Directors shall be required to continuously assess Danske Bank's financial and risk position and ensure that it has internal risk measurement and management procedures to monitor and maintain a regulatory capital base and liquidity sufficient in size, type and composition to match the risk profile of Danske Bank. On the basis of these assessments and measures, the Board of Directors shall, together with the Executive Board and on a continuous basis, assess Danske Bank's solvency needs (as part of the internal capital adequacy assessment process or ICAAP) and liquidity needs.
 - 5.2.2 The ICAAP report for Danske Bank shall be prepared by the Executive Board and submitted quarterly to the Board of Directors for approval. Both the extended ICAAP report and an internal liquidity adequacy assessment process (ILAAP) report shall be prepared by the Executive Board and submitted for approval by the Board of Directors at least once every financial year.
 - 5.2.3 The Executive Board shall each year prepare the funding plan and the capital plan of Danske Bank for the following year to be submitted for approval by the Board of Directors. Any changes to the funding plan or capital plan shall also be submitted to the Board of Directors for approval. Included in the funding plan shall be all debt programmes of Danske Bank.
 - 5.2.4 On the basis of recommendations from the Risk Committee, the Board of Directors shall ensure that the overall leverage risk of Danske Bank is adequate at all times. The Executive Board shall prepare and/or update a policy including guidelines for identifying, monitoring and managing risks of excessive leverage of Danske Bank, which shall be submitted to the Board of Directors for approval at least once every year.
- 5.3 Compliance
 - 5.3.1 The Board of Directors shall supervise the activities of Danske Bank and ensure that Danske Bank is properly managed and in compliance with Danske Bank's Articles of Association, Danske Bank's general policies and guidelines and applicable laws and regulations.

- 5.3.2 The Board of Directors shall bi-annually review a compliance report, which shall describe the implementation and effectiveness of the control environment including a summary of the risks that have been identified as well as measures and remedies undertaken or to be undertaken to address the compliance risks or breaches identified.
- 5.4 Risk management
- 5.4.1 The Board of Directors shall on a continuous basis and at least once every year identify and quantify:
- (a) the material risks associated with Danske Bank's strategy, banking and other financial business activities and other operations as well as
 - (b) the risks associated with financial reporting and presentation of financial reports, and on this basis determine the risk profile of Danske Bank.
- 5.4.2 The Board of Directors shall as part of the risk profile determine which risks Danske Bank may assume, the size of such risks and applicable limits to significant activities of Danske Bank and the principles for the calculation and measurement of such risks. The risk profile shall as a minimum comprise credit risk, market risk, liquidity risk, operational risk, including IT risk, as well as insurance risk and pension risk.
- 5.4.3 The Board of Directors shall adopt policies for risk-taking and the management of the main activities of Danske Bank. As referred to in Clause 5.10.5, the Board of Directors shall issue written risk instructions and guidelines for the Executive Board on basis of the risk profile and the adopted risk policies.
- 5.4.4 The Board of Directors shall ensure that the Executive Board regularly reports on the development and management of material risks and compliance with the adopted risk policies, risk instructions and guidelines.
- 5.4.5 The Board of Directors shall on a continuous basis and on the basis of recommendations from the Risk Committee and the Audit Committee, assess whether the risk profile and risk policies of Danske Bank are adequate and prudent based on the actual operations and activities, the organization, the available capital and liquidity resources and the prevailing market conditions. The Board of Directors shall as part hereof assess whether and to what extent Danske Bank shall apply for the approval from the Danish Financial Supervisory Authority for the use of internal models, including systems to classify customers, VaR models, AMA models, EPE models and the IRB approach, if applicable, or such other models as may be relevant, for the purpose of calculations and estimations required to make statements about the solvency needs of Danske Bank.
- 5.4.6 On the basis of recommendations from the Risk Committee and the Audit Committee as the case may be, the Board of Directors shall on a continuous basis and at least once every year review, discuss and conclude on Danske Bank's (a) staff resources, both in terms of

numbers and competences, in risk management and internal control functions, (b) IT systems and (b) procedures for rapid and effective communication across Danske Bank, in order to ensure that required procedures and policies are established and that they are adequate and that sufficient resources are allocated to reflect the actual activities and needs of Danske Bank at all times.

