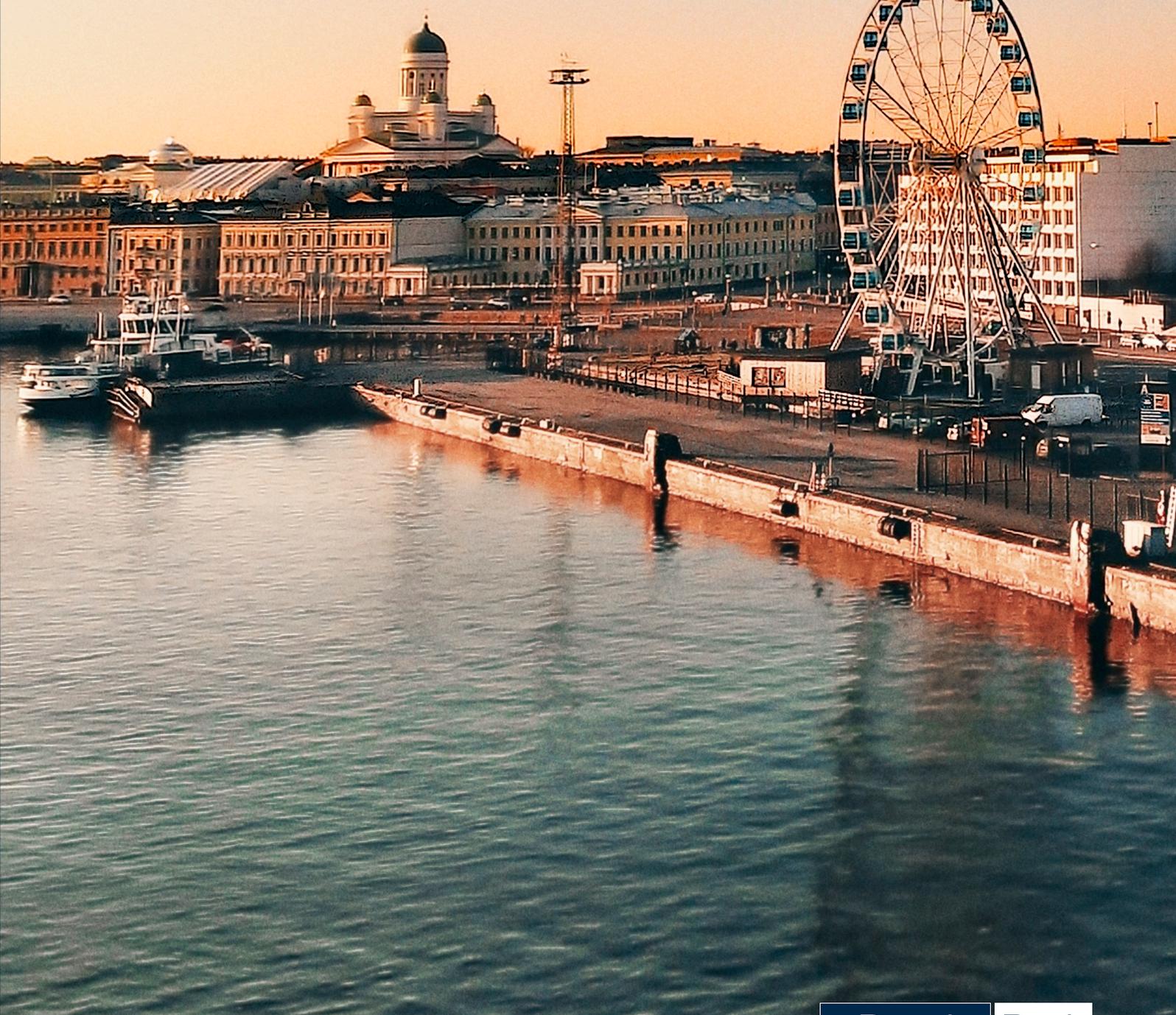


*Annual general  
meeting of  
Danske Bank A/S  
2017*



ISIN DK0010274414

Danske Bank

*Danske Bank A/S holds its annual general meeting on Thursday, 16 March 2017, at 3.00pm at Tivoli Congress Center, Arni Magnussons Gade 2-4, Copenhagen.*

Doors will open at Tivoli Congress Center at 2.00pm. Coffee and tea will be served until 3.00pm.

**Order admission cards and ballots**

To participate in the annual general meeting, you need an admission card. You can order cards at [www.vponline.dk/en/danskebank](http://www.vponline.dk/en/danskebank), or by contacting VP Investor Services A/S on tel. +45 43 58 88 91 or by e-mail to [vpinvestor@vp.dk](mailto:vpinvestor@vp.dk). You can also order an admission card for an adviser.

The deadline for ordering admission cards is Monday, 13 March 2017, at midnight.

VP Investor Services A/S has launched a digital admission card. The digital admission card is sent by e-mail, and users must have a smartphone and have registered their e-mail address on Danske Bank's InvestorPortal. You can then show the digital admission card on your smartphone at the entrance. You can also print the digital admission card in advance and show it at the entrance.

If you have not registered an e-mail address in the shareholders' register or do not want to receive a digital admission card, the admission card will be sent by ordinary post. Danske Bank is not liable for any delays in the post.

**Agenda**

- 1) The Board of Directors' report on the company's activities in 2016
- 2) Submission of Annual Report 2016 for adoption
- 3) Proposal for allocation of profits according to the adopted annual report
- 4) Election of members to the Board of Directors
- 5) Appointment of external auditors
- 6) Proposals by the Board of Directors to amend the Articles of Association

Proposal for the

- reduction of Danske Bank's share capital according to article 4.1
- extension of the Board of Directors' authority according to article 6.5-6

- 7) The Board of Directors' proposal to renew and extend its existing authority to acquire own shares
- 8) The Board of Directors' proposal for remuneration of the Board of Directors in 2017
- 9) The Board of Directors' proposal for revision of the Remuneration Policy
- 10) Proposal from shareholder Olav Willadsen
- 11) Proposal from shareholder Nanna Bonde Ottosen
- 12) Proposal from shareholder Ole Schultz
- 13) Any other business

**2) Submission of Annual Report 2016 for adoption**

The Board of Directors proposes that the general meeting adopt the company's Annual Report 2016.

**3) Proposal for allocation of profits according to the adopted annual report**

Danske Bank A/S's net profit for the year is DKK 19,581 million.

