

# **Charter of the Conduct & Compliance 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 Conduct & Compliance Committee of Danske Bank.
- 1.2 The Conduct & Compliance Committee works as a preparatory committee for the Board of Directors with respect to conduct and reputational risk, compliance and financial crime, and other matters which the Board of Directors may want to have examined by the Conduct & Compliance Committee. Any delegation to the Conduct & Compliance Committee shall not amend the authority or responsibility of the Board of Directors.

## **2 Constitution and members**

- 2.1 The Conduct & Compliance Committee consists of no less than three members of the Board of Directors whom the majority shall be independent.
- 2.2 The Chairman of the Conduct & Compliance Committee is elected by the Board of Directors among the members of the Conduct & Compliance Committee.

## **3 Meetings**

- 3.1 Frequency, participation and agenda
  - 3.1.1 Meetings are held as often as the Chairman of the Conduct & Compliance Committee considers necessary subject to a minimum of four meetings annually. The Chief Compliance Officer, the Chief Risk Officer, the Chief Audit Executive and any member of the Conduct & Compliance Committee can request a meeting of the Conduct & Compliance Committee, if the said persons consider it necessary.
  - 3.1.2 The Chief Compliance Officer, the Chief Risk Officer and the Chief Audit Executive shall attend meetings of the Conduct & Compliance Committee unless otherwise instructed by the committee. Members of the Board of Directors, the Executive Board, the Group General Counsel and relevant employees of Danske Bank shall participate in meetings of the Conduct & Compliance Committee at the request of the committee.
  - 3.1.3 In order to ensure the autonomy and objectivity of the Conduct & Compliance Committee, the Conduct & Compliance Committee should hold discussions without the participation of members of management or Chief Audit Executive to ensure that the Conduct & Compliance Committee can hold discussions and make assessments without the participation of the parties who are the subject of the discussions.
  - 3.1.4 Under the supervision of the Chairman of the Conduct & Compliance Committee, the Secretary to the Board of Directors shall prepare the agenda in consultation with the Chief Compliance Officer and the Chief Audit Executive. The agenda for each committee meeting will be distributed to the committee members within one week prior to the meeting. The Chairman of the Conduct & Compliance 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 Conduct & Compliance Committee forms a quorum when half of its members are present.

3.2.2 Resolutions by the Conduct & Compliance Committee shall be passed by simple majority. In case of equality of votes, the Chairman of the Conduct & Compliance 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 Conduct & Compliance 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 Conduct & Compliance Committee. Furthermore, at the subsequent Board of Directors meeting, the Chairman of the Conduct & Compliance Committee shall give the Board of Directors a summary of the business transacted by the Conduct & Compliance 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 Conduct & Compliance Committee.

4.2 To the extent necessary the Conduct & Compliance Committee may seek assistance from employees of Danske Bank.

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

#### **5 Tasks of the Conduct & Compliance Committee**

5.1 The Conduct & Compliance Committee shall monitor the adequacy of Group Compliance resources and report to the Board of Directors on actions needed to maintain adequacy of resources.

5.2 Conduct and reputational risk

5.2.1 The Conduct & Compliance Committee shall oversee Danske Banks's conduct in relation to its corporate and societal obligations, including setting the guidance, direction and policies for the Group approach to customer and regulatory matters.

5.2.2 The Conduct & Compliance Committee shall monitor, consider, support and present recommendations to the Board of Directors on conduct and reputational risk, including but not limited to:

(a) governing documents, such as Danske Bank's Code of Conduct;

- (b) promoting a collective vision and the embedding of Danske Bank's purpose, values, culture and behaviours;
- (c) management of conduct and/or reputational risk issues/exposure;
- (d) the effectiveness of the processes and policies by which Danske Bank identifies and manages conduct and/or reputational risk;
- (e) significant matters and industry developments with high potential conduct and/or reputational risk; and
- (f) significant matters that may compromise Danske Bank's Code of Conduct, purpose, culture and/or values.

### 5.3 Compliance

5.3.1 The Conduct & Compliance Committee shall on a regular basis monitor and consider Danske Bank's systems and processes to ensure compliance with rules and regulations applicable to Danske Bank, including implementation of material legislation. This work shall be based on reports from Group Compliance and Group Internal Audit.

5.3.2 The Conduct & Compliance Committee shall at least bi-annually review a compliance report, which shall describe the implementation and effectiveness of the control environment, including a summary of the Conduct and Financial Crime risks that have been identified as well as measures and remedies undertaken or to be undertaken to address those risks or breaches identified.

5.3.3 The Conduct & Compliance Committee shall review all policies concerning compliance.

### 5.4 Financial Crime

5.4.1 The Conduct & Compliance Committee shall examine the anti-money laundering, counter-terrorist financing, sanctions, embargo, fraud, bribery and corruption control framework of Danske Bank.

5.4.2 The Conduct & Compliance Committee shall review all policies concerning financial crime.

### 5.5 Investigation

5.5.1 It is the responsibility of the Conduct & Compliance Committee to oversee the investigation of any significant instances in breach of requirements and/or obligations within the areas of regulatory and financial crime compliance.

### 5.6 Litigation and Enforcement

5.6.1 It is the responsibility of the Conduct & Compliance Committee to monitor and have oversight of the handling of claims and litigations involving Danske Bank, including current and former members of the Board of Directors and Executive Board.

### 5.7 Communication with financial supervisory authorities

5.7.1 The Conduct & Compliance Committee shall oversee communication with financial supervisory authorities and follow up on all orders issued by financial supervisory

authorities. Once annually the Conduct & Compliance Committee shall prepare and present to the Board of Directors a report on all orders imposed by the Danish Financial Supervisory Authority and other authorities and on all orders outstanding from previous year.

5.8 Whistleblower scheme

- 5.8.1 The Conduct & Compliance Committee shall monitor and consider the effectiveness of the whistleblower scheme in Danske Bank. As part hereof the Conduct & Compliance Committee shall ensure that the employees and other relevant stakeholders have the opportunity to, in full confidence, express their concerns and/or suspicions of wrongdoings relating to Danske Bank. The Committee shall ensure that the reported cases are handled expediently and followed through.

**6 Reporting**

- 6.1 The Conduct & Compliance Committee reports and makes recommendations to the Board of Directors on the matters set out in this Charter.

- 6.2 The Conduct & Compliance 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 Conduct & Compliance Committee shall be published on the website of Danske Bank.

- 7.2 The most material activities and meeting frequency of the Conduct & Compliance 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 Conduct & Compliance 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 Conduct & Compliance 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 May 2019.