- 5.4.7 On the basis of recommendations from the Risk Committee, the Board of Directors shall, at least once a year, review, approve and/or update a recovery plan prepared by the Executive Board which shall (i) identify the critical functions of Danske Bank and report on their maintenance in a recovery phase, (ii) describe the measures that would need to be taken in order to restore Danske Bank's financial position in terms of capital and liquidity, and (iii) include a plan for the reduction of the risk-weighted assets and a list of possible merger parties to be contacted, should Danske Bank become subject to recovery.
- 5.5 Operations and budgets
- 5.5.1 The Board of Directors shall monitor the operations of Danske Bank on a regular basis and shall compare the results with the budgets.
- 5.5.2 Before the beginning of a financial year the Executive Board shall prepare a budget for that financial year which shall include inter alia profit and loss statement, balance sheet, funding structure, capital structure, liquidity, solvency and rating targets. The budget shall be submitted to the Board of Directors for approval.
- 5.5.3 The Board of Directors shall ensure that the approval procedures for the budget and its elements are appropriate and kept up-to-date and that prudent investment and profitability calculations form the basis of its approval of large-scale investments and divestments.
- 5.6 Reporting to supervisory or regulatory authorities
- 5.6.1 The Board of Directors shall ensure that Danske Bank is at all times in compliance with any reporting requirements of the Board of Directors to the Danish Financial Supervisory Authority and to any other relevant supervisory or regulatory authorities.
- 5.6.2 The members of the Board of Directors shall immediately notify the Danish Financial Supervisory Authority of matters which are of material significance to the continued operation of Danske Bank or if they have cause to believe that Danske Bank or any group member fails to meet the applicable solvency requirements, including the solvency need determined by the Board of Directors, or the own funds requirements. Any member of the Board of Directors should to the extent possible and practical contact the Chairman or in his absence the Vice-Chairman of the Board of Directors prior to any such notification to ensure that such notice has not already been given by the Chairman or the Vice-Chairman of the Board of Directors or any other member of the Board of Directors or the Executive Board.
- 5.7 Annual and interim reports
- 5.7.1 The Board of Directors shall instruct the Executive Board to ensure that the book-keeping, asset management, preparation and issuance of the annual reports and interim reports

and the business procedures are satisfactory and controlled in an appropriate way given the affairs and size of Danske Bank, including ensuring that the Board of Directors continuously receives relevant reporting on Danske Bank's financial position, risk, liquidity, capital position and funding structure.

- 5.7.2 At meetings of the Board of Directors where annual reports or interim reports are to be approved, the Board of Directors shall review the draft prepared by the Executive Board and shall ensure that annual or interim reports have been prepared to provide a true and fair view of Danske Bank's assets and liabilities, its financial position and results in accordance with applicable accounting rules.
- 5.7.3 In connection with the consideration and approval of the annual report, the Board of Directors shall decide whether the annual report has been prepared based on a going concern assumption and consider any special assumptions that support the going concern assumption, and any uncertainties related thereto, together with an assessment of the valuation of any material assets and liabilities which have not been assessed as part of the annual review of outstanding loans and credit facilities.
- 5.7.4 The annual report, signed by the Board of Directors and the Executive Board and audited by Danske Bank's external auditor and the Chief Internal Auditor, shall be submitted for adoption by Danske Bank's annual general meeting. Following adoption of the annual report by Danske Bank's annual general meeting the Secretary to the Board of Directors shall promptly submit a copy of the annual report endorsed by the chairman of the annual general meeting to the Danish Financial Supervisory Authority.
- 5.8 Audit
- 5.8.1 The Board of Directors shall maintain a regular dialogue and exchange of information with Danske Bank's external auditor and the Chief Internal Auditor and shall procure that Danske Bank's external auditor and the Chief Internal Auditor have access to all information necessary and appropriate to carry out the audit and their tasks as Danske Bank's external auditor and Chief Internal Auditor.
- 5.8.2 The Board of Directors shall instruct Danske Bank's external auditor to perform an audit of Danske Bank in accordance with the International Standards on Auditing and the Danish FSA's Executive Order on Auditing Financial Undertakings etc, as well as Financial Groups. The Board of Directors shall be informed regularly through entry in the external auditor's long-form audit report (in Danish: "revisionsprotokollen") or otherwise by contacting the Chairman where matters of significance are identified which ought to be reported to the Board of Directors.
- 5.8.3 The terms of engagement of Danske Bank's external auditor and their fee shall be approved by the Board of Directors upon recommendation from the Audit Committee.
- 5.8.4 The Board of Directors and the Audit Committee shall meet with Danske Bank's external auditor at least once every year without the Executive Board being present.