The Board of Directors proposes that the net profit for the year be allocated as follows:

Payment of a dividend of DKK 9 per share of DKK 10, corresponding to DKK 8,853 million or 45% of net profit for the year for the Group.

Transfer of DKK 2,331 million from the "Equity method reserve"

Transfer of DKK 663 million to "Additional tier 1 capital holders"

Transfer of DKK 12,396 million to "Retained earnings"

See also page 159 of Annual Report 2016.

**4)****Election of members to the Board of Directors**

Ole Andersen, Lars-Erik Brenøe, Urban Bäckström, Jørn P. Jensen, Rolv Erik Ryssdal, Carol Sergeant and Hilde Tonne all seek and are proposed for re-election to the Board of Directors.

Trond Ø. Westlie does not seek re-election.

The Board of Directors nominates Martin Folke Tivés as a candidate for the Board of Directors.

The Board of Directors updated its competency profile in 2016 and assessed the competencies of the individual members as well as its combined competencies in view of the updated profile.

The Board of Directors has adopted a procedure for selection and nomination of candidates for the Board as part of its planning for the future composition of the Board.

The Board of Directors' selection and nomination of candidates for the Board is a thorough and transparent process approved by the full Board. When assessing its composition and nominating new candidates, the Board of Directors takes into consideration the need for integration of new talent and diversity in relation to age, international experience and gender, for example.

For more information about the candidates' competencies, background, directorships and other offices, see Appendix 1.

The competency profile for the full Board of Directors is available at [danskebank.com](http://danskebank.com), where additional information about the candidates seeking re-election is also available.

**5)****Appointment of external auditors**

In accordance with the recommendation of the Board of Directors' Audit Committee, the Board proposes that Deloitte Statsautoriseret Revisionspartnerselskab be reappointed as the company's external auditors.

The Audit Committee has recommended to the Board that Deloitte Statsautoriseret Revisionspartnerselskab be reappointed as the company's external auditors. In its recommendation, the Audit Committee has not been influenced by third parties and has not been subject

to limitations or agreements treated in article 16(6) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014.

**6)****Proposal by the Board of Directors to amend the Articles of Association****a. Proposal to reduce Danske Bank's share capital**

The Board of Directors proposes to reduce Danske Bank's share capital by DKK 468,851,130 nominally from DKK 9,837,128,350 to DKK 9,368,277,220 by cancelling part of Danske Bank's holding of own shares.

The purpose of the reduction of the share capital is distributions to the shareholders. If the proposal is adopted, Danske Bank's holding of own shares will be reduced by 46,885,113 shares of DKK 10 each. Those shares have been bought back under the share buy-back programme that ran from 4 February 2016 to 1 February 2017 and totalled DKK 8,999,992,981, which means that, in addition to the nominal amount of the reduction of capital, DKK 8,531,141,851 has been distributed to the shareholders, see section 188(1)(2) of the Danish Companies Act. The reduction of the share capital is thus carried out at a premium, as the price paid is 191.96 (rounded), corresponding to the average price paid per share.

Consequently, the Board of Directors proposes that article 4.1. be amended to read as follows, effective from the date of completion of the capital reduction:

*"The share capital of Danske Bank totals DKK 9,368,277,220. The share capital is fully paid up."*

**b. The Board of Directors' proposal to extend its existing authority**

The Board of Directors proposes that the authority, without pre-emption rights for Danske Bank's shareholders, to increase Danske Bank's share capital by up to DKK 1,000,000,000 and to raise loans against bonds or other debt instruments with access to conversion to shares (convertible loans) be extended to 1 March 2022.

Consequently, the Board of Directors proposes that articles 6.5 and 6.6. be amended to read as follows:

6.5. The Board of Directors is authorised, until 1 March 2022, to raise Danske Bank's share capital by up to DKK 1,000,000,000. The share capital increase may take place on one or more occasions. Danske Bank's shareholders are not entitled to subscribe for shares in proportion to their shareholdings. Consequently, the new shares must be offered at market price. The share capital increase may be against payment in cash, conversion of debt or as consideration in connection with Danske Bank's acquisition of an existing business.

6.6. The Board of Directors is also authorised, until 1 March 2022, on one or more occasions to raise loans against bonds or other instruments of debt with access to conversion into shares (convertible loans), and the Board of Directors is authorised to make the associated capital increase. Convertible loans may not exceed the amount, which may be raised under the authority to increase Danske Bank's share capital, see 6.5. above, according to the conversion price fixed on the raising of such loans as laid down by the terms and conditions of the bonds or instruments of debt. The exercise of this authority reduces, by a corresponding amount, the authority in 6.5. to increase Danske Bank's share capital. When the Board of Directors decides to raise convertible loans, the authority to increase the share capital, see 6.5. above, is considered utilised by an amount corresponding to the maximum conversion rights. The conversion period may run for longer than five years after the raising of the convertible loan. Danske Bank's shareholders are not entitled to subscribe for convertible loans in proportion to their shareholdings. The decision of the Board of Directors to raise convertible loans must be recorded in the Articles of Association and the Board of Directors is authorised to amend the articles accordingly.

#### 7) **Proposal to renew and extend the Board of Directors' existing authority to acquire own shares**

The Board of Directors proposes that the general meeting extend by one year the existing authorisation of the Board, in the period until 1 March 2022, to allow Danske Bank and the Group to acquire own shares by way of ownership or pledge up to an aggregate value of 10% of Danske Bank's share capital at the

time of granting of the authority, provided that Danske Bank's holding of own shares does not exceed 10% of Danske Bank's share capital. If shares are acquired for ownership, the purchase price must not diverge from the price quoted on NASDAQ Copenhagen at the time of acquisition by more than 10%.

#### 8) **The Board of Directors' proposal for remuneration to the Board of Directors in 2017**

The Board of Directors proposes that the basic fee be raised DKK 10,000 from DKK 515,000 to DKK 525,000 and that the chairman's fee be raised from 3.0 times the basic fee to 3.5 times the basic fee.

##### **The fee structure will then be as follows:**

Basic fee	DKK 525,000
The chairman receives	3.5 x basic fee
Vice chairman's fee	1.5 x basic fee

##### **Board committee fees**

Remuneration Committee	DKK 120,000
Nomination Committee	DKK 120,000
Audit Committee	DKK 180,000
Risk Committee	DKK 180,000

##### **Committee chairmen, additional fee**

Remuneration Committee and	
Nomination Committee	DKK 50,000
Audit Committee and Risk Committee	DKK 90,000

The proposed adjustment of the basic fee represents an increase in the Board of Directors' remuneration of 1.5%, and including the revision of the chairman's fee from 3.0 times the basic fee to 3.5 times the basic fee, it represents an increase in the Board of Director's remuneration of 4%.

In addition to the above fees, the company may pay social duties and similar taxes levied by foreign authorities in relation to the directors' fees. The company may also pay any outlays and travel expenses incurred in connection with a director's discharge of his or her duties as a member of the Board of Directors.

#### 9) **The Board of Directors' proposed Remuneration Policy**

The Board of Directors proposes a number of revisions and clarifications to the company's Remuneration Policy

that will apply to remuneration earned from 1 January 2017. The revisions are intended to accommodate Regulation (EU) No. 2013/36/EU of the European Parliament and of the Council of 26 April 2013 and the implementation of the regulation in Danish law. The main revisions are described generally below, and certain amendments to the language are also proposed.

The changes proposed by the Board of Directors include the following:

- A clarification that the policy and the Group's general incentive structure are intended in particular to ensure sound and effective risk management by balancing incentives to take risks with risk management and by making remuneration accord with this and with actual performance.
- A clarification of the section on severance payment.
- A clarification that the Group does not use a so-called discount rate of 25% in the calculation of the ratio between fixed and variable remuneration.
- A further elaboration and clarification of the sections on performance-based remuneration.
- Information about the obligation of the CEO to own at least DKK 2,000,000 worth of shares in the Group.
- Cancellation of the condition that the total upper limit in a single year for performance-based remuneration for the Executive Board and other material risk takers is 3% of Group net profit for the year before loan impairment charges.

The Board of Directors' proposed and updated Remuneration Policy is attached in appendix 2.

## 10)

### Proposal from shareholder Olav Willadsen

Danske Bank does not abolish domestic cheques for its Danish personal and business customers.

Proposing shareholder's motivation for the proposal: Cheques are a convenient means of payment that are not dependent on whether the Internet is working or on knowing the recipient's bank account, if one exists. In contrast to bank transfers, cheques do not require you to disclose your bank account and thus expose yourself to possible abuse in order to receive a payment.

The abolition of cheques is taking place as a coordinated practice that is unlikely to comply with the rules in the law on monopolies. With Danske Bank's participation

in the abolition of cheques, but not foreign cheques, there is discrimination against those who use domestic cheques that poses a risk of giving both Danske Bank and the persons who have participated in the decision criminal liability, which will not be in the interest of either Danske Bank or the employees and managers in question.

Cheques also have the advantage that you can exchange the payment physically at the same time as the goods are received. Cheques also make it possible to send a payment by letter. If an old or handicapped fellow citizen needs to send someone out to withdraw money and gives the person a cheque, you do not run a risk of losing more than the amount of the cheque.

If you instead give the person a bank card and password, you can lose much more. In case of a cyber-attack on Denmark, it will still be possible to pay with cheques.

It is therefore my assessment that the abolition of cheques is an intervention in Danes' private life and the private sector's payment options (see sections 71 and 74 of the Danish Constitution). Banking and monopoly law should be seen in accordance with these provisions.

*The proposal does not have the support of the Board of Directors.*

*The banks' joint agreement on cheque cashing has been terminated and the joint infrastructure and clearing of cheques was abolished at the end of 2016. The Danish Act on Cheques does not require banks to issue cheques or recognise and cash cheques issued by another bank. Banks are not prevented from stopping the collaboration on cheques.*

*In recent years, the use of cheques has declined sharply as new, efficient electronic alternatives to cheques have appeared. Combined with the relatively high, fixed cost of processing cheques, this has caused a sharply rising unit price.*

*The abolition of cheque cashing was announced well in advance so that users of cheques had time to implement alternative solutions. The abolition occurred after a dialogue between the Danish Bankers Association and a number of stakeholders regarding alternatives to the use of cheques. On the basis of this dialogue, the Danish Bankers Association assessed that there were no societal or political hindrances to cancellation of the collaboration on cheques.*

*There are a number of good alternatives to cheques.*

**11)****Proposal from shareholder Nanna Bonde Ottosen, national chair of the Socialist People's Party youth organisation****11.1.** Danske Bank should release gender-specific remuneration statistics for its employees.

Proposing shareholder's motivation for the proposal: In many places, there are large differences in remuneration between men and women. As shareholders, we want to ensure that this discrimination does not take place at Danske Bank. We therefore want Danske Bank to release gender-specific remuneration statistics for its employees so that we can determine whether it takes place also at Danske Bank.

*The proposal does not have the support of the Board of Directors.*

*Danske Bank has a function-based remuneration system in which the basic salary for an individual position is set on the basis of an evaluation of the position's responsibilities and management role and the complexity of the duties. On the basis of this evaluation, each position is placed on a basic salary level from 1 to 10. In this way, the Group ensures that those who have the same job earn the same salary, whoever they are. Employees who perform the same duties, as described in the job profile, have the same basic salary. There is thus generally equal pay for equal work for the Group's employees covered by the collective agreement. For employees on temporary contracts, a position evaluation system is used so that positions across the organisation where there are the same responsibilities, management role and complexity of duties have the same salary level.*

*It is thus the Board of Directors' view that Danske Bank's remuneration model is structured in such a way as to prevent discrimination.*

*Equal pay statistics are presented to the Group's Works Council. The Works Council receives remuneration statistics that are prepared by the Financial Sector's Employer Association. The Works Council has concluded that there is generally a good balance between men's and women's remuneration.*

**11.2.** Danske Bank sets a ceiling for employee share options at DKK 50,000, and no employees in management or with decision-making capacity regarding a sale or exchange listing may have employee share options.

Proposing shareholder's motivation for the proposal: Incentive programmes and share options can pose large questions about management's freedom from conflicts of interest when it comes to exchange listing or a sale. Will management really listen to good arguments when it stands to score several hundred million in bonuses on a sale? We doubt it. We therefore propose a ceiling for employee share options of DKK 50,000, and no employees in management or with decision-making capacity regarding a sale or exchange listing may hold employee share options.

*The proposal does not have the support of the Board of Directors.*

*Danske Bank does not use employee share options today, but the Board of Directors wants to reserve the right to use this financial instrument one day if it proves to be an attractive financial instrument in an incentive programme.*

**11.3.** Danske Bank must invest 5% of its net profit in green technology.

Proposing shareholder's motivation for the proposal: Danske Bank has just reported a net profit of DKK 20 billion. As a socially responsible bank, we should invest part of this profit in green technology that is crucial for Denmark and that will become even more so in the future.