- 5.8.5 Danske Bank shall establish an Internal Audit function according to the Executive Order on the Performance of Audit in Financial Institutions. The Chief Internal Auditor and the Deputy Chief Internal Auditor, if any, shall be appointed by the Board of Directors. The Board of Directors shall define the tasks and responsibilities of Internal Audit in terms of reference. The Board of Directors and the Audit Committee shall meet with the Chief Internal Auditor at least once every year without the Executive Board being present.
- 5.8.6 The Board of Directors shall be informed regularly about significant activities, observations and conclusions of the Chief Internal Auditor through entry in the Chief Internal Auditor's long-form audit report or otherwise by contacting the Chairman where matters of significance are identified which ought to be reported to the Board of Directors.
- 5.8.7 The Secretary to the Board of Directors shall on behalf of the Chairman ensure that all long-form audit report of the external auditor and the Chief Internal Auditor's records are sent to the members of the Board of Directors. When new long-form audit reports have been issued these shall be signed by all members of the Board of Directors at the following meeting of the Board of Directors.
- 5.9 Organisation
- 5.9.1 The Board of Directors shall ensure a sound organisation of Danske Bank and shall on the basis of proposals from the Executive Board approve material changes to Danske Bank's organisational and management framework and discuss the appropriateness thereof.
- 5.10 Executive Board
- 5.10.1 The Board of Directors shall appoint an Executive Board consisting of two to ten members. One of the members of the Executive Board shall be appointed Group Chief Executive Officer.
- 5.10.2 At least once a year, the Board of Directors shall discuss the composition of the Executive Board, as well as developments, risks and succession plans so that the short absence of a member of the Executive Board may not significantly affect the day-to-day operations of Danske Bank.
- 5.10.3 The terms of employment and the performance agreements, setting out relevant key performance indicators and targets for the coming year, for members of the Executive Board shall be decided by the Board of Directors on the basis of recommendations from the Remuneration Committee.
- 5.10.4 The Executive Board shall seek the Board of Directors' approval for matters which fall outside the day-to-day management, including matters which, considering the affairs and size of Danske Bank, are of an extraordinary nature or of great significance to Danske Bank.
- 5.10.5 The Board of Directors shall issue rules of procedure of the Executive Board governing the duties, obligations and responsibilities of the Executive Board, including communication and reporting obligations to the Board of Directors, specific authorisations within which the Executive Board may transact business and the risks which the Executive Board shall

be authorised to undertake on behalf of Danske Bank and the ones which shall require the approval of the Board of Directors or a Committee of the Board of Directors. The rules of procedure shall be subject to annual review and approval by the Board of Directors.

- 5.10.6 Once every year, the Board of Directors shall define its material tasks in relation to financial and managerial control of Danske Bank, including how the Board of Directors intends to supervise the work of the Executive Board, by reviewing the rules of procedure of the Executive Board, cf. Clause 5.10.5 and determining the work schedule of the Board of Directors.
- 5.10.7 The Board of Directors shall as part of the determination of the reporting obligations of the Executive Board ensure that procedures are established to ensure that the Board of Directors receives timely, accurate and adequate reporting in order to enable the Board of Directors to perform its duties and to continuously assess the financial performance and risk position of Danske Bank.
- 5.11 Policy for remuneration and overall guidelines on incentive pay
 - 5.11.1 On the basis of a recommendation from the Remuneration Committee, the Board of Directors shall adopt (a) a remuneration policy in accordance with the requirements of the Financial Business Act and rules and guidelines established by the Danish Financial Supervisory Authority and the requirements of EU regulations and (b) overall guidelines on incentive pay for Danske Bank. The remuneration policy shall include a thorough description of the components of the remuneration of members of the Board of Directors, the Executive Board, and material risk takers as defined by the Board of Directors. The remuneration policy and the overall guidelines on incentive pay shall be adopted by the general meeting of Danske Bank and the overall guidelines on incentive pay shall as soon as possible following adoption be posted on Danske Bank's website specifying the date of adoption.
- 5.12 Conflict of interests and speculation
 - 5.12.1 The Board of Directors shall ensure that Danske Bank has adequate policies and guidelines to avoid to the extent possible any conflict of interests between Danske Bank and any member of the Board of Directors, any member of the Executive Board and any other employee of Danske Bank.
 - 5.12.2 The Board of Directors shall in accordance with the requirements of the Financial Business Act adopt guidelines on the prohibition against speculative activities and the reporting of investment in securities and financial instruments and similar transactions.
- 5.13 Outsourcing
 - 5.13.1 The Board of Directors shall in accordance with the requirements of the Financial Business Act adopt an outsourcing policy and ensure that the required policies and procedures for the assessment and reporting of outsourcing are established. The Board of Directors shall approve the outsourcing of any significant areas of activity.

- 5.14 Insurance
- 5.14.1 In order to ensure adequate insurance coverage of Danske Bank and its activities, the Executive Board shall once every year present to the Board of Directors an overview and an analysis of the insurance position and the insurance risks of Danske Bank.
- 5.14.2 The members of the Board of Directors shall consider whether a Directors and Officers Liability Insurance shall be taken out by Danske Bank. The costs related to such Directors and Officers Liability Insurance shall be paid by Danske Bank. In addition to legal assistance provided by the insurance company, the Board of Directors may hire legal or other assistance at Danske Bank's expense to defend Danske Bank's and/or a member of the Board of Directors' interests if a claim is made or threatened by a third party.
- 5.15 Shareholders, general meetings, capital and share structure
- 5.15.1 Once every year, the Board of Directors shall evaluate whether Danske Bank's capital and share structures continue to be in the interests of the shareholders and Danske Bank, including the denomination of the shares.
- 5.15.2 The Board of Directors and the Executive Board shall promote active ownership, including shareholder attendance at Danske Bank's general meetings.
- 5.15.3 Within the framework of Danske Bank's Articles of Association and applicable laws and regulations, the Board of Directors shall decide whether a general meeting or part thereof shall be held by the use of electronic means.
- 5.15.4 The Board of Directors shall ensure that proxy-forms to attend general meetings granted to the Board of Directors enable the shareholders to consider and decide upon each individual item on the agenda.
- 5.15.5 All members of the Board of Directors and the Executive Board shall to the widest extent possible attend Danske Bank's general meetings.
- 5.15.6 Together with the notice convening a general meeting at which members of the Board of Directors are to be elected, the Board of Directors shall, to the extent possible with respect to candidates nominated by individual shareholders, provide a description of the nominated candidates' competencies and qualifications together with information about such candidates' managerial and directorship positions, including other executive functions, e.g. memberships of management boards, boards of directors and supervisory boards and board committees in Danish and foreign companies as well as demanding organisational tasks and information about whether the nominated candidates to the Board of Directors are considered independent.
- 5.15.7 The minute books for Danske Bank's general meetings shall be kept and held by the Secretary to the Board of Directors.
- 5.16 Stakeholders and policies
- 5.16.1 The Board of Directors shall together with the Executive Board identify Danske Bank's key stakeholders and their main interests in relation to Danske Bank.

5.16.2 The Board of Directors shall adopt (a) policies on Danske Bank's relationship with its stakeholders, including the investors, e.g. investor relations and stakeholder policies, (b) a policy on corporate responsibility and (c) a communication strategy, and shall review whether the interests of Danske Bank's stakeholders are respected in accordance with the adopted policies. The Board of Directors shall in addition consider whether to adopt a tax policy for the Group.

5.17 Whistleblower scheme

5.17.1 The Board of Directors shall ensure that Danske Bank has appropriate procedures and systems in place for employees to be able to report internally, through a special, independent and autonomous channel and in an anonymous, expedient and confidential manner, violations or potential violations of laws and regulations committed by Danske Bank, its employees or members of its Board of Directors.

5.18 Special advisers

5.18.1 The Board of Directors may independently of the Executive Board engage special advisers to assist with specific matters relating to Danske Bank, and such advisers shall report solely to the Board of Directors. The expenses shall be paid by Danske Bank.

5.19 Disclosure requirements and recommendations

5.19.1 The Board of Directors shall on an ongoing basis assess whether information shall be disclosed as company announcements, in the annual report, on Danske Bank's website, in the Board of Directors' report at Danske Bank's general meeting and/or in other ways.