*The proposal does not have the support of the Board of Directors.*

*Danske Bank Group has been part of the UN's Global Compact since 2007 and reports annually on corporate responsibility in its Corporate Responsibility report. Danske Bank has also published a Statement of Carbon Neutrality on its website, where it states that it invests in certificates of green electricity, among other things. As you can see from these reports, Danske Bank recognises that the financial sector plays an important role in the transition to a more carbon-limiting economy.*

*Since December 2014, Danske Bank Treasury, which is responsible for Danske Bank's own bond holdings, has invested about DKK 1 billion in green bonds. Green bonds are issued to finance projects that have a positive effect on the environment, for example, large projects in sustainable energy, including wind turbines and urban development projects with sustainable transport and infrastructure.*

*The Board of Directors does not want to have an obligation to invest a fixed percentage of Danske Bank's profit in green technology.*

## 12)

### **Proposal from shareholder Ole Schultz**

The general meeting recognises the UN's climate targets of a maximum of a 2 degree rise in global temperature as adopted in Paris 2015. The general meeting requires and secondarily recommends that Danske Bank's Board of Directors report on how Danske Bank will live up to the 2 degree target in its lending policy and its customer portfolio of investments as well as its investment advisory services before next year's annual general meeting.

Proposing shareholder's motivation for the proposal:  
As a shareholder and pension saver, I have an interest in Danske Bank's managing my funds responsibly in relation to the decisions adopted by the UN. So that Danske Bank with timely diligence can contribute to citizens' enjoying a good life without climatic disasters, of which, as you know, we have already seen a number of examples in recent years. Danske Bank has significant influence on society's transition from the use of fossil fuels to sustainable energy sources through its deposit and lending policies and will therefore be able to affect the future markedly so that customers and not least Danish society have opportunities for a comfortable and secure future.

*The proposal does not have the support of the Board of Directors.*

*Danske Bank recognises that the financial sector plays an important role in the transition to a more carbon-limiting economy – both directly in our own business activities and indirectly in our collaboration with customers, portfolio companies and business partners.*

*Danske Bank already takes into account international principles on the environment, human rights, labour rights and anti-corruption in relation to lending. For example, we analyse environmental, social and governance risks in our credit assessment of business customers.*

*Similarly, Danske Bank considers it important to ensure that the money that is managed for customers is not placed in companies that violate a number of*

*international principles. Danske Bank Group therefore screens its investment portfolios according to a number of internationally recognised standards and guidelines for human rights, arms production, employee rights, environmental protection and anti-corruption.*

*Since 2016, Danske Bank has also developed five industry-specific position statements that cover our positions about climate change, fossil fuels, mining and metals, forestry, arms and defence.*

*You can read more about Danske Bank's efforts in terms of responsible lending and investing here: [www.danskebank.com/csr](http://www.danskebank.com/csr).*

## Other information

### Share capital and voting rights

Danske Bank's nominal share capital totals DKK 9,837,128,350.

Each share of a nominal value of DKK 10 entitles the holder to one vote.

Information about the total number of shares and voting rights at the date of the notice convening the General Meeting is available at [danskebank.com](http://danskebank.com). The agenda for the general meeting, the complete proposals, Annual Report 2016 and the forms to be used for postal ballots or voting by proxy are also available on the website.

### Postal ballot

Shareholders can vote electronically at [www.vponline.dk/en/danskebank](http://www.vponline.dk/en/danskebank), At [danskebank.com](http://danskebank.com), you can print out the ballot form and then send it to VP Investor Services A/S, Weidekampsgade 14, DK-2300 København S. Votes cast by postal ballot cannot be revoked.

Please note that postal ballots must be received by VP Investor Services A/S no later than Wednesday, 15 March 2017, at 4.00pm.

### Electronic voting

We will be using an electronic voting device – the e-voter – for voting at the general meeting. The e-voter will be handed out at the entrance.

Participants in the general meeting will still receive paper ballots and admission cards from VP Investor Services A/S. Some situations may require voting by paper ballot rather than by e-voter, so remember to bring both your paper ballot paper and admission card.

### Proxy

All shareholders are entitled to attend the general meeting by proxy and to attend the meeting together with an adviser. The instrument appointing a proxy must be issued in writing and be dated.

Shareholders can appoint a proxy electronically at [www.vponline.dk/en/danskebank](http://www.vponline.dk/en/danskebank), At [danskebank.com](http://danskebank.com), you can print out the ballot form and then send it to VP Investor Services A/S, Weidekampsgade 14, DK-2300 København S.

If you wish to give a proxy to a third party, remember to order an admission card for him or her no later than Monday, 13 March 2017, or send the instrument appointing the proxy so that it is received by VP

Investor Services A/S, Weidekampsgade 14, DK-2300 København S, no later than Monday, 13 March 2017.

Danske Bank's Board of Directors encourages shareholders to vote by postal ballot or online rather than issue an instrument of proxy to the Board of Directors or the Chairman of the Board of Directors.

### Adoption of resolutions

The proposals to amend Danske Bank's Articles of Association, item 6, will be passed only if adopted by at least two-thirds of the votes cast and by at least two-thirds of the share capital represented at the general meeting and entitled to vote.

Other resolutions may be adopted by simple majority.

### The registration date is Thursday, 9 March 2017

The registration date is one week before the date of the general meeting. The registration date is therefore Thursday, 9 March 2017, on which date the shareholding and voting rights of each shareholder are calculated on the basis of VP Securities A/S's registrations in Danske Bank's register of shareholders and any notices about shareholdings that Danske Bank and/or VP Investor Services A/S have received for entry into the register of shareholders but have not yet entered in the register. Only shareholders registered on this date or who in the manner stated have given notification of and documented their title are entitled to attend and vote at the general meeting, or vote by postal ballot or appoint a proxy.

Shareholders who want to attend and exercise their rights at the general meeting must also request an admission card no later than Monday, 13 March 2017.

### Questions

Before the general meeting, shareholders may send questions to the Board of Directors about Annual Report 2016, Danske Bank's position in general or about the items on the agenda. Questions must be sent to Danske Bank by e-mail to [shareholder@danskebank.com](mailto:shareholder@danskebank.com) or by post to Danske Bank A/S, Holmens Kanal 2-12, DK-1092 København K, for the attention of the Board of Directors Secretariat.

### Payment of dividends

If the general meeting approves the Board of Directors' proposal for payment of dividends, dividends are expected to be available on the shareholders' cash accounts on Tuesday, 21 March 2017.