5.19.2 In addition to Danske Bank's Internal Rules on public disclosure requirements, the Recommendations on Corporate Governance issued by the Committee on Corporate Governance and the recommendations issued by the Danish Bankers Association (as amended from time to time) include certain additional disclosure recommendations which the Board of Directors may decide shall be observed by Danske Bank.

6 Committees

6.1 Delegation and establishment of Committees

6.1.1 The Board of Directors may decide to delegate specific tasks or duties to the Chairman or Vice-Chairman.

6.1.2 The Board of Directors may decide to establish Committees of the Board of Directors in addition to those Committees established and mentioned below in 6.2 – 6.5, where the members of such Committees are appointed by the Board of Directors among its members.

6.1.3 Any such delegation or the establishment of any Committee shall not have any impact on the authority or the responsibilities of the members of the Board of Directors.

6.1.4 The Committees may engage external legal advisors and shall avoid engaging the same external advisers that assist the Executive Board.

- 6.2 Audit Committee
- 6.2.1 The Board of Directors shall establish an Audit Committee.
- 6.2.2 The Board of Directors shall define the tasks and responsibilities of the Audit Committee in a charter for the Audit Committee, which shall be published on the website of Danske Bank.
- 6.2.3 The Audit Committee shall consist of no less than three members, of whom the majority, incl. the chairman, shall be independent of Danske Bank and at least one member shall have accounting or audit qualifications. The Committee as a whole shall have competencies relevant to the financial sector.
- 6.3 Nomination Committee
- 6.3.1 The Board of Directors shall establish a Nomination Committee to assist the Board of Directors with respect to nomination and appointment of candidates to the Board of Directors and the Executive Board and to assist with the evaluation of the Board of Directors and the Executive Board.
- 6.3.2 The Board of Directors shall define the tasks and responsibilities of the Nomination Committee in a charter for the Nomination Committee, which shall be published on the website of Danske Bank.
- 6.3.3 On the basis of recommendations from the Nomination Committee, the Board of Directors shall set targets for the share of the underrepresented gender on the Board of Directors as well as prepare a policy for how to achieve such targets, and shall prepare a policy for increasing the share of the underrepresented gender at the other management levels of Danske Bank.
- 6.3.4 The Nomination Committee shall consist of no less than three members, of whom two shall be the Chairman of the Board of Directors and the Vice-Chairman of the Board of Directors. The Chairman of the Board of Directors shall serve as Chairman of the Nomination Committee.
- 6.4 Remuneration Committee
- 6.4.1 The Board of Directors shall establish a Remuneration Committee to be responsible for the preparatory work on decisions by the Board of Directors concerning remuneration, including the remuneration policy and the overall guidelines on incentive pay to the Board of Directors, the Executive Board and employees of Danske Bank, cf. Clause 5.11.1 above, and concerning the annual remuneration of the Board of Directors and the Executive Board and other decisions relating to remuneration which may influence the risk management of Danske Bank.
- 6.4.2 The Board of Directors shall define the tasks and responsibilities of the Remuneration Committee in a charter for the Remuneration Committee, which shall be published on the website of Danske Bank. Such charter shall include tasks on monitoring and submitting recommendations to the Board of Directors on (a) director's fees, (b) remuneration of members of the Executive Board, (c) performance agreements with members of the

Executive Board and (d) the aggregate sum of the annually proposed bonus and bonus pools for individual programmes.

- 6.4.3 The Remuneration Committee shall consist of no less than three members, of whom one shall be the Chairman of the Board of Directors and a second one shall be a member of the Board of Directors who has been elected to the Board of Directors by employees. The Chairman of the Board of Directors shall serve as Chairman of the Remuneration Committee.
- 6.5 Risk Committee
- 6.5.1 The Board of Directors shall establish a Risk Committee to advise the Board of Directors on the general current and future risk profile and strategy of Danske Bank.
- 6.5.2 The Board of Directors shall define the tasks and responsibilities of the Risk Committee in a charter for the Risk Committee, which shall be published on the website of Danske Bank.
- 6.5.3 The Risk Committee shall consist of no less than three members of the Board of Directors whom shall all have the requisite knowledge, qualifications and competences to understand and monitor Danske Bank's risks.
- 6.6 General matters relating to Committees
- 6.6.1 The frequency of meetings to be held by the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee and any other Committee established for a specific purpose shall be decided by the relevant Committee subject to a minimum of four meetings a year by the Audit Committee and the Risk Committee, two meetings a year by the Remuneration Committee and one meeting a year by the Nomination Committee.
- 6.6.2 Minutes shall be prepared for the meetings of the Audit Committee, the Nomination Committee, the Remuneration Committee, the Risk Committee as well as any other Committee established. Clauses 2.6.1- 2.6.6 shall equally apply to such minutes and copies of the minutes of any Committee meeting shall be sent to all members of the Board of Directors. Established Committees shall report to the Board of Directors and shall within their respective areas of responsibility make recommendations and proposals to the Board of Directors.
- 6.6.3 The Board of Directors shall on an annual basis assess whether the charters for any Committee established by the Board of Directors are adequate and compliant.
- 6.6.4 The Board of Directors shall consider and resolve whether other permanent or ad hoc Committees or special functions shall be established to undertake special assignments or functions in addition to the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee.