**Webcast**

The general meeting will be webcast live on the InvestorPortalen.

**Parking**

There is a limited number of parking spaces in the car park under Tivoli Congress Center. The entrance to the car park is from Kristian Erslevs Gade. There is a charge for parking. Participants may exchange their parking ticket for a paid ticket at the exit when leaving the general meeting.

There is no refund of charges for parking in other car parks.

**Registration of e-mail address**

In order to use a digital admission card and to receive invitations to general meetings as well as other e-mail for shareholders, shareholders must register their e-mail address via the InvestorPortalen.

You can register your e-mail address as follows:

Go to [www.vponline/en/danskebank](http://www.vponline/en/danskebank)

Log on to InvestorPortalen with your NemID or VP-ID.

Under "My profile", enter your e-mail address and remember to click "Save preferences".

Shareholders can always change their e-mail address on the InvestorPortalen.

**Documents presented for review**

Annual Report 2016 together with the agenda for the general meeting and the complete wording of the proposals are available to shareholders for inspection at the company's address at Holmens Kanal 2-12, København K.

Danske Bank A/S  
17 February 2017  
The Board of Directors

## Appendix 1

*Candidates for the Board of Directors*

Ole Andersen



Chairman

Born on 11 July 1956  
 Nationality: Danish  
 Gender: Male  
 Joined the Board on 23 March 2010  
 and was appointed Chairman in December 2011  
 Most recently re-elected in 2016  
 Independent

Chairman of the Remuneration Committee and the  
 Nomination Committee and member of the Risk  
 Committee

**Competencies:**

- Professional experience in leading and developing large financial and non-financial international companies
- Setting of corporate strategy, budgets and targets
- Financial and economic expertise
- General risk management experience

**Formal training:**

State Authorised Public Accountant, 1989  
 M.Sc. in Business Economics and Auditing, 1988  
 Graduate Diploma in Business Administration, 1985

**Directorships and other offices:**

*Private-sector directorships:*  
 Bang & Olufsen A/S (chairman)  
 Chr. Hansen Holding A/S (chairman)  
 NASDAQ Nordic Ltd. (member of the nomination committee)

*Entities which do not pursue predominantly commercial objectives:*

The Danish Committee on Corporate Governance (member)  
 Copenhagen Business School (adjunct professor)  
 DenmarkBridge (member of the board of directors)  
 Human Practise Foundation (member of the board of directors)

Lars-Erik Brenøe



Executive Vice President, Head of Chairman's Office, A.P. Møller-Mærsk A/S

Born on 22 March 1961  
 Nationality: Danish  
 Gender: Male  
 Joined the Board on 17 March 2016  
 Independent

Member of the Audit Committee

**Competencies:**

- Broad and in-depth experience with board work and corporate governance
- Financially literate
- Knowledge of relevant legal/regulatory issues
- Knowledge of stakeholder management
- Experience with international business and the markets/regions where Danske Bank operates

**Formal training:**

Executive leadership programme, IMD 1998  
 Attorney, 1989  
 Master's degree in law from University of Copenhagen, 1986

**Directorships and other offices:**

*Private-sector directorships:*  
 A.P. Møller Fonden (The A.P. Møller and Hustru Chastine Mc-Kinney Møller Foundation (member of the boards of directors or the executive boards of seven affiliated undertakings)  
 Estemco A/S (member of the board of directors)  
 Fonden Lindoe Offshore Renewables Center (member of the board of directors)  
 Maersk Broker A/S (vice chairman or chairman of four affiliated undertakings)

*Entities which do not pursue predominantly commercial objectives:*

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (member of the board of directors)  
 Komiteen for god fondsledelse (vice chairman)  
 The Confederation of Danish Industry (member of the council)

## Urban Bäckström



Member

Born on 25 May 1954  
 Nationality: Swedish  
 Gender: Male  
 Joined the Board on 27 March 2012  
 Most recently re-elected in 2016  
 Independent

Member of the Risk Committee and the Nomination Committee

### Competencies:

- Broad and in-depth experience with economics and finance
- Leading major financial companies and not-for-profit institutions
- Insight into the Swedish business sectors and international influence on these
- Experience with and knowledge of sophisticated risk models

### Formal training:

B.Sc. in Economics, University of Stockholm, 1979

### Directorships and other offices:

#### *Private-sector directorships:*

Rederiaktiebolaget Gotland and a subsidiary (chairman)  
 Lancelot Holding AB and a subsidiary (member of the board of directors)

#### *Entities which do not pursue predominantly commercial objectives:*

Stiftelsen Fritt Näringsliv/Timbro (member of the board of directors)  
 Jönköping University (honorary doctor)

## Jørn P. Jensen



Member

Born on 2 January 1964  
 Nationality: Danish  
 Gender: Male  
 Joined the Board on 27 March 2012  
 Most recently re-elected in 2016  
 Independent

Chairman of the Audit Committee

The Board of Directors considers Jørn P. Jensen to be the independent member of the Audit Committee with qualifications in accounting and auditing.

### Competencies:

- Broad experience in international business operations and solid understanding of Danish and international financial reporting practices
- Funding of international companies requiring significant investments through debt and equity markets
- Knowledge of cultures and economic/political conditions in Danske Bank's markets
- General risk management experience

### Formal training:

M.Sc. in Economics and Business Administration, Copenhagen Business School

### Directorships and other offices:

#### *Private-sector directorships:*

Trifork Holding AG (chairman)  
 VimpelCom Ltd. (member of the board of directors and chairman of the audit committee)

#### *Entities which do not pursue predominantly commercial objectives:*

The Danish Committee on Corporate Governance (vice chairman)  
 Ekeløf Invest ApS (CEO)

## Rolv Erik Ryssdal



CEO, Schibsted ASA

Born on 7 November 1962  
 Nationality: Norwegian  
 Gender: Male  
 Joined the Board on 18 March 2014  
 Most recently re-elected in 2016  
 Independent

Member of the Remuneration Committee

### Competencies:

- Extensive consumer business experience, including experience with communication strategies
- In-depth knowledge of digital business models and transformation processes

### Formal training:

MBA, INSEAD, 1991  
 MA in Business and Economics, BI Norwegian Business School, 1987  
 Royal Norwegian Naval Academy, 1982

### Directorships and other offices:

*Private-sector directorships:*  
 Schibsted Media Group (chairman of the boards of directors of several subsidiaries)