7 Composition, competencies and other matters relating to the Board of Directors

- 7.1 Once every year, based on a recommendation from the Nomination Committee and the Danish Financial Supervisory Authority's guidelines on the assessment of the knowledge and experience of the board of directors in credit institutions, the Board of Directors shall discuss and make an assessment of the relevant competencies of the Board of Directors. As part of these discussions the Board of Directors shall (a) assess whether there are areas in which the competencies and knowledge of the Board of Directors and its members should be updated and whether it is composed in such a way that it can attend to its board responsibilities, including taking care of its overall and strategic tasks and (b) consider whether the Board of Directors has the appropriate size and competencies to meet the requirements of the overall business model and the activities of Danske Bank and to ensure a constructive and efficient debate and decision making process.
- 7.2 Once every year, the Board of Directors shall describe the competences it should hold to best perform its tasks. Proposals for the nomination/replacement of members of the Board of Directors to be submitted to the general meeting shall be prepared in light hereof.
- 7.3 The conclusions of the assessments performed pursuant to Clauses 7.1 and 7.2 above shall be entered into the minute book of the Board of Directors.
- 7.4 The Board of Directors shall ensure a formal, thorough and transparent process for selection and nomination of candidates to the Board of Directors. When assessing its composition and nomination of new candidates, the Board of Directors shall take into consideration the need for changes and for diversity in relation among other things to international experience, gender and age.
- 7.5 New members joining the Board of Directors shall be given an introduction to Danske Bank including meeting with the Chairman of the Board of Directors, the Executive Board and chief executive officers of Danske Bank's major subsidiaries. Furthermore new members shall be given an introduction to the safe database referred to in Clause 2.1.4. The introduction shall be arranged by the Secretary to the Board of Directors.
- 7.6 The Board of Directors shall annually determine and disclose, e.g. in the Annual Report or website of Danske Bank, which members are regarded as independent and disclose whether nominated candidates for the Board of Directors (if any) are considered independent.
- 7.7 Each member of the Board of Directors is expected to ensure that he/she is able to allocate the time required to fulfil the duties as a member of the Board of Directors and is expected only to undertake other or additional positions if the tasks and duties of each such position can be carried out without interfering with or affecting the satisfactory fulfilment of the work and duties as a member of the Board of Directors.

8 Assessment of the Board of Directors and the Executive Board

- 8.1 The Board of Directors shall conduct an annual evaluation of the performance and achievements of the Board of Directors and of the individual members. The Chairman shall be in charge of the evaluation of the Board of Directors and of the individual members and the outcome shall be discussed among the members of the Board of Directors. The procedure for the assessment of the Board of Directors and of the individual members and the outcome thereof shall be disclosed in the annual report.
- 8.2 The Board of Directors shall annually evaluate the work, performance and results of the Executive Board and of the individual members in accordance with pre-defined criteria.
- 8.3 The Board of Directors and the Executive Board shall establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the Chairman and the Group Chief Executive Officer and the outcome of the evaluation shall be presented to the Board of Directors.

9 Conflict of interests

- 9.1 Each member of the Board of Directors and the Executive Board shall at all times ensure that his/her (and his/her related parties') private or professional interests – directly or indirectly – are not in conflict with the interests of Danske Bank. The Board of Directors shall record any resolution in respect of such matters in the minute book.
- 9.2 A member of the Board of Directors or the Executive Board shall not participate in the preparation, discussions or decision making process concerning an agreement between Danske Bank and the member in question or concerning legal proceedings between the member in question and Danske Bank or an agreement between Danske Bank and any third party or legal proceedings brought against any third party if the member in question has a significant interest therein that may conflict with the interests of Danske Bank.
- 9.3 The Board of Directors shall approve any agreement, account or facility between Danske Bank and a member of the Board of Directors or the Executive Board and any agreement, account or facility between Danske Bank and a third party in which one or more members of the Board of Directors or the Executive Board may have a specific direct or indirect interest. Any member of the Board of Directors or the Executive Board having such interest in a matter shall be excluded from participating in the preparations, discussions or decision making process relating thereto.
- 9.4 Any transactions approved by the Board of Directors in accordance with Clause 9.3 above shall be entered into on arms' length terms and shall be subject to and made on the basis of the relevant general terms of business for the transaction in question and prevailing market conditions.
- 9.5 No member of the Board of Directors shall be entitled to commence or be engaged in any activities (as owner, director, employee, agent, consultant or the like) which might give rise to a potential conflict of interest, unless approved by the Board of Directors in writing prior to commencing such activity.

- 9.6 Members of the Executive Board, the Chief Internal Auditor, the Deputy Chief Internal Auditor (if any) and the Secretary to the Board of Directors shall obtain the prior written approval of the Board of Directors to own or operate an independent business undertaking or participate in the management (as director, employee, agent, consultant or the like) of another business undertaking.
- 9.7 The Executive Board shall decide in which situations any other employees of Danske Bank may own or operate an independent business undertaking or participate in the management (as director, employee, agent, consultant or the like) of another business undertaking. The Executive Board shall furthermore prepare a list of the employees whom the Executive Board considers may have a significant risk of conflicts of interests with those of Danske Bank. The Executive Board shall ensure that the employees in question are made aware of the decision by the Executive Board. The Executive Board shall inform the Board of Directors both of the decision on significant risk and any approvals granted to employees of Danske Bank.
- 9.8 A member of the Executive Board may be present during the discussions of the accounts and facilities of any Danske Bank group entity, even if such a member is the member of the board of directors or management of the company in question.
- 9.9 The members of the Board of Directors elected by the employees and their alternates may not be present during the discussions of matters regarding their personal terms of employment. They may furthermore not be present when the Board of Directors considers matters regarding industrial disputes, the negotiation and conclusion of collective bargaining agreements with employee organisations and trade unions and matters regarding Danske Bank's relations to employer organisations.
- 9.10 Each member of the Board of Directors shall as soon as practically possible notify the Chairman in the event that the member finds there are reasons to believe that his/her private or professional interests or those of its related parties – directly or indirectly – may conflict with the interests of Danske Bank. In the event of any reasonable doubt as to whether there is a conflict of interests, the Chairman may decide to defer the decision to the Board of Directors.
- 9.11 Members of the Board of Directors and the Executive Board shall not conduct or be engaged in speculative transactions concerning shares and/or other securities issued by or relating to Danske Bank.
- 10 Confidentiality**
- 10.1 Each member of the Board of Directors shall have a duty to keep confidential any information obtained in his/her capacity as a member of the Board of Directors and may under no circumstances, without permission from the Board of Directors, disclose information that come to his/her knowledge in the course of performing his/her duties as a member of the Board of Directors to persons outside of the Board of Directors and shall observe secrecy with respect to matters discussed at the meetings of the Board of Directors. The duty of confidentiality shall also apply after the member resigns from the Board of Directors.

10.2 The duty of confidentiality shall not merely extend to business and trade secrets, remuneration, etc. but to all information disclosed at meetings of the Board of Directors or otherwise obtained in his/her capacity as a member of the Board of Directors.

10.3 Members of the Board of Directors shall keep all material provided to them in their capacity as members of the Board of Directors in a proper manner and return all such material upon resignation or confirm that it has been destroyed. A member of the Board of Directors shall not be entitled to exercise a retention right or lien on such material.

11 Internal Rules and insider list

11.1 The Board of Directors shall ensure that Danske Bank at all relevant times has a set of Internal Rules for the purpose of (i) preventing inside information from becoming available to others than those needing such information, (ii) governing the access of members of the Board of Directors and the Executive Board and other employees to deal in securities issued by Danske Bank and for trading in derivative financial instruments, (iii) governing Danske Bank's trading in its own shares and other types of securities, and (iv) ensuring compliance with Danske Bank's disclosure obligations and forms for reporting.