## Carol Sergeant



Member

Born on 7 August 1952  
 Nationality: British  
 Gender: Female  
 Joined the Board on 18 March 2013  
 Most recently re-elected in 2016  
 Independent

Chairman of the Risk Committee and member of the Audit Committee

### Competencies:

- Senior management experience from the public and private financial services sectors in the UK
- Broad and in-depth knowledge of credit and risk management and regulatory issues in the UK and Europe
- Significant change management experience

### Formal training:

MBA, Cass Business School, England, 1979  
 Modern Languages, Newnham College, Cambridge University, England, 1974

### Directorships and other offices:

*Private-sector directorships:*  
 Tullet Prebon plc. (member of the board of directors, chairman of the risk committee and member of the audit committee)

*Entities which do not pursue predominantly commercial objectives:*

A2 Kingsway LTD (company director)  
 Public Concern at Work (UK whistleblowing charity) (chairman)  
 Cass Business School (member of the advisory board)  
 British Standards Institute Policy and Strategy Committee (chairman)  
 Lloyds Register Foundation (trustee)  
 The Governing Council of the Centre for the Study of Financial Innovation (CSFI) (member)

## Hilde Tonne



Member

Born on 16 September 1965  
Nationality: Norwegian  
Gender: Female  
Joined the Board on 17 March 2016  
Independent

Member of the Remuneration Committee

### Competencies:

- Extensive executive management experience from large international companies
- Significant board experience
- Financially literate
- In-depth knowledge of the consumer market, customer needs and change management
- People and culture expertise
- Strong grasp of IT and digitalisation

### Formal training:

Diploma thesis, RWTH Aachen University, Germany, 1991  
MSc degree in Petroleum Technology from the Norwegian Institute of Technology in Trondheim, Norway

### Directorships and other offices:

*Private-sector directorships:*  
Vattenfall AB (member of the board of directors)

## Martin Folke Tivéus



CEO, Evidensia Djursjukvård AB, Evidensia Djursjukvård Holding AB, Evidensia Acquisition AB and Evidensia Holding AB

Born on 18 November 1970  
Nationality: Swedish  
Gender: Male  
Independent

### Competencies:

- Extensive executive management experience from large international companies
- Significant board experience
- Financially literate
- In-depth knowledge of digital banking, the consumer market, customer needs and change management
- Strong grasp of IT and digitalisation

### Formal training:

MSc in Business and Economics, University of Stockholm, 1995

### Directorships and other offices:

*Private-sector directorships:*  
Teracom Boxer Group AB (member of the board of directors)

### Former employment:

CEO, Avanza Bank Holding AB/Avanza Bank AB, 2011-2016  
General Manager, Microsoft Consumer & Online Business, Sweden, 2008-2011  
Member of the Executive Management team, Telenor Sweden Group, 2006-2008  
CEO, Glocalnet AB, 2006-2008  
Director of Marketing & Sales, Glocalnet AB, 2004-2006  
Director of Marketing & Strategy, SAS Snowflake, 2003-2004  
Deputy Managing Director and Head of Business Development, Head of Consulting CRM Practice, Digiscope Management Consulting, 1999-2003  
Manager of Member Communication and Program Development - SAS Eurobonus, Scandinavian Airlines AB, 1996-1999  
SAS Management Trainee Program, 1995-1996

## Appendix 2

# Danske Bank Group's Remuneration Policy, March 2017

### Purpose

The remuneration policy of the Danske Bank Group ("the Group") applies to all Group employees. The Board of Directors has adopted the remuneration policy at the recommendation of the Remuneration Committee. The policy is subject to approval at the Annual General Meeting in March 2017, however when approved, the policy shall apply to remuneration earned from 1 January 2017.

An overview of the Group's remuneration practice is available in the Remuneration Report at [danskebank.com](http://danskebank.com) from mid-March.

The policy and the Group's general incentive structures reflect the Group's objectives for good corporate governance as well as sustained and long-term value creation for shareholders. In addition, it ensures that

- the Group is able to attract, develop and retain high-performing and motivated employees in a competitive international market
- employees are offered a competitive and market aligned remuneration package making fixed salaries a significant remuneration component
- employees feel encouraged to create sustainable results
- there is a convergence of the interests of
  - shareholders, inclusive of Alternative Investment Funds managed by Alternative Investment Fund Managers and UCITS managed by management companies
  - customers and
  - employees

The policy and the Group's general incentive structures focus on ensuring sound and effective risk management through

- a stringent governance structure for setting goals and communicating these goals to employees
- alignment with the Group's business strategy, values, key priorities and long-term goals
- alignment with the principle of protection of customers, investors and Alternative Investment Funds managed by Alternative Investment Fund Managers ensuring prevention of conflict of interests
- ensuring that the total bonus pool does not undermine or endanger the Group's capital base by

including the policy and incentive structures in the capital and liquidity planning and setting

- ensuring that incentives to take risk are balanced with incentives to manage risk and ensuring that remuneration is aligned to risk and actual performance

The policy and the Group's general incentive structures are consistent with the Group's long-term strategy including the overall business strategy, the risk strategy and the risk appetite across all risk types such as credit, market, operational, liquidity, reputational and other risks identified by the Group.

The policy and the Group's general incentive structures further ensure transparency in respect of the Group's reward strategy. As a main rule individual performance agreements are entered into with employees comprised by incentive schemes. On the basis hereof said employees have clear and predetermined KPIs which are set in accordance with the Group's overall strategy and applicable regulation. Further, transparency is ensured by the Group's disclosure of remuneration policies and information on paid remuneration to the authorities, by disclosure of the Annual Report and the yearly Remuneration Report. Finally, internally the Group has published bonus procedures and guidelines in which the Group's incentive schemes and procedures are described.

### Corporate governance

The Board of Directors has established a Remuneration Committee. The Remuneration Committee works as a preparatory committee for the Board of Directors and prepares the Board with respect to remuneration issues and monitors compliance with the remuneration policy. A description of the composition, tasks and authority of the Remuneration Committee is available in the Charter of the Remuneration Committee at [danskebank.com](http://danskebank.com).

Various control and compliance functions within the Group are involved in the process with regard to the implementation of the policy and incentive structures to ensure that risk, capital and liquidity limits are not exceeded. The Group's Credit and Risk Committee assesses whether the incentive structure is commensurate with the Group's risks, capital and liquidity and evaluates the probability and timing of the remuneration.