11.2 The Board of Directors shall also ensure that Danske Bank has established procedures to ensure compliance with such rules. The Board of Directors shall re-assess Danske Bank's Internal Rules at least once every year for the purposes of updating the contents and ensuring that the rules are known to everyone bound by them.

11.3 The Board of Directors shall ensure that Danske Bank keeps the statutory insider list and establishes procedures to ensure that the list is up-to-date at all times in accordance with applicable laws and regulations.

12 Share register and reporting obligations

12.1 The Board of Directors shall keep the share register or, upon a decision by the general meeting, delegate the task to an external provider. The name and registration number of such external provider shall be included in Danske Bank's Articles of Association. The Secretary to the Board of Directors shall be obligated to ensure that the share register, the register of major shareholders and any other required shareholding listings are properly held and kept by Danske Bank.

12.2 Each member of the Board of Directors and of the Executive Board shall upon election or appointment inform the Secretary to the Board of Directors of the size of the member's direct and indirect holding(s) of shares in Danske Bank, share-related instruments, bonds issued or guaranteed by Danske Bank and other types of securities related to Danske Bank. Any subsequent transactions in respect of shares in Danske Bank, share-related instruments, bonds issued or guaranteed by Danske Bank and other types of securities related to Danske Bank shall be reported in accordance with Danske Bank's Internal Rules.

12.3 Each member of the Board of Directors and the Executive Board shall arrange that the member's holding(s) of the shares in Danske Bank, share-related instruments, bonds

issued or guaranteed by Danske Bank and other types of securities related to Danske Bank are registered in the relevant securities register in such manner that the legal name of the holder and the name of the relevant member - to the extent possible - appears.

13 Disclosure requirements

- 13.1 The Board of Directors shall together with the Executive Board ensure that Danske Bank's procedures for announcements to the public within the EU/EEA, the Danish Financial Supervisory Authority, NASDAQ Copenhagen A/S and any other regulated market at which Danske Bank from time to time may have securities admitted for listing or trading comply with the rules applicable from time to time to listed companies having securities listed on such regulated markets.

14 Communication

- 14.1 The Chairman shall represent the Board of Directors externally. In matters of an extraordinary nature the Chairman shall represent Danske Bank in its communication to the public unless the Chairman delegates such authority to the Group Chief Executive Officer with regard to the specific matter. Except for customary investor relations activities the Chairman shall be in charge of the communication with Danske Bank's shareholders. In all other matters the Group Chief Executive Officer (or his delegate) shall represent Danske Bank in its external communication. No member of the Board of Directors may, without permission from the Chairman, make any statement to or otherwise communicate with the public, including the press, in relation to Danske Bank.

15 Amendments

- 15.1 The Rules of Procedure may at all times be amended by a simple majority of votes of the Board of Directors.
- 15.2 The Rules of Procedure shall be signed by all members of the Board of Directors. A copy of the Rules of Procedure and Danske Bank's Articles of Association shall be provided to all members of the Board of Directors and the Executive Board, any alternates to members of the Board of Directors as well as to Danske Bank's external auditor and the Chief Internal Auditor.
- 15.3 When a new member of the Board of Directors is elected and joins the Board of Directors, the board member shall at the first-coming meeting of the Board of Directors sign the Rules of Procedure. The same shall apply to any alternate to members of the Board of Directors that are called to attend meetings of the Board of Directors under Clause 2.5.4.
- 15.4 The Rules of Procedure shall be reviewed at least once every year to ensure that the Rules of Procedure are up-to-date, adequate and adjusted to Danske Bank's activities and needs and applicable laws and regulations including applicable recommendations on corporate governance.

16 Applicability to Danske Bank

- 16.1 Where applicable based on the specific context, a reference to "Danske Bank" shall be construed as referring to and including all companies in the Danske Bank group.

Approved by the Board of Directors of Danske Bank A/S on 13 September 2018:

Ole Andersen, Chairman

Carol Sergeant, Vice Chairman

Bente Bang

Ingrid Bonde

Lars-Erik Brenøe

Kirsten Ebbe Brich

Thorbjørn Lundholm Dahl

Charlotte Hoffmann

Jørn P. Jensen

Jens Due Olsen

Rolv Erik Ryssdal

Hilde Tonne