On the basis of the recommendation of the Remuneration Committee the Board of Directors reviews, considers and approves the incentive schemes for the coming year. The aggregate bonus pool which is made up of bonus accrued under said schemes is approved once a year by the Board of Directors based on recommendation of the Remuneration Committee.

The Group has established effective control procedures in order to ensure that payment of variable remuneration is conducted in accordance with guidelines set by the Board of Directors, if any, applicable incentive structures and applicable regulation. The practices and procedures with regard hereto are clear, well-documented and transparent, and the procedures are subject to at least one independent review annually by internal audit.

#### Remuneration components

At the annual performance and appraisal interview, the individual employees and managers evaluate and document performance in the past year and set new goals. Decisions on adjustment, if any, of the employee's fixed salary or on annual performance-based pay are made on the basis of this appraisal.

The five remuneration components are:

- fixed remuneration
- short-term and long-term performance-based remuneration (variable pay)
- pension schemes, where applicable
- other benefits in kind
- severance payment, where applicable

The *fixed remuneration* is determined on the basis of the role and position of the individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. Fixed salary is mainly payable in cash but can in specific cases partly be payable in shares or other instruments as required by relevant legislation.

The *performance-based remuneration* motivates, rewards and drives the right behavior and performance according to set expectations for the employee, reflecting specific requirements for performance at the group, business unit and individual levels. Hence, all incentive programmes in the Group include performance at all three levels. The Group's incentive structures are

overall divided into; 1) Management programmes, 2) Capital Market/Asset Management programmes and 3) Employee programmes.

The Board of Directors has determined a maximum percentage of performance-based remuneration relative to the fixed remuneration in order to ensure an appropriate balance between fixed and variable pay. This percentage varies according to the type of position held by the employee and the business unit in which the employee is employed and local requirements. The maximum limit on variable remuneration remains at 200 per cent of fixed salary inclusive of pension. This level of variable remuneration will, in practice, only apply to a small minority of employees and will only be offered to enable the Group to match market terms. The limit is reduced in jurisdictions where a lower maximum cap is required by applicable legislation. Most employees covered by incentive schemes have a cap on variable pay at 25 per cent. Furthermore certain employees and senior management are comprised by a variable pay limit of up to 50 per cent of the fixed salary, possibly inclusive of pension. Calculating the ratio between fixed and variable remuneration, institutions are, pursuant to applicable legislation, allowed to apply a discount rate of 25% subject to requirements for deferral and instruments. However, the Group does not apply this notional discount rate.

Performance based remuneration may be disbursed as cash bonus, shares, share based instruments, including conditional shares and other generally approved instruments, all on the basis of applicable local legislation. Where relevant and applicable, the Board of Directors has determined certain minimum thresholds according to which bonuses exceeding the thresholds shall be split into cash/shares or other adequate financial instruments. In accordance with the proportionality principle set forth in applicable regulation, the thresholds and the split vary within different business units and positions and are set according to the employees' impact on the specific risk profile, market practice within the business unit in question and in order to offer competitive remuneration packages, however, always ensuring alignment of the interests of the employees, the Group, the customers and the shareholders, Alternative Investment Funds and/or UCITS managed by management companies.

*Pension schemes* guarantee employees a basic cover in the event of critical illness or death and pension payments upon retirement. In general, employees are covered by mandatory defined contribution plans with a pension insurance company. The pension contributions of employees subject to collective bargaining agreements are regulated by the collective agreement. Further, pension schemes will be construed and offered to employees in accordance with local practises and regulation.

*Other benefits* are awarded on the basis of individual employment contracts and local market practice. As a main rule the Group has set guidelines in order to align benefits/routine packages offered to employees in various employment levels within in Group.

*Severance payments* are payable in accordance with relevant local legislation and applicable collective agreements. The overall policy and agreements on severance pay are determined by Group HR and relevant control functions. Severance pay will constitute an appropriate compensation for early termination by the Group, will be decided upon consideration of the individual's responsibility and decision making powers and it will be taken into account that it must not constitute a reward for failure. Normally, severance pay is linked to seniority, as employees will earn entitlement to severance pay throughout their years of service. Most employees are solely entitled to severance pay pursuant to legislation or collective agreement. Under specific individual agreements, certain key employees are entitled to severance pay in addition to that pursuant to legislation or collective agreement of up to a maximum of 12 months' salary while certain managers (below Executive Board level) are entitled to a maximum of up to 24 months' salary. For the avoidance of doubt and subject to applicable legislation and collective bargaining agreements, no severance payment agreed from 1 January 2015 onwards may include any variable remuneration, pension or other benefits.

#### **Performance-based remuneration**

Performance-based remuneration is awarded in a manner which promotes sound risk management, include ex-post risk adjustments and does not induce excessive risk-taking, i.e. if the performance-based remuneration exceeds the minimum threshold determined by the Board of Directors by granting performance-based pay split in shares (or other instruments as required by relevant legislation) and cash, part of which will be deferred in accordance

with national legislation. Further, the default accrual period for short-term performance based remuneration is one year. For a limited number of employees the accrual period is two years, while long-term incentive programmes may have an accrual period of up to three years.

Deferral varies on the basis of position and amount, from three to five years. Employees receiving performance-based remuneration over a certain threshold will have the part of the performance-based remuneration exceeding the threshold granted in conditional shares and deferred for three years. For material risk takers, deferral between three and five years is applied. The Executive Board is subject to five years' deferral for both short-term and long-term incentives. The deferral period for other material risk takers has been assessed, the purpose being to ensure adequate ex-post risk adjustment according to applicable legislation. Given 1) the nature of the business, 2) applied pay-out structures, including 3) back testing and claw back provisions, a general deferral period of three years has been decided.

Non-disbursed performance-based components are subject to back testing (as a minimum for employees identified as material risk takers). Back testing criteria are determined by Group HR in accordance with applicable law.

Concerning all employees, disbursed as well as non-disbursed components are subject to claw back if granted on the basis of data which has subsequently proven to be manifestly misstated or inaccurate. Further, performance-based pay is awarded by ensuring:

- an appropriate balance between fixed and performance-based components
- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible
- that no hedging of deferred shares takes place for employees who are identified as material risk takers
- that material risk takers cannot dispose of the share based instruments for an appropriate period of time after transfer of the instruments to the risk-taker

Performance-based pay is granted to reflect the Group's financial results, the result of the business unit (or the Alternative Investment Fund Managers/Management Companies) in which the employee is employed and the individual employee's performance. As a minimum, this

applies to material risk takers. Further, both financial and non-financial factors shall be taken into consideration when determining the individual's bonus, i.e. compliance with the Group's core values, internal guidelines and procedures, including customer and investor related guidelines. A discretionary assessment is always made to ensure that other factors – including factors which are not directly measurable – are considered.

Performance-based remuneration must be based on an assessment of the Group's results and a number of KPIs reflecting the Group's key strategic priorities. Dependant on the field of employment, the Group sets and uses an appropriate balance of absolute, relative, internal and external KPIs, balancing short-term and long-term goals. E.g. the KPIs may cover the following quantitative and qualitative criteria:

- return on equity
- cost/income ratio and/or other cost related measures
- customer satisfaction
- observance of the Group's core values and delivery on the Essence of Danske Bank Group
- compliance with legislation and/or internal business procedures
- expected loss or similar risk measures
- innovation
- risk management environment

#### **Sign-on fixed pay, stay-on and guaranteed bonus**

Sign-on fixed pay as well as stay-on and guaranteed variable pay are granted only in exceptional cases, and will be assessed by the head of the business unit in question and Group HR. The mentioned components will only be used to attract or retain highly specialized individuals. Such pay may not exceed one year's gross salary inclusive of pension, benefits and fixed supplements. Sign-on fixed pay can be paid in cash or in a split between cash/shares and will according to applicable legislation as a main rule be conditional upon the employee not resigning within a given period of time after the pay.

Any sign-on pay to material risk takers will be agreed in connection with the employment of the material risk taker and will not be granted for longer than one year.

Sign-on, stay-on or guaranteed variable pay will be subject to and will be paid in accordance with the relevant applicable legislation.

#### **Material risk takers and control functions**

The remuneration of material risk takers and employees in control functions is subject to specific conditions laid down in applicable national legislation, EU rules and relevant guidelines.

Once a year, subject to the policy of conducting an annual assessment process, on a consolidated, sub-consolidated and individual institution basis the Board of Directors designates employees in control functions and employees who are material risk takers.

In accordance with the regulations applicable, the designation of material risk takers is made subject to internal criteria set by the Board of Directors and regulatory qualitative and quantitative criteria. Members of the Executive Board and the Board of Directors are appointed material risk takers on continuous basis.

To the extent control functions are comprised by incentive schemes, the Group ensures that control functions are remunerated for delivering their best performance in the specific role and that the variable remuneration does not compromise employees' objectivity and independence.

#### **Remuneration comprised by other special regulation**

Special legislation regulates the Alternative Investment Fund Managers within the Group. Performance based remuneration to any such employees is created in order to ensure compliance with regulation within this area.

Under some conditions incentives in the form of carried interest payable from such Alternative Investment Funds to the Alternative Investment Fund Managers, hereunder Danske Private Equity, are exempted from this Remuneration Policy and will be paid in accordance with applicable legislation.

The assessment of performance of Alternative Investment Fund Managers is set in a multi-year framework appropriate to the life-cycle of the Alternative Investment Funds managed by the Alternative Investment Fund Manager in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration is spread over a period which takes account of the life circle of the Alternative Investment Funds it manages. Further, their investment risks are also taken into consideration.

Some functions within the Group are comprised by other special regulations, and performance agreements covering employees in such functions are construed in accordance with applicable mandatory law.

#### **Remuneration of the Executive Board**

The remuneration of the Executive Board is intended to ensure the Group's continued ability to attract and retain the most qualified Executive Board members. In connection with the annual assessment of the remuneration of the Executive Board, developments in market practice are assessed.

The Remuneration Committee makes recommendations on adjustments of the remuneration of the Executive Board members to the Board of Directors. The remuneration of the Executive Board may consist of fixed salary and supplements, fixed salary payable in shares, short-term and long-term incentive programmes and pension schemes. Subject to individual agreement, members of the Executive Board are also entitled to a company car, phone and other fixed benefits. The members of the Executive Board are not entitled to severance pay.

The performance of Executive Board members is assessed once a year based on written performance agreements in accordance with the above described criteria containing both financial and non-financial KPIs. The yearly performance based remuneration to members of the Executive Board cannot exceed the limit of 50 per cent of the yearly gross salary exclusive of pension, however, subject to applicable legislation. The Annual Report specifies the Executive Board remuneration. For further information on remuneration of the Executive Board please refer to [danskebank.com](http://danskebank.com).

In order to ensure alignment of the CEO's and Danske Bank Group's strategic goals and long-term objectives, Danske Bank Group has a requirement that the CEO must own shares in the Group corresponding to a value of DKK 2 million.

#### **Remuneration of the Board of Directors**

Members of the Board of Directors of the Group receive a fixed fee. Board members are not covered by incentive programmes and do not receive performance-based remuneration. The Board members' fees are set at a level that is market aligned and reflects the

qualifications and competencies required in view of the Group's size and complexity, the responsibilities and the time the Board members are expected to allocate to discharge their obligations as Board members. No pension contributions are payable on Board members' fees.

The fee of the individual Board member is specified in the annual report.

In addition to the Board of Directors' fixed fees, the Bank may pay social duties and similar taxes levied by foreign authorities in relation to the directors' fees. The Bank may also pay any outlays and travel expenses incurred in connection with a director's discharge of his or her duties as a member of the Board of Directors.

Based on the recommendation of the Remuneration Committee, the Board of Directors submits proposals for remuneration of the members of the Board of Directors to the Annual General Meeting for approval every year.

#### **Miscellaneous**

To the extent legally acceptable under applicable law, the Board of Directors may deviate from this policy in individual cases, if justified by extraordinary and exceptional circumstances.

Some entities and units within the Group have remuneration policies and guidelines that apply in addition to the Group's remuneration policy. Such entities may implement policies that deviate from the Group policy in order to meet local requirements and practises, e.g. to set lower caps for variable remuneration, to extend periods of deferral for variable remuneration or to apply access or restrictions regarding the use of instruments. However, if employees in any such entity have significant impact on the Group's risk profile, the Group will ensure that the variable remuneration to any such employees fulfils the requirement set out in this policy and applicable legislation. Any material deviations from this policy need to be reported to the owner of the policy.

Once a year at [danskebank.com](http://danskebank.com), the Group discloses information on the Group's remuneration practices and the remuneration of the Executive Board and other material risk takers.



Danske Bank A/S  
Holmens Kanal 2-12  
DK-1092 København K

Tel. +45 33 44 00 00  
CVR-nr. 611262 28-København  
[danskebank.com](https://www.danskebank.com)